

For the Fiscal Year Ended March 31, 2022

ANNUAL REPORT 2022

TOMONY Holdings, Inc.

Corporate Message

On behalf of TOMONY Holdings Group (the “Group”), we would like to express our sincere gratitude to everyone for your support.

The Group consists of TOMONY Holdings, Inc.(the “Company”), a financial holding company, and nine consolidated subsidiaries including THE TOKUSHIMA TAISHO BANK, LTD. and THE KAGAWA BANK, LTD. and we have grown into a wide-area financial group that grows with local customers.

In April 2019, we have started the fourth management plan “Challenge to innovation and evolution - Changing TOMONY, Not Changing TOMONI spirit” as a four year plan.

In this management plan, we aim to the ‘innovating and evolving wide-area financial group’ based on the Group management vision. We are striving to further improve corporate value of the Group through four basic strategies of “governance strategy”, “sales strategy”, “area strategy, regional revitalization strategy” and “human resources strategy”.

Going forward, we will build a stronger management base by realizing efficient organizational management for the entire group, and THE TOKUSHIMA TAISHO BANK, LTD. and THE KAGAWA BANK, LTD., will provide the best financial services that meet the needs of each customer. At the same time, we will aim to exert a sustainable and stable financial intermediary function in the region.

We ask for your continued and undying support for the year ahead and beyond.

1. Summary of Selected Financial Data (Consolidated)

	11 th fiscal year	12 th fiscal year
	As of March 31, 2021 and from April 1, 2020 to March 31, 2021	As of March 31, 2022 and from April 1, 2021 to March 31, 2022
Consolidated ordinary income (Millions of yen)	70,687	70,335
Consolidated ordinary profit (Millions of yen)	14,493	19,132
Profit attributable to owners of parent (Millions of yen)	9,984	13,062
Consolidated comprehensive income (Millions of yen)	24,034	4,080
Consolidated net assets (Millions of yen)	243,183	245,730
Consolidated total assets (Millions of yen)	4,407,903	4,596,057
Net assets per share (Yen)	1,494.87	1,506.59
Basic earnings per share (Yen)	62.51	81.53
Diluted earnings per share (Yen)	61.26	79.81
Capital adequacy ratio (%)	5.42	5.26
Consolidated return on equity (ROE) (%)	4.38	5.42
Consolidated price earnings ratio (PER) (Times)	5.18	4.02
Net cash provided by (used in) operating activities (Millions of yen)	228,257	47,910
Net cash provided by (used in) investing activities (Millions of yen)	(42,814)	(27,436)
Net cash provided by (used in) financing activities (Millions of yen)	(1,387)	(2,375)
Cash and cash equivalents at end of period (Millions of yen)	514,705	532,813
Number of employees [Separately, average number of temporary employees] (Persons)	2,282 [286]	2,264 [273]

Notes: 1. Consumption tax and local consumption tax of the Company and its consolidated subsidiaries are accounted for based on the tax exclusion method.

2. The consolidated capital adequacy ratio is calculated by dividing “(total net assets at end of period – subscription rights to shares at end of period – non-controlling interests at end of period)” by “total assets at end of period.”

2. Financial Statements

[TOMONY Holdings, Inc.]

(1) Consolidated Balance Sheet

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Assets			
Cash and due from banks	520,145	537,955	4,395,420
Trading securities	495	436	3,569
Money held in trust	3,855	1,327	10,843
Securities	699,488	727,889	5,947,293
Loans and bills discounted	3,083,708	3,229,950	26,390,642
Foreign exchanges	6,508	7,247	59,218
Lease receivables and investment in leases	9,660	10,023	81,895
Other assets	54,419	52,559	429,444
Tangible fixed assets	36,936	35,967	293,878
Buildings, net	17,456	18,092	147,827
Land	15,374	15,766	128,819
Leased assets, net	561	376	3,079
Construction in progress	1,919	183	1,500
Other tangible fixed assets	1,623	1,548	12,651
Intangible fixed assets	1,457	1,369	11,189
Software	1,333	1,240	10,132
Other intangible fixed assets	123	129	1,057
Retirement benefit asset	5,325	5,860	47,882
Deferred tax assets	138	163	1,332
Customers' liabilities for acceptances and guarantees	7,885	7,309	59,726
Allowance for loan losses	(22,121)	(22,003)	(179,779)
Total assets	4,407,903	4,596,057	37,552,557
Liabilities			
Deposits	3,827,292	3,948,642	32,262,791
Negotiable certificates of deposit	68,979	113,501	927,374
Call money and bills sold	23,000	-	-
Borrowed money	202,817	243,775	1,991,788
Foreign exchanges	17	23	192
Other liabilities	27,947	33,771	275,932
Provision for bonuses	315	328	2,685
Provision for bonuses for directors (and other officers)	103	106	870
Retirement benefit liability	154	148	1,209
Provision for reimbursement of deposits	269	188	1,539
Provision for contingent loss	146	137	1,119
Provision for loss on guarantees	-	213	1,744
Deferred tax liabilities	4,972	1,372	11,211
Deferred tax liabilities for land revaluation	817	808	6,604
Acceptances and guarantees	7,885	7,309	59,726
Total liabilities	4,164,719	4,350,327	35,544,792

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Net assets			
Share capital	25,000	25,000	204,265
Capital surplus	25,808	25,972	212,211
Retained earnings	170,751	182,386	1,490,203
Treasury shares	(1,515)	(1,142)	(9,332)
Total shareholders' equity	220,043	232,216	1,897,348
Valuation difference on available-for-sale securities	16,819	7,730	63,159
Deferred gains or losses on hedges	1	0	2
Revaluation reserve for land	1,402	1,406	11,489
Remeasurements of defined benefit plans	784	763	6,239
Total accumulated other comprehensive income	19,007	9,900	80,890
Share acquisition rights	1,224	1,215	9,927
Non-controlling interests	2,907	2,398	19,598
Total net assets	243,183	245,730	2,007,765
Total liabilities and net assets	4,407,903	4,596,057	37,552,557

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Ordinary income	70,687	70,335	574,685
Interest income	47,919	48,023	392,382
Interest on loans and discounts	38,934	39,573	323,336
Interest and dividends on securities	8,752	7,776	63,538
Interest on call loans and bills bought	(2)	(0)	(7)
Interest on deposits with banks	219	657	5,371
Other interest income	15	17	142
Fees and commissions	9,268	10,453	85,414
Other ordinary income	8,672	9,108	74,419
Other income	4,825	2,750	22,470
Recoveries of written off receivables	356	637	5,206
Other	4,469	2,112	17,264
Ordinary expenses	56,194	51,203	418,363
Interest expenses	1,545	1,148	9,384
Interest on deposits	1,400	1,062	8,680
Interest on negotiable certificates of deposit	21	15	127
Interest on call money and bills sold	32	(4)	(33)
Interest on borrowings and rediscounts	74	68	556
Other interest expenses	16	6	52
Fees and commissions payments	4,210	4,019	32,843
Other ordinary expenses	10,798	8,420	68,798
General and administrative expenses	34,081	34,041	278,138
Other expenses	5,557	3,573	29,198
Provision of allowance for loan losses	2,000	1,361	11,126
Other	3,557	2,211	18,072
Ordinary profit	<u>14,493</u>	<u>19,132</u>	<u>156,322</u>
Extraordinary income	33	437	3,574
Gain on disposal of non-current assets	33	220	1,800
Compensation for forced relocation	–	217	1,774
Extraordinary losses	706	805	6,581
Loss on disposal of non-current assets	101	416	3,403
Impairment loss	605	175	1,433
Provision for loss on guarantees	–	213	1,744
Profit before income taxes	<u>13,820</u>	<u>18,764</u>	<u>153,315</u>
Income taxes – current	3,569	5,127	41,891
Income taxes – deferred	111	388	3,172
Total income taxes	<u>3,680</u>	<u>5,515</u>	<u>45,063</u>
Profit	<u>10,140</u>	<u>13,248</u>	<u>108,251</u>
Profit attributable to non-controlling interests	156	186	1,523
Profit attributable to owners of parent	<u>9,984</u>	<u>13,062</u>	<u>106,728</u>

Consolidated Statement of Comprehensive Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Profit	10,140	13,248	108,251
Other comprehensive income	13,893	(9,168)	(74,913)
Valuation difference on available-for-sale securities	12,370	(9,146)	(74,734)
Deferred gains or losses on hedges	1	(1)	(9)
Remeasurements of defined benefit plans, net of tax	1,522	(20)	(170)
Comprehensive income	24,034	4,080	33,338
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	23,762	3,951	32,285
Comprehensive income attributable to non-controlling interests	271	128	1,053

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,843	161,895	(2,015)	210,723
Changes during period					
Dividends of surplus			(1,296)		(1,296)
Profit attributable to owners of parent			9,984		9,984
Purchase of treasury shares				(151)	(151)
Disposal of treasury shares		(35)		651	615
Reversal of revaluation reserve for land			168		168
Net changes in items other than shareholders' equity					
Total changes during period	-	(35)	8,856	499	9,320
Balance at end of period	25,000	25,808	170,751	(1,515)	220,043

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,564	0	1,570	(737)	5,397	1,244	2,638	220,003
Changes during period								
Dividends of surplus								(1,296)
Profit attributable to owners of parent								9,984
Purchase of treasury shares								(151)
Disposal of treasury shares								615
Reversal of revaluation reserve for land								168
Net changes in items other than shareholders' equity	12,255	1	(168)	1,522	13,610	(20)	269	13,858
Total changes during period	12,255	1	(168)	1,522	13,610	(20)	269	23,179
Balance at end of period	16,819	1	1,402	784	19,007	1,224	2,907	243,183

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,808	170,751	(1,515)	220,043
Cumulative effects of changes in accounting policies			(49)		(49)
Restated balance	25,000	25,808	170,701	(1,515)	219,994
Changes during period					
Dividends of surplus			(1,374)		(1,374)
Profit attributable to owners of parent			13,062		13,062
Purchase of treasury shares				(202)	(202)
Disposal of treasury shares		(2)		576	574
Change in ownership interest of parent due to transactions with non-controlling interests		166			166
Reversal of revaluation reserve for land			(3)		(3)
Net changes in items other than shareholders' equity					
Total changes during period	-	164	11,684	373	12,222
Balance at end of period	25,000	25,972	182,386	(1,142)	232,216

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	16,819	1	1,402	784	19,007	1,224	2,907	243,183
Cumulative effects of changes in accounting policies							(48)	(98)
Restated balance	16,819	1	1,402	784	19,007	1,224	2,858	243,084
Changes during period								
Dividends of surplus								(1,374)
Profit attributable to owners of parent								13,062
Purchase of treasury shares								(202)
Disposal of treasury shares								574
Change in ownership interest of parent due to transactions with non-controlling interests								166
Reversal of revaluation reserve for land								(3)
Net changes in items other than shareholders' equity	(9,089)	(1)	3	(20)	(9,107)	(8)	(460)	(9,576)
Total changes during period	(9,089)	(1)	3	(20)	(9,107)	(8)	(460)	2,645
Balance at end of period	7,730	0	1,406	763	9,900	1,215	2,398	245,730

Fiscal year ended March 31, 2022

(Thousands of U.S. dollars)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	204,265	210,870	1,395,142	(12,385)	1,797,891
Cumulative effects of changes in accounting policies			(407)		(407)
Restated balance	204,265	210,870	1,394,735	(12,385)	1,797,484
Changes during period					
Dividends of surplus			(11,231)		(11,231)
Profit attributable to owners of parent			106,728		106,728
Purchase of treasury shares				(1,657)	(1,657)
Disposal of treasury shares		(17)		4,710	4,692
Change in ownership interest of parent due to transactions with non-controlling interests		1,358			1,358
Reversal of revaluation reserve for land			(28)		(28)
Net changes in items other than shareholders' equity					
Total changes during period	–	1,341	95,468	3,053	99,863
Balance at end of period	204,265	212,211	1,490,203	(9,332)	1,897,348

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	137,423	11	11,461	6,409	155,305	10,000	23,755	1,986,953
Cumulative effects of changes in accounting policies							(397)	(804)
Restated balance	137,423	11	11,461	6,409	155,305	10,000	23,358	1,986,149
Changes during period								
Dividends of surplus								(11,231)
Profit attributable to owners of parent								106,728
Purchase of treasury shares								(1,657)
Disposal of treasury shares								4,692
Change in ownership interest of parent due to transactions with non-controlling interests								1,358
Reversal of revaluation reserve for land								(28)
Net changes in items other than shareholders' equity	(74,264)	(9)	28	(170)	(74,414)	(73)	(3,759)	(78,247)
Total changes during period	(74,264)	(9)	28	(170)	(74,414)	(73)	(3,759)	21,615
Balance at end of period	63,159	2	11,489	6,239	80,890	9,927	19,598	2,007,765

(4) Consolidated Statement of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Cash flows from operating activities			
Profit before income taxes	13,820	18,764	153,315
Depreciation	1,949	2,028	16,574
Impairment losses	605	175	1,433
Increase (decrease) in allowance for loan losses	(363)	(118)	(965)
Increase (decrease) in provision for bonuses	4	12	106
Increase (decrease) in provision for bonuses for directors (and other officers)	9	2	23
Decrease (increase) in retirement benefit asset	(291)	(376)	(3,074)
Increase (decrease) in retirement benefit liability	(22)	(6)	(51)
Increase (decrease) in provision for reimbursement of deposits	(112)	(81)	(665)
Increase (decrease) in provision for contingent loss	(6)	(9)	(75)
Increase (decrease) in provision for loss on guarantees	-	213	1,744
Interest income	(47,919)	(48,023)	(392,382)
Interest expenses	1,545	1,148	9,384
Loss (gain) related to securities	1,369	(842)	(6,883)
Loss (gain) on money held in trust	18	40	332
Foreign exchange losses (gains)	(4,058)	(11,729)	(95,837)
Loss (gain) on disposal of non-current assets	68	196	1,603
Net decrease (increase) in loans and bills discounted	(176,937)	(146,242)	(1,194,889)
Net increase (decrease) in deposits	297,728	121,350	991,505
Net increase (decrease) in negotiable certificates of deposit	(955)	44,522	363,772
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	145,026	41,557	339,549
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	1,309	298	2,435
Net decrease (increase) in call loans	5,000	-	-
Net increase (decrease) in call money	(58,766)	(23,000)	(187,923)
Net decrease (increase) in foreign exchanges - assets	(528)	(739)	(6,043)
Net increase (decrease) in foreign exchanges - liabilities	6	5	47
Net decrease (increase) in lease receivables and investments in leases	(721)	(363)	(2,966)
Interest received	47,924	48,237	394,128
Interest paid	(1,685)	(1,298)	(10,608)
Other, net	5,649	6,508	53,180
Subtotal	229,666	52,232	426,772
Income taxes paid	(1,409)	(4,322)	(35,314)
Net cash provided by (used in) operating activities	228,257	47,910	391,458

	(Millions of yen)	(Thousands of U.S. dollars)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Cash flows from investing activities			
Purchase of securities	(286,476)	(239,965)	(1,960,663)
Proceeds from sale of securities	97,410	109,454	894,309
Proceeds from redemption of securities	149,901	101,607	830,193
Increase in money held in trust	(4,400)	(5,545)	(45,314)
Decrease in money held in trust	4,032	8,029	65,602
Purchase of tangible fixed assets	(3,405)	(1,442)	(11,785)
Proceeds from sales of tangible fixed assets	140	735	6,010
Purchase of intangible assets	(16)	(309)	(2,526)
Net cash provided by (used in) investing activities	<u>(42,814)</u>	<u>(27,436)</u>	<u>(224,173)</u>
Cash flows from financing activities			
Repayments of subordinated borrowings	–	(600)	(4,902)
Dividends paid	(1,296)	(1,370)	(11,200)
Dividends paid to non-controlling interests	(2)	(2)	(18)
Purchase of treasury shares	(151)	(202)	(1,657)
Proceeds from disposal of treasury shares	328	322	2,637
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(420)	(3,435)
Repayments of lease liabilities	(265)	(101)	(830)
Net cash provided by (used in) financing activities	<u>(1,387)</u>	<u>(2,375)</u>	<u>(19,406)</u>
Effect of exchange rate change on cash and cash equivalents	5	9	76
Net increase (decrease) in cash and cash equivalents	<u>184,060</u>	<u>18,108</u>	<u>147,954</u>
Cash and cash equivalents at beginning of period	<u>330,644</u>	<u>514,705</u>	<u>4,205,453</u>
Cash and cash equivalents at end of period	<u>514,705</u>	<u>532,813</u>	<u>4,353,408</u>

[THE TOKUSHIMA TAISHO BANK, LTD.]

(1) Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Assets			
Cash and due from banks	265,352	289,921	2,368,835
Cash	25,209	24,425	199,573
Due from banks	240,142	265,495	2,169,262
Trading securities	396	351	2,872
Trading government bonds	106	57	471
Trading local government bonds	290	293	2,401
Money held in trust	854	327	2,672
Securities	369,854	392,279	3,205,155
Government bonds	37,970	41,864	342,060
Local government bonds	83,912	105,450	861,590
Corporate bonds	70,334	68,551	560,108
Stocks	26,673	25,229	206,136
Other securities	150,963	151,183	1,235,259
Loans and bills discounted	1,742,483	1,827,214	14,929,439
Bills discounted	3,289	3,038	24,827
Loans on bills	196,687	202,499	1,654,545
Loans on deeds	1,328,164	1,393,937	11,389,307
Overdrafts	214,341	227,738	1,860,759
Foreign exchanges	2,559	2,510	20,514
Due from foreign banks (our accounts)	2,444	2,247	18,361
Foreign bills bought	99	155	1,272
Foreign bills receivable	15	107	881
Other assets	24,881	26,722	218,342
Prepaid expenses	26	16	133
Accrued income	1,906	1,934	15,802
Derivatives other than for trading-assets	251	1,830	14,952
Cash collateral paid for financial instruments	628	4,681	38,246
Other	22,069	18,261	149,207
Tangible fixed assets	19,665	18,923	154,616
Buildings, net	7,547	8,323	68,009
Land	9,281	9,758	79,735
Lease assets, net	120	60	493
Construction in progress	1,918	13	108
Other tangible fixed assets	796	767	6,268
Intangible fixed assets	1,391	1,040	8,502
Software	1,316	965	7,890
Other intangible fixed assets	74	74	612
Prepaid pension cost	2,343	2,601	21,252
Customers' liabilities for acceptances and guarantees	4,319	4,288	35,040
Allowance for loan losses	(12,536)	(12,601)	(102,964)
Total assets	2,421,565	2,553,579	20,864,279

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Liabilities			
Deposits	2,108,715	2,185,401	17,856,042
Current deposits	63,603	73,184	597,963
Ordinary deposits	1,022,577	1,077,437	8,803,313
Saving deposits	22,875	23,366	190,916
Deposits at notice	1,548	1,738	14,203
Time deposits	967,168	978,330	7,993,548
Installment savings	7,691	7,678	62,737
Other deposits	23,249	23,665	193,360
Negotiable certificates of deposit	40,479	84,501	690,427
Call money	23,000	-	-
Borrowed money	102,800	134,200	1,096,494
Borrowings from other banks	102,800	134,200	1,096,494
Foreign exchanges	3	14	118
Foreign bills sold	2	8	71
Foreign bills payable	0	5	46
Other liabilities	12,960	16,331	133,441
Income taxes payable	1,593	1,884	15,395
Accrued expenses	784	830	6,786
Unearned revenue	1,170	1,185	9,685
Reserve for interest on installment savings	0	0	2
Derivatives other than for trading-liabilities	2,432	6,145	50,212
Cash collateral received for financial instruments	252	-	-
Lease obligations	127	63	519
Asset retirement obligations	358	185	1,514
Other	6,242	6,036	49,324
Provision for directors' bonuses	45	46	376
Provision for retirement benefits	89	63	521
Provision for reimbursement of deposits	137	89	729
Provision for contingent loss	60	51	423
Deferred tax liabilities	2,295	179	1,466
Deferred tax liabilities for land revaluation	1,000	991	8,103
Acceptances and guarantees	4,319	4,288	35,040
Total liabilities	2,295,907	2,426,159	19,823,186
Net assets			
Capital stock	11,036	11,036	90,172
Capital surplus	14,177	14,177	115,835
Legal capital surplus	9,514	9,514	77,737
Other capital surplus	4,662	4,662	38,097
Retained earnings	87,570	94,207	769,732
Legal retained earnings	2,280	2,280	18,634
Other retained earnings	85,289	91,926	751,098
General reserve	40,147	40,147	328,031
Reserve for advanced depreciation of non-current assets	109	91	747
Retained earnings brought forward	45,032	51,687	422,319
Total shareholders' equity	112,783	119,420	975,739
Valuation difference on available-for-sale securities	11,198	6,319	51,637
Deferred gains or losses on hedges	1	0	2
Revaluation reserve for land	1,674	1,678	13,713
Total valuation and translation adjustments	12,874	7,998	65,353
Total net assets	125,658	127,419	1,041,093
Total liabilities and net assets	2,421,565	2,553,579	20,864,279

(2) Statements of Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Ordinary income	33,873	35,410	289,322
Interest income	27,072	27,415	224,000
Interest on loans and discounts	22,077	22,386	182,908
Interest and dividends on securities	4,820	4,633	37,856
Interest on call loans	0	-	-
Interest on deposits with banks	167	388	3,170
Other interest income	5	8	65
Fees and commissions	4,017	4,680	38,240
Fees and commissions on domestic and foreign exchanges	838	773	6,320
Other fees and commissions	3,178	3,906	31,919
Other ordinary income	613	1,721	14,062
Gains on sales of bonds	610	1,717	14,035
Income from derivatives other than for trading or hedging	3	3	27
Other income	2,169	1,593	13,018
Recoveries of written off claims	192	207	1,695
Gain on sales of stocks and other securities	1,547	1,124	9,190
Other	429	260	2,132
Ordinary expenses	25,069	24,883	203,309
Interest expenses	866	609	4,980
Interest on deposits	769	562	4,595
Interest on negotiable certificates of deposit	8	4	40
Interest on call money	32	(3)	(31)
Interest on borrowings and rediscounts	51	43	356
Interest on interest swaps	2	3	25
Other interest expenses	1	(0)	(6)
Fees and commissions payments	1,896	1,795	14,674
Fees and commissions on domestic and foreign exchanges	143	108	886
Other fees and commissions	1,752	1,687	13,787
Other ordinary expenses	1,201	1,984	16,217
Loss on foreign exchange transactions	69	27	228
Loss on trading account securities transactions	0	2	23
Loss on sales of bonds	1,121	1,946	15,902
Other	10	7	62
General and administrative expenses	18,494	18,405	150,383
Other expenses	2,610	2,087	17,054
Provision of allowance for loan losses	1,435	650	5,311
Written-off of loans	360	589	4,819
Losses on sales of stocks and other securities	249	398	3,254
Losses on devaluation of stocks and other securities	254	198	1,625
Loss on money held in trust	49	67	553
Other	261	182	1,490
Ordinary profit	8,803	10,527	86,012

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Extraordinary income	7	205	1,679
Gain on disposal of non-current assets	7	205	1,679
Extraordinary losses	575	414	3,388
Loss on disposal of non-current assets	87	327	2,674
Impairment losses	488	87	714
Profit before income taxes	8,234	10,317	84,303
Income taxes-current	2,107	2,956	24,154
Income taxes-deferred	71	13	108
Total income taxes	2,179	2,969	24,263
Profit	6,055	7,348	60,039

[THE KAGAWA BANK, LTD.]

(1) Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Assets			
Cash and due from banks	254,528	247,768	2,024,418
Cash	15,015	13,696	111,908
Due from banks	239,512	234,071	1,912,509
Trading securities	99	85	696
Trading government bonds	99	85	696
Money held in trust	3,001	1,000	8,170
Securities	327,308	333,878	2,727,984
Government bonds	34,537	28,952	236,560
Local government bonds	65,766	63,479	518,669
Corporate bonds	88,091	67,864	554,492
Stocks	20,897	19,038	155,558
Other securities	118,015	154,542	1,262,704
Loans and bills discounted	1,350,360	1,411,511	11,532,901
Bills discounted	5,727	5,766	47,111
Loans on bills	79,250	80,683	659,231
Loans on deeds	1,175,529	1,205,054	9,846,023
Overdrafts	89,852	120,007	980,534
Foreign exchanges	3,948	4,736	38,703
Due from foreign banks (our accounts)	3,921	4,717	38,546
Foreign bills receivable	27	19	157
Other assets	18,276	14,251	116,444
Prepaid expenses	32	28	229
Accrued income	999	1,015	8,297
Derivatives other than for trading-assets	9	253	2,073
Other	17,235	12,954	105,843
Tangible fixed assets	28,031	27,603	225,533
Buildings, net	9,881	9,743	79,611
Land	16,967	16,735	136,741
Lease assets, net	451	318	2,598
Construction in progress	0	170	1,392
Other tangible fixed assets	729	635	5,189
Intangible fixed assets	46	313	2,564
Software	-	267	2,183
Other intangible fixed assets	46	46	380
Prepaid pension cost	1,889	2,187	17,875
Deferred tax assets	-	211	1,728
Customers' liabilities for acceptances and guarantees	3,566	3,021	24,685
Allowance for loan losses	(8,748)	(8,596)	(70,241)
Total assets	1,982,308	2,037,972	16,651,465

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Liabilities			
Deposits	1,723,666	1,768,252	14,447,685
Current deposits	56,662	57,662	471,136
Ordinary deposits	840,741	894,142	7,305,680
Saving deposits	25,020	27,677	226,144
Deposits at notice	4,102	4,248	34,715
Time deposits	767,853	752,591	6,149,128
Installment savings	9,783	10,239	83,659
Other deposits	19,501	21,689	177,219
Negotiable certificates of deposit	28,500	29,000	236,947
Borrowed money	94,017	103,000	841,572
Borrowings from other banks	94,017	103,000	841,572
Foreign exchanges	14	9	74
Foreign bills payable	14	9	74
Other liabilities	10,868	13,471	110,073
Income taxes payable	856	1,449	11,842
Accrued expenses	966	854	6,979
Unearned revenue	952	978	7,991
Reserve for interest on installment savings	0	0	4
Derivatives other than for trading-liabilities	889	2,131	17,415
Lease obligations	83	46	378
Asset retirement obligations	129	129	1,055
Other	6,989	7,882	64,406
Provision for bonuses	284	295	2,417
Provision for directors' bonuses	28	31	257
Provision for reimbursement of deposits	132	99	809
Provision for contingent loss	85	85	696
Deferred tax liabilities	1,172	-	-
Deferred tax liabilities for land revaluation	3,428	3,377	27,597
Acceptances and guarantees	3,566	3,021	24,685
Total liabilities	1,865,764	1,920,643	15,692,817
Net assets			
Capital stock	12,014	12,014	98,164
Capital surplus	9,339	9,339	76,308
Legal capital surplus	9,339	9,339	76,308
Retained earnings	82,781	87,809	717,453
Legal retained earnings	2,674	2,674	21,856
Other retained earnings	80,106	85,134	695,597
Reserve for reduction entry	23	22	182
General reserve	43,436	43,436	354,903
Retained earnings brought forward	36,646	41,675	340,511
Total shareholders' equity	104,135	109,162	891,925
Valuation difference on available-for-sale securities	5,930	1,779	14,538
Revaluation reserve for land	6,478	6,386	52,183
Total valuation and translation adjustments	12,408	8,166	66,722
Total net assets	116,544	117,328	958,648
Total liabilities and net assets	1,982,308	2,037,972	16,651,465

(2) Statements of Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Ordinary income	29,651	27,318	223,205
Interest income	20,598	20,379	166,514
Interest on loans and discounts	16,894	17,234	140,812
Interest and dividends on securities	3,648	2,870	23,456
Interest on call loans	(3)	(0)	(7)
Interest on deposits with banks	52	269	2,201
Other interest income	6	6	50
Fees and commissions	4,343	4,907	40,093
Fees and commissions on domestic and foreign exchanges	876	832	6,804
Other fees and commissions	3,467	4,074	33,289
Other ordinary income	1,688	780	6,374
Gains on sales of bonds	1,547	191	1,562
Gains on redemption of bonds	–	384	3,141
Income from derivatives other than for trading or hedging	–	6	56
Other	140	197	1,613
Other income	3,021	1,251	10,222
Recoveries of written off claims	163	429	3,510
Gain on sales of stocks and other securities	2,313	561	4,589
Gain on money held in trust	30	27	221
Other	514	232	1,902
Ordinary expenses	23,866	19,294	157,648
Interest expenses	653	511	4,180
Interest on deposits	631	499	4,084
Interest on negotiable certificates of deposit	13	10	87
Interest on call money	–	(0)	(1)
Interest on borrowings and rediscounts	0	0	0
Other interest expenses	9	1	10
Fees and commissions payments	2,379	2,269	18,541
Fees and commissions on domestic and foreign exchanges	157	115	945
Other fees and commissions	2,222	2,153	17,596
Other ordinary expenses	3,727	359	2,938
Loss on foreign exchange transactions	69	37	305
Loss on trading account securities transactions	1	0	7
Loss on sales of bonds	2,878	171	1,404
Loss on redemption of bonds	1	–	–
Loss on devaluation of bonds	638	–	–
Other	138	149	1,220
General and administrative expenses	14,751	14,670	119,865
Other expenses	2,354	1,483	12,122
Provision of allowance for loan losses	578	692	5,657
Written-off of loans	269	302	2,474
Losses on sales of stocks and other securities	1,226	413	3,379
Losses on devaluation of stocks and other securities	117	0	0
Other	162	74	610
Ordinary profit	5,784	8,023	65,557

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
Extraordinary income	23	226	1,852
Gain on disposal of non-current assets	23	9	78
Other	-	217	1,774
Extraordinary losses	192	323	2,640
Loss on disposal of non-current assets	15	89	729
Impairment losses	177	233	1,910
Profit before income taxes	5,615	7,927	64,768
Income taxes-current	1,296	2,047	16,730
Income taxes-deferred	49	338	2,764
Total income taxes	1,345	2,386	19,495
Profit	4,270	5,541	45,273

3. Company Information / Stock Information

Company Information (as of March 31, 2022)

Trade name:	TOMONY Holdings, Inc.	THE TOKUSHIMA TAISHO BANK, LTD.
Date of establishment:	April 2010	March 1918
Listing date:	April 2010	December 1990 to March 2010
Business year:	From April 1 to March 31	From April 1 to March 31
Paid-in capital:	¥25,000 million	¥11,036 million
Number of employees:	2,264 (excluding contract and temporary employees)	1,170 (excluding contract and temporary employees)
Head office:	7-1 Kamei-cho, Takamatsu-shi, Kagawa	1-41 Tomidahama, Tokushima-shi, Tokushima
Telephone:	+81-87-812-0102	+81-88-623-3111
Consolidated subsidiaries:	THE TOKUSHIMA TAISHO BANK, LTD. THE KAGAWA BANK, LTD. TOMONY System Service, Inc. Tokugin Business Service Co., Ltd. Kagawa Business Service Co., Ltd. TOMONY Lease, Inc. TOMONY Card, Inc. Tokugin Capital Co., Ltd. Taisho Shinyo Hosho Co., Ltd.	Tokugin Business Service Co., Ltd. TOMONY Card, Inc. Tokugin Capital Co., Ltd. Taisho Shinyo Hosho Co., Ltd.

Trade name:	THE KAGAWA BANK, LTD.
Date of establishment:	February 1943
Listing date:	October 1988 to March 2010
Business year:	From April 1 to March 31
Paid-in capital:	¥12,014 million
Number of employees:	1,013 (excluding contract and temporary employees)
Head office:	6-1 Kamei-cho, Takamatsu-shi, Kagawa
Telephone:	+81-87-861-3121
Consolidated subsidiaries:	TOMONY Lease, Inc. Kagawa Business Service Co., Ltd.

Officers (as of July 1, 2022)

Directors (except the Audit and Supervisory Committee Members):

Representative Director, President and CEO	Takeshi Nakamura
Director and Vice President	Michio Yamada
Director and Vice President	Toyohiko Bando
Managing Director	Hitomi Fujii
Managing Director	Hiroaki Oda
Managing Director	Mikio Seki
Managing Director	Tomoki Yamashita
Director*	Hiroo Shirai

Audit and Supervisory Committee Members:

Director	Toshio Yokote
Director (Non-standing)*	Noboru Ohira
Director (Non-standing)*	Jyunko Hashimoto
Director (Non-standing)*	Yosuke Kuwajima

*Outside Director

Stock Information (as of March 31, 2022)

Total number of authorized shares:	476,000,000 shares
Total number of shares issued:	163,728,911 shares
Number of shareholders:	10,418
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,840	12.89
Custody Bank of Japan, Ltd. (Trust Account)	11,071	6.85
TOMONY Holdings Employee Shareholding Association	6,767	4.18
Nichia Corporation	4,938	3.05
DFA INTL SMALL CAP VALUE PORTFOLIO	3,172	1.96
Custody Bank of Japan, Ltd. (Trust Account 4)	3,120	1.93
Sompo Japan Insurance Inc.	2,643	1.63
NH Foods Ltd.	2,556	1.58
STATE STREET BANK WEST CLIENT-TREATY 505234	2,330	1.44
SUMITOMO LIFE INSURANCE COMPANY	1,914	1.18
Total	59,353	36.73

* The financial statements in this Annual Report are stated in Japanese yen with amounts of less than one million yen omitted. As a result, the totals shown do not necessarily agree with the sums of the individual amounts. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of investors outside Japan. Such translation is carried out at the rate of ¥122.39 U.S. \$1, the approximate rate of exchange at March 31, 2022 and the resultant amounts are shown with amounts of less than 1,000 U.S. dollars omitted.

* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.