

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

The Chugoku Bank, Limited
March 31, 2021 and 2020

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
ASSETS:			
Cash and due from banks.....	¥ 1,000,601	¥ 576,290	\$ 9,038,036
Call loans	125,878	59,877	1,137,006
Other debt purchased.....	19,678	23,065	177,743
Trading account securities.....	1,148	1,316	10,369
Money trusts	23,000	23,000	207,749
Securities	2,622,547	2,345,154	23,688,438
Loans and bills discounted	5,144,425	4,909,791	46,467,572
Foreign exchange	8,333	11,960	75,268
Other assets	145,811	124,009	1,317,053
Tangible fixed assets.....	36,811	38,040	332,499
Intangible fixed assets.....	2,328	3,019	21,027
Prepaid pension costs	3,037	—	27,432
Deferred tax assets	—	2,215	—
Customers' liabilities for acceptances and guarantees.....	32,031	33,413	289,323
Reserve for possible loan losses.....	(42,943)	(37,519)	(387,887)
Total assets	¥ 9,122,688	¥ 8,113,634	\$ 82,401,661
LIABILITIES AND NET ASSETS:			
Liabilities:			
Deposits.....	¥ 7,688,546	¥ 6,916,076	\$ 69,447,619
Call money	71,293	30,068	643,961
Payables under repurchase agreements	129,640	124,704	1,170,987
Payables under securities lending transactions	172,747	217,164	1,560,355
Commercial paper.....	54,228	32,611	489,820
Borrowed money.....	275,463	148,005	2,488,149
Foreign exchange	289	272	2,610
Bonds payable	10,000	—	90,326
Due to trust account.....	4,857	3,309	43,871
Other liabilities.....	124,586	102,216	1,125,336
Liability for employees' severance and retirement benefits.....	380	7,585	3,432
Accrued employees' bonuses	1,217	1,284	10,992
Reserve for reimbursement of deposits.....	307	642	2,773
Reserve for point program	57	59	514
Deferred tax liabilities	13,033	—	117,721
Acceptances and guarantees.....	32,031	33,413	289,323
Total liabilities	¥ 8,578,681	¥ 7,617,413	\$ 77,487,860
Net assets:			
Shareholders' equity:			
Common stock.....	¥ 15,149	¥ 15,149	\$ 136,834
Capital surplus	6,286	6,286	56,778
Retained earnings	442,019	433,148	3,992,584
Less treasury stock, at cost.....	(9,622)	(9,622)	(86,911)
Valuation and translation adjustments:			
Net unrealized gains on available-for-sale securities.....	95,279	62,535	860,617
Net deferred losses on hedging instruments.....	(5,320)	(11,456)	(48,053)
Subscription rights to shares.....	217	179	1,960
Total net assets	544,007	496,220	4,913,801
Total liabilities and net assets	¥ 9,122,688	¥ 8,113,634	\$ 82,401,661

Non-consolidated Income Statements

The Chugoku Bank, Limited
For the Years Ended March 31, 2021 and 2020

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
Income:			
Interest and dividends on:			
Loans and discounts.....	¥ 45,840	¥ 50,493	\$ 414,054
Securities	19,160	25,499	173,064
Other	740	733	6,684
Fees and commissions	19,954	20,217	180,236
Other operating income:			
Gains on sales and redemptions of other securities and trading account securities	2,546	3,052	22,997
Foreign exchange gains	1,345	411	12,148
Net gain on trading securities	8	—	72
Other	513	223	4,633
Other income:			
Bad debt recovered	0	3	0
Gains on sales of equity securities	7,233	7,073	65,332
Gains on money trusts	113	72	1,020
Gains on disposals of fixed assets	—	1	—
Other	2,310	3,048	20,865
Total income	99,765	110,830	901,138
Expenses:			
Interest on:			
Deposits	872	2,599	7,876
Borrowing	1,051	2,156	9,493
Interest rate swaps	4,217	8,460	38,090
Other	737	5,227	6,657
Fees and commissions	4,281	4,359	38,668
Other operating expenses:			
Losses on sales and redemptions of bonds and trading account securities	3,098	3,583	27,983
Foreign exchange losses	—	—	0
Other	45	—	406
General and administrative expenses	54,106	54,953	488,718
Other expenses:			
Losses on sales and write-offs of shares	1,646	7,000	14,867
Losses on money trusts	4	63	36
Reserve for possible loan losses	8,039	5,592	72,613
Write-offs of loans	26	0	234
Losses on disposals of fixed assets	94	31	849
Losses on impairment of fixed assets	244	596	2,203
Other	2,592	1,358	23,412
Total expenses	81,059	95,981	732,174
Income before income taxes	18,706	14,849	168,963
Income taxes:			
Current	7,316	4,326	66,082
Deferred	(1,617)	(291)	(14,605)
Net income	5,698	4,034	51,467
Net income	¥ 13,007	¥ 10,815	\$ 117,487

Non-consolidated Statements of Changes in Net Assets

The Chugoku Bank, Limited
For the Years Ended March 31, 2021 and 2020

	Millions of Yen							
	2021							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	¥ 15,149	¥ 6,286	¥ 433,148	¥ (9,622)	¥ 62,535	¥ (11,456)	¥ 179	¥ 496,220
Net income.....			13,007					13,007
Cash dividends.....			(4,137)					(4,137)
Purchases of treasury stock.....				(0)				(0)
Disposal of treasury stock.....			(0)	0				0
Net changes in items other than shareholders' equity.....					32,743	6,136	37	38,917
Net changes during the year.....	—	—	8,870	(0)	32,743	6,136	37	47,786
Balance at end of year.....	¥ 15,149	¥ 6,286	¥ 442,019	¥ (9,622)	¥ 95,279	¥ (5,320)	¥ 217	¥ 544,007

	Millions of Yen							
	2020							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	¥ 15,149	¥ 6,286	¥ 426,685	¥ (9,401)	¥ 93,412	¥ (8,893)	¥ 311	¥ 523,551
Net income.....			10,815					10,815
Cash dividends.....			(4,328)					(4,328)
Purchases of treasury stock.....				(412)				(412)
Disposal of treasury stock.....			(23)	191				168
Net changes in items other than shareholders' equity.....					(30,877)	(2,563)	(131)	(33,572)
Net changes during the year.....	—	—	6,463	(221)	(30,877)	(2,563)	(131)	(27,330)
Balance at end of year.....	¥ 15,149	¥ 6,286	¥ 433,148	¥ (9,622)	¥ 62,535	¥ (11,456)	¥ 179	¥ 496,220

	Thousands of U.S. Dollars (Note 1)							
	2021							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	\$ 136,834	\$ 56,778	\$ 3,912,455	\$ (86,911)	\$ 564,854	\$ (103,477)	\$ 1,616	\$ 4,482,160
Net income.....			117,487					117,487
Cash dividends.....			(37,367)					(37,367)
Purchases of treasury stock.....				(0)				(0)
Disposal of treasury stock.....			(0)	0				0
Net changes in items other than shareholders' equity.....					295,754	55,424	334	351,521
Net changes during the year.....	—	—	80,119	(0)	295,754	55,424	334	431,632
Balance at end of year.....	\$ 136,834	\$ 56,778	\$ 3,992,584	\$ (86,911)	\$ 860,617	\$ (48,053)	\$ 1,960	\$ 4,913,801