



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

May 8, 2023

Consolidated Financial Report for the Fiscal Year Ended March 31, 2023 <Under Japanese GAAP>

Representative: Hisanobu Watanabe, President
Responsible person for inquiries: Takeshi Yoshino, General Manager of Corporate Planning Division
Telephone: +81-3-6447-5799
Date of Ordinary General Meeting of Shareholders: June 22, 2023
Date of submission of annual security report: June 22, 2023
Date to start dividend payment: June 7, 2023
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, 2023 (From April 1, 2022 to March 31, 2023)

(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, 2023	125,291	15.6	30,774	23.3	21,150	16.3
Fiscal year ended March 31, 2022	108,348	16.0	24,943	203.2	18,183	336.9
(Note) Comprehensive income:	Fiscal year ended March 31, 2023: ¥10,983 million		3.5%			
	Fiscal year ended March 31, 2022: ¥10,603 million		(39.8%)			

	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, 2023	693.00	390.08	6.5	0.4	24.5
Fiscal year ended March 31, 2022	591.20	296.72	5.7	0.4	23.0

(Reference) Gain on equity-method investments: Fiscal year ended March 31, 2023: ¥3,569 million

Fiscal year ended March 31, 2022: ¥6,540 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, 2023	6,742,149	326,972	4.8	9,025.41
Fiscal year ended March 31, 2022	6,443,807	319,312	4.9	8,742.59

(Reference) Equity: Fiscal year ended March 31, 2023: ¥326,904 million

Fiscal year ended March 31, 2022: ¥319,290 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, 2023	(38,142)	132,413	(3,318)	934,079
Fiscal year ended March 31, 2022	67,478	24,450	(2,299)	843,122

(Note) For further information on the foregoing including factors attributable to increases and decreases, please refer to “Overview of cash flow for the consolidated fiscal year ended March 31, 2023” on page 2 and “(4) Consolidated Statements of Cash Flows” on pages 12 and 13 of the Attached Materials.

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, 2022	–	30.00	–	45.00	75.00	2,284	12.6	0.8
ended March 31, 2023	–	52.50	–	62.50	115.00	3,501	16.5	1.2
ending March 31, 2024 (Forecast)	–	65.00	–	65.00	130.00		18.0	

(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, 2024 (From April 1, 2023 to March 31, 2024)

(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)	13,800	4.4	8,900	3.1	290.69
Full-year	28,100	(8.6)	22,000	4.0	720.86

* 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) Two companies are added as consolidated subsidiaries. Note that this does not constitute a change in specified subsidiaries. For details, please refer to “(6) Changes to significant subsidiaries” in “4. Consolidated Financial Statements and Notes” on page 14 of the Attached Materials.

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

a. Changes in accounting policies due to revisions to accounting standards: 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)	
March 31, 2023	30,650,115 shares
March 31, 2022	30,650,115 shares
b. Number of treasury stock at the end of the period	
March 31, 2023	537,634 shares
March 31, 2022	434,295 shares
c. Average number of shares during the period	
Fiscal year ended March 31, 2023	30,154,488 shares
Fiscal year ended March 31, 2022	30,330,953 shares

(Note)

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

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(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, 2023	5,211	49.1	3,637	68.3	3,574	65.0	3,479	62.9
Fiscal year ended March 31, 2022	3,494	(10.2)	2,160	(20.9)	2,165	(21.0)	2,135	(20.6)

	Net income per share	Diluted net income per share
	(¥)	(¥)
Fiscal year ended March 31, 2023	106.99	64.17
Fiscal year ended March 31, 2022	62.10	34.84

(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, 2023	218,257	199,496	91.3	4,793.92
Fiscal year ended March 31, 2022	209,942	199,470	95.0	4,776.67

(Reference)

Equity: Fiscal year ended March 31, 2023: ¥199,483 million
Fiscal year ended March 31, 2022: ¥199,457 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 differences in the non-consolidated financial statements between fiscal years ended March 31, 2022 and 2023>

There was an increase in dividend from Kiraboshi Bank Ltd., a consolidated subsidiary of the Company, in the fiscal year ended March 31, 2023, which resulted in differences in actual numbers between the fiscal years ended March 31, 2022 and 2023.

* 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, 2022	–	126.00	–	126.00	252.00
Fiscal year ended March 31, 2023	–	126.00	–	126.00	252.00
Fiscal year ending March 31, 2024 (Forecast)	–	133.00	–	133.00	266.00

(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, 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

(2) Fiscal year ended March 31, 2023

(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

(3) Fiscal year ending March 31, 2024 (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 March 31, 2023, the Japanese yen TIBOR (12-month maturity) = 0.23364%

(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, 2022	–	15.636	–	15.636	31.272
Fiscal year ended March 31, 2023	–	16.000	–	16.000	32.000
Fiscal year ending March 31, 2024 (Forecast)	–	23.364	–	23.364	46.728

(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, 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

(2) Fiscal year ended March 31, 2023

(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

(3) Fiscal year ending March 31, 2024 (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 March 31, 2023, the Japanese yen TIBOR (12-month maturity) = 0.23364%

(d) Shares issued

2,000,000

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1. Overview of Operating Results etc.

(1) Overview of Operating Results and Financial Position for the Consolidated Fiscal Year Ended March 31, 2023

(Overview of operating results for the consolidated fiscal year ended March 31, 2023)

In the consolidated operating results for the fiscal year ended March 31, 2023, ordinary profit came to ¥30.7 billion, an increase of ¥5.8 billion year-on-year, reflecting a substantial increase in profit of Kiraboshi Bank, Ltd., which makes up the majority of consolidated results, and adjustments made for consolidated accounting, including elimination of internal transactions. Profit attributable to owners of parent increased by ¥2.9 billion year-on-year to ¥21.1 billion. The main factors affecting the operating results of Kiraboshi Bank, Ltd., compared with the previous fiscal year, are as follows.

- (i) Interest on loans and discounts*1:
An increase of ¥7.4 billion year-on-year due to an increase in loan balances resulting largely from the promotion of main bank relationship building and business financing activities, combined with rising yields.
- (ii) Interest and dividends on securities:
An increase of ¥4.0 billion year-on-year attributable largely to ¥6.4 billion of dividends received from equity-method affiliates (or an increase of ¥0.5 billion year-on-year if extraordinary dividends of ¥3.0 billion received from consolidated subsidiaries which were posted in the previous fiscal year and dividends from affiliates are deducted as special factors).
- (iii) Non-interest income*2:
An increase of ¥3.3 billion year-on-year as a result notably of ¥3.9 billion of gains from derivatives transactions associated with unwinding of asset swaps and a decrease of ¥0.5 billion in commission from domestic exchange services.
- (iv) Expenses:
A decrease of ¥0.9 billion year-on-year due partly to a reduction in personnel expenses.
- (v) Credit-related costs:
A decrease of ¥4.3 billion year-on-year attributable partly to ongoing enhancement of the credit management system, and to a reversal of ¥0.6 billion in reserve for possible loan losses that had been posted in consideration of the Russia/Ukraine situation, such reversal being carried out in light of the status in occurrence of costs and other factors.
- (vi) Gains (losses) on bonds:
A decrease of ¥4.8 billion year-on-year due notably to posting of ¥7.3 billion in loss from sale of foreign bonds.
- (vii) Gains (losses) on stocks and other securities:
An increase of ¥0.3 billion year-on-year due largely to an increase in gain on sale of equities held for pure investment.
- (viii) Extraordinary profit (loss)
An increase of ¥1.7 billion year-on-year due primarily to posting of ¥1.5 billion in gain on partial return of assets from a retirement benefit trust to Kiraboshi Bank, Ltd. (The return of assets mentioned above resulted in an increase of ¥1.3 billion in income taxes – deferred.)

*1 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 Non-interest income is the figure for constituents of gross core business profit, excluding net interest income. (Non-interest income = trust fees + net fees and commissions + other business income (excluding gains/losses on bonds))

(Overview of the financial position of the consolidated fiscal year ended March 31, 2023)

As of March 31, 2023, total assets amounted to ¥6,742.1 billion, up ¥298.3 billion from the end of the previous fiscal year, and net assets stood at ¥326.9 billion, a ¥7.6 billion increase from the end of the previous fiscal year due to an increase in retained earnings offsetting a decrease in net unrealized gain on available-for-sale securities.

With respect to major account balances, deposits increased by ¥467.8 billion from the end of the previous fiscal year to ¥5,625.3 billion, loans and bills discounted increased by ¥360.0 billion from the end of the previous fiscal year to ¥4,706.1 billion, and securities decreased by ¥155.7 billion from the end of the previous fiscal year to ¥856.9 billion.

(Overview of cash flow for the consolidated fiscal year ended March 31, 2023)

During the fiscal year ended March 31, 2023, net cash used in operating activities was ¥38.1 billion, due largely to outflow attributable to net increase in loans and bills discounted and net decrease in borrowed money. Net cash provided by investing activities was ¥132.4 billion due largely to inflow from sale and redemption of securities although cash was used in purchase of securities. Net cash used in financing activities was ¥3.3 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, 2023, were ¥934.0 billion, an increase of ¥90.9 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, 2024, is as follows.

Ordinary income of ¥28.1 billion

Profit attributable to owners of parent of ¥22.0 billion

Looking ahead at future economic conditions, a gradual recovery is expected as more people adapt to the new lifestyle of living with COVID-19. However, heightened geopolitical risk induced by the situation in Ukraine and other events, a global surge in prices, and rising inflation could have a significant business impact for certain industries and may cause economic activities to stagnate.

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, 2024, 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 a change in business conditions, 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 payout ratio is set at 20%–30%.

The Company will pay out an annual dividend of ¥115 per share of common stock (an interim dividend of ¥52.5 and a year-end dividend of ¥62.5) for the fiscal year ended March 31, 2023. 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.

For the fiscal year ending March 31, 2024, an annual dividend of ¥130 per share of common stock (an interim dividend of ¥65 and a year-end dividend of ¥65) 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 ¥266 per share (an interim dividend of ¥133 and a year-end dividend of ¥133) will be paid. For Class II preferred shares, likewise in accordance with the provisions of the Articles of Incorporation, an annual dividend of ¥46.728 per share (an interim dividend of ¥23.364 and a year-end dividend of ¥23.364) will be paid.

2. Overview of the Tokyo Kiraboshi Financial Group

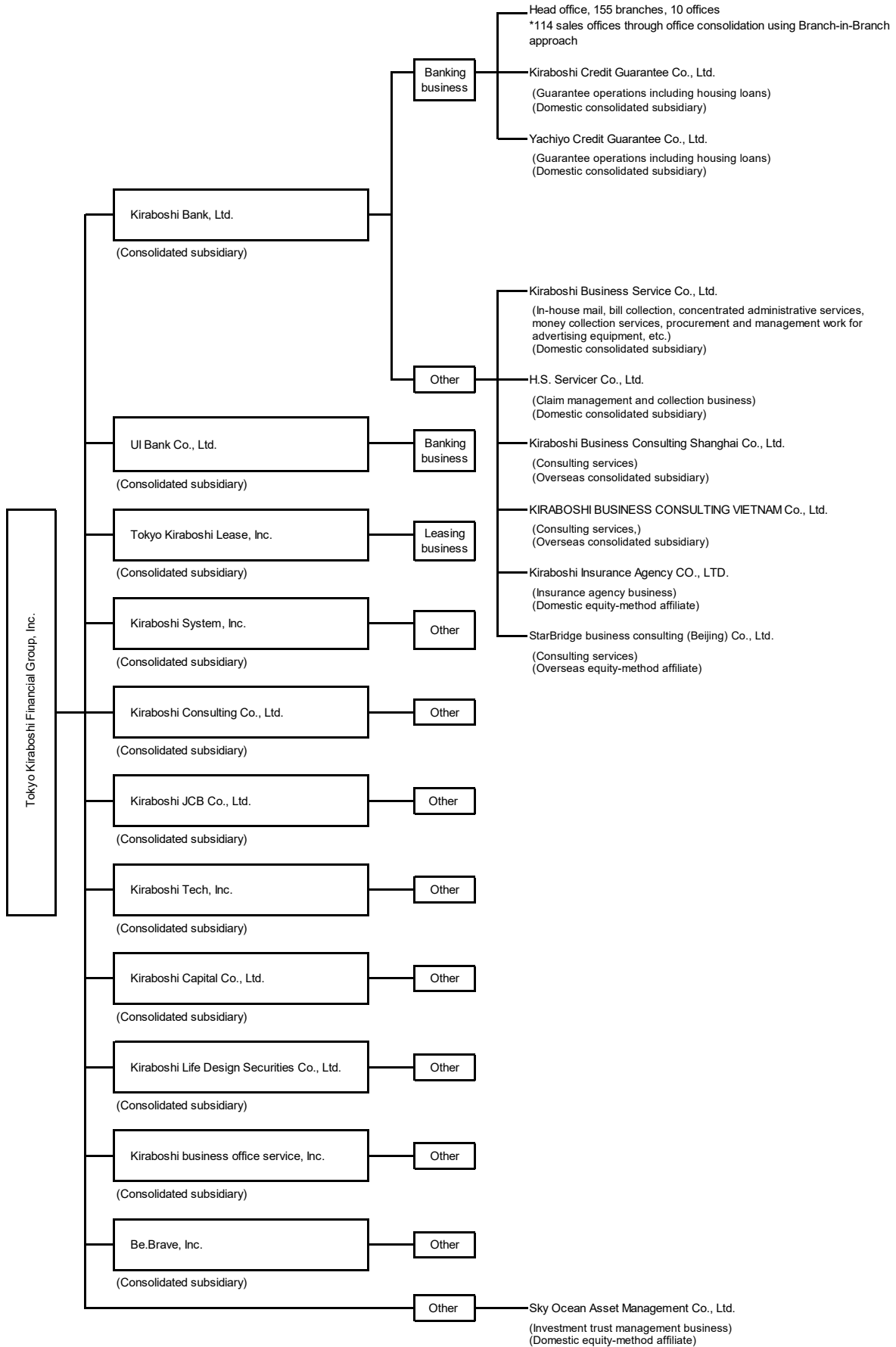
As of March 31, 2023, the Group is composed of the Company, which is a holding company, 17 consolidated subsidiaries including Kiraboshi Bank, Ltd. and UI Bank Co., Ltd., and three affiliates (equity-method affiliates). It provides a wide range of financial services with a focus on the banking business and encompassing diverse businesses such as the securities, leasing, consulting, FinTech, and advertising, planning, and production businesses.

In the fiscal year ended March 31, 2023, the Company acquired all of the shares of Be.Brave, Inc., a company engaged mainly in advertising, planning, and production businesses, and made it a consolidated subsidiary of the Company, effective July 1, 2022.

Additionally, effective October 3, 2022, Kiraboshi Bank, Ltd., a consolidated subsidiary of the Company, acquired all of the shares of H.S. Servicer Co., Ltd., a company engaged mainly in claim management and collection business, and made it a consolidated subsidiary of Kiraboshi Bank, Ltd. Note that H.S. Servicer Co., Ltd. changed its name to "Kiraboshi Servicer, Ltd." effective April 1, 2023.

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

(As of March 31, 2023)



Non-consolidated subsidiaries other than the above
 • Tokyo Kanagawa Innovation Support Series 1 Investment Limited Partnership for the Investment Business
 • Kiraboshi Capital-Mercuria Investment Limited Partnership for the Investment Business
 • Kiraboshi Capital Yume Habataki Series 1 Investment Limited Partnership for the Investment Business

• Kiraboshi Capital Yume Habataki Series 2 Investment Limited Partnership for the Investment Business
 • A&KC Mezzanine Finance No. 1 Investment Limited Partnership
 • Kiraboshi Capital Tokyo Sparkle Investment Limited Partnership
 • A&KC Medical No. 1 Investment Limited Partnership
 • KCP Equity Assist No. 1 Investment Limited Partnership

- (Notes) 1. Effective July 1, 2022, the Company acquired all of the shares of Be.Brave, Inc. and made it a consolidated subsidiary of the Company.
2. Effective October 3, 2022, Kiraboshi Bank, Ltd., a consolidated subsidiary of the Company, acquired all of the shares of H.S. Servicer Co., Ltd. and made it a consolidated subsidiary of Kiraboshi Bank, Ltd.
3. Effective February 1, 2023, “Kiraboshi Capital Yume Habataki Series 2 Investment Limited Partnership for the Investment Business” was established as a non-consolidated subsidiary.
4. Effective April 1, 2023, H.S. Servicer Co., Ltd. changed its name to “Kiraboshi Servicer, Ltd.”

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, 2022	As of March 31, 2023
Assets		
Cash and due from banks	844,418	936,273
Call loans and bills bought	6,095	9,640
Monetary claims bought	70,029	58,527
Trading account securities	777	861
Money held in trust	1,739	2,867
Securities	1,012,755	856,976
Loans and bills discounted	4,346,138	4,706,163
Foreign exchange	6,860	4,519
Lease receivables and investment assets	22,198	24,853
Other assets	65,135	73,708
Tangible fixed assets	55,636	55,971
Buildings	15,831	15,435
Land	33,192	33,037
Leased assets	1,940	1,675
Construction in progress	71	1,580
Other tangible fixed assets	4,601	4,241
Intangible fixed assets	7,918	12,922
Software	7,068	6,565
Goodwill	—	2,985
Leased assets	205	148
Other intangible fixed assets	643	3,222
Net defined benefit assets	28,952	18,400
Deferred tax assets	4,769	7,049
Customers' liabilities for acceptances and guarantees	5,623	5,971
Reserve for possible loan losses	(35,240)	(32,557)
Total assets	6,443,807	6,742,149

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Deposits	5,157,583	5,625,386
Negotiable certificates of deposit	9,500	9,500
Call money and bills sold	117,525	448,139
Payables under securities lending transactions	302,567	184,751
Borrowed money	463,903	79,786
Foreign exchange	655	258
Bonds	3,800	7,008
Other liabilities	60,044	50,696
Reserve for employee bonuses	1,605	1,670
Provision for directors' bonuses	114	155
Provision for stock compensation	217	374
Net defined benefit liabilities	56	75
Reserve for directors' retirement benefits	7	67
Reserve for point card certificates	51	74
Provision for loss on interest repayments	3	—
Reserve for loss on dormant deposit repayments	370	259
Provision for contingent loss	757	883
Reserves under special laws	0	0
Deferred tax liabilities	106	116
Acceptances and guarantees	5,623	5,971
Total liabilities	6,124,495	6,415,177
Net Assets		
Common stock	27,500	27,500
Capital surplus	150,966	150,968
Retained earnings	133,470	151,399
Treasury stock	(966)	(1,198)
Total shareholders' equity	310,969	328,669
Net unrealized gain on available-for-sale securities	4,186	(5,121)
Net deferred gains (losses) on hedges	675	—
Revaluation reserve for land	(242)	(242)
Foreign currency translation adjustment	24	25
Remeasurements of defined benefit plans	3,676	3,573
Total accumulated other comprehensive income	8,320	(1,765)
Subscription rights to shares	13	13
Noncontrolling interests	8	55
Total net assets	319,312	326,972
Total liabilities and net assets	6,443,807	6,742,149

(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, 2022	Year ended March 31, 2023
Ordinary income	108,348	125,291
Interest income	63,124	71,669
Interest on loans and discounts	49,877	57,294
Interest and dividends on securities	11,516	12,581
Interest on call loans and bills bought	12	100
Interest on deposits with banks	1,189	1,070
Other interest income	528	623
Trust fees	328	395
Fees and commissions	18,681	20,556
Other operating income	2,388	7,845
Other ordinary income	23,825	24,823
Recoveries of written-off receivables	46	75
Others	23,779	24,748
Ordinary expenses	83,404	94,516
Financing expenses	1,176	3,262
Interest on deposits	844	1,482
Interest on negotiable certificates of deposit	2	2
Interest on call money and bills sold	33	72
Interest on payables under securities lending transactions	231	1,473
Interest on borrowed money	37	203
Interest on corporate bonds	14	14
Other interest expenses	12	12
Fees and commissions payments	3,403	3,797
Other operating expenses	860	10,595
General and administrative expenses	56,192	57,947
Other ordinary expenses	21,771	18,913
Provision of allowance for loan losses	6,119	1,844
Other ordinary expenses	15,651	17,069
Ordinary profit	24,943	30,774
Extraordinary income	0	1,941
Gain on disposal of non-current assets	0	199
Gains on return of securities from retirement benefit trust	—	1,520
Gain on receipt of national subsidies, etc.	—	221
Extraordinary losses	172	847
Loss on disposal of non-current assets	172	198
Impairment losses	—	461
Provision for special account for tax purpose reduction entry of non-current assets	—	187
Profit before income taxes	24,771	31,867
Income taxes – current	4,865	7,907
Income taxes – deferred	1,722	2,891
Total income taxes	6,588	10,798
Profit	18,183	21,069
Loss attributable to non-controlling interests	—	(80)
Profit attributable to owners of parent	18,183	21,150

Consolidated Statements of Comprehensive Income

Tokyo Kiraboshi Financial Group, Inc.
(¥ million)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	18,183	21,069
Other comprehensive income	(7,580)	(10,086)
Net unrealized gain on available-for-sale securities	(8,881)	(9,306)
Net deferred gains (losses) on hedges	485	(675)
Foreign currency translation adjustment	12	0
Remeasurements of defined benefit plans	813	(103)
Share of other comprehensive income of entities accounted for using equity method	(10)	(2)
Comprehensive income	10,603	10,983
(Breakdown)		
Comprehensive income attributable to owners of parent	10,603	11,064
Comprehensive income attributable to non- controlling interests	—	(80)

(3) Consolidated Statements of Changes in Net Assets
(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					
Capital increase of consolidated subsidiaries		291			291
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
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									
Capital increase of consolidated subsidiaries									291
Dividends of surplus									(2,076)
Profit attributable to owners of parent									18,183
Acquisition of treasury stock									(280)
Disposition of treasury stock									53
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

(Year ended March 31, 2023)

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	150,966	133,470	(966)	310,969
Changes of items during the reporting period					
Capital increase of consolidated subsidiaries		2			2
Dividends of surplus			(3,221)		(3,221)
Profit attributable to owners of parent			21,150		21,150
Acquisition of treasury stock				(262)	(262)
Disposition of treasury stock		(0)		30	30
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	—	2	17,929	(231)	17,699
Balance at end of period	27,500	150,968	151,399	(1,198)	328,669

	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	4,186	675	(242)	24	3,676	8,320	13	8	319,312
Changes of items during the reporting period									
Capital increase of consolidated subsidiaries									2
Dividends of surplus									(3,221)
Profit attributable to owners of parent									21,150
Acquisition of treasury stock									(262)
Disposition of treasury stock									30
Net changes of items other than shareholders' equity during the reporting period	(9,308)	(675)	—	0	(103)	(10,086)	—	46	(10,039)
Total changes of items during the reporting period	(9,308)	(675)	—	0	(103)	(10,086)	—	46	7,660
Balance at end of period	(5,121)	—	(242)	25	3,573	(1,765)	13	55	326,972

(4) Consolidated Statements of Cash Flows

Tokyo Kiraboshi Financial Group, Inc.
(¥ million)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	24,771	31,867
Depreciation	5,112	5,582
Impairment losses	—	461
Amortization of goodwill	—	195
Gains on return of securities from retirement benefit trust	—	(1,520)
Share loss (profit) of entities accounted for using equity method	(6,540)	(3,569)
Increase (decrease) in reserve for possible loan losses	139	(4,921)
Increase (decrease) in reserve for employee bonuses	82	35
Increase (decrease) in provision for directors' bonuses	(40)	40
Increase (decrease) in provision for stock compensations	54	156
Decrease (increase) in net defined benefit assets	(4,898)	10,551
Increase (decrease) in net defined benefit liability	3	5
Increase (decrease) in reserve for directors' retirement benefits	(7)	(2)
Increase (decrease) in reserve for point card certificates	7	23
Increase (decrease) in reserve for loss on interest repayments	(4)	(3)
Increase (decrease) in reserve for loss on dormant deposit repayments	(919)	(110)
Increase (decrease) in reserve for contingent loss	(36)	126
Interest income	(63,124)	(71,669)
Financing expenses	1,176	3,262
Gain (loss) on securities	(704)	2,025
Net losses (gains) on money held in trust	(118)	(328)
Foreign exchange losses (gains)	(17,132)	(13,280)
Net loss (gain) on disposal of non-current assets	172	(0)
Provision for special account for tax purpose reduction entry of non-current assets	—	187
Gain on receipt of national subsidies, etc.	—	(221)
Net decrease (increase) in trading account securities	68	(83)
Net decrease (increase) in loans and bills discounted	(419,620)	(357,531)
Net increase (decrease) in deposits	185,110	468,177
Net increase (decrease) in borrowed money (excluding subordinated loans)	222,530	(385,898)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(813)	(2,327)
Net decrease (increase) in call loans	(7,188)	7,956
Net increase (decrease) in call money	57,892	330,614
Net increase (decrease) in payables under securities lending transactions	31,185	(117,816)
Net decrease (increase) in foreign exchange (assets)	2,562	2,341
Net increase (decrease) in foreign exchange (liabilities)	361	(396)
Net decrease (increase) in lease receivables and investment assets	(3,483)	(2,655)
Increase (decrease) due to issuance and redemption of straight bonds	(200)	2,940
Proceeds from fund management	61,084	68,760
Payments for finance	(1,249)	(2,589)
Other	765	(1,320)
Subtotal	66,999	(30,936)
Income taxes paid	(972)	(7,630)
Income taxes refund	1,451	425
Cash flows from operating activities	67,478	(38,142)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from investing activities		
Purchase of securities	(331,281)	(244,218)
Proceeds from sales of securities	193,832	290,622
Proceeds from redemption of securities	169,109	99,460
Payments due to increase in money held in trust	—	(800)
Purchase of tangible fixed assets	(3,170)	(4,093)
Retirement of tangible fixed assets	(560)	(283)
Proceeds from sales of tangible fixed assets	4	395
Purchase of intangible fixed assets	(3,483)	(4,670)
Proceeds from sale of intangible fixed assets	—	1
National subsidy income, etc.	—	266
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(4,258)
Purchase of shares of affiliates	—	(7)
Net cash provided by (used in) investing activities	24,450	132,413
Cash flows from financing activities		
Proceeds from issuance of shares	—	130
Cash dividends paid	(2,076)	(3,221)
Purchase of treasury shares	(279)	(243)
Proceeds from sale of treasury stock	2	11
Proceeds from exercise of share options	18	—
Proceeds from exercise of performance-linked stock-based compensation	35	9
Repayments of lease obligations	(0)	(4)
Net cash provided by (used in) financing activities	(2,299)	(3,318)
Effect of exchange rate changes on cash and cash equivalents	2	3
Net change in cash and cash equivalents	89,630	90,956
Cash and cash equivalents at beginning of year	753,492	843,122
Cash and cash equivalents at end of year	843,122	934,079

(5) Notes on Premise of Going Concern

Not applicable.

(6) Changes in Significant Subsidiaries during the Current Period

Not applicable.

The following two companies were made consolidated subsidiaries of the Company. Note that this does not constitute a change in specified subsidiaries.

- Effective July 1, 2022, the Company acquired all of the shares of Be.Brave, Inc. and made it a consolidated subsidiary of the Company.
- Effective October 3, 2022, Kiraboshi Bank, Ltd., a consolidated subsidiary of the Company, acquired all of the shares of H.S. Servicer Co., Ltd. and made it a consolidated subsidiary. Note that H.S. Servicer Co., Ltd. changed its name to "Kiraboshi Servicer, Ltd.," effective April 1, 2023.

(7) Changes in Accounting Policies

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

The Group has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter referred to as "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the consolidated fiscal year ended March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied prospectively. There is no impact of this application on the consolidated financial statements.

(8) Additional Information

(Accounting estimates related to the impact of Russian aggression against Ukraine)

With respect to accounting estimates related to the impact of Russian aggression against Ukraine, while an additional allowance of ¥632 million was posted at the end of the fiscal year ended March 31, 2022, as reserve for possible loan losses against claims to certain borrower groups whose earnings may be affected, including borrowers with commercial distribution in the region, this additional provision has been reversed in its entirety considering the situation that was observed during the fiscal year ended March 31, 2023, such as damages involving the borrowers, etc. and the extent to which these have been reflected in borrower classification.

(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 by reportable segment
Consolidated fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Other	Total
	Banking business	Leasing business	Total		
Ordinary income					
Ordinary income from external customers	104,643	12,802	117,445	9,835	127,280
Intersegment ordinary income	6,818	817	7,635	8,159	15,795
Total	111,462	13,619	125,081	17,995	143,076
Segment profit	35,392	442	35,834	7,019	42,853
Segment assets	6,726,966	41,366	6,768,332	237,930	7,006,263
Segment liabilities	6,393,170	38,461	6,431,631	34,947	6,466,578
Other items					
Depreciation	4,966	424	5,390	192	5,582
Amortization of goodwill	86	—	86	109	195
Interest income	78,530	29	78,560	3,311	81,872
Financing expenses	3,253	118	3,372	134	3,506
Profit on investments based on the equity method	—	—	—	3,569	3,569
Extraordinary income	1,938	—	1,938	—	1,938
(Gain on disposal of non-current assets)	196	—	196	—	196
(Gains on return of securities from retirement benefit trust)	1,520	—	1,520	—	1,520
(Gain on receipt of national subsidies, etc.)	221	—	221	—	221
Extraordinary losses	369	—	369	478	847
(Loss on disposal of non-current assets)	181	—	181	17	198
(Impairment losses)	—	—	—	461	461
(Provision for special account for tax purpose reduction entry of non-current assets)	187	—	187	—	187
Investments in entities accounted for using the equity method	8,789	—	8,789	717	9,506
Increase in tangible and intangible fixed assets	8,845	4,379	13,225	223	13,448

(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 includes consulting services, computer-related services, information provision services, credit card business, and claim management and collection 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	Fiscal year ended March 31, 2023
Total of reportable segments	125,081
Ordinary income categorized in "Other"	17,995
Purchase accounting adjustment	(1,989)
Elimination of inter-segment transactions	(15,795)
Ordinary income in the consolidated statement of income	125,291

(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 profit and ordinary profit recognized in the consolidated statement of income

(Millions of yen)

Profit	Fiscal year ended March 31, 2023
Total of reportable segments	35,834
Income in "Other"	7,019
Purchase accounting adjustment	(2,298)
Elimination of inter-segment transactions	(9,780)
Ordinary profit in the consolidated statement of income	30,774

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

(Millions of yen)

Assets	Fiscal year ended March 31, 2023
Total of reportable segments	6,768,332
Assets in "Other"	237,930
Purchase accounting adjustment	(102,683)
Elimination of inter-segment transactions	(161,430)
Total assets in the consolidated balance sheet	6,742,149

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

(Millions of yen)

Liability	Fiscal year ended March 31, 2023
Total of reportable segments	6,431,631
Liabilities in "Other"	34,947
Purchase accounting adjustment	(1,007)
Elimination of inter-segment transactions	(50,393)
Total liabilities in the consolidated balance sheet	6,415,177

(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, 2023	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2023
Depreciation	5,390	192	—	5,582
Amortization of goodwill	86	109	—	195
Interest income	78,560	3,311	(10,202)	71,669
Interest expenses	3,372	134	(243)	3,262
Profit on investments based on the equity method	—	3,569	—	3,569
Extraordinary income	1,938	—	2	1,941
(Gain on disposal of non-current assets)	196	—	2	199
(Gains on return of securities from retirement benefit trust)	1,520	—	—	1,520
(Gain on receipt of national subsidies, etc.)	221	—	—	221
Extraordinary losses	369	478	—	847
(Loss on disposal of non-current assets)	181	17	—	198
(Impairment losses)	—	461	—	461
(Provision for special account for tax purpose reduction entry of non-current assets)	187	—	—	187
Investments in and share of profit or loss of entities accounted for using equity method	8,789	717	—	9,506
Increase in tangible and intangible fixed assets	13,225	223	(43)	13,404

(Per Share Information)

	Reporting period (Year ended March 31, 2023)
Net assets per share	¥9,025.41
Profit attributable to owners of parent per share	¥693.00
Profit attributable to owners of parent per share (diluted)	¥390.08

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

		Reporting period (Year ended March 31, 2023)
Total net assets	(¥ million)	326,972
Amount deducted from total net assets	(¥ million)	55,194
Paid-in amount of preferred stock	(¥ million)	55,000
Cash dividends on preferred stock	(¥ million)	126
Subscription rights to shares	(¥ million)	13
Non-controlling interests	(¥ million)	55
Net asset amount for common stock at the year-end	(¥ million)	271,777
Number of shares of common stock at the year-end used for calculating net asset amount per share	Thousand shares	30,112

(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, 2023)
Profit per share		
Profit attributable to owners of parent	(¥ million)	21,150
Amount not belonging to common stock	(¥ million)	253
Cash dividends on preferred stock	(¥ million)	253
Profit attributable to owners of parent in relation to common stock	(¥ million)	20,897
Weighted-average shares of common stock during the period	Thousand shares	30,154
Profit attributable to owners of parent per share (diluted)		
Profit attributable to owners of parent adjustment amount	(¥ million)	253
Cash dividends on preferred stock	(¥ million)	253
Effect of dilutive securities	Thousand shares	24,064
Preferred stock	Thousand shares	24,060
Subscription rights to shares	Thousand shares	4
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 329,000 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 293,000 shares.

(Significant Subsequent Events)

Not applicable.

(Reference)

Trust asset balance table
(As of March 31, 2023)

(Millions of yen)

Asset	Value	Liability	Value
Loans and bills discounted	2,452	Specified money in trust	2,820
Loans on deeds	2,452	Monetary claims in trust	20,932
Monetary claims	20,886	Composite trusts	89,716
Other monetary claims	20,886		
Tangible fixed assets	87,578		
Movables	669		
Real estate	86,908		
Other receivables	0		
Other receivables	0		
Cash and due from banks	2,551		
Deposits	2,551		
Total	113,469	Total	113,469

5. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

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

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and due from banks	2,004	1,651
Accounts receivable - other	15	24
Prepaid expenses	23	20
Income taxes receivable	420	590
Suspense payments	9	5
Deposits paid	0	15
Total current assets	2,474	2,307
Non-current assets		
Intangible fixed assets		
Software in progress	—	1
Total intangible fixed assets	—	1
Investments and other assets		
Investment securities	—	112
Shares of subsidiaries and associates	207,444	215,785
Leasehold deposits	—	2
Deferred tax assets	24	47
Total investments and other assets	207,468	215,949
Total non-current assets	207,468	215,950
Total assets	209,942	218,257
Liabilities		
Current liabilities		
Short-term borrowings	10,250	18,380
Accounts payable - other	14	62
Accrued expenses	13	—
Dividends payable	57	73
Income taxes	10	44
Deposits received	10	36
Suspense receipt	0	0
Reserve for employee bonuses	48	57
Provision for directors' bonuses	22	23
Total current liabilities	10,428	18,678
Non-current liabilities		
Provision for stock compensation	44	82
Total non-current liabilities	44	82
Total liabilities	10,472	18,761
Net Assets		
Shareholders' equity		
Common stock	27,500	27,500
Capital surplus		
Capital reserve	56,219	56,219
Other capital surplus	110,251	110,251
Total capital surplus	166,471	166,470
Retained earnings		
Other retained earnings		
Retained earnings brought forward	6,452	6,711
Total retained earnings	6,452	6,711
Treasury stock	(966)	(1,198)
Total shareholders' equity	199,457	199,483
Subscription rights to shares	13	13
Total net assets	199,470	199,496
Total liabilities and net assets	209,942	218,257

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

	Year ended March 31, 2022	Year ended March 31, 2023
Operating income		
Dividends from subsidiaries and associates	2,131	3,300
Commissions from subsidiaries and associates	1,362	1,911
Total operating income	3,494	5,211
Operating expenses		
Selling, general and administrative expenses	1,333	1,574
Total operating expenses	1,333	1,574
Operating profit	2,160	3,637
Non-operating income		
Interest income	0	0
Miscellaneous income	11	8
Total non-operating income	11	9
Non-operating expenses		
Interest expenses	5	71
Miscellaneous loss	0	0
Total non-operating expenses	5	72
Ordinary profit	2,165	3,574
Income before income taxes	2,165	3,574
Income taxes – current	24	118
Income taxes – deferred	6	(23)
Total income taxes	30	94
Net income	2,135	3,479

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

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

Year ended March 31, 2022 (from April 1, 2022 to March 31, 2023)

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	110,251	166,471	6,452	6,452	(966)	199,457	13	199,470
Changes of items during the reporting period										
Dividends of surplus					(3,221)	(3,221)		(3,221)		(3,221)
Net income					3,479	3,479		3,479		3,479
Acquisition of treasury stock							(243)	(243)		(243)
Disposition of treasury stock			(0)	(0)			11	11		11
Net changes of items other than shareholders' equity									-	-
Total changes of items during the reporting period	-	-	(0)	(0)	258	258	(231)	26	-	26
Balance at end of period	27,500	56,219	110,251	166,470	6,711	6,711	(1,198)	199,483	13	199,496

(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 8, 2023

Company name: Kiraboshi Bank, Ltd.

Representative: Hisanobu Watanabe, President

Responsible person for inquiries: Takeshi Yoshino, Director Executive Officer, General Manager of Corporate Planning Division

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

Telephone: +81-3-6447-5799

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

1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2023

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

(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, 2023	110,764	18.1	36,561	40.5	27,426	48.3
Fiscal year ended March 31, 2022	93,755	14.1	26,006	194.4	18,484	282.0

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	%
Fiscal year ended March 31, 2023	6,688,420	317,832	4.7
Fiscal year ended March 31, 2022	6,361,437	305,159	4.7

(Reference) Equity: Fiscal year ended March 31, 2023: ¥317,832 million

Fiscal year ended March 31, 2022: ¥305,159 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, 2022	As of March 31, 2023
Assets		
Cash and due from banks	786,460	904,424
Cash on hand	38,290	38,517
Due from banks	748,170	865,907
Call loans	6,095	9,640
Monetary claims bought	70,008	58,507
Trading account securities	777	861
Trading account Japanese government bonds	140	95
Trading account Municipal government bonds	637	765
Money held in trust	1,739	2,867
Securities	1,005,565	855,812
Japanese government bonds	226,406	147,385
Municipal government bonds	62,705	62,398
Corporate bonds	276,545	249,407
Corporate stocks	41,924	50,657
Other securities	397,983	345,963
Loans and bills discounted	4,369,783	4,735,398
Bills discounted	24,439	19,535
Loans on bills	169,103	161,658
Loans on deeds	3,798,590	4,117,057
Overdrafts	377,649	437,148
Foreign exchange	6,860	4,519
Due from foreign banks	4,268	2,225
Foreign bills of exchange bought	459	205
Foreign bills of exchange receivable	2,132	2,088
Other assets	46,668	50,567
Prepaid expenses	494	440
Accrued income	5,747	7,277
Initial margins of futures markets	2,437	5,296
Variation margins of futures markets	1,589	423
Financial derivatives	1,631	1,691
Cash collateral paid for financial instruments	4,434	2,119
Other assets	30,334	33,317
Tangible fixed assets	61,797	62,253
Buildings	15,820	15,365
Land	40,986	40,828
Leased assets	1,848	1,563
Construction in progress	71	1,580
Other tangible fixed assets	3,070	2,916
Intangible fixed assets	5,418	6,958
Software	4,642	4,179
Leased assets	163	120
Other intangible fixed assets	612	2,658
Prepaid pension cost	22,911	12,608
Deferred tax assets	5,549	6,997
Customers' liabilities for acceptances and guarantees	5,633	5,981
Reserve for possible loan losses	(33,831)	(28,978)
Total assets	6,361,437	6,688,420

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Deposits	5,045,602	5,348,246
Current deposits	296,485	309,041
Ordinary deposits	3,045,234	3,239,617
Savings deposits	31,374	30,306
Deposits at notice	35,207	24,619
Time deposits	1,544,708	1,632,049
Installment savings	46,026	41,695
Other deposits	46,565	70,916
Negotiable certificates of deposit	11,630	9,500
Call money	117,525	448,139
Payables under securities lending transactions	302,567	184,751
Borrowed money	522,372	333,943
Borrowings	522,372	333,943
Foreign exchange	655	258
Due to foreign banks	1	1
Foreign bills of exchange sold	78	27
Foreign bills of exchange payable	575	228
Other liabilities	45,971	35,348
Income taxes payable	3,257	4,260
Accrued expenses	1,862	2,133
Unearned income	3,258	3,775
Reserve for interest on installment savings	10	8
Variation margins of futures markets	531	0
Financial derivatives	4,534	1,980
Cash collateral received for financial instruments	164	82
Lease obligations	2,116	1,790
Asset retirement obligations	706	643
Other liabilities	29,528	20,672
Reserve for employee bonuses	1,389	1,400
Provision for directors' bonuses	91	73
Provision for stock compensation	173	262
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	370	259
Provision for contingent loss	757	883
Deferred tax liabilities for land revaluation	1,535	1,535
Acceptances and guarantees	5,633	5,981
Total liabilities	6,056,278	6,370,587
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	89,685	113,826
Earned reserve	9,227	9,884
Other retained earnings	80,458	103,941
General reserve	18,100	18,100
Retained earnings brought forward	62,358	85,841
Total shareholders' equity	299,594	323,735
Net unrealized gain on available-for-sale securities	6,660	(4,131)
Net deferred gains (losses) on hedges	675	—
Revaluation reserve for land	(1,770)	(1,770)
Total valuation and translation adjustments	5,564	(5,902)
Total net assets	305,159	317,832
Total liabilities and net assets	6,361,437	6,688,420

(3) Non-consolidated Statements of Income

Kiraboshi Bank, Ltd.

(¥ million)

	Year ended March 31, 2022	Year ended March 31, 2023
Ordinary income	93,755	110,764
Interest income	66,923	78,437
Interest on loans and discounts	49,888	57,291
Interest and dividends on securities	15,189	19,256
Interest on call loans	12	100
Interest on deposits with banks	1,190	1,078
Interest income on interest rate swaps	1	15
Other interest income	641	696
Trust fees	328	395
Fees and commissions	15,240	16,420
Fees and commissions on domestic and foreign exchange	3,207	2,684
Other fees and commissions	12,033	13,735
Other operating income	2,201	9,116
Gain on foreign exchange transactions	1,488	78
Gain on sale of bonds	613	5,434
Gain on redemption of bonds	98	105
Net gain on financial derivatives	—	3,496
Other ordinary income	9,062	6,396
Recoveries of written-off claim	44	74
Gain on sale of stocks and other securities	7,138	5,667
Gain on money held in trust	118	328
Other ordinary income	1,761	325
Ordinary expenses	67,749	74,203
Financing expenses	1,242	4,004
Interest on deposits	815	900
Interest on negotiable certificates of deposit	2	2
Interest on call money	33	72
Interest on payables under securities lending transactions	231	1,473
Interest on borrowed money	50	1,459
Interest expenses on interest rate swaps	12	—
Other interest expenses	97	95
Fees and commissions payments	4,047	4,032
Fees and commissions on domestic and foreign exchange	613	447
Other fees and commissions	3,434	3,584
Other operating expenses	849	10,579
Loss on trading account securities transactions	5	5
Loss on sale of bonds	834	10,372
Loss on devaluation of bonds	—	177
Expenses on financial derivatives transaction	8	—
Other	0	24
General and administrative expenses	51,106	50,358
Other ordinary expenses	10,502	5,228
Provision of allowance for loan losses	6,040	1,675
Loss on sale of stocks and other securities	2,430	855
Loss on devaluation of stocks and other securities	286	—
Other	1,746	2,697
Ordinary profit	26,006	36,561
Extraordinary income	0	1,938
Gain on disposal of non-current assets	0	196
Gains on return of securities from retirement benefit trust	—	1,520
Gain on receipt of national subsidies, etc.	—	221
Extraordinary losses	162	369
Loss on disposal of non-current assets	162	181
Provision for special account for tax purpose reduction entry of non-current assets	—	187
Income before income taxes	25,844	38,130
Income taxes – current	4,119	7,037
Income taxes – deferred	3,240	3,666
Total income taxes	7,359	10,704
Net income	18,484	27,426

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

(1) Overview of Non-consolidated Financial Statements

May 8, 2023

Company name: UI Bank Co., Ltd.

Representative: Nobuyuki Yasuda, 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, 2023

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

(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, 2023	1,475	—	(1,820)	—	(1,824)	—
Fiscal year ended March 31, 2022	48	—	(965)	—	(967)	—

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets to total assets ratio
	(¥ million)	(¥ million)	%
Fiscal year ended March 31, 2023	343,260	6,483	1.8
Fiscal year ended March 31, 2022	140,390	4,007	2.8

(Reference) Equity: Fiscal year ended March 31, 2023: ¥6,483 million

Fiscal year ended March 31, 2022: ¥4,007 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).

Year-on-year percentage changes are not provided for UI Bank Co., Ltd., as it commenced operation in January 2022.

(2) Non-consolidated Balance Sheets

UI Bank Co., Ltd.

(¥ million)

	As of March 31, 2022	As of March 31, 2023
Assets		
Cash and due from banks	64,898	67,296
Due from banks	64,898	67,296
Securities	502	501
Japanese government bonds	502	501
Loans and bills discounted	72,000	271,001
Overdrafts	72,000	271,001
Other assets	1,427	1,926
Domestic exchange settlement account, debit	576	1,040
Prepaid expenses	370	411
Accrued income	28	125
Other assets	452	348
Tangible fixed assets	32	28
Other tangible fixed assets	32	28
Intangible fixed assets	1,558	2,613
Software	1,558	2,066
Other intangible fixed assets	—	546
Reserve for possible loan losses	(28)	(108)
Total assets	140,390	343,260

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Deposits	136,221	335,860
Ordinary deposits	8,242	23,859
Time deposits	127,978	311,958
Other deposits	0	41
Other liabilities	161	903
Domestic exchange settlement account, credit	35	196
Income taxes payable	27	40
Accrued expenses	95	623
Other liabilities	3	43
Provision for bonuses for directors (and other officers)	—	9
Provision for share-based payments	—	5
Total liabilities	136,382	336,777
Net Assets		
Common stock	2,725	4,875
Capital surplus	2,275	4,425
Capital reserve	2,275	4,425
Retained earnings	(992)	(2,816)
Other retained earnings	(992)	(2,816)
Retained earnings brought forward	(992)	(2,816)
Total shareholders' equity	4,007	6,483
Total net assets	4,007	6,483
Total liabilities and net assets	140,390	343,260

(3) Non-consolidated Statements of Income

UI Bank Co., Ltd.

(¥ million)

	Year ended March 31, 2022	Year ended March 31, 2023
Ordinary income	48	1,475
Interest income	46	1,449
Interest on loans and discounts	49	1,459
Interest and dividends on securities	0	0
Interest on deposits with banks	(3)	(9)
Fees and commissions	2	9
Fees and commissions on domestic and foreign exchange	2	9
Other fees and commissions	0	0
Other ordinary income	0	16
Other ordinary income	0	16
Ordinary expenses	1,014	3,295
Financing expenses	29	582
Interest on deposits	29	582
Fees and commissions payments	1	26
Fees and commissions on domestic and foreign exchange	0	14
Other fees and commissions	0	11
General and administrative expenses	931	2,514
Other ordinary expenses	52	172
Provision of allowance for loan losses	28	79
Other	23	92
Ordinary loss	(965)	(1,820)
Extraordinary income	—	—
Extraordinary losses	—	—
Loss before income taxes	(965)	(1,820)
Income taxes – current	2	3
Total income taxes	2	3
Net loss	(967)	(1,824)