

Annual Report 2021

Year Ended March 31, 2021



Profile

The Tama Shinkin Bank was first established in 1933 as the Tachikawa Credit Cooperative (a limited liability entity). With the Shinkin Bank Law coming into effect in 1951, the Tachikawa Credit Cooperative became the Tama Chuo Shinkin Bank, a local financial institution. Through supporting business development and creating assets that form the economic foundation of society for people who reside and run businesses in the Tama region, the Bank has contributed to the local community's development and has grown into its leading bank.

On January 10, 2006, in an era of great change, the Tama Chuo Shinkin Bank, the Taihei Shinkin Bank, and the Hachioji Shinkin Bank merged. These three regional financial institutions had served the same region, and it was determined that the region would be better served, and its growth better supported, by a single, more capable financial institution.

The Tama Shinkin Bank, popularly known as “Tamashin” by the local community in which it has established its roots, is one of Japan’s highest ranking shinkin banks. As of March 31, 2021, the Bank had total assets of ¥3,441.6 billion, net assets of ¥135.1 billion, and 1,946 employees. The Bank also had a service network of 79 branches, 2 branch offices, and 60 automatic teller facilities.



Non-Consolidated Financial Highlights

The Tama Shinkin Bank
Years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
For the Fiscal Year:			
Total Income	¥ 42,384	¥ 47,656	\$ 382,839
Total Expenses	36,894	45,551	333,257
Income Before Income Taxes	5,489	2,105	49,581
Net Income	4,453	1,413	40,228
Business Profit	6,221	4,773	56,194
At Year-End:			
Deposits	¥ 3,100,736	¥ 2,802,870	\$ 28,007,738
Loans and Bills Discounted	1,194,545	1,090,416	10,789,860
Securities	1,175,118	1,122,200	10,614,380
Total Assets	3,441,607	3,082,685	31,086,690
Total Net Assets	135,192	109,996	1,221,137

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥110.71 to U.S.\$1, the rate prevailing on March 31, 2021.

3. "Business Profit" is obtained by adding the interest income, fees and commissions (income) and other operating income, subtracting interest expenses (excluding expenses on money held in trust), fees and commissions (expenses), other operating expenses, transfers to general reserves for bad debts and general and administrative expenses. Business profit is one of the indicators used by shinkin and other banks.

Management Philosophy

Tamashin is a business dedicated to the happiness of our customers

Tamashin's mission is to contribute to the happiness and well-being of our customers

Long-term vision

Continue to be a region's problem-solving infrastructure into the future.

Basic Policies

Tamashin, as a public entity in society, and motivated by the spirit of cooperation among regional financial institutions:

1. Is based on a system of cooperation among officers and employees.
2. Builds workplaces characterized by good faith, trust, enthusiasm, and reliability.
3. Expands operations and improves quality in the course of financial activities.
Through these efforts, Tamashin seeks to contribute to the prosperity of its home regions and the vitality of the Japanese economy.

Corporate Ethics at Tama Shinkin Bank

1. Developing self-awareness and confidence as a socially responsible entity
Tamashin is building trust with its members, customers, and local communities through its basic policies, self-awareness of its public role, and sound management based on the self responsibility of management.
2. Putting customers first and contributing to local communities
Adhering to its management philosophy, Tamashin strives through its business activities to offer high-quality, premium services to its customers, and to contribute to the growth of local communities.
3. Adhering strictly to laws and regulations
Tamashin complies with both laws and regulations, does not violate social norms, and remains conscientious and fair in its corporate operations.
4. Eliminating anti-social forces
Tamashin takes a resolute stance against anti-social forces that put the order and safety of society at risk.
5. Disclosure of management information and cordial relations with local communities
Tamashin works for cordial relations with local communities through the vigorous and fair disclosure of management information, and the deepening of communication on a broad scale.

Create local value toward a bright future for Tama

*Thank you for your continued patronage.
We are happy to send this “Annual Report 2021”
to share with you our activities during
the fiscal year ended March 31.
Please read about Tamashin’s initiatives and
our results over this past year, and feel free to share
your honest opinions with us.
We are always eager to listen to our customers’ voices
and strive to incorporate this feedback into
our business operations.*



The economic environment in fiscal year 2020

*Looking back on fiscal year 2020, it was a year
in which the spread of COVID-19 dealt a
severe blow to the economy even as people’s
movement patterns and lifestyles were altered
dramatically. The Tama region was no exception,
as business sentiment among corporate clients and*

*business customers in the quarter ending on June
30, 2020 dipped below the 2008 financial crisis.*

*Although there has been some improvement
through efforts in response to changes in the
business environment caused by the COVID-19
crisis, the economic environment remains harsh.*

Creating value in the local community

*In this economic environment, Tamashin has
used COVID-19-related financing and subsidies
to provide urgently required financial support to
corporate clients and business customers that
have been impacted by the spread of COVID-19.
Moreover, we have aggressively provided
matchmaking between businesses, sales route
development, and other business support in order
to resolve declining sales and other business
challenges. To help individual customers, we have*

*undertaken initiatives that match up to “new
lifestyles” such as hosting Smile Online Plaza
seminars, using Tamashin applications, and
otherwise enhancing non-face-to-face services. We
have also vitalized the regional economy through
wide-area collaboration utilizing the Tamashin
network and otherwise reinforced cooperation
with local communities.*

*Outstanding deposits and loans increased as the
result of these activities. Regarding profitability, we*

have been able to achieve solid results surpassing the annual plan through the increase in the interest on borrowings due to our swift response to the urgent cash-flow needs of our customers, the efforts on steady fund management and cost reduction, and other means. We offer our sincere gratitude to our customers, without whose warm support none of this would have been possible.

Fiscal year 2021 is the first year of the three-year “Mid-Term Management Plan 2023.” The main theme of the plan is “Creating local value

toward a bright future for Tama.” Management and staff will spare no efforts in working together to resolve the challenges our customers face and create a bright future for Tama.

We ask our local customers for their continued support and patronage going forward.



Toshiro Yagi, President

Mid-Term Management Plan 2023

This is the first year of the Mid-Term Management Plan 2023, Tamashin’s new three-year management plan.

The social environment surrounding Japan is changing rapidly as a consequence of the impact of the spread of COVID-19. This transformation not only accelerated digitalization and other ongoing structural changes in Japanese society but also revealed new social challenges as the search for “new lifestyles” continued.

Developed against the background of this social transformation, the Mid-Term Management Plan 2023 sets forth four basic strategies and two pillars to support the main theme, “Creating local value toward a bright future for Tama.”

To redouble our throughgoing efforts to meet the

challenges that confront businesses, individuals, and communities, we developed a basic strategy for our “human capital, ICT, and branches” in addition to our problem-solving strategy. In order to maximize the value of our problem-solving activities, we will develop human capital to enable our personnel to create value in a rapidly changing environment and utilize ICT and strengthen the problem-solving functions of our branches. In order to serve as the regional problem-solving infrastructure in perpetuity, we will work to build a stable management foundation through such means as the construction of a robust governance structure, achievement of a sustainable financial foundation, and reinforcement of risk compliance management.

Problem-solving Activities and Value Creation based on the Four Basic Strategies and Two Pillars

Problem-solving Strategy

Human Capital Strategy

ICT Strategy

Branch Strategy

Robust Governance Structure

Finance and Risk Management

Tamashin’s SDGs Declaration

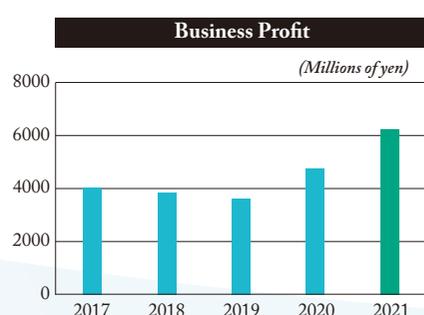
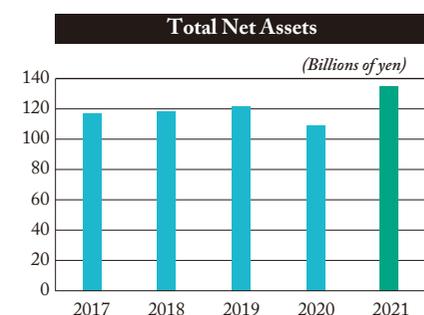
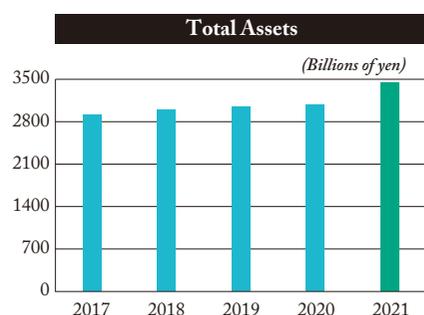
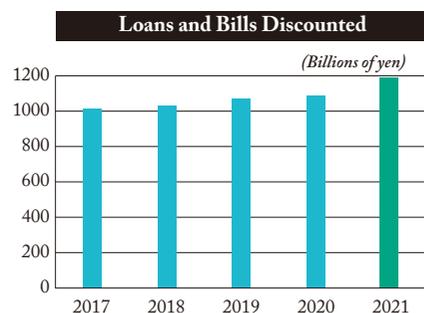
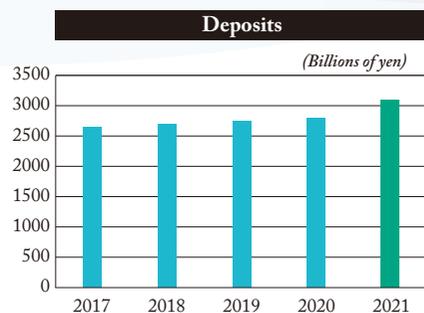
Aiming at a Sustainable Society

Tamashin, in support of the Sustainable Development Goals (SDGs) expressed by the United Nations, announced the “SDGs Declaration” on April 1, 2021 in order to achieve a sustainable society together with our clients in the Tama region.

Tamashin undertakes problem-solving activities for the businesses, individuals, and the local communities in the Tama region with the aim of achieving “the Hap-

piness of Our Customers” as our management ideal. We decided to announce the Declaration in the belief that pursuing this business model further and contributing to the achievement of SDGs will serve to achieve “the Happiness of Our Customers.”

We at Tamashin will continue our activities towards the sustainable growth and prosperity of our region.



The Financial and Economic Environment

Fiscal year 2020 turned out to be a year of enormous consequence for the economic environment. The spread of COVID-19, including two state-of-emergency declarations, imposed constraints on a wide range of human activities including food and beverages establishments having their business hours reduced, events delayed or cancelled, and self-imposed restraints on going out. This resulted in a nationwide consumption drop-off, with businesses—food and beverages, hospitality, and other services in particular—suffering rapid sales decline and cashflow deterioration.

In the financial market, the Nikkei Stock Average, stuck in the ¥18,000 range at the beginning of the fiscal year as the aftereffects of the COVID-19 crisis remained, recovered over the second half of the fiscal year as the result of the global monetary easing policy in response to the crisis as well as optimism over the effects of the vaccines, reaching ¥30,714.52 on February 16, 2021, the highest since the end of the bubble economy. The yen began the fiscal year in a strong position against the U.S. dollar and temporarily hovered over the ¥102 mark in December. However, expectations over additional economic measures under a new president in the United States, rising U.S. interest rates, improvements in U.S. economic indices, and other factors strengthened the U.S. dollar against the yen as the new year dawned, and the exchange rate crossed the ¥110 threshold in March 2021.

The COVID-19 crisis accelerated digitalization and other structural changes in the environment that had already emerged, but it also marked the emergence of new social challenges such as the adaptation to “new lifestyles.”

Operating Results

Fiscal year 2020 was also the final year of the three-year management plan “Mid-Term Management Plan 2020.” The theme of the Plan was established as “Story for the future: maximizing value creation - Stage 3: Transformation and Challenge for the Happiness of Our Customers,” and the following five basic strategies toward a bright future for the local community and Tamashin were set forth.

1. Bolstering problem-solving capability of branches and support from headquarters
2. Enhance branch support to maximize problem-solving capability
3. Foster a corporate culture in which employees can take pride in their work and find it rewarding
4. Throughgoing management of compliance risk
5. Bolstering internal control systems and building a stable financial foundation

Balance of Deposits and Loans

Thanks to the support of our customers in the community, deposits increased from the previous fiscal year by ¥297.8 billion (10.6% increase) to ¥3,100.7 billion. Loans increased by ¥104.1 billion (9.5% increase) from the previous fiscal year to a total of ¥1,194.5 billion.

Balance of Securities

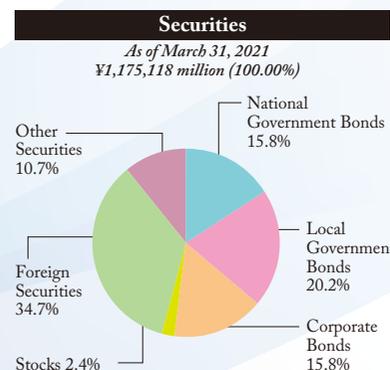
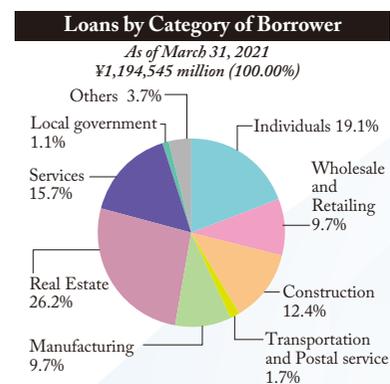
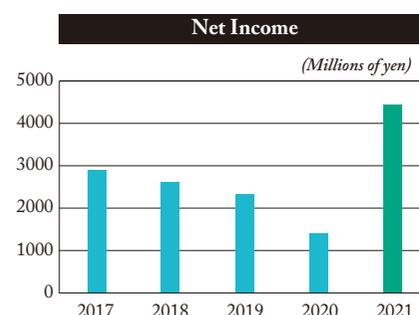
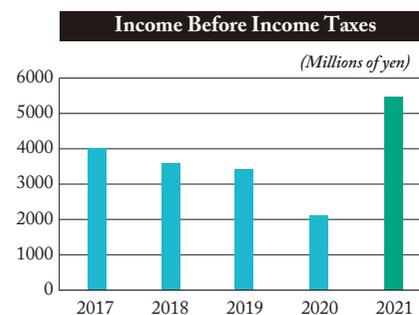
After implementing different types of risk management, we make diversified investments in stocks, investment trusts, and other financial products that focus mainly on domestic and foreign bonds, and strive for stable operation.

Although the market suffered a serious dropoff due to concerns over the spread of COVID-19, a sustained recovery ensued, the main cause of a ¥33.8 billion gain on revaluation of securities.

Earnings

On earnings, the swift response in support for our many business clients faced with urgent cashflow challenges due to the COVID-19 crisis resulted in a ¥1.2 billion year-on-year increase in interest on loans collected.

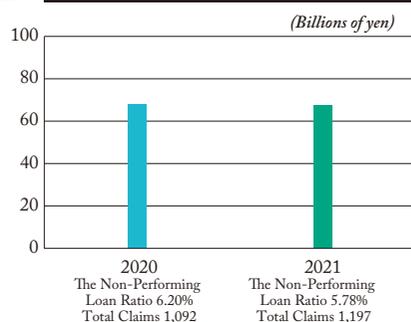
Net loss on foreign exchange trading and provisions of specific reserve for possible loan losses decreased ¥3.4 billion and ¥2.3 billion year-on-year. These factors resulted in net operating income increasing by ¥1.4 billion (30.3% increase) to ¥6.2 billion, operating income increasing by ¥2.9 billion (139.9% increase) to ¥5.0 billion, income before income taxes increasing by ¥3.3 billion (160.6% increase) to ¥5.4 billion, and net income increasing by ¥3.0 billion (215.1% increase) to ¥4.4 billion.



* 1: The balance by securities type is the amount on the balance sheet as of the end of March 2021.

* 2: Other Securities are investment trusts and other vehicles

Problem Assets under Financial Reconstruction Act Standard



Glossary of Terms

Bankrupt and Quasi-Bankrupt Assets

Loans to bankrupt borrowers, to those whose businesses are idle due to reorganization or negotiations in progress, and to those who are in a position similar to the aforesaid borrowers.

Doubtful Assets

Loans to borrowers whose businesses are still operating, but whose financial position or business performance are deteriorating, and who are for that reason highly likely to find themselves unable to make required payments on principal and interest.

Substandard Loans

Loans to customers identified as requiring caution under our self-assessment system. This figure represents those loans past due for three months or more, or restructured loans.

Normal Assets

Loans to borrowers who display no particular problems with their financial position or performance, and who fall into none of the three categories above.

Non-Performing Assets

Change in Non-performing loans (disclosed loans under the Financial Reconstruction Act)

Tamashin's non-performing loans increased by ¥1.4 billion to ¥69.2 billion from the previous fiscal year. The non-performing loans ratio declined by 0.42 points to 5.78% from the previous fiscal year to ¥105.6 billion increase of total lending.

* The loans disclosed under the Financial Reconstruction Act cover not only loans but also foreign exchange, guarantees of obligation-per contra, suspense payments, accrued interest, and private placement bonds guaranteed by Tamashin.

Percentage by loan type disclosed under the Financial Reconstruction Act and status of preservative attachment

Tamashin's loans disclosed under the Financial Reconstruction Act amounted to ¥69.2 billion excluding normal claims, and 81.30% of those are secured by collateral, guarantees and/or loan loss reserves. The remaining ¥12.9 billion, or 18.69%, is covered in full by equity capital (total net assets of ¥135.1 billion).

* There are no substandard loans

Non-Performing Assets under the Financial Reconstruction Act

Years ended March 31, 2021 and 2020

	Millions of yen	
	2021	2020
Bankrupt and Quasi-Bankrupt Assets	¥ 5,892	¥ 10,519
Doubtful Assets	63,388	57,273
Substandard Loans	—	—
Normal Assets	1,128,547	1,024,422
Total	¥ 1,197,828	¥ 1,092,216

Risk-Monitored Loans under the Shinkin Bank Law

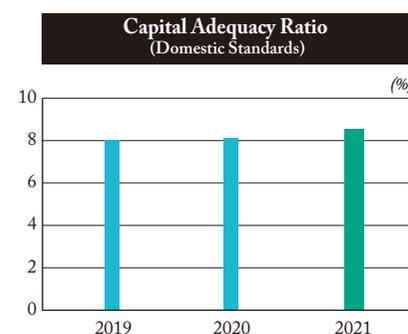
Years ended March 31, 2021 and 2020

	Millions of yen	
	2021	2020
Total loans to bankrupt borrowers	¥ 1,325	¥ 3,215
Total non-accrual delinquent loans	67,860	64,479
Total loans past due for three months or more	—	—
Total Restructured loans	—	—
Total	¥ 69,186	¥ 67,694

Capital Adequacy Ratio

As for the capital adequacy ratio, the amount of credit risk assets, etc., which is the denominator, decreased year-on-year by ¥18.3 billion to ¥1,300.7 billion as credit risk assets related to loans decreased as the result of our cashflow support through COVID-19-related lending, while the amount of total capital, which is the numerator, increased by ¥4.3 billion to ¥111.5 billion due to retained net income and other factors. As the result, the capital adequacy ratio rose by 0.44 points to 8.57%.

As for the non-performing loans ratio, the amount of disclosed loans under the Financial Reconstruction Act excluding normal claims, which is the numerator, increased ¥1.4 billion year-on-year to ¥69.2 billion, while the amount of total claims, which is the denominator, increased ¥105.6 billion to ¥1,197.8 billion. As the result, the non-performing loans ratio declined by 0.42 points to 5.78%.



Capital Adequacy Ratio (Calculated under Basel III)

Year ended March 31, 2021 and 2020

	Millions of yen	
	2021	2020
Core capital basic items	¥ 112,813	¥ 108,693
Core capital adjustment items	(1,232)	(1,422)
Total Capital	¥ 111,580	¥ 107,271
Risk Assets		
Total amount of credit risk assets	¥ 1,237,548	¥ 1,257,351
Amount Obtained by Dividing Operational Risk Equivalent by 8%	63,206	61,727
Capital Adequacy Ratio	8.57%	8.13%

Note: The “standards for determining the adequacy of capital of shinkin banks and the Federation of Shinkin Banks in light of their holdings of assets, etc. under the provisions of Article 14-2 of the Banking Act applied mutatis mutandis in Article 89, paragraph 1 of the Shinkin Bank Law (Financial Services Agency Notification No. 21 of 2006)” provide for the method to calculate capital adequacy ratio.

Tamashin’s capital mainly consists of “equity capital” provided by shareholders and “retained earnings” retained internally from past profits, and is computed by deducting an amount of adjustment items related to core capital from an amount of basic items related to core capital. Of Tamashin’s capital, the balance of basic items related to core capital stood at ¥112 billion and the balance of adjustment items related to core capital stood at ¥1,232 million at the end of the fiscal year ended March 2021.

Method to calculate the capital adequacy ratio under Basel III

$$\frac{\text{Amount of basic items of core capital} - \text{Amount of adjustment items of core capital}}{\text{Amount of credit risk assets} + \frac{\text{Operational risk equivalent amount}}{8\%}} \geq 4\%$$

Compliance-Related Efforts

Tamashin is striving to strengthen our compliance (observance of laws and regulations, etc.) structure with the belief that it is our primary responsibility to observe laws and regulations, as well as the various rules and norms accepted by society that are based on such laws and regulations, in order to become truly trusted by customers in the region as a financial institution that advances with the region.

1. Dissemination of Compliance Manual

Tamashin has established a code of corporate ethics and a code of conduct, and distributed the Compliance Manual, which incorporates comments and explanations about these codes as well as laws, regulations and other rules, to all employees, and is making continuous efforts to ensure that employees thoroughly understand the content of the Compliance Manual.

2. Compliance Management Structure

In our compliance management structure, Tamashin positions the Risk Management Department as the office responsible for oversight of compliance, providing it with the authority necessary to ensure the observance of laws and regulations, etc. and ensuring its independence from sales divisions, etc. to supervise other divisions, thereby strengthening the compliance structure for the entire Bank. Tamashin also assigns officials to be in charge of compliance at all departments of our headquarters and all branches to ensure thorough adherence to compliance.

3. Hold a Compliance Program

Tamashin formulates the “Compliance Program” each fiscal year, and provides a variety of training courses so that all the members of the bank fully understand compliance and implement a variety of measures for developing an environment fit for compliance in accordance with the Compliance Program.

Compliance Declaration

The Tama Shinkin Bank, in order to respond to the trust placed in the Bank by customers and society, shall execute business activities by constantly reminding ourselves of the social responsibility and public mission of a shinkin bank, maintaining deep insight and a strong sense of ethics, and placing compliance as one of the most important management priorities. In order to establish a corporate culture based on compliance, we hereby declare that the Tama Shinkin Bank shall formulate and abide by the “Compliance Declaration.”

1. Establishment of Trust

The Tama Shinkin Bank, fully conscious of its public mission and social responsibility, shall earn the trust of the local community and customers through sound management.

2. Sincere and Fair Business Activities

The Tama Shinkin Bank shall strictly abide by laws, regulations and rules, and execute sincere and fair business activities in accordance with the norms accepted by society.

3. Contributions to the Local Community

The Tama Shinkin Bank shall contribute to the local community by sharing and solving the problems of customers and the region.

4. Fair and Appropriate Disclosure of Information

The Tama Shinkin Bank shall realize transparent management by disclosing financial and other information in a fair and appropriate manner.

5. Exclusion of Antisocial Forces

The Tama Shinkin Bank shall resolutely exclude antisocial forces that pose a threat to social order and security.

Measures for Anti-Money Laundering and Countering the Financing of Terrorism

Japan cooperates as a member of the international community to eliminate the growing threat from crime and terrorist activities. Tamashin is working with the relevant ministries and agencies to establish controls for Anti-money laundering/Countering the financing of terrorism (AML/CFT) to stop the flow of funds to criminals, terrorists, and the like with the objective of preventing crime and terrorist acts and maintaining a safe and secure financial system.

As specific preventive measures, we conduct confirmation of the transactions as they are concluded, transaction filtering, transaction monitoring, etc., according to the relevant laws and regulations. When a transaction is suspect, we confirm the details and report it to the authorities as a suspicious transaction.



Financial Statements

Year Ended March 31, 2021

Notes to Non-Consolidated Financial Statements

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
ASSETS			
Cash	¥ 31,799	¥ 29,329	\$ 287,234
Due from Banks	920,683	740,035	8,316,173
Monetary Claims Purchased	50,294	31,048	454,288
Money Held in Trust	15,593	15,306	140,847
Trading Account Securities	5	15	46
Trading Account National Government Bonds	5	15	46
Securities	1,175,118	1,122,200	10,614,380
National Government Bonds	186,185	205,271	1,681,744
Local Government Bonds	238,411	244,206	2,153,475
Corporate Bonds	186,831	191,111	1,687,577
Stocks	28,470	23,350	257,161
Other Securities	535,218	458,260	4,834,420
Loans and Bills Discounted	1,194,545	1,090,416	10,789,860
Bills Discounted	5,657	9,538	51,104
Loans on Bills	22,555	25,667	203,736
Loans on Deeds	1,154,549	1,042,404	10,428,594
Overdrafts	11,782	12,805	106,424
Foreign Exchange	1,284	1,729	11,605
Due from Foreign Banks	1,274	1,709	11,511
Foreign Bills of Exchange Bought	2	11	22
Foreign Bills of Exchange Receivable	7	8	71
Other Assets	22,190	20,447	200,433
Outstanding Bank Transfer Advanced	561	683	5,069
Investment in the Shinkin Central Bank	11,265	11,265	101,759
Prepaid Expenses	48	24	435
Accrued Income	4,632	3,379	41,840
Gross Unrealized Gains from Derivative Transactions	25	454	230
Cash Collateral Advanced for Derivative Transactions	3,366	1,726	30,403
Others	2,291	2,912	20,694
Tangible Fixed Assets	36,004	36,651	325,212
Building	10,644	10,942	96,151
Land	21,329	21,593	192,660
Leased Assets	14	27	134
Construction in Progress	—	468	—
Other Tangible Fixed Assets	4,015	3,619	36,266
Intangible Fixed Assets	1,710	1,973	15,450
Software	1,043	1,300	9,427
Others	666	673	6,023
Deferred tax Assets	—	3,479	—
Reverse against Debt Guarantee	1,184	1,208	10,702
Reserve for Possible Loan Losses	(8,806)	(11,155)	(79,544)
(Specific Reserve for Possible Loan Losses)	(7,260)	(9,626)	(65,580)
Total Assets	¥ 3,441,607	¥ 3,082,685	\$ 31,086,690

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥110.71 to U.S.\$1, the rate prevailing on March 31, 2021

3. Based on the provisions of Article 15, paragraph 1, item 1 in the law regarding cooperative financial institution's preferred securities (No. 44; enacted on May 12, 1993), we cancelled the entire amount of preferred capital that had already been issued on December 22, 2011. After receiving this cancellation of preferred share, we transferred ¥5,350 million (US\$48,324 thousand) of preferred share in this current fiscal year and are recording the amount as other share.

Non-Consolidated Balance Sheets

The Tama Shinkin Bank Years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
LIABILITIES			
Deposits	¥ 3,100,736	¥ 2,802,870	\$ 28,007,738
Current Deposits	68,862	55,904	622,003
Ordinary Deposits	1,872,802	1,582,952	16,916,287
Savings Deposits	9,242	9,207	83,484
Deposits at Notice	3,245	5,284	29,319
Time Deposits	1,053,328	1,053,102	9,514,302
Installment Savings	56,333	62,880	508,836
Other Deposits	36,922	33,538	333,504
Borrowings	—	100,885	—
Loans Payable	—	100,885	—
Call Money	85,246	5,370	770,000
Cash Collateral Received for Repurchase Agreement	98,644	49,031	891,016
Foreign Exchange	7	6	64
Foreign Bills of Exchange Sold	5	6	53
Foreign Bills Payable	1	0	11
Other Liabilities	10,356	8,071	93,547
Outstanding Bank Transfer Received	914	901	8,259
Accrued Expenses	572	497	5,167
Reserve for Future Interest Payment of Installment Savings	21	33	194
Income Taxes Payable	251	661	2,273
Unearned Income	151	161	1,367
Unsettled Equity Refunds	78	73	707
Unrefunded Equity Interest	0	—	0
Deposits from Employees	1,178	1,070	10,642
Variation margins of futures markets	—	3	—
Gross Unrealized Losses from Derivative Transactions	5,410	141	48,871
Lease Obligations	16	30	151
Asset Retirement Obligations	711	737	6,424
Other Liabilities	1,050	3,760	9,487
Reserve for Employee Bonuses	1,056	1,059	9,546
Reserve for Employee Retirement Benefits	299	55	2,701
Reserve for Director's Retirement Benefits	591	525	5,340
Reserve for Reimbursement of Deposits	131	170	1,185
Reserve for Contingencies	503	410	4,546
Deferred Tax Liabilities	4,634	—	41,861
Deferred Tax Liabilities for Land Revaluation	3,022	3,022	27,299
Debt Guarantee	1,184	1,208	10,702
Total Liabilities	¥ 3,306,415	¥ 2,972,689	\$ 29,865,552
NET ASSETS			
Paid-in Members' Capital	26,127	25,090	235,997
Common Share	20,777	19,740	187,672
Other Share	5,350	5,350	48,324
Capital Retained Earnings	766	766	6,921
Legal Capital Reserve	766	766	6,921
Retained Earnings	84,016	80,840	758,884
Legal Reserve	22,990	22,840	207,662
Voluntary Reserve	61,025	58,000	551,222
Reserve for Specific Purpose	56,000	55,000	505,826
Retained Earnings for the Current Term	5,025	3,000	45,396
Treasure Share	(0)	(0)	(1)
Total Members' Equity	110,909	106,697	1,001,801
Unrealized Gains on Available-for-sale Securities	21,696	1,639	195,978
Deferred Gains or Losses on Hedges	11	(13)	107
Land Revaluation Excess	2,573	1,673	23,249
Total of Valuation and Translation Adjustments.	24,282	3,299	219,335
Total Net Assets	135,192	109,996	1,221,137
Total Liabilities and Net Assets	¥ 3,441,607	¥ 3,082,685	\$ 31,086,690

1. All yen figures have been rounded down to millions of yen by dropping the final six digits.

2. Trading account securities are recorded at fair value (the costs of such securities sold are computed using the moving-average method).

3. As for securities other than those in trading portfolio, debt securities that the Tama Shinkin Bank (hereafter, “the Bank”) has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost (straight-line basis) using the moving-average method. Investments in subsidiaries are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in subsidiaries are defined as available-for-sale securities. Available-for-sale securities are valued at market value as of the last day of the fiscal year. The costs of such securities sold are computed using the moving-average method. Other non-marketable securities, whose market values are extremely difficult to determine, are carried at cost using the moving-average method. Unrealized gains and losses on available-for-sale securities are reported, net of applicable income taxes as a component of net assets.

4. Securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management are stated at fair value.

5. Derivative transactions are evaluated using the market value method.

6. The depreciation of the Bank’s tangible fixed assets (excluding leased assets) is computed by the declining balance method.

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Others	3 to 20 years

7. The amortization of the Bank’s intangible fixed assets except for leased assets is computed by the straight-line method. Capitalized software for internal use is amortized based on the Bank’s estimate of useful life (mostly 5 years).

8. The depreciation and amortization of leased assets of “tangible fixed assets” and “intangible fixed assets” related to non-ownership-transfer finance lease transactions are computed by the straight-line method, using the lease periods as the useful lives. Residual value is stated as the amount of residual value guarantee of lease contracts which include guaranteed residual value and at zero for all other lease contracts.

9. The bank translates assets and liabilities in foreign currencies into yen at the year-end exchange rate.

10. Reserve for possible loan losses of the Bank has been established based on the Bank’s internal rules for establishing a reserve for possible loan losses, described as follows.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“Bankrupt Borrowers”), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“Effectively Bankrupt Borrowers”), an allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt, but

likely to become bankrupt in the future (“Potentially Bankrupt Borrowers”), an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For other claims, an allowance is provided mainly by forecasting the expected amount of losses for the following year. The expected amount of losses is calculated by obtaining the loan-loss ratio based on the actual annual loan losses or bankruptcies or the loss ratio based on the average of the actual ratio of loan losses or actual ratio of bankruptcies based on the actual annual loan losses or bankruptcies over a certain period in the past and making the necessary modifications for such matters as future prospects.

All claims will be given an asset assessment by the sales office, who are departments related to sales, based on the asset self-assessment standards, and the results of the assessment will be verified by the Loans Department. Furthermore, the Auditing Department, an asset Auditing Department separate from the aforementioned Loans Department, will inspect the results of the assessment.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The cumulative write-off amount was ¥7,246 million (US\$65,454 thousand).

Additional information

In light of the situation where there is a concern that the credit risk of debtors may increase as the result of the impact of the spread of COVID-19, an increase in the amount of losses on loans to debtors who are deemed to be particularly strongly impacted has been estimated based on certain assumptions. The resulting increase in the specific reserve for possible loan losses amounts to ¥509 million (US\$4,600 thousand). In the case where there is a change in the infection status of COVID-19 and its impact on the economic environment, the reserve for possible loan losses for the following fiscal year may increase or decrease.

11. Reserve for employee bonuses is provided for the payments of bonuses to employees, by the amount of estimated bonuses, which are attributable to this fiscal year.

12. Reserve for employee retirement benefits is provided for the payments of employee retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets as of the fiscal year end. In the calculation of retirement benefit obligations, we use a benefit formula for the period attribution method for estimated amounts of retirement benefit obligations. The actuarial differences are reported as expenses as follows.

Actuarial Differences

Unrecognized net actuarial differences are amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (10 years) of active employees.

Furthermore, in order to prepare for the payment of retirement benefits to participants in the lump-sum retirement benefit plan, we recorded an amount necessary at the fiscal year end under a compendium method set forth in Implementation Guidance No. 25 on Accounting Standard for Retirement Benefits (March 26, 2015).

The Bank participates in the corporate pension plan (an integrated corporate-type employees’ pension scheme) set up by multiple other businesses, such as Shinkin banks, and as it is not possible to reasonably compute an amount of pension assets corresponding to our contributions, we treat our contributions to the pension scheme as retirement benefit expenses.

The most recent data on the reserves of the corporate pension

plan and the Bank's share in total contributions to the plan and supplementary explanations about them are as follows:

a) Matters concerning the corporate pension plan's reserve (as of March 31, 2020)

	Millions of yen	Thousands of U.S. dollars
Amount of Pension Assets	¥ 1,575,980	\$ 14,235,217
Sum of Amount of Actuarial Pension Obligations Amount of the Minimum Actuarial Liability	1,718,649	15,523,888
Balance	¥ (142,668)	\$ (1,288,671)

b) Share of the Bank's premium contributions to the plan (as of March 31, 2020) was 2.1676%

c) Supplementary explanations

The main factor for the balance in a) above is the balance of ¥189,351 million (US\$1,710,334 thousand) in past service liabilities. As the pension plan uses the equal payment fixed-rate method for amortizing past service costs over a period of 19 years and 0 months, the Bank charged ¥408 million (US\$3,688 thousand) in special premiums in the financial statements for the fiscal year ended March 2021.

As the amount of special premiums is computed by multiplying the amount of standard pay at the time of contributions by the predetermined premium rate, the percentage shown in b) above does not correspond to the actual ratio of contributions by the Bank.

13. Reserve for retirement benefits to directors, which is provided for payment of retirement benefits to directors and auditors, is recorded in the amount deemed accrued at the fiscal year end date based on the estimated amount of benefits.
14. Reserve for reimbursement of deposits, which were derecognized from liabilities, is based on the possible losses on the future claims of withdrawal to prepare for depositor's needs of withdrawal.
15. Reserve for contingencies is provided for future payments to Credit Guarantee Corporation based on the amount reasonably calculated.
16. Finance lease transactions without transfer of ownership entered into before April 1, 2008 have been accounted for in accordance with accounting methods used for operating leases.
17. For the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets, the deferred hedge accounting method is applied as prescribed by the Industry Audit Committee Report No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (the Japanese Institute of Certified Public Accountants Industry Audit Committee Report No. 24, October 8, 2020) (Hereafter "Industry Audit Committee Report No. 24"). With respect to the hedge effectiveness testing, the Bank assesses the effectiveness of such hedges by monitoring the offsetting fluctuation of fair value by changes in interest rates, of the hedged bonds and hedging instruments, such as interest rate swaps.
18. The Bank applies the deferral hedge method of accounting to hedges of foreign currency risks associated with foreign-currency-denominated monetary assets and liabilities in accordance with "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry (the Japanese Institute of Certified Public Accountants Industry Audit Committee Report No.25, October 8, 2020). With respect to the hedge effectiveness testing, the Bank designates foreign exchange swap transactions as hedges against fluctuation in foreign currency exchange rates arising from foreign currency monetary claims and assesses the

effectiveness of such hedges by verifying that the Bank holds foreign currency positions of the hedged items corresponding to the positions of the hedging instruments.

19. National and local consumption taxes are accounted for using the net of tax method.

20. The items whose amounts have been appropriated in the financial statements, etc., for the fiscal year by accounting estimates and have the possibility to have a material impact on the financial statements, etc., for the following fiscal year are the following. Reserve for possible loan losses was ¥8,806 million (US\$79,544 thousand)

The calculation method of the reserve for possible loan losses is recorded in 10. Significant Accounting Policies. The main assumption regarding the appropriation of the reserve for possible loan losses is "Future Business Outlook of Borrowers in Determining Debtor Categories," where the earning capacity of each debtor is evaluated individually and determined. As the result, in the case where there is a change in the assumption used for the initial estimate due to a change in the business results of an individual borrower, etc., there may be a material impact on the reserve for possible loan losses for the following fiscal year and beyond.

In addition to the above, the main assumption for the additional reserve for possible loan losses corresponding to debtors whose credit risk has increased as the result of the impact of the spread of COVID-19 is the impact of COVID-19 on the business of the debtors, and additional individual reserve for possible loan losses is appropriated for the specific debtors on whom there has been a major impact as the result of preventing the spread of the disease. Because of this, in the case where there is a change on the assumption initially used for the estimate concerning the prospects of COVID-19 coming to an end, it may have a material impact on the reserve for possible loan losses in the financial statements, etc., for the following fiscal year.

21. Total monetary claims to directors and auditors as a result of transactions between directors and auditors were ¥70 million (US\$635 thousand)
22. Capitalization of subsidiaries was ¥2,062 million (US\$18,631 thousand)
23. Total monetary claims for subsidiaries were ¥614 million (US\$5,551 thousand)
24. Total monetary liabilities for subsidiaries were ¥4,007 million (US\$36,196 thousand)
25. Cumulative total depreciation of tangible fixed assets was ¥22,559 million (US\$203,774 thousand)
26. Reduction entry amount of tangible fixed assets was ¥289 million (US\$2,610 thousand)

Non-Consolidated Balance Sheets

27. In addition to fixed assets recorded on the balance sheet, communication and control devices are used according to non-ownership-transfer finance lease contracts.

1) Acquisition Cost Expenses

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 337	\$ 3,045
Intangible Fixed Assets	0	5
Total	¥ 337	\$ 3,050

2) Accumulated Depreciation

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 153	\$ 1,388
Intangible Fixed Assets	0	3
Total	¥ 154	\$ 1,391

3) Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 183	\$ 1,657
Intangible Fixed Assets	0	1
Total	¥ 183	\$ 1,659

4) Future Lease Payments Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
1 year or Less	¥ 70	\$ 634
Exceeding 1 Year	131	1,189
Total	¥ 201	\$ 1,823

5) Lease Payments, Depreciation Expense and Interest Expense Payments

	Millions of yen	Thousands of U.S. dollars
Lease Payments	¥ 90	\$ 815
Depreciation Expense	68	615
Interest Expense Payments	¥ 24	\$ 220

6) Depreciation Expense Calculation Method

Calculated using the straight-line method over the useful lives of the respective leased assets with zero residual value.

7) Calculation Method for Interest Payments

The difference between the total lease fee and acquisition equivalent amount is assumed the interest portion and distributed each year through the interest method.

28. Of loans outstanding, loans to Bankrupt Borrowers amounted to ¥1,325 million (US\$11,970 thousand) and Non-accrual Delinquent loans amounted to ¥67,860 million (US\$612,960 thousand).

Loans to Bankrupt Borrowers are loans, after write offs, to bankrupt borrowers as defined in paragraph 1, item (3) (a) through (e) and paragraph 1, item (4) of Article 96 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965) on which accrued interest income is not recognized, as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.

Also, non-accrual loans are other than Loans to Bankrupt Borrowers, and loans renegotiated at concessionary terms, which include reduction or deferral of interest for the purpose of supporting or helping business reconstruction of borrowers.

29. Of loans outstanding, there are no loans past due for three months or more.

Loans past due for three months or more are loans whose principal and/or interest payments have been past due for three months or more, excluding loans to bankrupt borrowers and past due loans.

30. Of loans outstanding, there are no restructured loans. Restructured loans are loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to the borrower's weakened financial condition,

excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

31. The total amount of loans to Bankrupt Borrowers, non-accrual delinquent loans, loans past due for three months or more, and restructured loans came to ¥69,186 million (US\$624,931 thousand). These amounts are stated before the reduction of reserve for possible loan losses.

32. Bills discounted are treated as financial transactions in accordance with JICPA Industry Audit Committee Report No.24.

Bills accepted by other banks, commercial bills, bills of exchange, and foreign bills bought are permitted to be sold or pledged and the total face value was ¥5,657 million (US\$51,104 thousand).

33. Assets pledged as collateral are as follows.

Assets pledged as collateral:

	Millions of yen	Thousands of U.S. dollars
Securities	¥ 1,916	\$ 17,306
Other Assets	32	292

Other liabilities corresponding to the above pledged assets are mainly those corresponding to national revenue and public money.

In addition to the above, due from banks totalling ¥165,000 million (US\$1,490,380 thousand), securities totalling ¥81,792 million (US\$738,798 thousand), and other assets totalling ¥3 million (US\$27 thousand) were pledged as collateral for exchange settlements, exchange yen settlements, forward exchange contracts, foreign currency yen settlements and call transactions, or in lieu of futures trading margin money. Securities lent out for cash-secured bond lending transactions amounted to ¥104,067 million (US\$940,000 thousand), while cash collateral accepted for bond lending transactions amounted to ¥98,644 million (US\$891,016 thousand).

34. In accordance with the Act on Revaluation of Land, promulgated on No.34 March 31, 1998, the Bank's business use real estate was revalued. The corresponding taxes on land revaluation are reported as "Deferred Tax Liabilities for Land Revaluation" in the liabilities section of the non-consolidated balance sheets. The excess of the revaluation over the related deferred tax liabilities is recorded as "Land Revaluation Excess."

Date of the revaluation:

The former Tama Chuo Shinkin Bank	March 31, 1999
The former Taihei Shinkin Bank	March 31, 1998
The former Hachioji Shinkin Bank	March 31, 1998

Methods of real estate revaluation stipulated in Act on Revaluation of Land, Article 3, Section 3

Namely, land revaluation was adjusted in accordance with valuation by road rating stipulated in Article 2, Section 4 of the Implementation Ordinance for the Act on Revaluation of Land (Government Ordinance No. 119 March 31, 1998) and for the land of which road rating price is not determined were adjusted based on the appraised value for the property tax stipulated in Article 2, Section 3 of the Act. In regards to road rating price, value correction by depth and in regards to fixed asset appraisal values is computed by reasonable adjustment of the value calculated.

The difference between the total fair value of the revalued business land as of March 31, 2021 as stipulated in Article 10 of the Land Revaluation Law, and the total book value after revaluation is △¥3,031 million (△US\$27,379 thousand).

35. Net assets per investment unit is ¥325.34 (US\$2.93)

36. Concerning the situation of financial instruments

1) *Policy for dealing with financial instruments*

The Bank is involved in finance business including deposits, loans and also marketplace investments.

For the purpose of hedging against fluctuation in interest rates, the Bank entirely and efficiently manages the variety of risks incurred by holding financial assets and liabilities (ALM). Derivative transactions are also implemented as necessary as part of this management.

2) *Contents of financial instruments and their risk*

The main financial assets of the Bank are loans to customers within our business district. Also, the Bank holds securities, mainly bonds, investment trusts as well as stocks, for held-to-maturity purposes, passive investment purposes as well as business promotion purposes.

The major risks implied in these financial instruments are issuers' credit risk, interest rate fluctuation risk and market risk. Foreign currency securities are exposed to the risk of exchange rate fluctuations, but the Bank tries to avoid this risk as much as possible using forward exchange contracts and currency options. However, financial liabilities are mainly deposits received from customers, and are exposed to liquidity risk. The Bank conducts interest rate swap transactions as one aspect of ALM. Using these as hedging instruments, the interest rate fluctuation risk regarding the financial instruments that are hedged items is subject to hedge accounting at the Bank.

3) *Risk management systems for financial instruments*A. *Credit risk management*

In accordance with loan screening rules/procedures for credit risk management policy as well as for managing credit risk, the Bank has established a framework for credit management structures of its loan portfolio.

This framework covers such issues as screening of individual loans, credit limits, management of credit information, assignment of guarantees and collateral and measures against nonperforming loans.

Credit management is carried out by each of the Bank's branches as well as the Bank's Loan Department.

Senior management regularly participates in deliberations and receives reports concerning credit management at meetings of ALM Committee and Board of Directors.

Additionally, the Risk Management Department checks on the credit management situation.

The credit risk of securities issuers and the counterparty risk for derivative transactions are managed by the Treasury And Securities Department by regularly monitoring credit information and market price.

B. *Market risk management*i. *Interest rate risk management*

The Bank uses ALM to manage interest rate risk.

Details of the risk management methods and procedures are clearly stipulated in the regulations and guidelines concerning ALM, and based on the risk management policies determined by ALM Committee, the Board of Directors monitors and confirms the implementation status and decides future responses through discussion.

Financial assets as well as liabilities' interest rates and periods are identified in the Risk Management Department on a routine basis, and are subject to monitoring by gap analysis and interest rate sensitivity analysis.

Additionally, using ALM, the Bank conducts derivative transactions (interest rate swaps) to hedge against the risk of fluctuations in the interest rate.

ii. *Exchange rate risk management*

The Bank seeks to avoid exchange rate risk as much as possible using foreign currency forwards.

iii. *Market price fluctuation risk management*

Holdings of market investment instruments including securities are managed in accordance with the market risk management rules based on policies set by the ALM committee, under the supervision of the Board of Directors.

The Treasury And Securities Department conducts purchases of market investment instruments and tries to mitigate fluctuations risk through continuous monitoring in addition to pre-purchase screening and the setting of investment limits.

Most of the stocks held by the Treasury And Securities Department are held for passive investment purposes, and by inverse correlation with the bond's price, they are held with the purpose of reducing market price fluctuations risk for the securities overall.

The above-mentioned information is regularly reported to the ALM committee through the Treasury And Securities Department.

iv. *Derivative transactions*

The execution, assessment of hedging effectiveness and transaction administration are each handled by separate divisions to ensure proper internal control. Derivative transactions are conducted in accordance with specific rules on such transactions and guidelines for handling adoption of hedge accounting.

v. *Quantitative information regarding market risk*

The Bank calculates the market risk amount of items such as "due from banks," "securities," "loans," and "deposits" using VaR on a monthly basis, and ensures the acquired risk amount is within the range of its risk limits.

The Bank's VaR is calculated according to the historical simulation method (holding period: 1 year, confidence interval: 99%, observation period: 5 years), and as of March 31, 2021 (fiscal year end) the Bank's amount of market risk (estimated value of loss) was ¥23,533 million (US\$212,570 thousand) overall.

The Bank executes backtesting which compares calculated VaR and the actual profit/loss to verify the effectiveness of the VaR measurement model. However, the VaR statistically figures the risk based on historical market fluctuation and may be sometimes unable to completely grasp the risk in the environment that the market unexpectedly changes beyond the estimation.

C. *Management of liquidity risk related to fund-raising*

Through ALM, the Bank manages liquidity risk through such activities as managing its cash position in a timely manner through ALM, diversifying fundraising methods and adjusting the balance between short- and long-term fundraising in line with market conditions.

4) *Supplementary explanation on fair values of financial instruments*

The fair values of financial instruments, in addition to values based on market price, include values based on reasonable estimates when no market prices are available.

Since value estimates are predicted on certain assumptions, values may vary if the underlying assumptions change.

Non-Consolidated Balance Sheets

37. Matters Relating to the Market Values of Financial Instruments

The following are the carrying amount on the balance sheets, the fair value as of March 31, 2021, and net unrealized gains (losses between these amounts (Note 1 in regards to the calculation method for fair value, etc.). The amounts shown in the following table do not include financial instruments whose market values are extremely difficult to determine, such as unlisted stocks classified as available-for-sale securities (Note 2).

In addition, immaterial items were omitted from the table.

	Millions of yen		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	¥ 920,683	¥ 920,639	¥ (43)
2) Monetary Claims Purchased	50,294	50,294	—
3) Securities	1,171,513	1,175,187	3,673
Securities Classified as Trading	5	5	—
Bonds Classified as Held-to-Maturity	221,074	224,748	3,673
Available-for-Sale Securities	950,433	950,433	—
4) Loans and Bills Discounted	1,194,545		
Reserve for Possible Loan Losses (*1)	(8,765)		
	1,185,780	1,205,295	19,515
Total Financial Assets	¥ 3,328,271	¥ 3,351,417	¥ 23,145
1) Deposits	3,100,736	3,100,750	(13)
2) Call Money	85,246	85,246	—
3) Bond Lending Transactions	98,644	98,644	—
Total Financial Liabilities	¥ 3,284,627	¥ 3,284,641	(13)
Derivative Transactions (*2)			
to which Hedge Accounting is not Applied	(12)	(12)	—
to which Hedge Accounting is Applied	(5,372)	(5,372)	—
Total Derivative Transactions	¥ (5,385)	¥ (5,385)	—

	Thousands of U.S. dollars		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	\$ 8,316,173	\$ 8,315,777	\$ (395)
2) Monetary Claims Purchased	454,288	454,288	—
3) Securities	10,581,825	10,615,005	33,180
Securities Classified as Trading	46	46	—
Bonds Classified as Held-to-Maturity	1,996,883	2,030,063	33,180
Available-for-sale securities	8,584,895	8,584,895	—
4) Loans and Bills Discounted	10,789,860		
Reserve for Possible Loan Losses (*1)	(79,172)		
	10,710,687	10,886,964	176,276
Total Financial Assets	\$ 30,062,974	\$ 30,272,035	\$ 209,061
1) Deposits	28,007,738	28,007,861	(122)
2) Call Money	770,000	770,000	—
3) Bond Lending Transactions	891,016	891,016	—
Total Financial Liabilities	\$ 29,668,755	\$ 29,668,878	(122)
Derivative Transactions (*2)			
to which Hedge Accounting is not Applied	(115)	(115)	—
to which Hedge Accounting is Applied	(48,525)	(48,525)	—
Total Derivative Transactions	\$ (48,641)	\$ (48,641)	—

(*1). General and specific reserves for possible losses corresponding to cash collateral received for bond repurchase agreement were deducted.

(*2). Derivative transactions stated in other assets and liabilities are collectively stated. Net receivables or payables derived from derivatives are presented on a net basis. The item that is a net liability in total is presented in parentheses.

(*3). They are interest rate swaps and other means designated as hedging methods to offset the market fluctuation of securities, etc., that are being hedged, and mainly use deferred hedging. The "Treatment of Hedge Accounting concerning Financial Products that Use LIBOR as Reference" (Industry Audit Committee Report No. 40, September 29, 2020) is applied to these hedging matters.

(Note.1) Accounting method of fair value of financial instruments

Financial assets

1) Due from banks

For due from banks without maturity the carrying amount is presented at fair value because it approximates such fair value. The fair value of due from banks with maturity classified by its remaining maturity is estimated by discounting the value of new similar transactions. For due from banks with maturity that include derivative transactions, the fair value is the amount reasonably calculated by the bank.

2) Monetary claims purchased

Monetary claims purchased depend on the pricing from the corresponding bank. For those monetary claims purchased without a market price, the current price is the amount after deducting the credit risk amount from the book value.

3) Investment securities

The fair values of equities are determined using their quoted market prices on the stock exchange, while the fair values of bonds are based on quoted market prices or quotes obtained from financial institutions. Investment trusts funds are valued at closing quotations at the exchange, or quotes obtained from the financial institutions.

Notes to securities classified by purpose for which they are held are listed in 38 through 40.

4) Loans

The fair values of cash collateral received for a bond repurchase agreement with variable interest rates are presented using their carrying amounts as such fair values approximate such carrying amounts unless the creditworthiness of the borrower has changed significantly since the loan origination. The current prices for borrowing with fixed interest rates is calculated by multiplying future cash flow by the discount rate calculated as follows.

The discount rate is calculated from the market interest rate (LIBOR) on the base date for calculating market value, taking into consideration the credit spread based on the creditworthiness of the borrower (internal rating/type of borrower), collateral, and guarantees.

For bills discounted, loans on bills, and overdrafts with short remaining periods, their carrying amount is presented as the fair value since the fair value approximates such carrying amount.

Losses on claims against borrowers who are bankrupt, virtually bankrupt or potentially bankrupt are estimated based on the forecasted recoverable amounts of collateral and guarantees for such claims. The fair values of such claims approximate their carrying amounts as of the closing date after deduction of present estimated loan losses. Therefore, the Bank adopts the book values of such claims as fair values.

Financial liabilities

1) Deposits

For on-demand deposits, the amount payable on demand as of the balance sheet date is considered to be the fair value.

The fair value of time deposits is estimated by discounting expected future cash flows using the discount rates that would be applied to newly accepted deposits. For short-term time deposits whose first transaction period is short term, their carrying amounts are presented at fair value as fair values thereof approximate the carrying amounts.

2) Call Money, 3) Bond Lending Transactions

Because of their short term nature (less than 6 months), and since the fair value is approximately the same as the book value, they are stated at that book value.

Derivative transactions

The Bank uses derivative transactions such as interest rate swaps and forward exchange contracts. An amount reasonably calculated by the derivative counterparties is used as the fair value for interest rate swap transactions, and a price calculated by the market prices and prescribed discount rate is used as the fair value for forward exchange contracts.

(Note.2) The balance sheet for financial instruments for which it is extremely difficult to obtain their fair values are as follows and are not included in fair value information for financial instruments.

	Millions of yen	Thousands of U.S. dollars
	Carrying Amount	
Subsidiaries' Stocks (*1)	¥ 2,062	\$ 18,631
Unlisted Stocks(*2)(*3)	424	3,837
Investments in Partnerships (*4)	1,121	10,133
Total	¥ 3,609	\$ 32,601

(*1). The above are deemed to be extremely difficult to determine fair values because there are no market prices. Therefore, their fair values are not disclosed.

(*2). The above are deemed to be extremely difficult to determine fair values because there are no market prices. Therefore, their fair values are not disclosed.

(*3). For this fiscal year, ¥29 million (US\$267 thousand) was recognized as impairment loss on unlisted stocks.

(*4). Partnership investments composed of unlisted stocks that do not have quoted market prices available and whose fair values are extremely difficult to be determined are not disclosed at fair value.

(Note.3) Scheduled redemption amount of due from banks and securities with a maturity date after March 31, 2021

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥ 373,683	¥ 510,000	¥ —	¥ 37,000
Monetary Claims Purchased	—	—	—	50,410
Securities	164,627	171,387	193,199	470,509
Bonds Classified as Held-to-Maturity	2,739	9,311	8,013	200,615
Available-for-sale securities with Maturity Dates	161,888	162,076	185,185	269,893
Loans and Bills Discounted	231,553	233,343	179,984	549,663
Total	¥ 769,864	¥ 914,731	¥ 373,184	¥ 1,107,583

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	\$ 3,375,336	\$ 4,606,629	\$ —	\$ 334,206
Monetary Claims Purchased	—	—	—	455,333
Securities	1,487,016	1,548,075	1,745,092	4,249,927
Bonds Classified as Held-to-Maturity	24,740	84,102	72,380	1,812,084
Available-for-sale securities with Maturity Dates	1,462,275	1,463,971	1,672,712	2,437,842
Loans and Bills Discounted	2,091,529	2,107,702	1,625,733	4,964,895
Total	\$ 6,953,882	\$ 8,262,408	\$ 3,370,826	\$ 10,004,362

(Note.4) Scheduled redemption amount of borrowings and other interest-bearing debt after March 31, 2021

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	¥ 3,009,690	¥ 77,866	¥ 13,179	—
Call Money	85,246	—	—	—
Bond Lending Transactions	98,644	—	—	—
Total	¥ 3,193,581	¥ 77,866	¥ 13,179	—

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	\$ 27,185,349	\$ 703,341	\$ 119,047	—
Call Money	770,000	—	—	—
Bond Lending Transactions	891,016	—	—	—
Total	\$ 28,846,365	\$ 703,341	\$ 119,047	—

(*) Demand-on deposits contained within deposit reserves are stated as "1 year or less."

38. Matters related to the fair value and Gross unrealized gains (losses) of securities are as follows. Included in these are "National Government Bonds," "Local Government Bonds," "Corporate Bonds," "Stocks," "Available-for-sale securities," and also "trading account securities." The material up to 40. below is treated in the same manner.

1) Securities Classified as Trading

Securities Classified as Trading	Gains (Losses) include in profit/loss for the Current Fiscal Year	
	Thousands of yen	U.S. dollars
	¥ (181)	\$ (1,635)

2) Held-to-maturity bonds

	Type	Millions of yen		
		Carrying Amount	Market Value	Gross unrealized gains (losses)
Unrealized gain	National Government Bonds	¥ 998	¥ 1,031	¥ 32
	Local Government Bonds	139,902	142,639	2,737
	Corporate Bonds	45,865	46,787	922
	Other	10,270	10,422	151
	Subtotal	197,036	200,880	3,844
Unrealized loss	National Government Bonds	—	—	—
	Local Government Bonds	11,544	11,475	(69)
	Corporate Bonds	6,594	6,569	(24)
	Other	5,900	5,822	(77)
	Subtotal	24,038	23,867	(171)
Total		¥ 221,074	¥ 224,748	¥ 3,673

	Type	Thousands of U.S. dollars		
		Carrying Amount	Market Value	Gross unrealized gains (losses)
Unrealized gain	National Government Bonds	\$ 9,020	\$ 9,312	\$ 292
	Local Government Bonds	1,263,681	1,288,408	24,726
	Corporate Bonds	414,281	422,617	8,335
	Other	92,769	94,139	1,369
	Subtotal	1,779,753	1,814,478	34,724
Unrealized loss	National Government Bonds	—	—	—
	Local Government Bonds	104,275	103,649	(626)
	Corporate Bonds	59,561	59,340	(221)
	Other	53,292	52,595	(697)
	Subtotal	217,129	215,585	(1,544)
Total		\$ 1,996,883	\$ 2,030,063	\$ 33,180

Note. Market value is based on the market price at the end of the fiscal year.

Non-Consolidated Balance Sheets

3) Available-for-sale securities

		Millions of yen		
Type		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)
Unrealized gain	Stocks	¥ 23,089	¥ 12,680	¥ 10,408
	Bonds	249,788	244,738	5,050
	National Government Bonds	84,432	81,357	3,074
	Local Government Bonds	55,902	55,209	692
	Corporate Bonds	109,454	108,171	1,282
	Other	397,708	378,840	18,867
	Subtotal	670,586	636,259	34,327
Unrealized loss	Stocks	2,893	3,232	(338)
	Bonds	156,735	157,345	(609)
	National Government Bonds	100,755	101,038	(283)
	Local Government Bonds	31,062	31,280	(218)
	Corporate Bonds	24,918	25,026	(107)
	Other	171,446	174,741	(3,294)
	Subtotal	331,076	335,319	(4,243)
Total	¥ 1,001,662	¥ 971,578	¥ 30,084	

		Thousands of U.S. dollars		
Type		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)
Unrealized gain	Stocks	\$ 208,558	\$ 114,538	\$ 94,019
	Bonds	2,256,244	2,210,623	45,620
	National Government Bonds	762,642	734,868	27,773
	Local Government Bonds	504,944	498,686	6,258
	Corporate Bonds	988,657	977,069	11,588
	Other	3,592,342	3,421,915	170,427
	Subtotal	6,057,145	5,747,078	310,067
Unrealized loss	Stocks	26,134	29,195	(3,060)
	Bonds	1,415,732	1,421,242	(5,509)
	National Government Bonds	910,082	912,644	(2,561)
	Local Government Bonds	280,573	282,545	(1,972)
	Corporate Bonds	225,076	226,052	(975)
	Other	1,548,613	1,578,372	(29,759)
	Subtotal	2,990,481	3,028,810	(38,329)
Total	\$ 9,047,626	\$ 8,775,888	\$ 271,738	

Notes:1. Carrying amount is calculated by using market prices at fiscal year-end.

2. The ¥8,387 million (US\$75,759 thousand) is calculated by deducting the deferred tax liabilities amount of ¥21,696 million (US\$195,978 thousand) from the evaluation excess amount of ¥30,084 million (US\$271,738 thousand) and is included in "Unrealized gains on available-for-sale securities."

39. There are no held-to-maturity bonds sold during the fiscal year.

40. Available-for-sale securities sold during the fiscal year under review

		Millions of yen		
		Proceeds from sales	Gain on Sales	Loss on Sales
Equity securities		¥ 4,120	¥ 1,749	¥ 406
Bonds		38,959	149	—
National Government Bonds		33,823	118	—
Local Government Bonds		—	—	—
Corporate Bonds		5,135	31	—
Other		47,940	970	1,199
Total		¥ 91,020	¥ 2,869	¥ 1,605

		Thousands of U.S. dollars		
		Proceeds from sales	Gain on Sales	Loss on Sales
Equity securities		\$ 37,220	\$ 15,802	\$ 3,672
Bonds		351,901	1,346	—
National Government Bonds		305,517	1,066	—
Local Government Bonds		—	—	—
Corporate Bonds		46,384	280	—
Other		433,031	8,769	10,833
Total		\$ 822,152	\$ 25,918	\$ 14,506

41. Assets held in trust for investment

		Millions of yen	
		Carrying Amount	Gains/Losses for the Fiscal Year Under Review
Assets Held in Trust for Investment		¥ 14,606	¥ 168
Thousands of U.S. dollars			
		Carrying Amount	Gains/Losses for the Fiscal Year Under Review
Assets Held in Trust for Investment		\$ 131,933	\$ 1,520

42. Other monetary trusts

(except those with management purpose and those to be held to maturity)

		Millions of yen				
		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)	Unrealized gain	Unrealized loss
Other monetary trusts		¥ 986	¥ 1,000	¥ (13)	—	¥ (13)
		Thousands of U.S. dollars				
		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)	Unrealized gain	Unrealized loss
Other monetary trusts		\$ 8,913	\$ 9,032	\$ (119)	—	\$ (119)

43. Matters regarding real estate for lease

The Bank leases a part of its land/buildings owned in Tachikawa City and other locations for use as a parking lot. The disclosure of this market value is omitted due to the immateriality of the total amount of the investment and rental property.

44. Securities lent under unsecured securities lending agreements (bond borrowing and lending transactions) are included in "National Government Bonds" for a total of ¥63,977 million (US\$577,880 thousand).

45. Overdraft facilities contracts and loan commitment limits are contracts under which the Bank lends to customers up to prescribed limits. Under these contracts, funds can be drawn based on customers' application for a loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts was ¥58,546 million (US\$528,826 thousand). Of these contracts, those where the remaining period on the contract is 1 year or less amount to ¥49,017 million (US\$442,756 thousand).

Since many of these commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that allow the Bank to refuse the customers' application for loans or to decrease the contract limits for proper reasons such as changes in financial situation, deterioration in customers' creditworthiness, or other reasonable grounds. Not only does the Bank obtain real estate, securities and/or other collateral if considered to be necessary at the inception of contracts, the Bank performs periodic reviews of the customer's business results based on internal rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

46. Details of deferred tax assets and liabilities as of March 31, 2021 are as follows.

	Millions of yen	Thousands of U.S. dollars
Proceeds from sales		
Deferred Tax Assets		
Reserve for Possible Loan Losses	¥ 2,920	\$ 26,375
Depreciation	372	3,368
Reserve for Bonuses	295	2,665
Reserve for Director's Retirement Benefits	165	1,491
Reserve for Employee Retirement Benefits	83	754
Other	1,491	13,476
Gross Deferred Tax Assets	5,328	48,131
Less: Valuation Allowance	(1,461)	(13,203)
Total Deferred Tax Assets	3,866	\$ 34,927
Deferred Tax Liabilities		
Net Unrealized Gains on Available-for-Sale Securities	8,387	75,759
Other	113	1,029
Total Deferred Tax Liabilities	8,501	76,788
Net Deferred Tax Liabilities	¥ 4,634	\$ 41,861

47. Subsequent Event

The following appropriation of retained earnings applicable to the year ended March 31, 2021, was approved at the members' meeting held on June 22, 2021.

	yen	Thousands of U.S. dollars
Unappropriated Retained Earnings for the Current Term	¥ 5,025,808,407	\$ 45,396
Retained Earnings Carried Forward (Beginning Balance)	1,472,485,379	13,300
Reversal Amount of Land Revaluation Excess	(900,342,613)	(8,132)
Current Net Income	4,453,665,641	40,228
Amount of Retained Earnings Appropriated	3,347,775,498	30,239
Legal Reserve	450,000,000	4,064
Dividends for Common Share (Yearly 2.0%)	397,775,498	3,592
Specific Reserve	2,500,000,000	22,581
Retained Earnings Carried Forward (Term-end Balance)	¥ 1,678,032,909	\$ 15,157

48. Changes in presentation method

Application of "Accounting Standards concerning Disclosure of Accounting Estimates"

Business Accounting Standards No. 31 "Accounting Standards concerning Disclosure of Accounting Estimates" (March 31, 2020) is being applied beginning with the financial statements for this fiscal year at the end of the fiscal year. The financial statements include notes concerning material accounting estimates.

49. Additional information

In accordance with the provisions of Article 15, paragraph 1, item 1 in the law regarding cooperative financial institution's preferred shares (No.44; enacted on May 12, 1993), we cancelled the entire amount of preferred shares, and, after this cancellation, transferred the amount of ¥5,350 million (US\$48,324 thousand) of preferred shares to other shares in this current fiscal year.

Non-Consolidated Statements of Income and Retained Earnings

	Thousands of yen		Thousands of
	2021	2020	U.S. dollars
	2021	2020	2021
OPERATING REVENUE	¥ 41,918,141	¥ 47,565,602	\$ 378,630
Interest Income	33,521,945	37,526,792	302,790
Loans	19,971,861	18,676,827	180,397
Deposits in Other Banks	951,044	1,017,572	8,590
Investment Securities	12,092,144	17,139,896	109,223
Interest Rate Swaps	26,951	66,486	243
Others	479,942	626,008	4,335
Fees and Commissions Received	4,043,091	3,970,109	36,519
Exchange Commissions Received	1,980,270	1,967,473	17,887
Others	2,062,820	2,002,636	18,632
Other Operating Income	1,742,902	3,112,882	15,742
Net Gain on Sales of Bonds such as National Government Bonds	1,115,360	2,697,195	10,074
Net Gain on Redemption of Bonds such as National Government Bonds	30,364	18,757	274
Others	597,178	396,930	5,394
Other Income	2,610,202	2,955,818	23,576
Gain on Bad Debts Recovered	210,401	297,419	1,900
Gains on Sales of Stocks	1,768,998	2,219,383	15,978
Gains on Money Held in Trust	599,901	332,977	5,418
Others	30,901	106,037	279
OPERATING EXPENSE	¥ 36,825,254	¥ 45,442,838	\$ 332,628
Interest Expense	597,872	2,319,710	5,400
Deposits	172,527	328,899	1,558
Provisions for Future Interest Payment of Installment Savings	6,341	11,960	57
Interest on Borrowings	113,231	4,666	1,022
Interest on Call Money	10,189	37,253	92
Interest Payment on Bond Lease Transactions	289,063	1,929,876	2,610
Others	6,518	7,054	58
Fees and Commissions Paid	1,695,460	1,594,915	15,314
Exchange Commissions Paid	687,182	713,749	6,207
Others	1,008,277	881,165	9,107
Other Operating Expenses	2,491,831	8,487,525	22,507
Net Loss on Foreign Exchange Trading	1,084,295	4,532,517	9,794
Net Loss on Trading	156	83	1
Net Loss on Sales of Bonds such as National Government Bonds	619,572	1,600,225	5,596
Bond Redemption Loss such as on National Government Bonds	742,404	2,224,651	6,705
Loss on devaluation of bonds	—	75,483	—
Others	45,402	54,563	410

Non-Consolidated Statements of Income and Retained Earnings

	Thousands of yen		Thousands of U.S. dollars
	2021	2020	2021
General and Administrative Expenses	28,361,772	27,560,930	256,180
Salaries and Employee Benefits	16,459,632	16,308,808	148,673
Other General and Administrative Expenses	11,243,279	10,391,588	101,556
Tax	658,859	860,533	5,951
Other Expense	3,678,318	5,479,757	33,224
Provisions of Reserve for Possible Loan Losses	1,875,628	4,171,245	16,941
Write - off of Loans	43,956	86,730	397
Loss on Sale of Receivables	221,742	—	2,002
Loss on Sale of Stocks	1,004,731	740,914	9,075
Loss on Devaluation of Stocks and Other Securities	29,568	57,010	267
Loss on Money Held in Trust	500	95,991	4
Others	502,190	327,864	4,536
OPERATING INCOME	¥ 5,092,886	¥ 2,122,764	\$ 46,002
EXTRAORDINARY INCOME	465,976	91,263	4,208
Gain on Disposition of Fixed Assets	457,966	—	4,136
Other Extraordinary Income	8,010	91,263	72
EXTRAORDINARY LOSS	69,686	108,297	629
Loss on Disposal of Fixed Assets	68,005	107,625	614
Losses on Impairment of Fixed Assets	1,681	671	15
INCOME BEFORE INCOME TAXES	¥ 5,489,176	¥ 2,105,731	\$ 49,581
INCOME TAXES CURRENT	719,635	1,425,023	6,500
INCOME TAXES DEFERRED	315,874	(732,328)	2,853
TOTAL INCOME TAXES	1,035,510	692,694	9,353
NET INCOME	¥ 4,453,665	¥ 1,413,036	\$ 40,228
RETAINED EARNINGS AT BEGINNING OF YEAR	1,472,485	1,587,196	13,300
Reversal of Land Revaluation Excess	(900,342)	205	(8,132)
RETAINED EARNINGS AT END OF YEAR	¥ 5,025,808	¥ 3,000,438	\$ 45,396

Notes: 1. Fractions of amounts stated which are smaller than a thousand yen omitted.

2. Total earnings by transactions with subsidiaries ¥ 82,756 thousand (US\$ 747,503)

 Total expenses by transactions with subsidiaries ¥ 1,712,712 thousand (US\$ 15,470,262)

3. Net Income per share ¥ 11.15 (US\$ 0.100)

4. Following premises were written down to recoverable amount and the losses are stated as "Losses on Impairment of Fixed Assets" in extraordinary loss.

Area	Purpose of Use	Type	Thousands of yen	Thousands of
			Impairment Loss	U.S. dollars
Higashikurume City	Office	Buildings and equipment	¥ 533	\$ 4
Tama City	Office	Buildings and equipment	767	6
Ome City	Warehouses	Land	380	3
Total			¥ 1,681	\$ 15

The recoverable amount is a consequence of net realizable value, determined based on prices obtained from an appraiser by less estimated costs of disposal.

5. Changes in presentation

Interest subsidies, which were included in "Others" under "Interest Income" in the previous fiscal year, are being included as of this fiscal year in "Loans" under "Interest Income" in view of the growing importance of the amount. As a result, interest subsidies, which were included in "Others" under "Interest Income" in the previous fiscal year, are included in this fiscal year as ¥252,750 thousand (US\$2,282 thousand) in "Loans" under "Interest Income."

Five-Year Summary

Five-Year Summary (Non-Consolidated Basis)(Unaudited)

The Tama Shinkin Bank
Years ended March 31, 2021, 2020, 2019, 2018 and 2017

	Millions of yen					Thousands of U.S. dollars
	2021	2020	2019	2018	2017	2021
For the Years Ended March 31						
Total Income	¥ 42,384	¥ 47,656	¥ 44,751	¥ 41,552	¥ 41,436	\$ 382,839
Interest on Loans and Bills Discounted	20,922	19,694	19,882	20,122	20,925	188,988
Interest and Dividends on Securities	12,092	17,139	16,946	14,105	12,793	109,223
Total Expenses	36,894	45,551	41,324	37,940	37,412	333,257
Business Profit	6,221	4,773	3,627	3,842	4,019	56,194
Income Before Income Taxes	5,489	2,105	3,427	3,611	4,024	49,581
Net Income	4,453	1,413	2,332	2,606	2,898	40,228
As of March 31						
Total Assets	¥ 3,441,607	¥ 3,082,685	¥ 3,042,639	¥ 2,989,784	¥ 2,913,274	\$ 31,086,690
Securities	1,175,118	1,122,200	1,162,820	1,117,253	1,137,707	10,614,380
Loans and Bills Discounted	1,194,545	1,090,416	1,072,061	1,033,057	1,013,469	10,789,860
Total Liabilities	3,306,415	2,972,689	2,920,582	2,871,390	2,795,990	29,865,552
Deposits	3,100,736	2,802,870	2,740,758	2,702,799	2,644,221	28,007,738
Total Net Assets	135,192	109,996	122,056	118,394	117,284	1,221,137
Number of Branches	81	82	83	83	82	
Number of Employees and Officers	1,959	1,982	2,005	2,016	2,005	
Deposits						
Per Branch	¥ 38,280	¥ 34,181	¥ 33,021	¥ 32,563	¥ 32,246	\$ 345,774
Per Employee and Officer	1,582	1,414	1,366	1,340	1,318	14,296
Loans and Bills Discounted						
Per Branch	14,747	13,297	12,916	12,446	12,359	133,208
Per Employee and Officer	609	550	534	512	505	5,507

Note: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2021 of ¥110.71=US\$1.

Supplemental Consolidated Financial Information

Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries
Years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
For the Fiscal Year:			
Total Income	¥ 47,143	¥ 52,502	\$ 425,830
Total Expenses	41,401	50,056	373,964
Income Before Income Taxes and Others	5,742	2,446	51,866
Net Income	4,598	1,639	41,539
Profit attributable to owners of parent	4,576	1,607	41,341
At Year-End:			
Deposits	¥ 3,096,729	¥ 2,798,816	\$ 27,971,542
Loans and Bills Discounted	1,194,259	1,090,045	10,787,278
Securities	1,173,728	1,120,644	10,601,830
Total Assets	3,452,952	3,093,968	31,189,161
Total Net Assets	141,640	116,181	1,279,386
Per Share Data (par value ¥50):			
Net Assets	¥ 341.81	¥ 295.14	\$ 3.087
Net Income	11.49	4.24	0.103

Notes: 1.The Bank consolidated three subsidiaries for the years ended March 31, 2021 and 2020.

2.U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2021 of ¥110.71=US\$1.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Tama Shinkin Bank.

Opinion

We have audited the financial statements of The Tama Shinkin Bank, which comprise the balance sheet as at March 31, 2021, and the statement of income, , and notes to financial statements, all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with in accordance with the Ordinance on Shinkin Bank Law,Article 38-2,Paragraph 3 and accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the The Tama Shinkin Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Board Member for the Financial

Statements

Management is responsible for the preparation of the financial statements in accordance with the Shinkin Bank Act and its enforcement regulations and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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Supervisory Board Member are responsible for overseeing the Shinkin Bank financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, of which selection and application depend on the auditor's judgment, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tama Shinkin Bank internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tama Shinkin Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Tama Shinkin Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation, as well as whether the presentation and disclosures of the financial statements conform to accounting principles generally accepted in Japan.

We communicate with Supervisory Board Member regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Tama Shinkin Bank which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Junichi Izumi
Designated Engagement Partner
Certified Public Accountant

Junichi Izumi 

Hideaki Takahashi
Designated Engagement Partner
Certified Public Accountant

Hideaki Takahashi 

Grant Thornton Taiyo LLC
Tokyo, Japan
October 7, 2021

Board of Directors
and Auditors

As of June 30, 2021

President

Toshiro Yagi

Senior Managing Director

Masahiko Kanai

Managing Directors

Hiroyuki Saito

Tetsuo Fusa

Hideyuki Maekawa

Directors

Naoko Takahashi

Nobutoshi Tsuji

Nobuaki Sakai

Hiroyuki Shibuya

Daijiro Ikeda

Standing Auditor

Kiyoshi Fukushima

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