

Financial Review (Consolidated)

Financial and Economic Environment

During the consolidated fiscal year under review, the Japanese economy continued to pose challenging circumstances with no end in sight regarding COVID-19 throughout the year, amid a scenario where the economy started off from a record downturn due to the pandemic, but then mounted a modest recovery buoyed by all-out mobilization of fiscal and monetary policy. During the year, consumer spending increased due to effects of stay-at-home demand and measures to stimulate consumption, while exports remained firm amid worldwide economic recovery. Effects of policy measures helped to curb deterioration of the employment and income environment. However, the fiscal year ended amid escalating uncertainty about the future, particularly given that the latter half gave rise to concerns regarding a resurgence of the pandemic and effects of tensions between the United States and China, amid a scenario of diverging corporate performance becoming progressively apparent.

Business Progress and Results

Regarding main accounts, deposits totaled ¥7,989.5 billion, an increase of ¥872.5 billion from the previous fiscal year, reflecting substantial growth in deposits by corporations and individuals. Negotiable certificates of deposit, however, declined ¥183.4 billion year on year to ¥698.3 billion. As a result, the total of deposits and negotiable certificates of deposit increased ¥689.1 billion to ¥8,687.9 billion.

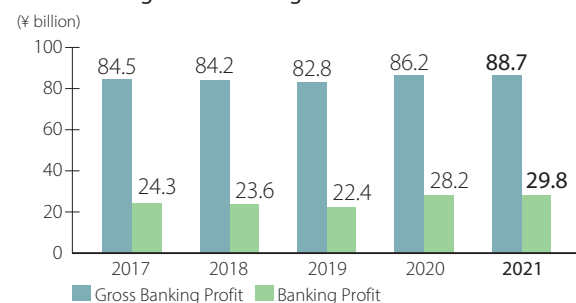
Loans and bills discounted increased ¥241.1 billion from the previous fiscal year to ¥6,059.4 billion, reflecting a significant increase in lending to SMEs as a result of aggressive efforts to support the liquidity of customers affected by the COVID-19 pandemic.

In profit and loss, consolidated ordinary income amounted to ¥108,156 million, a decrease of ¥5,666 million compared with the previous fiscal year, reflecting downturns in interest income of international operations and other income mainly with respect to gains on sales of bonds, offset by an increase in interest income of domestic operations (interest on loans and discounts, interest and dividends on securities, etc.).

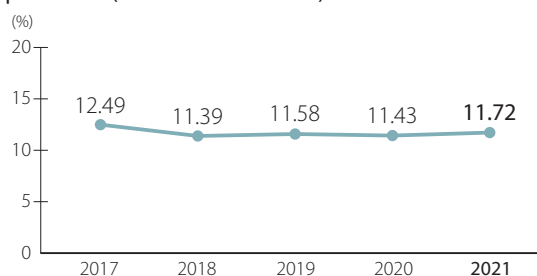
Meanwhile, consolidated ordinary expenses declined ¥200 million to ¥84,391 million, due to a significant increase in provision for allowance for possible loan losses, and despite efforts to reduce general and administrative expenses along with a decrease in interest expense mainly of international operations.

Net cash provided by operating activities during the fiscal year under review was ¥1,437.5 billion (¥1,153.3 billion last year), with an increase in borrowed money as a result of liquidity provision from the Bank of Japan. Net cash provided by investing activities came to ¥82.1 billion (¥40.1 billion last year), owing to the sale and redemption of securities. Net cash used in financing activities totaled ¥4.5 billion (¥7.5 billion last year), owing mainly to dividend payments. As a result, the balance of cash and cash equivalents increased ¥1,515.1 billion year on year to ¥2,561.7 billion.

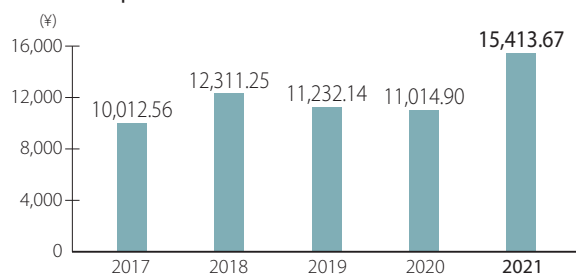
Gross Banking Profit/Banking Profit



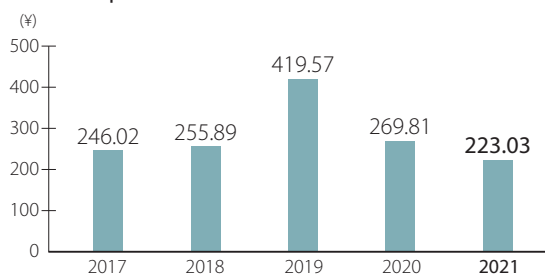
Capital Ratio (Domestic Standards)



Net Assets per Share



Net Income per Share



Note: Share figures have been restated, as appropriate, to reflect a one-for-five reverse stock split effected October 1, 2017.