

Annual Report 2024

Year Ended March 31, 2024



The Tama Shinkin Bank



Profile

The Tama Shinkin Bank was founded in 1933 as the Tachikawa Credit Cooperative (a limited liability entity). With the Shinkin Bank Law coming into effect in 1951, it changed its name to Tama Chuo Shinkin Bank. On January 10, 2006, Tama Chuo Shinkin Bank merged with local counterparts Taihei Shinkin Bank and the Hachioji Shinkin Bank to become “Tama Shinkin Bank”, a response to an era of great change and to better serve community needs and fulfil its mission as a local financial institution.

For the future growth and prosperity of our local customers and our region, Tama Shinkin Bank provides comprehensive and proactive support to business customers operating in Tama, individuals living and working in Tama, and the entire Tama community from every angle, not only with financial services but also economically, culturally, and in daily life.

Popularly known as “Tamashin” by the local community in which it has established its roots, Tama Shinkin Bank contributes to local community development and has grown into the leading local bank. It is also one of Japan’s highest ranking shinkin banks.

Non-Consolidated Financial Highlights

The Tama Shinkin Bank
Years ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
For the Fiscal Year:			
Total Income	¥ 50,735	¥ 50,027	\$ 335,087
Total Expenses	46,892	46,736	309,708
Income Before Income Taxes	3,842	3,291	25,378
Net Income	2,729	2,229	18,025
Business Profit	1,879	(1,816)	12,416
At Year-End:			
Deposits	¥ 3,272,374	¥ 3,219,666	\$ 21,612,674
Loans and Bills Discounted	1,154,871	1,164,851	7,627,448
Securities	1,129,949	972,356	7,462,848
Total Assets	3,569,762	3,484,190	23,576,797
Total Net Assets	118,258	110,644	781,045

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 ¥151.41 to U.S.\$1, the rate prevailing on March 29, 2024.

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.

Message from the President

Fostering connections for the future, creating permanent value

Thank you for your support of Tamashin. We are delighted to share our Annual Report 2024 with you to report on our activities in fiscal year 2023. Please take some time to read about Tamashin's initiatives and results over the past year and share your honest opinions with us.

We are always eager to listen to your views and incorporate these feedback into our business operations.

The economic environment in fiscal year 2023

Looking back on fiscal year 2023, it was a year of gradual normalization of economic and social activity after the reclassification of COVID-19 as a Class 5 infectious disease under the Infectious Diseases Control Law. The economy appeared to enter a virtuous cycle as wages and salaries rose strongly, even at small and medium enterprises, and the Nikkei Stock Average reached record heights for the first time in 34 years. On the other hand, rising prices negatively

affected the economic environment amid high raw material costs, the long-term continuation of Russia's invasion of Ukraine and the yen's weakening against the US dollar from the start of fiscal year 2023. In the Tama region, economic conditions remained difficult as the rising cost of raw materials and labor could not be adequately passed through to consumers, and the labor shortage worsened.

Creating links for the future

Tamashin has actively provided support to business customers with business matching, sales channel development and specialist in-person assistance, as well as financial assistance such as loan refinancing. To help individual customers, we have not only boosted our in-person services, but also enhanced our app for customers unable to easily visit the bank by implementing push notifications, for example. In addition, our digital transformation continues, harnessing AI and ICT to adapt to the digital environment and we maintained our SDGs initiatives to address social issues and challenges.

Fiscal year 2024 is the first year of the Mid-Term Management Plan 2026, the main theme of which is "Fostering connections for the future, creating permanent value". As we cherish a diversity of connections, all of us at Tamashin are dedicated to "contributing to the happiness of our customers."

We hope to continue receiving the steadfast patronage of our local customers.

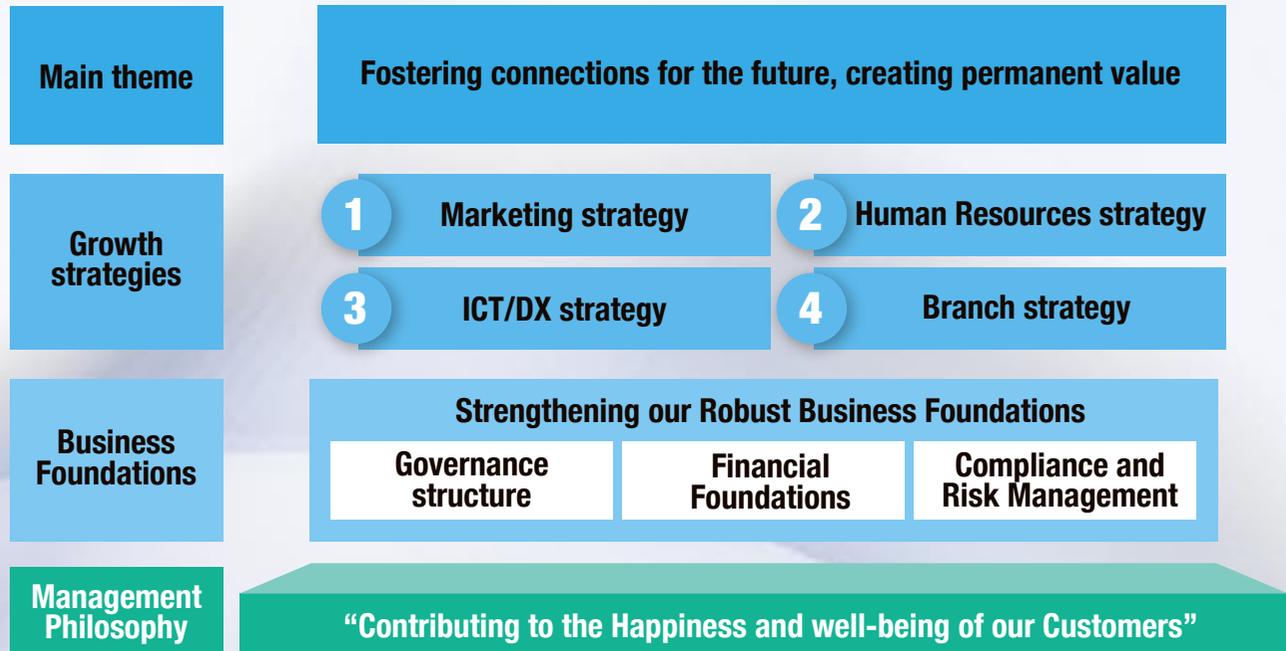
M. Kanai
Masahiko Kanai, President

Mid-Term Management Plan

Fiscal year 2024 is the first year of the three-year Mid-Term Management Plan 2026. December 26, 2023 marked the 90th anniversary of Tamashin and based on the spirit of cooperation, we have worked diligently to contribute to the happiness of our customers. We believe that the fruits of decades of these efforts are the strong connections we enjoy with our customers.

However, the COVID-19 pandemic reduced our opportunities to connect. We see each other less in person became less common, our “connections” in the digital space increased dramatically. Given this changing environment, we believe it is important now to strengthen in-person connections as well as create new connections using digital tools with customers who we so far have not reached.

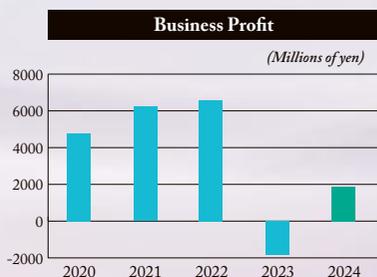
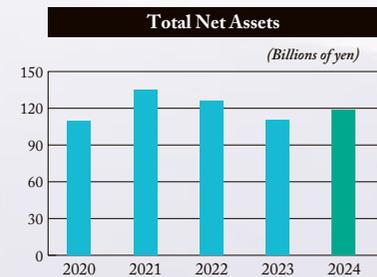
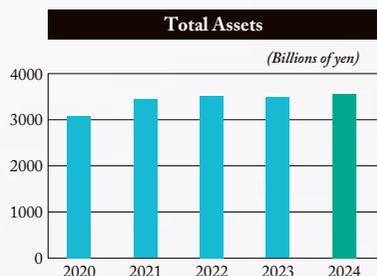
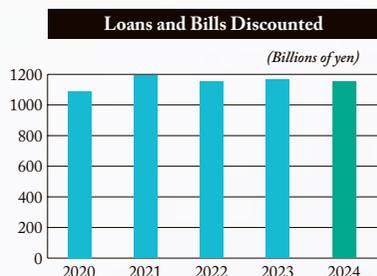
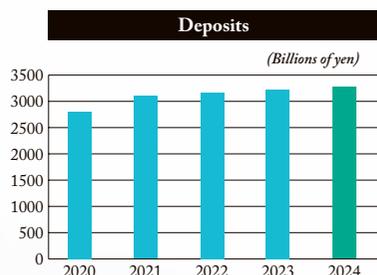
Motivated by the spirit of cooperation that has defined Tamashin since the beginning, we will create lasting value by increasing our connections with our customers and the local community.



The keyword of the growth strategies is “connections”

The keyword of each strategy in the Mid-Term Management Plan is “connections”. Connections with customers, real-life and digital connections, connections among colleagues, connections of various data, connections with the community through branches.





The Financial and Economic Environment

Reflecting on the economic conditions in fiscal year 2023, it was a year of progressive normalization of economic and social activity after the reclassification of COVID-19 as a Class 5 infectious disease under the Infectious Diseases Control Law. The economy appeared to enter a virtuous cycle as wages and salaries rose strongly, even in small and medium enterprises, and the Nikkei Stock Average reached record heights for the first time in 34 years. On the other hand, rising prices negatively affected the economic environment amid high raw material costs, the long-term continuation of Russia's invasion of Ukraine and the yen's weakening against the US dollar since the start of the fiscal year 2023. In the Tama region, economic conditions remained difficult as the rising cost of raw materials and labor could not be adequately passed through to consumers through price increases and the labor shortage worsened. In financial markets, a new Governor was appointed to the Bank of Japan in April 2023, heralding a new phase in monetary policy.

In March 2024, the negative interest rate policy adopted in January 2016 was lifted and the Bank of Japan raised interest rates for the first time in 17 years. The Nikkei rose from an opening price of ¥28,203 in April 2023 to breach the ¥30,000 level in May 2023, before reaching a 34-year high in February 2024. Then, in March 2024, the resurgent stock market broke through the ¥40,000 level for the first time in history. The US dollar-yen exchange rate opened at the ¥132 level in April 2023, but the yen depreciated to ¥151 in October due to the widening policy interest rate differential against the backdrop of the US Federal Reserve's "higher for longer" interest rate policy and the continuation of monetary easing by the Bank of Japan. The yen then temporarily strengthened against the dollar on heightened expectations of early rate cuts by the Fed, but due to factors such as unexpected strength in the US economy and the receding expectations of an early rate cut, the closing level for USD/JPY in March 2024 was back at ¥151.

Overview of Business Results

Fiscal year 2023 was the third and final year of the Mid-Term Management Plan 2023. It was based on the key theme of "Demonstrating the Tamashin power for a bright 'FUTURE' in Tama" and the following Four Basic Strategies and Two Pillars.

The four basic strategies

1. Problem-solving strategy: implement problem-solving activities that boost "Tama Power"
2. Human capital strategy: develop personnel able to create value in a new social environment
3. ICT strategy: utilize ICT to enhance problem-solving skills and to free up time to solve problems
4. Branch strategy: promote strategies that enhance "Tamashin Power"

The two pillars

1. Robust governance structure: further enhance internal controls and governance to optimize utilization of business resources
2. Finance and risk management: strengthen the pillar supporting "Tamashin Power"

Balance of Deposits and Loans

Thanks to the support of our customers in the community, deposits increased from the previous fiscal year by ¥52.7 billion (1.6% increase) to ¥3,272.3 billion. Loans decreased by ¥9.9 billion (0.8% decrease) from the previous fiscal year to a total of ¥1,154.8 billion.

Balance of Securities

Regarding asset management, we strive for stable operation over the medium to long term, implementing every type of risk management. Our investments are diversified in stocks and mutual funds with a particular focus on domestic and foreign bonds.

Valuation income worsened mainly because of the spread of global inflation and interest rate hikes in the US and other countries aimed at curtailing this trend.

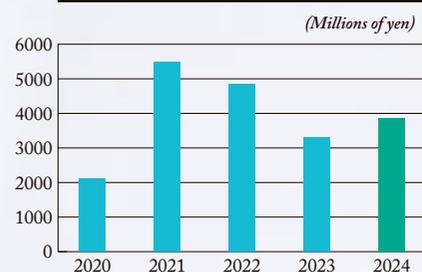
From the standpoint of “risk control” and “securing future income,” Tamashin responds appropriately, such as by reworking the portfolio in managed assets.

Earnings

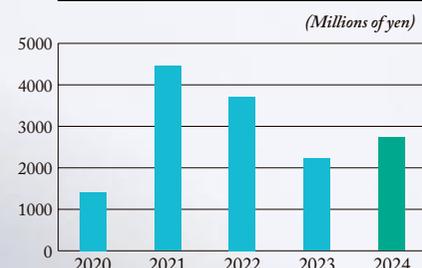
Loan interest income decreased by ¥0.1 billion year-on-year due to the drop in the average outstanding loan balance (year-on-year). While losses on the sale of foreign currency bonds to hedge against the risk of rising US interest rates in the previous fiscal year were reported according to plan, this was not done this fiscal year. Therefore, net business income increased by ¥3.6 billion (203.4% increase) to ¥1.8 billion. Core net operating profit, which demonstrates the profitability of core operations at financial institutions, decreased by ¥1.8 billion (34.9% decrease) year-on-year to ¥3.3 billion.

Ordinary profit for the fiscal year 2023 increased by ¥0.2 billion (5.8% increase) to ¥3.6 billion due to lower extraordinary income, income before income taxes increased by ¥0.5 billion (16.7% increase) to ¥3.8 billion and net income increased by ¥0.5 billion (22.4% increase) to ¥2.7 billion.

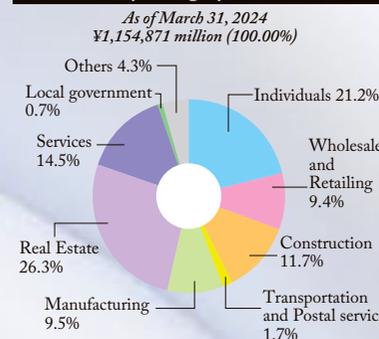
Income Before Income Taxes



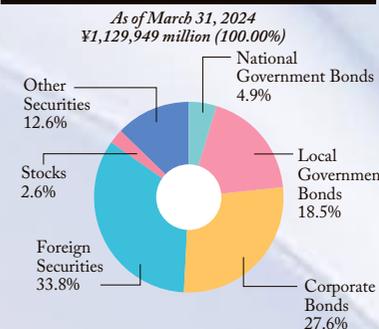
Net Income



Loans by Category of Borrower



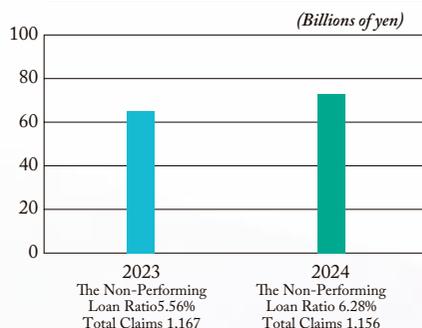
Securities



* 1: The balance by securities type is the amount on the balance sheet as of the end of March 2024.

* 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 ¥7.6 billion to ¥72.6 billion from the previous fiscal year. The non-performing loans ratio increased by 0.72 points to 6.28% from the previous fiscal year.

* 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 disclosed loans excluding normal claims amounted to ¥72.6 billion, of which 85.61% were secured by collateral, guarantees and/or loan loss reserves. The unsecured amount of ¥10.4 billion was covered in full by equity capital.

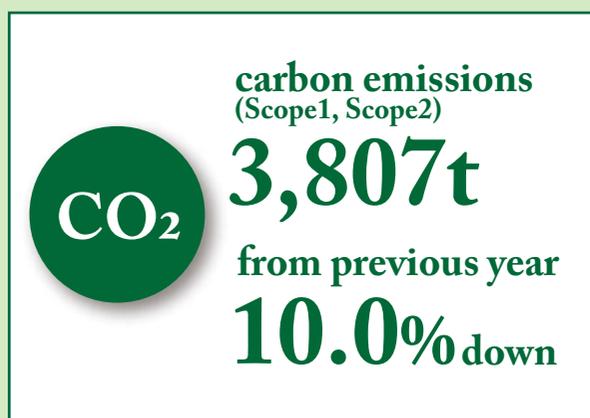
* There are no substandard loans

Risk-Monitored Loans under the Shinkin Bank Law and Non-Performing Assets under the Financial Reconstruction Act

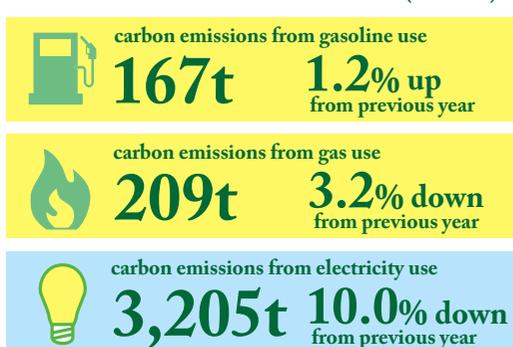
Years ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Bankrupt and Quasi-Bankrupt Assets	¥ 8,373	¥ 7,626
Doubtful Assets	64,298	57,370
Substandard Loans	—	—
Total Loans past due for three months or more	—	—
Total Restructured Loans	—	—
Normal Assets	1,083,893	1,102,582
Total	¥ 1,156,566	¥ 1,167,579

Reduction of Carbon Emissions



Main contributors to carbon emissions (FY2023)



※Scope 1 emissions: Calculated on the basis of gas (reticulated gas and LPG) use and gasoline use

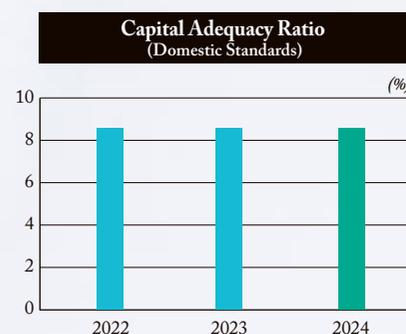
※Scope 2 emissions: Calculated on the basis of electricity use and chilled and heated water use for the purpose of local heating and cooling

※Calculated on the basis of data available to Tamashin

Capital Adequacy Ratio

The amount of total capital, the numerator of the capital adequacy ratio, increased by ¥2.0 billion to ¥117.1 billion due to retained earnings, while the value of risk assets, the denominator, increased by ¥34.5 billion to ¥1,373.1 billion. As a result, the capital adequacy ratio fell 0.07 points to 8.53%, considerably above the Japanese standard of 4%.

With respect to the capital adequacy ratio, Tamashin does not simply pursue the highest possible ratio. We consider our role in the community first and foremost, aiming to enhance the health of our balance sheet by steadily accumulating reasonable profits earned from assisting our customers as retained earnings.



Capital Adequacy Ratio (Calculated under Basel III)

Year ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Core capital basic items	¥ 118,157	¥ 116,366
Core capital adjustment items	(990)	(1,228)
Total Capital	¥ 117,166	¥ 115,138
Risk Assets		
Total amount of credit risk assets	¥ 1,312,072	¥ 1,274,388
Amount Obtained by Dividing Operational Risk Equivalent by 8%	61,109	64,253
Capital Adequacy Ratio	8.53%	8.60%

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 ¥118.1 billion and the balance of adjustment items related to core capital stood at ¥0.9 billion at the end of the fiscal year ended March 2024.

Method to calculate the capital adequacy ratio under Basel III

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

Reduction of Carbon Emissions

More efficient vehicles

All of the vehicles we use are fuel-efficient and produce low emissions as we look to decarbonize. Our Akishima and Kodaira branches trialed the introduction of EVs in fiscal year 2023. We are considering rolling out EVs to all branches in the future. Through Tamashin's actions, we are working to help protect the global environment.



Eco-friendly branches

We are working to develop eco-friendly branches in order to reduce our environmental footprint. Currently, we have installed solar panels at 9 branches and in fiscal year 2023, solar panels were installed at the Kodaira branch before its reopening.



Compliance-Related Efforts

1. Compliance Management Structure

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.

In our compliance management structure, Tamashin positions the Compliance and 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.

2. 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.

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.

Declaration on Compliance

The Bank’s managers and employees recognize their social mission as a cooperative financial institution and conduct actions with compliance as a top priority management issue to fulfill the trust received from customers and local society.

The Bank has formulated a “Compliance Program” that places compliance at the root of its corporate culture and declares its intent to implement compliance with the participation of all managers and employees.

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, 2024

Notes to Non-Consolidated Financial Statements

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
ASSETS			
Cash	¥ 29,339	¥ 30,810	\$ 193,777
Due from Banks	1,102,514	1,161,507	7,281,647
Monetary Claims Purchased	72,457	77,862	478,549
Money Held in Trust	12,391	16,518	81,841
Trading Account Securities	49	0	326
Trading Account National Government Bonds	49	0	326
Securities	1,129,949	972,356	7,462,848
National Government Bonds	55,041	60,071	363,523
Local Government Bonds	208,990	199,120	1,380,292
Corporate Bonds	311,770	193,296	2,059,115
Stocks	29,874	25,394	197,307
Other Securities	524,273	494,474	3,462,611
Loans and Bills Discounted	1,154,871	1,164,851	7,627,448
Bills Discounted	6,071	5,503	40,099
Loans on Bills	24,232	22,122	160,045
Loans on Deeds	1,103,652	1,120,759	7,289,167
Overdrafts	20,915	16,466	138,136
Foreign Exchange	2,142	1,980	14,148
Due from Foreign Banks	2,142	1,980	14,148
Other Assets	31,692	22,664	209,318
Outstanding Bank Transfer Advanced	1,777	849	11,737
Investment in the Shinkin Central Bank	14,635	11,265	96,663
Prepaid Expenses	132	115	873
Accrued Income	6,003	5,675	39,647
Gross Unrealized Gains from Derivative Transactions	1,403	1,376	9,272
Cash Collateral Advanced for Derivative Transactions	5,759	—	38,035
Others	1,981	3,383	13,088
Tangible Fixed Assets	34,590	34,815	228,458
Building	10,352	10,782	68,371
Land	20,356	20,156	134,447
Leased Assets	—	4	—
Construction in Progress	—	85	—
Other Tangible Fixed Assets	3,881	3,785	25,638
Intangible Fixed Assets	1,373	1,703	9,073
Software	723	683	4,781
Software in Progress	—	364	—
Others	649	655	4,292
Deferred tax Assets	4,165	6,393	27,512
Reverse against Debt Guarantee	522	700	3,453
Reserve for Possible Loan Losses	(6,299)	(7,975)	(41,606)
(Specific Reserve for Possible Loan Losses)	(5,576)	(7,229)	(36,827)
Total Assets	¥ 3,569,762	¥ 3,484,190	\$ 23,576,797

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 ¥151.41 to U.S.\$1, the rate prevailing on March 29, 2024

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\$35,334 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, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
LIABILITIES			
Deposits	¥ 3,272,374	¥ 3,219,666	\$ 21,612,674
Current Deposits	72,685	68,113	480,060
Ordinary Deposits	2,178,419	2,084,320	14,387,556
Savings Deposits	9,403	9,407	62,104
Deposits at Notice	3,365	2,677	22,230
Time Deposits	941,568	983,878	6,218,669
Installment Savings	41,640	46,538	275,020
Other Deposits	25,290	24,731	167,032
Call Money	102,633	82,241	677,851
Cash Collateral Received for Repurchase Agreement	57,884	56,668	382,305
Foreign Exchange	92	67	611
Foreign Bills of Exchange Sold	25	47	169
Foreign Bills Payable	66	19	441
Other Liabilities	12,534	8,917	82,782
Outstanding Bank Transfer Received	2,554	1,228	16,869
Accrued Expenses	1,624	576	10,730
Reserve for Future Interest Payment of Installment Savings	9	12	64
Income Taxes Payable	376	250	2,485
Consumption Taxes Payable	47	—	311
Unearned Income	260	249	1,721
Unsettled Equity Refunds	66	64	437
Unrefunded Equity Interest	—	0	—
Deposits from Employees	1,163	1,193	7,683
Gross Unrealized Losses from Derivative Transactions	2,921	1,153	19,295
Collateral Received from Financial Instruments	845	2,140	5,580
Lease Obligations	—	5	—
Asset Retirement Obligations	674	682	4,456
Other Liabilities	1,990	1,360	13,144
Reserve for Employee Bonuses	1,034	1,073	6,833
Reserve for Employee Retirement Benefits	209	221	1,384
Reserve for Director's Retirement Benefits	388	395	2,567
Reserve for Reimbursement of Deposits	133	61	882
Reserve for Contingencies	694	531	4,589
Deferred Tax Liabilities for Land Revaluation	3,000	3,000	19,815
Debt Guarantee	522	700	3,453
Total Liabilities	¥ 3,451,504	¥ 3,373,545	\$ 22,795,752
NET ASSETS			
Paid-in Members' Capital	26,162	26,191	172,795
Common Share	20,812	20,841	137,460
Other Share	5,350	5,350	35,334
Capital Retained Earnings	766	766	5,061
Legal Capital Reserve	766	766	5,061
Retained Earnings	91,127	88,811	601,857
Legal Reserve	24,050	23,820	158,841
Voluntary Reserve	67,076	64,991	443,015
Reserve for Specific Purpose	63,000	61,000	416,088
Unappropriated Retained Earnings for the Current Term	4,076	3,991	26,926
Treasure Share	(0)	(0)	(1)
Total Members' Equity	118,056	115,768	779,712
Unrealized Gains on Available-for-sale Securities	(3,751)	(8,142)	(24,776)
Deferred Gains or Losses on Hedges	1,046	110	6,910
Land Revaluation Excess	2,906	2,906	19,198
Total of Valuation and Translation Adjustments.	201	(5,124)	1,332
Total Net Assets	118,258	110,644	781,045
Total Liabilities and Net Assets	¥ 3,569,762	¥ 3,484,190	\$ 23,576,797

Non-Consolidated Balance Sheets

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 the 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. The costs of such securities sold are computed using the moving-average method. Other non-marketable securities 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. The valuation of the securities constituting the trust assets in a monetary trust is carried out in the same way as in 2 and 3 above.

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 ¥6,289 million (US\$41,542 thousand).

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, 2023)

	Millions of yen	Thousands of U.S. dollars
Amount of Pension Assets	¥ 1,680,937	\$ 11,101,891
Sum of Amount of Actuarial Pension Obligations Amount of the Minimum Actuarial Liability	1,770,192	11,691,386
Balance	¥ (89,255)	\$ (589,494)

b) Share of the Bank’s premium contributions to the plan (as of March 31, 2023) was 2.1608%

c) Supplementary explanations

The main factor for the balance in a) above is the balance of ¥147,969 million (US\$977,277 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 ¥398 million (US\$2,630 thousand) in special premiums in the financial statements for the fiscal year ended March 2023.

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, March 17, 2022) (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. Fees and commissions received are revenues received in exchange for services rendered, and include "exchange commissions received," "other commissions received," and "other fees and commissions received." Exchange commissions received are the commissions received from the currency exchange business and include those based on the domestic exchange business such as remittances and collections, and those based on the foreign currency exchange business such as export and import commissions and foreign exchange remittance commissions.

Income from the performance of services related to foreign exchange services and other service transactions is, in principle, recognized at a single point in time, as these services are usually fulfilled at the same time as compensation is received. For fixed usage fees related to safe deposit boxes and money changers, contract liabilities are recorded as unearned income and prorated over the period of use, but there are no transactions for which the obligation to fulfill performance exceeds one year.

20. Non-deductible consumption taxes related to fixed assets are calculated under costs for this fiscal year.
21. 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 ¥6,299 million (US\$41,606 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 additional individual reserve for possible loan losses is appropriated for the specific debtors whose credit risk has increased.
22. Total monetary claims to directors and auditors as a result of transactions between directors and auditors were ¥68 million (US\$455 thousand)
23. Capitalization of subsidiaries was ¥2,119 million (US\$13,995 thousand)
24. Total monetary claims for subsidiaries were ¥844 million (US\$5,579 thousand)
25. Total monetary liabilities for subsidiaries were ¥4,650 million (US\$30,712 thousand)
26. Cumulative total depreciation of tangible fixed assets was ¥23,044 million (US\$152,199 thousand)
27. Reduction entry amount of tangible fixed assets was ¥289 million (US\$1,908 thousand)

Non-Consolidated Balance Sheets

28. 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	¥ 326	\$ 2,154
Intangible Fixed Assets	0	0
Total	¥ 326	\$ 2,155

2) Accumulated Depreciation

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 185	\$ 1,224
Intangible Fixed Assets	0	0
Total	¥ 185	\$ 1,224

3) Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 140	\$ 929
Intangible Fixed Assets	0	0
Total	¥ 140	\$ 930

4) Future Lease Payments Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
1 year or Less	¥ 60	\$ 397
Exceeding 1 Year	95	628
Total	¥ 155	\$ 1,025

5) Lease Payments, Depreciation Expense and Interest Expense Payments

	Millions of yen	Thousands of U.S. dollars
Lease Payments	¥ 92	\$ 611
Depreciation Expense	71	470
Interest Expense Payments	¥ 20	\$ 133

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.

29. Claims under the Shinkin Bank Act and the Act on Emergency Measures for Revitalization of Financial Functions are as follows.

Receivables are included in the following accounts in "securities" on the balance sheet: corporate bonds (limited to those for which the redemption of the principal and the payment of interest are guaranteed in whole or in part by private placement of securities [Article 2, Paragraph 3 of the Financial Instruments and Exchange Act]), loans, foreign exchange, accrued interest and temporary payments in "other assets," and items recorded in each account under "debt guarantees" and securities (limited to those lent under a loan-for-use or lease agreement) in the case of securities loaned as recorded in the notes.

	Millions of yen	Thousands of U.S. dollars
Bankrupt and Quasi-bankrupt Assets	¥ 8,373	\$ 55,306
Doubtful assets	64,298	424,665
Loans past due for three months or more	—	—
Restructured loans	—	—
Total	¥ 72,672	\$ 479,972

Bankrupt and quasi-bankrupt assets are loans to debtors who have fallen into bankruptcy due to initiation of bankruptcy proceedings, reorganization proceedings, petition for commencement of rehabilitation proceedings, etc., and other similar claims.

Doubtful assets are loans for which the debtor has not yet entered bankruptcy, and it is highly probable that the principal cannot be collected, and interest cannot be received in accordance with the

contract because the financial condition and business performance of the debtor have deteriorated, and which do not fall under claims in bankruptcy, reorganization or similar cases.

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 and quasi-bankrupt borrowers and doubtful assets.

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 bankrupt and quasi-bankrupt assets, doubtful assets and loans past due for three months or more.

These amounts are stated before the reduction of reserve for possible loan losses.

30. 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 ¥6,071 million (US\$40,099 thousand).

31. Assets pledged as collateral are as follows.

Assets pledged as collateral:

	Millions of yen	Thousands of U.S. dollars
Securities	¥ 2,076	\$ 13,712
Other Assets	13	88

Other liabilities that apply to pledged assets apply mainly to revenues and public funds. In addition to the above, due from banks totalling ¥165,000 million (US\$1,089,756 thousand), securities totalling ¥64,072 million (US\$423,170 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 ¥63,457 million (US\$419,109 thousand), while cash collateral accepted for bond lending transactions amounted to ¥57,884 million (US\$382,305 thousand).

32. 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 and calculated in accordance with valuation by road rating stipulated in Article 2, Section 4 of the Order for Enforcement of 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. Value correction for road rating price is based on the standards of the Basic Notice on Property Valuation, including depth price correction. Fixed asset appraisal values are calculated by making reasonable adjustments for each asset by applying an appraisal multiplier.

The difference between the total fair value of the revalued business land as of March 31, 2024 as stipulated in Article 10 of the Land Revaluation Law, and the total book value after revaluation is △¥2,417 million (△US\$15,967 thousand).

33. Net assets per investment unit is ¥284.10 (US\$1.87)

34. 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 and forward exchange contracts 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 Compliance and 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 comprehensively identified in the Compliance and Risk Management Department, 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, 2024 (fiscal year end) the Bank's amount of market risk (estimated value of loss) was ¥44,286 million (US\$292,496 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

Since the estimates of fair values of financial instruments are predicted on certain assumptions, values may vary if the underlying assumptions change.

Non-Consolidated Balance Sheets

35. 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, 2024, and net unrealized gains (losses between these amounts (Note 1 in regards to the calculation method for fair value, etc.). Stocks and other securities without market prices and investments in partnerships are not included in the following table (see [Note 2]). Notes are omitted for cash, call loans, receivables under securities borrowing transactions, and foreign exchange (assets/liabilities), as their fair values approximate their book values due to the short maturity of these instruments.

	Millions of yen		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	¥ 1,102,514	¥ 1,099,069	¥ (3,444)
2) Monetary Claims Purchased	72,457	72,457	—
3) Securities			
Bonds Classified as Held-to-Maturity	218,931	210,877	(8,053)
Available-for-Sale Securities (*1)	906,738	906,738	—
4) Loans and Bills Discounted	1,154,871		
Reserve for Possible Loan Losses (*2)	(6,267)		
	1,148,604	1,157,573	8,968
Total Financial Assets	¥ 3,449,246	¥ 3,446,715	¥ (2,530)
1) Deposits	3,272,374	3,272,370	4
2) Call Money	102,633	102,633	—
3) Bond Lending Transactions	57,884	57,884	—
Total Financial Liabilities	¥ 3,432,893	¥ 3,432,888	4
Derivative Transactions (*3)			
to which Hedge Accounting is not Applied	(6)	(6)	—
to which Hedge Accounting is Applied (*4)	(1,511)	(1,511)	—
Total Derivative Transactions	¥ (1,517)	¥ (1,517)	—

	Thousands of U.S. dollars		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	\$ 7,281,647	\$ 7,258,895	\$ (22,751)
2) Monetary Claims Purchased	478,549	478,549	—
3) Securities			
Bonds Classified as Held-to-Maturity	1,445,953	1,392,760	(53,192)
Available-for-sale securities (*1)	5,988,627	5,988,627	—
4) Loans and Bills Discounted	7,645,288		
Reserve for Possible Loan Losses (*2)	(41,391)		
	7,586,057	7,645,288	59,231
Total Financial Assets	\$ 22,780,834	\$ 22,764,121	\$ (16,713)
1) Deposits	21,612,674	21,612,644	29
2) Call Money	677,851	677,851	—
3) Bond Lending Transactions	382,305	382,305	—
Total Financial Liabilities	\$ 22,672,831	\$ 22,672,801	29
Derivative Transactions (*3)			
to which Hedge Accounting is not Applied	(41)	(41)	—
to which Hedge Accounting is Applied (*4)	(9,982)	(9,982)	—
Total Derivative Transactions	\$ (10,023)	\$ (10,023)	—

(*1). Other securities include investment trusts that apply standard values under Paragraphs 24-3 and 24-9 in ASBJ Guidance No. 31 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021) as the deemed fair value.

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

(*3). 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.

(*4). 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. March 17, 2022) is applied to these hedging matters.

(Note.1) Assessment (calculation method) of fair values of financial instruments.

In addition, immaterial items were omitted from the table.

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 accepting financial institution.

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 36 through 38.

4) Loans

Loans with floating interest rates reflect short-term market interest rates, so unless there is a significant change in the creditworthiness of the borrower after receiving the loan, the market value will be similar to the book value. Therefore the book value is recorded as the market value. 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 (OIS) 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 transaction 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 stocks and other securities without market prices and investments in partnerships is as follows, and these instruments are not included in information on the fair value of financial instruments.

	Millions of yen	Thousands of U.S. dollars
	Carrying Amount	
Subsidiaries' Stocks (*1)	¥ 2,119	\$ 13,995
Unlisted Stocks(*2)(*3)	384	2,538
Investments in Shinkin Central Bank (*4)	14,635	96,663
Investments in Partnerships (*5)	1,776	11,734
Total	¥ 18,915	\$ 124,931

(*1). In accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (March 31, 2020) of ASBJ Guidance No. 19, subsidiaries' stocks are not subject to disclosure of fair value.

(*2). In accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (March 31, 2020) of ASBJ Guidance No. 19, unlisted stocks are not subject to disclosure of fair value.

(*3). For this fiscal year, impairment loss on unlisted stocks was not recognized.

(*4). In accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (March 31, 2020) of ASBJ Guidance No. 19, investments in Shinkin Central Bank are not subject to disclosure of fair value.

(*5). In accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021), ASBJ Guidance No. 31, investments in partnerships are not subject to disclosure of fair value.

(Note.3) Scheduled redemption amount of due from banks and securities with a maturity date after March 31, 2024

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥ 612,514	¥ 165,000	¥ 282,000	¥ 43,000
Monetary Claims Purchased	—	54	67	76,893
Securities	124,681	265,369	162,356	420,914
Bonds Classified as Held-to-Maturity	5,051	7,342	4,055	202,379
Available-for-sale securities with Maturity Dates	119,629	258,027	158,301	218,535
Loans and Bills Discounted	246,783	221,688	175,972	510,428
Total	¥ 983,978	¥ 652,112	¥ 620,396	¥ 1,051,236

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	\$ 4,045,401	\$ 1,089,756	\$ 1,862,492	\$ 283,997
Monetary Claims Purchased	—	360	446	507,846
Securities	823,467	1,752,653	1,072,298	2,779,968
Bonds Classified as Held-to-Maturity	33,364	48,490	26,781	1,336,629
Available-for-sale securities with Maturity Dates	790,102	1,704,162	1,045,516	1,443,338
Loans and Bills Discounted	1,629,901	1,464,157	1,162,223	3,371,165
Total	\$ 6,498,770	\$ 4,306,928	\$ 4,097,461	\$ 6,942,976

(Note.4) Scheduled redemption amount of borrowings and other interest-bearing debt after March 31, 2024

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	¥ 3,197,491	¥ 62,422	¥ 12,095	¥ 365
Call Money	102,633	—	—	—
Bond Lending Transactions	57,884	—	—	—
Total	¥ 3,358,010	¥ 62,422	¥ 12,095	¥ 365

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	\$ 21,118,101	\$ 412,274	\$ 79,885	\$ 2,413
Call Money	677,851	—	—	—
Bond Lending Transactions	382,305	—	—	—
Total	\$ 22,178,258	\$ 412,274	\$ 79,885	\$ 2,413

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

36. 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 38. below is treated in the same manner.

1) Securities Classified as Trading	Gains (Losses) include in profit/loss for the Current Fiscal Year	
	Thousands of yen	U.S. dollars
Securities Classified as Trading	¥ 532	\$ 3,516

2) Held-to-maturity bonds

Type	Millions of yen		
	Carrying Amount	Market Value	Gross unrealized gains (losses)
Unrealized gain			
National Government Bonds	¥ 486	¥ 487	¥ 0
Local Government Bonds	9,097	9,140	43
Corporate Bonds	11,727	11,875	147
Other	1,500	1,503	3
Subtotal	22,811	23,006	195
Unrealized loss			
National Government Bonds	—	—	—
Local Government Bonds	132,362	125,844	(6,517)
Corporate Bonds	47,089	45,677	(1,411)
Other	16,668	16,348	(320)
Subtotal	196,120	187,870	(8,249)
Total	¥ 218,931	¥ 210,877	¥ (8,053)

Type	Thousands of U.S. dollars		
	Carrying Amount	Market Value	Gross unrealized gains (losses)
Unrealized gain			
National Government Bonds	\$ 3,212	\$ 3,218	\$ 6
Local Government Bonds	60,082	60,370	287
Corporate Bonds	77,457	78,430	973
Other	9,906	9,930	24
Subtotal	150,659	151,951	1,291
Unrealized loss			
National Government Bonds	—	—	—
Local Government Bonds	874,199	831,152	(43,046)
Corporate Bonds	311,004	301,681	(9,322)
Other	110,089	107,974	(2,114)
Subtotal	1,295,293	1,240,809	(54,484)
Total	\$ 1,445,953	\$ 1,392,760	\$ (53,192)

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	¥ 25,890	¥ 12,593	¥ 13,297
	Bonds	113,495	112,253	1,241
	National Government Bonds	36,800	35,810	990
	Local Government Bonds	26,406	26,308	97
	Corporate Bonds	50,287	50,134	153
	Other	173,159	164,844	8,314
	Subtotal	312,545	289,691	22,853
Unrealized loss	Stocks	1,480	1,603	(123)
	Bonds	261,543	269,391	(7,847)
	National Government Bonds	17,753	18,722	(968)
	Local Government Bonds	41,123	44,532	(3,408)
	Corporate Bonds	202,665	206,136	(3,470)
	Other	404,610	424,697	(20,087)
	Subtotal	667,633	695,692	(28,058)
Total	¥ 980,178	¥ 985,383	¥ (5,204)	

		Thousands of U.S. dollars		
Type		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)
Unrealized gain	Stocks	\$ 170,998	\$ 83,173	\$ 87,824
	Bonds	749,587	741,385	8,201
	National Government Bonds	243,053	236,511	6,541
	Local Government Bonds	174,402	173,755	647
	Corporate Bonds	332,131	331,117	1,013
	Other	1,143,644	1,088,731	54,913
	Subtotal	2,064,230	1,913,289	150,940
Unrealized loss	Stocks	9,775	10,589	(814)
	Bonds	1,727,386	1,779,218	(51,831)
	National Government Bonds	117,257	123,653	(6,396)
	Local Government Bonds	271,606	294,121	(22,514)
	Corporate Bonds	1,338,522	1,361,443	(22,920)
	Other	2,672,281	2,804,948	(132,667)
	Subtotal	4,409,442	4,594,756	(185,314)
Total	\$ 6,473,673	\$ 6,508,046	\$ (34,373)	

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

2. The ¥3,751 million (US\$24,776 thousand) is calculated by deducting the deferred tax assets amount of ¥1,453 million (US\$9,597 thousand) from the evaluation loss amount of ¥5,204 million (US\$34,373 thousand) and is included in "Unrealized gains on available-for-sale securities."

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

38. 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	¥	5,312	¥ 2,548	¥ 203
Bonds		3,832	251	50
National Government Bonds		3,832	251	50
Local Government Bonds		—	—	—
Corporate Bonds		—	—	—
Other		10,223	140	1,310
Total	¥	19,368	¥ 2,940	¥ 1,563

		Thousands of U.S. dollars		
		Proceeds from sales	Gain on Sales	Loss on Sales
Equity securities	\$	35,086	\$ 16,830	\$ 1,340
Bonds		25,311	1,660	331
National Government Bonds		25,311	1,660	331
Local Government Bonds		—	—	—
Corporate Bonds		—	—	—
Other		67,520	929	8,656
Total	\$	127,918	\$ 19,420	\$ 10,329

39. 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	¥	11,380	¥ 166

		Thousands of U.S. dollars	
		Carrying Amount	Gains/Losses for the Fiscal Year Under Review
Assets Held in Trust for Investment	\$	75,163	\$ 1,098

40. 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	¥	1,011	¥ 1,000	¥ 11	¥ 11	—

		Thousands of U.S. dollars				
		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)	Unrealized gain	Unrealized loss
Other monetary trusts	\$	6,677	\$ 6,604	\$ 73	\$ 73	—

41. 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.

42. Securities lent under unsecured securities lending agreements (bond borrowing and lending transactions) are included in “National Government Bonds” for a total of ¥47,479 million (US\$313,579 thousand).

43. 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 ¥73,017 million (US\$482,247 thousand). Of these contracts, those where the remaining period on the contract is 1 year or less amount to ¥63,068 million (US\$416,541 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.

44. Details of deferred tax assets and liabilities as of March 31, 2024 are as follows.

	Millions of yen	Thousands of U.S. dollars
	Proceeds from sales	
Deferred Tax Assets		
Reserve for Possible Loan Losses	¥ 2,354	\$ 15,549
Depreciation	544	3,598
Reserve for Bonuses	288	1,907
Reserve for Director’s Retirement Benefits	108	716
Reserve for Employee Retirement Benefits	58	386
Unrealized Gains on Available-for-Sale Securities	1,453	9,597
Other	1,436	9,490
Gross Deferred Tax Assets	6,245	41,247
Less: Valuation Allowance	(1,576)	(10,411)
Total Deferred Tax Assets	¥ 4,668	\$ 30,836
Deferred Tax Liabilities		
Asset retirement obligation	98	647
Deferred gains or losses on hedges	405	2,676
Total Deferred Tax Liabilities	503	3,324
Net Deferred Tax Liabilities	¥ 4,165	\$ 27,512

45. 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\$35,334 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 U.S. dollars
	2024	2023	2024
OPERATING REVENUE	¥ 50,473,623	¥ 49,990,342	\$ 333,357
Interest Income	41,765,309	37,498,326	275,842
Loans	19,053,905	19,248,381	125,843
Deposits in Other Banks	1,492,235	1,070,090	9,855
Investment Securities	19,236,604	16,472,305	127,049
Interest Rate Swaps	1,233,939	14,110	8,149
Others	748,624	693,438	4,944
Fees and Commissions Received	4,610,667	4,269,477	30,451
Exchange Commissions Received	1,810,814	1,771,424	11,959
Others	2,799,852	2,498,052	18,491
Other Operating Income	624,778	2,172,115	4,126
Gains on Trading of Commodity Securities	534	—	3
Net Gain on Sales of Bonds such as National Government Bonds	258,877	1,858,692	1,709
Net Gain on Redemption of Bonds such as National Government Bonds	30,131	30,701	199
Derivative Financial Instrument Income	4,474	—	29
Others	330,760	282,721	2,184
Other Income	3,472,867	6,050,423	22,936
Reversal of Allowance for Doubtful Receivables	—	203,484	—
Gain on Bad Debts Recovered	183,419	365,665	1,211
Gains on Sales of Stocks	2,868,035	5,209,472	18,942
Gains on Money Held in Trust	145,180	178,856	958
Others	276,231	92,945	1,824
OPERATING EXPENSE	¥ 46,782,583	¥ 46,504,012	\$ 308,979
Interest Expense	4,156,187	2,147,192	27,449
Deposits	51,691	55,156	341
Provisions for Future Interest Payment of Installment Savings	194	1,483	1
Interest on Borrowings	152	106	1
Interest on Call Money	178,898	97,657	1,181
Interest Payment on Bond Lease Transactions	3,917,859	1,985,127	25,875
Others	7,391	7,661	48
Fees and Commissions Paid	1,613,812	1,537,456	10,658
Exchange Commissions Paid	461,809	453,919	3,050
Others	1,152,003	1,083,536	7,608
Other Operating Expenses	13,059,618	14,902,349	86,253
Net Loss on Foreign Exchange Trading	11,190,333	5,921,457	73,907
Net Loss on Trading	—	0	—
Net Loss on Sales of Bonds such as National Government Bonds	1,303,609	8,110,744	8,609
Bond Redemption Loss such as on National Government Bonds	526,851	817,522	3,479
Derivative Financial Instrument Expense	—	1,109	—
Others	38,823	51,515	256

Non-Consolidated Statements of Income and Retained Earnings

	Thousands of yen		Thousands of U.S. dollars
	2024	2023	2024
General and Administrative Expenses	¥ 26,421,075	¥ 27,257,340	\$ 174,500
Salaries and Employee Benefits	15,215,578	15,881,649	100,492
Other General and Administrative Expenses	10,206,996	10,264,332	67,412
Tax	998,500	1,111,358	6,594
Other Expense	1,531,890	659,673	10,117
Provisions of Reserve for Possible Loan Losses	480,020	—	3,170
Write - off of Loans	10,374	1,035	68
Loss on Sale of Stocks	340,888	315,164	2,251
Loss on Money Held in Trust	154,234	105,480	1,018
Others	546,372	237,993	3,608
OPERATING INCOME	¥ 3,691,039	¥ 3,486,330	\$ 24,377
EXTRAORDINARY INCOME	261,920	37,163	1,729
Gain on Disposition of Fixed Assets	257,690	1,083	1,701
Other Extraordinary Income	4,230	36,080	27
EXTRAORDINARY LOSS	110,398	232,098	729
Loss on Disposal of Fixed Assets	110,398	232,098	729
INCOME BEFORE INCOME TAXES	¥ 3,842,561	¥ 3,291,395	\$ 25,378
INCOME TAXES CURRENT	953,216	613,439	6,295
INCOME TAXES DEFERRED	160,169	448,793	1,057
TOTAL INCOME TAXES	1,113,386	1,062,233	7,353
NET INCOME	¥ 2,729,175	¥ 2,229,162	\$ 18,025
RETAINED EARNINGS AT BEGINNING OF YEAR	1,347,799	1,731,857	8,901
Reversal of Land Revaluation Excess	—	30,684	—
RETAINED EARNINGS AT END OF YEAR	¥ 4,076,974	¥ 3,991,704	\$ 26,926

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

2. Total earnings by transactions with subsidiaries ¥ 88,845 thousand (US\$ 586,790)
- Total expenses by transactions with subsidiaries ¥ 1,674,015 thousand (US\$ 11,056,177)
3. Net Income per share ¥ 6.55 (US\$ 0.043)
4. Underlying information for understanding profits is presented in the notes of the balance sheet together with major accounting policies.

Subsequent Event

The following appropriation of retained earnings applicable to the year ended March 31, 2024, was approved at the members' meeting held on June 24, 2024.

	yen	Thousands of U.S. dollars
Unappropriated Retained Earnings for the Current Term	¥ 4,076,974,583	\$ 26,926
Retained Earnings Carried Forward (Beginning Balance)	1,347,799,028	8,901
Current Net Income	2,729,175,555	18,025
Amount of Retained Earnings Appropriated	2,402,678,784	15,868
Legal Reserve	280,000,000	1,849
Dividends for Common Share (Yearly 3.0%)	622,678,784	4,112
Specific Reserve	1,500,000,000	9,906
Retained Earnings Carried Forward (Term-end Balance)	¥ 1,674,295,799	\$ 11,058

Five-Year Summary

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

The Tama Shinkin Bank
Years ended March 31, 2024, 2023, 2022, 2021 and 2020

	Millions of yen					Thousands of U.S. dollars
	2024	2023	2022	2021	2020	2024
For the Years Ended March 31						
Total Income	¥ 50,735	¥ 50,027	¥ 39,651	¥ 42,384	¥ 47,656	\$ 335,087
Interest on Loans and Bills Discounted	20,546	20,318	21,006	20,922	19,694	135,698
Interest and Dividends on Securities	19,236	16,472	12,076	12,092	17,139	127,049
Total Expenses	46,892	46,736	34,804	36,894	45,551	309,708
Business Profit	1,879	(1,816)	6,570	6,221	4,773	12,416
Income Before Income Taxes	3,842	3,291	4,846	5,489	2,105	25,378
Net Income	2,729	2,229	3,713	4,453	1,413	18,025
As of March 31						
Total Assets	¥ 3,569,762	¥ 3,484,190	¥ 3,515,199	¥ 3,441,607	¥ 3,082,685	\$ 23,576,797
Securities	1,129,949	972,356	1,054,088	1,175,118	1,122,200	7,462,848
Loans and Bills Discounted	1,154,871	1,164,851	1,155,192	1,194,545	1,090,416	7,627,448
Total Liabilities	3,451,504	3,373,545	3,388,850	3,306,415	2,972,689	22,795,752
Deposits	3,272,374	3,219,666	3,168,626	3,100,736	2,802,870	21,612,674
Total Net Assets	118,258	110,644	126,348	135,192	109,996	781,045
Number of Branches	81	81	81	81	82	
Number of Employees and Officers	1,778	1,868	1,924	1,959	1,982	
Deposits						
Per Branch	¥ 40,399	¥ 39,748	¥ 39,118	¥ 38,280	¥ 34,181	\$ 266,823
Per Employee and Officer	1,840	1,723	1,646	1,582	1,414	12,155
Loans and Bills Discounted						
Per Branch	14,257	14,380	14,261	14,747	13,297	94,166
Per Employee and Officer	649	623	600	609	550	4,289

Note: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 29, 2024 of ¥151.41=US\$1.

Supplemental Consolidated Financial Information

Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries
Years ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
For the Fiscal Year:			
Total Income	¥ 55,731	¥ 54,604	\$ 368,081
Total Expenses	51,369	50,856	339,271
Income Before Income Taxes and Others	4,362	3,747	28,810
Net Income	3,081	2,544	20,350
Profit attributable to owners of parent	3,040	2,506	20,078
At Year-End:			
Deposits	¥ 3,267,724	¥ 3,215,116	\$ 21,581,961
Loans and Bills Discounted	1,154,251	1,164,395	7,623,353
Securities	1,129,046	971,039	7,456,879
Total Assets	3,581,170	3,494,724	23,652,140
Total Net Assets	126,091	117,855	832,784
		Yen	U.S. dollars
Per Share Data (par value ¥50):			
Net Assets	¥ 303.77	¥ 283.55	\$ 2.006
Net Income	7.31	6.04	0.048

Notes: 1.The Bank consolidated three subsidiaries for the years ended March 31, 2024 and 2023.

2.U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 29, 2024 of ¥151.41=US\$1.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Tama Shinkin Bank.

Opinion

We have audited the accompanying non-consolidated financial statements of The Tama Shinkin Bank, which comprise the non-consolidated balance sheet as at March 31, 2024, and the non-consolidated statements of income and retained earnings for the year then ended, and notes to non-consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with the requirements of Shinkin Bank Law, Ordinance for Enforcement on Shinkin Bank Law and accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S.dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to non-consolidated financial statements.

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 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 ethical 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.

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Other Information

The other information refers to information in this annual report other than the non-consolidated financial statements and the independent auditor's report. Management is responsible for the other information. Supervisory Board Member are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's other information reporting process.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Supervisory Board Member for the Financial Statements

Management is responsible for the preparation of these non-consolidated financial statements in accordance with the requirements of Shinkin Bank Law, Ordinance for Enforcement on Shinkin Bank Law 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.

Supervisory Board Member are responsible for overseeing the management's execution of duties relating to the design and operating effectiveness of the controls over the Shinkin Bank's 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's 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's 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 the requirements of Shinkin Bank Law, Ordinance for Enforcement on Shinkin Bank Law and 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.

Satoshi Miyazaki
Designated Engagement Partner
Certified Public Accountant

Satoshi Miyazaki 

Kenta Nishimura
Designated Engagement Partner
Certified Public Accountant

Kenta Nishimura 

Grant Thornton Taiyo LLC
Tokyo, Japan
November 13, 2024

Grant Thornton Taiyo LLC

Board of Directors
and Auditors
As of June 30, 2024

Chairman
Toshiro Yagi

President
Masahiko Kanai

Senior Managing Director
Hiroyuki Saito
Hideyuki Maekawa

Managing Directors
Kiyoshi Fukushima
Nobutoshi Tsuji
Nobuaki Sakai

Directors
Hiroyuki Shibuya
Daijiro Ikeda
Tetsuo Yone
Yukiko Kawaguchi
Yoshihiro Takano

Standing Auditor
Satoru Tanaka

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The Tama Shinkin Bank

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