

For the Fiscal Year Ended March 31, 2024

ANNUAL REPORT 2024

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 2023, we have started the fifth management plan for three years. This plan is based on the Group management philosophy of “Customer First”, “Growing with Customers”, “Reliable and Secure management”. Our vision for ten years ahead is to become “A wide-area financial group said it was good to choose TOMONY after all.” We have positioned the management plan for the first three years to achieve the vision.

In particular, we will implement specific measures based on five basic strategies of “sustainability strategy”, “sales strategy”, “human resources strategy”, “operation strategy”, and “governance strategy”; and we will grow together with all Stakeholders by providing higher value for faster and more widely.

Furthermore, through various initiatives under the fifth management plan, we will strive to improve profitability and expected growth rates, leading to improvements in corporate value over the medium to long term.

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

1. Summary of Selected Financial Data (Consolidated)

	13 th fiscal year As of March 31, 2023 and from April 1, 2022 to March 31, 2023	14 th fiscal year As of March 31, 2024 and from April 1, 2023 to March 31, 2024
Consolidated ordinary income (Millions of yen)	77,654	87,817
Consolidated ordinary profit (Millions of yen)	20,679	21,528
Profit attributable to owners of parent (Millions of yen)	14,168	14,008
Consolidated comprehensive income (Millions of yen)	3,299	21,211
Consolidated net assets (Millions of yen)	247,356	277,466
Consolidated total assets (Millions of yen)	4,551,361	4,810,452
Net assets per share (Yen)	1,506.76	1,426.53
Basic earnings per share (Yen)	87.71	82.10
Diluted earnings per share (Yen)	86.04	80.61
Capital adequacy ratio (%)	5.36	5.69
Consolidated return on equity (ROE) (%)	5.82	5.40
Consolidated price earnings ratio (PER) (Times)	4.02	5.09
Net cash provided by (used in) operating activities (Millions of yen)	(201,412)	57,591
Net cash provided by (used in) investing activities (Millions of yen)	37,476	27,567
Net cash provided by (used in) financing activities (Millions of yen)	(2,564)	6,503
Cash and cash equivalents at end of period (Millions of yen)	366,324	457,998
Number of employees [Separately, average number of temporary employees] (Persons)	2,237 [252]	2,212 [250]

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, 2023	As of March 31, 2024	As of March 31, 2024
Assets			
Cash and due from banks	371,140	462,733	3,056,161
Trading securities	478	399	2,641
Money held in trust	1,108	1,166	7,703
Securities	691,510	687,210	4,538,740
Loans and bills discounted	3,395,321	3,555,880	23,485,113
Foreign exchanges	4,923	4,371	28,873
Lease receivables and investment in leases	10,545	12,076	79,758
Other assets	45,010	53,712	354,746
Tangible fixed assets	35,743	37,165	245,460
Buildings, net	17,926	18,030	119,082
Land	15,692	15,631	103,242
Leased assets, net	208	1,631	10,777
Construction in progress	479	236	1,564
Other tangible fixed assets	1,437	1,634	10,793
Intangible fixed assets	1,114	747	4,934
Software	963	580	3,836
Other intangible fixed assets	151	166	1,098
Retirement benefit asset	6,358	9,399	62,079
Deferred tax assets	3,463	304	2,008
Customers' liabilities for acceptances and guarantees	7,108	7,257	47,930
Allowance for loan losses	(22,466)	(21,971)	(145,114)
Total assets	4,551,361	4,810,452	31,771,037
Liabilities			
Deposits	4,018,219	4,212,649	27,822,798
Negotiable certificates of deposit	128,635	124,618	823,054
Call money and bills sold	23,000	27,000	178,323
Cash collateral received for securities lent	8,656	—	—
Borrowed money	80,822	138,242	913,032
Foreign exchanges	29	35	232
Other liabilities	35,810	21,056	139,069
Provision for bonuses	341	341	2,255
Provision for bonuses for directors (and other officers)	98	110	729
Retirement benefit liability	148	142	940
Provision for reimbursement of deposits	130	90	600
Provision for contingent loss	128	167	1,108
Deferred tax liabilities	67	465	3,074
Deferred tax liabilities for land revaluation	808	808	5,338
Acceptances and guarantees	7,108	7,257	47,930
Total liabilities	4,304,004	4,532,986	29,938,487

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net assets			
Share capital	25,000	30,228	199,648
Capital surplus	25,890	31,116	205,510
Retained earnings	195,000	207,305	1,369,167
Treasury shares	(595)	(490)	(3,241)
Total shareholders' equity	245,295	268,160	1,771,086
Valuation difference on available-for-sale securities	(3,251)	2,056	13,584
Deferred gains or losses on hedges	0	0	1
Revaluation reserve for land	1,423	1,423	9,398
Remeasurements of defined benefit plans	716	2,477	16,360
Total accumulated other comprehensive income	(1,111)	5,957	39,344
Share acquisition rights	1,005	1,048	6,926
Non-controlling interests	2,167	2,300	15,193
Total net assets	247,356	277,466	1,832,550
Total liabilities and net assets	4,551,361	4,810,452	31,771,037

(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, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Ordinary income	77,654	87,817	579,999
Interest income	56,086	64,358	425,058
Interest on loans and discounts	42,896	47,400	313,060
Interest and dividends on securities	12,482	16,330	107,857
Interest on call loans and bills bought	(8)	—	—
Interest on deposits with banks	681	552	3,651
Other interest income	34	74	489
Fees and commissions	11,186	11,988	79,180
Other ordinary income	5,921	5,931	39,174
Other income	4,460	5,539	36,586
Recoveries of written off receivables	397	424	2,805
Other	4,063	5,114	33,780
Ordinary expenses	56,975	66,289	437,813
Interest expenses	1,269	1,533	10,124
Interest on deposits	987	1,320	8,724
Interest on negotiable certificates of deposit	21	32	215
Interest on call money and bills sold	(27)	(30)	(202)
Interest expenses on cash collateral received for securities lent	221	226	1,758
Interest on borrowings and rediscounts	52	(123)	(813)
Other interest expenses	14	67	442
Fees and commissions payments	4,006	4,056	26,788
Other ordinary expenses	14,873	23,825	157,359
General and administrative expenses	32,951	33,919	224,022
Other expenses	3,873	2,955	19,516
Provision of allowance for loan losses	1,675	616	4,071
Other	2,197	2,338	15,445
Ordinary profit	20,679	21,528	142,186
Extraordinary income	28	2	18
Gain on disposal of non-current assets	28	2	18
Extraordinary losses	337	337	2,225
Loss on disposal of non-current assets	287	58	389
Impairment loss	46	278	1,836
Loss on guarantees	3	—	—
Profit before income taxes	20,371	21,194	139,978
Income taxes – current	5,693	6,637	43,834
Income taxes – deferred	304	447	2,954
Total income taxes	5,997	7,084	46,789
Profit	14,374	14,109	93,189
Profit attributable to non-controlling interests	205	101	668
Profit attributable to owners of parent	14,168	14,008	92,520

Consolidated Statement of Comprehensive Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Profit	14,374	14,109	93,189
Other comprehensive income	(11,074)	7,102	46,906
Valuation difference on available-for-sale securities	(11,028)	5,342	35,282
Deferred gains or losses on hedges	0	(0)	(3)
Remeasurements of defined benefit plans, net of tax	(47)	1,760	11,627
Comprehensive income	<u>3,299</u>	<u>21,211</u>	<u>140,095</u>
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	3,140	21,077	139,204
Comprehensive income attributable to non-controlling interests	159	134	890

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,972	182,386	(1,142)	232,216
Changes during period					
Dividends of surplus			(1,537)		(1,537)
Profit attributable to owners of parent			14,168		14,168
Purchase of treasury shares				(158)	(158)
Disposal of treasury shares		(10)		705	694
Change in ownership interest of parent due to transactions with non-controlling interests		(71)			(71)
Reversal of revaluation reserve for land			(16)		(16)
Net changes in items other than shareholders' equity					
Total changes during period	–	(82)	12,614	546	13,078
Balance at end of period	25,000	25,890	195,000	(595)	245,295

	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	7,730	0	1,406	763	9,900	1,215	2,398	245,730
Changes during period								
Dividends of surplus								(1,537)
Profit attributable to owners of parent								14,168
Purchase of treasury shares								(158)
Disposal of treasury shares								694
Change in ownership interest of parent due to transactions with non-controlling interests								(71)
Reversal of revaluation reserve for land								(16)
Net changes in items other than shareholders' equity	(10,981)	0	16	(47)	(11,011)	(209)	(231)	(11,452)
Total changes during period	(10,981)	0	16	(47)	(11,011)	(209)	(231)	1,626
Balance at end of period	(3,251)	0	1,423	716	(1,111)	1,005	2,167	247,356

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,890	195,000	(595)	245,295
Changes during period					
Issuance of new shares	5,228	5,228			10,457
Dividends of surplus			(1,703)		(1,703)
Profit attributable to owners of parent			14,008		14,008
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		105	102
Reversal of revaluation reserve for land			0		0
Net changes in items other than shareholders' equity					
Total changes during period	5,228	5,226	12,305	104	22,865
Balance at end of period	30,228	31,116	207,305	(490)	268,160

	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	(3,251)	0	1,423	716	(1,111)	1,005	2,167	247,356
Changes during period								
Issuance of new shares								10,457
Dividends of surplus								(1,703)
Profit attributable to owners of parent								14,008
Purchase of treasury shares								(0)
Disposal of treasury shares								102
Reversal of revaluation reserve for land								0
Net changes in items other than shareholders' equity	5,308	(0)	(0)	1,760	7,068	43	133	7,244
Total changes during period	5,308	(0)	(0)	1,760	7,068	43	133	30,109
Balance at end of period	2,056	0	1,423	2,477	5,957	1,048	2,300	277,466

Fiscal year ended March 31, 2024

(Thousands of U.S. dollars)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	165,114	170,994	1,287,895	(3,933)	1,620,071
Changes during period					
Issuance of new shares	34,534	34,534			69,068
Dividends of surplus			(11,249)		(11,249)
Profit attributable to owners of parent			92,520		92,520
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(18)		694	676
Reversal of revaluation reserve for land			0		0
Net changes in items other than shareholders' equity					
Total changes during period	34,534	34,516	81,272	691	151,014
Balance at end of period	199,648	205,510	1,369,167	(3,241)	1,771,086

	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	(21,476)	5	9,398	4,732	(7,339)	6,642	14,314	1,633,689
Changes during period								
Issuance of new shares								69,068
Dividends of surplus								(11,249)
Profit attributable to owners of parent								92,520
Purchase of treasury shares								(2)
Disposal of treasury shares								676
Reversal of revaluation reserve for land								0
Net changes in items other than shareholders' equity	35,060	(3)	(0)	11,627	46,683	284	878	47,846
Total changes during period	35,060	(3)	(0)	11,627	46,683	284	878	198,860
Balance at end of period	13,584	1	9,398	16,360	39,344	6,926	15,193	1,832,550

(4) Consolidated Statement of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Cash flows from operating activities			
Profit before income taxes	20,371	21,194	139,978
Depreciation	2,050	2,030	13,409
Impairment losses	46	278	1,836
Increase (decrease) in allowance for loan losses	462	(494)	(3,264)
Increase (decrease) in provision for bonuses	12	(0)	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(7)	11	78
Decrease (increase) in retirement benefit asset	(398)	(377)	(2,490)
Increase (decrease) in retirement benefit liability	(0)	(5)	(37)
Increase (decrease) in provision for reimbursement of deposits	(58)	(39)	(258)
Increase (decrease) in provision for contingent loss	(8)	39	260
Increase (decrease) in provision for loss on guarantees	(213)	—	—
Interest income	(56,086)	(64,358)	(425,058)
Interest expenses	1,269	1,533	10,124
Loss (gain) related to securities	327	583	3,850
Loss (gain) on money held in trust	42	112	741
Foreign exchange losses (gains)	(13,230)	(25,145)	(166,076)
Loss (gain) on disposal of non-current assets	258	56	371
Net decrease (increase) in loans and bills discounted	(165,370)	(160,559)	(1,060,430)
Net increase (decrease) in deposits	69,576	194,430	1,284,134
Net increase (decrease) in negotiable certificates of deposit	15,134	(4,017)	(26,530)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(162,352)	58,019	383,193
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	325	81	536
Net increase (decrease) in call money	23,000	4,000	26,418
Net increase (decrease) in cash collateral received for securities lent	8,656	(8,656)	(57,173)
Net decrease (increase) in foreign exchanges - assets	2,323	552	3,645
Net increase (decrease) in foreign exchanges - liabilities	6	5	36
Net decrease (increase) in lease receivables and investments in leases	(522)	(1,530)	(10,111)
Interest received	56,001	63,480	419,263
Interest paid	(1,314)	(1,569)	(10,364)
Other, net	4,340	(16,255)	(107,359)
Subtotal	(195,358)	63,398	418,721
Income taxes paid	(6,054)	(5,807)	(38,353)
Net cash provided by (used in) operating activities	(201,412)	57,591	380,368

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Cash flows from investing activities			
Purchase of securities	(178,337)	(132,061)	(872,213)
Proceeds from sale of securities	140,254	103,657	684,613
Proceeds from redemption of securities	77,227	57,929	382,599
Increase in money held in trust	(12,272)	(12,391)	(81,841)
Decrease in money held in trust	12,445	12,216	80,688
Purchase of tangible fixed assets	(1,558)	(1,728)	(11,413)
Proceeds from sales of tangible fixed assets	101	27	182
Purchase of intangible assets	(188)	(82)	(541)
Payments for retirement of non-current assets	(194)	—	—
Net cash provided by (used in) investing activities	37,476	27,567	182,073
Cash flows from financing activities			
Repayments of subordinated borrowings	(600)	(600)	(3,962)
Proceeds from issuance of shares	—	10,457	69,068
Dividends paid	(1,532)	(1,694)	(11,190)
Dividends paid to non-controlling interests	(2)	(1)	(12)
Purchase of treasury shares	(158)	(0)	(2)
Proceeds from disposal of treasury shares	289	0	1
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(459)	—	—
Repayments of lease liabilities	(100)	(1,657)	(10,949)
Net cash provided by (used in) financing activities	(2,564)	6,503	42,952
Effect of exchange rate change on cash and cash equivalents	11	11	74
Net increase (decrease) in cash and cash equivalents	(166,489)	91,673	605,468
Cash and cash equivalents at beginning of period	532,813	366,324	2,419,419
Cash and cash equivalents at end of period	366,324	457,998	3,024,888

[THE TOKUSHIMA TAISHO BANK, LTD.]

(1) Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Assets			
Cash and due from banks	185,528	211,429	1,396,403
Cash	20,461	20,149	133,077
Due from banks	165,067	191,280	1,263,325
Trading securities	408	375	2,482
Trading government bonds	84	52	347
Trading local government bonds	323	323	2,135
Money held in trust	108	166	1,099
Securities	371,859	382,166	2,524,051
Government bonds	39,199	21,863	144,401
Local government bonds	97,737	90,617	598,491
Corporate bonds	41,395	37,941	250,586
Stocks	14,810	14,298	94,432
Other securities	178,716	217,445	1,436,139
Loans and bills discounted	1,905,257	1,982,895	13,096,199
Bills discounted	2,812	2,906	19,199
Loans on bills	208,911	133,142	879,350
Loans on deeds	1,465,073	1,604,686	10,598,283
Overdrafts	228,460	242,159	1,599,365
Foreign exchanges	1,629	2,214	14,627
Due from foreign banks (our accounts)	1,141	2,019	13,340
Foreign bills bought	65	66	440
Foreign bills receivable	421	128	846
Other assets	19,223	23,183	153,114
Prepaid expenses	13	14	96
Accrued income	2,191	2,582	17,053
Derivatives other than for trading-assets	690	1,071	7,078
Cash collateral paid for financial instruments	–	2,246	14,833
Other	16,327	17,268	114,051
Tangible fixed assets	18,893	19,486	128,698
Buildings, net	8,100	8,025	53,007
Land	9,753	9,774	64,554
Lease assets, net	–	662	4,375
Construction in progress	323	173	1,147
Other tangible fixed assets	716	849	5,613
Intangible fixed assets	717	377	2,495
Software	614	263	1,740
Other intangible fixed assets	102	114	754
Prepaid pension cost	2,828	3,115	20,578
Deferred tax assets	1,861	336	2,222
Customers' liabilities for acceptances and guarantees	3,838	3,396	22,431
Allowance for loan losses	(13,319)	(13,313)	(87,930)
Total assets	2,498,835	2,615,830	17,276,474

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Liabilities			
Deposits	2,225,501	2,311,963	15,269,557
Current deposits	74,515	83,027	548,359
Ordinary deposits	1,081,709	1,153,392	7,617,673
Saving deposits	23,728	23,503	155,230
Deposits at notice	5,016	1,579	10,430
Time deposits	997,084	1,001,518	6,614,613
Installment savings	7,410	7,390	48,812
Other deposits	36,036	41,552	274,436
Negotiable certificates of deposit	89,685	82,208	542,953
Call money	23,000	27,000	178,323
Borrowed money	5,802	35,002	231,174
Borrowings from other banks	5,802	35,002	231,174
Foreign exchanges	24	1	8
Foreign bills sold	9	1	8
Foreign bills payable	14	—	—
Other liabilities	20,426	10,223	67,524
Income taxes payable	1,735	1,849	12,216
Accrued expenses	755	761	5,026
Unearned revenue	1,221	729	4,816
Reserve for interest on installment savings	0	0	1
Derivatives other than for trading-liabilities	3,579	3,359	22,186
Cash collateral received for financial instruments	1,745	—	—
Asset retirement obligations	184	180	1,191
Other	11,204	3,343	22,084
Provision for directors' bonuses	42	43	285
Provision for retirement benefits	47	20	137
Provision for reimbursement of deposits	62	45	300
Provision for contingent loss	57	66	440
Deferred tax liabilities for land revaluation	991	991	6,549
Acceptances and guarantees	3,838	3,396	22,431
Total liabilities	2,369,479	2,470,963	16,319,688
Net assets			
Capital stock	11,036	14,173	93,609
Capital surplus	14,177	17,314	114,354
Legal capital surplus	9,514	12,651	83,558
Other capital surplus	4,662	4,662	30,795
Retained earnings	101,051	107,951	712,976
Legal retained earnings	2,280	2,280	15,062
Other retained earnings	98,770	105,671	697,914
General reserve	40,147	40,147	265,159
Reserve for advanced depreciation of non-current assets	88	86	569
Retained earnings brought forward	58,534	65,437	432,185
Total shareholders' equity	126,264	139,439	920,940
Valuation difference on available-for-sale securities	1,394	3,731	24,647
Deferred gains or losses on hedges	0	0	1
Revaluation reserve for land	1,695	1,695	11,196
Total valuation and translation adjustments	3,091	5,427	35,845
Total net assets	129,355	144,866	956,786
Total liabilities and net assets	2,498,835	2,615,830	17,276,474

(2) Statements of Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Ordinary income	43,305	47,805	315,734
Interest income	33,445	39,886	263,430
Interest on loans and discounts	24,766	27,146	179,291
Interest and dividends on securities	8,267	12,366	81,677
Interest on deposits with banks	393	348	2,303
Other interest income	18	24	158
Fees and commissions	5,102	5,586	36,897
Fees and commissions on domestic and foreign exchanges	712	701	4,633
Other fees and commissions	4,389	4,885	32,263
Other ordinary income	956	494	3,267
Gains on sales of bonds	954	494	3,265
Income from derivatives other than for trading or hedging	1	0	1
Other income	3,801	1,838	12,140
Recoveries of written off claims	229	319	2,110
Gain on sales of stocks and other securities	2,803	988	6,529
Other	768	530	3,500
Ordinary expenses	32,081	35,783	236,331
Interest expenses	589	754	4,985
Interest on deposits	569	738	4,876
Interest on negotiable certificates of deposit	8	11	74
Interest on call money	(27)	(27)	(179)
Interest on borrowings and rediscounts	27	12	80
Interest on interest swaps	0	0	2
Other interest expenses	9	19	131
Fees and commissions payments	1,781	1,756	11,604
Fees and commissions on domestic and foreign exchanges	75	72	475
Other fees and commissions	1,705	1,684	11,128
Other ordinary expenses	8,991	13,498	89,150
Loss on foreign exchange transactions	5,833	11,187	73,891
Loss on trading account securities transactions	2	2	15
Loss on sales of bonds	3,150	2,303	15,213
Other	5	4	29
General and administrative expenses	17,607	17,995	118,851
Other expenses	3,111	1,777	11,740
Provision of allowance for loan losses	1,150	260	1,719
Written-off of loans	498	784	5,178
Losses on sales of stocks and other securities	1,135	203	1,342
Losses on devaluation of stocks and other securities	–	69	461
Loss on money held in trust	87	129	853
Other	240	330	2,185
Ordinary profit	11,224	12,022	79,403

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Extraordinary income	4	–	–
Gain on disposal of non-current assets	4	–	–
Extraordinary losses	262	217	1,439
Loss on disposal of non-current assets	253	39	259
Impairment losses	8	178	1,180
Profit before income taxes	10,966	11,804	77,963
Income taxes-current	3,240	3,394	22,420
Income taxes-deferred	113	535	3,538
Total income taxes	3,353	3,930	25,959
Profit	7,612	7,873	52,004

[THE KAGAWA BANK, LTD.]

(1) Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Assets			
Cash and due from banks	185,313	251,186	1,658,979
Cash	13,351	13,436	88,742
Due from banks	171,692	237,749	1,570,237
Trading securities	69	23	158
Trading government bonds	69	23	158
Money held in trust	1,000	1,000	6,604
Securities	318,213	303,452	2,004,175
Government bonds	35,667	44,580	294,437
Local government bonds	62,269	61,043	403,164
Corporate bonds	53,556	40,415	266,930
Stocks	18,818	16,102	106,351
Other securities	147,901	141,309	933,292
Loans and bills discounted	1,498,525	1,581,819	10,447,257
Bills discounted	5,827	6,005	39,666
Loans on bills	71,975	58,475	386,207
Loans on deeds	1,275,792	1,343,222	8,871,423
Overdrafts	144,929	174,115	1,149,960
Foreign exchanges	3,294	2,157	14,246
Due from foreign banks (our accounts)	3,281	2,157	14,246
Foreign bills receivable	13	—	—
Other assets	14,104	18,461	121,930
Prepaid expenses	26	29	195
Accrued income	1,163	1,152	7,612
Derivatives other than for trading-assets	456	51	340
Other	12,457	17,227	113,782
Tangible fixed assets	27,317	28,008	184,985
Buildings, net	9,804	9,985	65,949
Land	16,579	16,369	108,112
Lease assets, net	211	973	6,428
Construction in progress	155	63	417
Other tangible fixed assets	566	617	4,078
Intangible fixed assets	386	362	2,391
Software	340	315	2,084
Other intangible fixed assets	46	46	307
Prepaid pension cost	2,516	2,730	18,032
Deferred tax assets	2,686	1,615	10,668
Customers' liabilities for acceptances and guarantees	3,269	3,860	25,499
Allowance for loan losses	(8,602)	(8,222)	(54,307)
Total assets	2,048,096	2,186,454	14,440,623

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Liabilities			
Deposits	1,797,253	1,905,875	12,587,512
Current deposits	55,804	60,509	399,637
Ordinary deposits	928,441	951,205	6,282,317
Saving deposits	28,273	27,910	184,339
Deposits at notice	3,687	3,566	23,553
Time deposits	743,971	827,825	5,467,445
Installment savings	9,878	9,826	64,897
Other deposits	27,197	25,031	165,321
Negotiable certificates of deposit	38,950	42,410	280,100
Net increase (decrease) in cash collateral received for securities lent	8,656	—	—
Borrowed money	68,000	95,000	627,435
Borrowings from other banks	68,000	95,000	627,435
Foreign exchanges	5	33	223
Foreign bills payable	5	33	223
Other liabilities	11,274	6,125	40,455
Income taxes payable	1,181	2,015	13,313
Accrued expenses	930	750	4,955
Unearned revenue	994	758	5,008
Reserve for interest on installment savings	0	0	2
Initial margins of futures markets - liabilities	760	—	—
Derivatives other than for trading-liabilities	417	1,098	7,255
Lease obligations	11	8	56
Asset retirement obligations	128	219	1,449
Other	6,850	1,273	8,413
Provision for bonuses	308	308	2,038
Provision for directors' bonuses	28	32	213
Provision for reimbursement of deposits	67	45	299
Provision for contingent loss	70	101	667
Deferred tax liabilities for land revaluation	3,359	3,349	22,121
Acceptances and guarantees	3,269	3,860	25,499
Total liabilities	1,931,245	2,057,142	13,586,567
Net assets			
Capital stock	12,014	14,105	93,163
Capital surplus	9,339	11,430	75,496
Legal capital surplus	9,339	11,430	75,496
Retained earnings	93,431	98,905	653,230
Legal retained earnings	2,674	2,674	17,667
Other retained earnings	90,756	96,230	635,562
Reserve for reduction entry	21	20	133
General reserve	43,436	43,436	286,880
Retained earnings brought forward	47,298	52,773	348,548
Total shareholders' equity	114,784	124,442	821,889
Valuation difference on available-for-sale securities	(4,282)	(1,521)	(10,048)
Revaluation reserve for land	6,349	6,391	42,214
Total valuation and translation adjustments	2,066	4,870	32,165
Total net assets	116,851	129,312	854,055
Total liabilities and net assets	2,048,096	2,186,454	14,440,623

(2) Statements of Income

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Ordinary income	28,772	34,495	227,831
Interest income	22,374	24,675	162,969
Interest on loans and discounts	18,178	20,304	134,105
Interest and dividends on securities	3,903	4,120	27,211
Interest on call loans	(8)	—	—
Interest on deposits with banks	288	204	1,347
Other interest income	12	46	305
Fees and commissions	5,097	5,470	36,132
Fees and commissions on domestic and foreign exchanges	772	765	5,057
Other fees and commissions	4,324	4,705	31,075
Other ordinary income	478	372	2,460
Gain on trading account securities transactions	—	0	2
Gains on sales of bonds	376	301	1,991
Gains on redemption of bonds	58	—	—
Other	43	70	466
Other income	822	3,977	26,268
Recoveries of written off claims	166	105	694
Gain on sales of stocks and other securities	291	3,471	22,927
Gain on money held in trust	45	16	112
Other	319	383	2,533
Ordinary expenses	19,936	24,954	164,815
Interest expenses	652	746	4,933
Interest on deposits	417	582	3,848
Interest on negotiable certificates of deposit	12	21	140
Interest on call money	(0)	(3)	(23)
Interest expenses on cash collateral received for securities lent	221	266	1,758
Interest on borrowings and rediscounts	—	(163)	(1,079)
Other interest expenses	0	43	288
Fees and commissions payments	2,291	2,358	15,577
Fees and commissions on domestic and foreign exchanges	75	72	478
Other fees and commissions	2,215	2,286	15,098
Other ordinary expenses	1,915	5,932	39,181
Loss on foreign exchange transactions	1,385	2,802	18,509
Loss on trading account securities transactions	0	—	—
Loss on sales of bonds	411	3,012	19,895
Loss on devaluation of bonds	—	45	300
Expenses on derivatives other than for trading or hedging	38	16	107
Other	80	55	368
General and administrative expenses	14,297	14,886	98,316
Other expenses	779	1,030	6,806
Provision of allowance for loan losses	519	259	1,711
Written-off of loans	88	651	4,302
Losses on sales of stocks and other securities	48	5	37
Other	122	114	754
Ordinary profit	8,835	9,541	63,015

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Extraordinary income	24	1	7
Gain on disposal of non-current assets	24	1	7
Extraordinary losses	159	246	1,630
Loss on disposal of non-current assets	34	41	275
Impairment losses	124	205	1,354
Profit before income taxes	8,700	9,295	61,393
Income taxes-current	2,278	3,127	20,658
Income taxes-deferred	194	(173)	(1,145)
Total income taxes	2,472	2,954	19,512
Profit	6,228	6,341	41,880

3. Company Information / Stock Information

Company Information (as of March 31, 2024)

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:	¥30,228 million	¥14,173 million
Number of employees:	2,212(excluding contract and temporary employees)	1,156 (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.	
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:	¥14,105million	
Number of employees:	965 (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, 2024)

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	Tomoki Yamashita
Managing Director	Hitoshi Kioka
Director*	Yoshiaki Inoue

Audit and Supervisory Committee Members:

Director*	Hitoshi Tada
Director (Non-standing)*	Junko Hashimoto
Director (Non-standing)*	Yosuke Kuwajima
Director (Non-standing)*	Sayaka Kajino

*Outside Director

Stock Information (as of March 31, 2024)

Total number of authorized shares:	476,000,000 shares
Total number of shares issued:	193,533,011 shares
Number of shareholders:	15,168
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)	23,226	12.08
Custody Bank of Japan, Ltd. (Trust Account)	13,069	6.80
TOMONY Holdings Employee Shareholding Association	7,429	3.86
Nichia Corporation	4,938	2.56
Custody Bank of Japan, Ltd. (Trust Account 4)	3,097	1.61
ACN Inc.	2,714	1.41
JP MORGAN CHASE BANK 385781	2,483	1.29
Sompo Japan Insurance Inc.	2,114	1.10
STATE STREET BANK AND TRUST COMPANY 505223	2,103	1.09
NH Foods Ltd.	2,045	1.06
Total	63,222	32.90

* 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 ¥151.41 U.S. \$1, the approximate rate of exchange at March 31, 2024 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.