

Consolidated Financial Results for the Six Months Ended September 30, 2021 (Interim Period) [Japanese GAAP]



November 12, 2021

Company name: THE SHIGA BANK, LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8366
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 Scheduled date of filing quarterly securities report: November 22, 2021
 Scheduled date of commencing dividend payments: December 7, 2021
 Establishment of specified transaction account: None
 Availability of supplementary explanatory materials on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (Interim Period: April 1, 2021 – September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	50,047	17.9	16,716	141.1	11,910	85.7
Six months ended September 30, 2020	42,455	(5.0)	6,934	(3.0)	6,412	(25.7)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥11,026 million [(80.2)%]
 Six months ended September 30, 2020: ¥55,744 million [872.1%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2021	240.87	240.69
Six months ended September 30, 2020	127.70	119.44

(2) Consolidated Financial Position

	Total assets	Total equity	Capital ratio
	Million yen	Million yen	%
As of September 30, 2021	7,425,874	504,287	6.8
As of March 31, 2021	7,793,748	495,469	6.4

(Reference) Capital: As of September 30, 2021: ¥504,193 million
 As of March 31, 2021: ¥495,384 million

(Note) “Capital ratio” is calculated by dividing (total equity at the end of the period – stock acquisition rights at the end of the period) by total assets at the end of the period.

“Capital ratio” herein is not the capital ratio specified by the regulatory notices pertaining to capital adequacy ratio.

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	17.50	–	22.50	40.00
Fiscal year ending March 31, 2022	–	17.50			
Fiscal year ending March 31, 2022 (Forecast)			–	42.50	60.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Notes)

- Breakdown of the 2nd quarter-end dividend for the fiscal year ended March 31, 2021: Ordinary dividend of ¥17.50
Breakdown of the year-end dividend for the fiscal year ended March 31, 2021: Ordinary dividend of ¥17.50, special dividend of ¥5.00
- Breakdown of the 2nd quarter-end dividend for the fiscal year ending March 31, 2022: Ordinary dividend of ¥17.50
Breakdown of the year-end dividend for the fiscal year ending March 31, 2022 (forecast): Ordinary dividend of ¥17.50, special dividend of ¥25.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Ordinary profit		Net income attributable to owners of the parent		Net income per share
Full year	Million yen	%	Million yen	%	Yen
	25,000	125.8	16,300	42.4	330.90

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

- Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - Changes in accounting policies due to the revision of accounting standards: Yes
 - Changes in accounting policies other than 1) above: None
 - Changes in accounting estimates: None
 - Retrospective restatement: None

(Note) For details, please refer to page 10 of the attachment, “2. Interim Consolidated Financial Statements and Primary Notes, (4) Notes to Interim Consolidated Financial Statements, (Changes in accounting policies).”
- Total number of issued and outstanding shares (common shares)
 - Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of September 30, 2021:	53,090,081 shares
As of March 31, 2021:	53,090,081 shares
 - Total number of treasury shares at the end of the period:

As of September 30, 2021:	3,830,813 shares
As of March 31, 2021:	3,345,006 shares
 - Average number of shares during the period (interim period):

Six months ended September 30, 2021:	49,450,044 shares
Six months ended September 30, 2020:	50,220,191 shares

(Summary of Non-consolidated Financial Results)**1. Non-consolidated Financial Results for the Six Months Ended September 30, 2021 (Interim Period: April 1, 2021 – September 30, 2021)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	44,394	25.0	16,233	138.6	11,767	79.1
Six months ended September 30, 2020	35,510	(1.7)	6,804	15.2	6,569	(16.1)

	Net income per share
	Yen
Six months ended September 30, 2021	237.98
Six months ended September 30, 2020	130.82

(2) Non-consolidated Financial Position

	Total assets	Total equity	Capital ratio
	Million yen	Million yen	%
As of September 30, 2021	7,403,057	483,588	6.5
As of March 31, 2021	7,769,496	474,287	6.1

(Reference) Capital: As of September 30, 2021: ¥483,494 million

As of March 31, 2021: ¥474,203 million

(Note) “Capital ratio” is calculated by dividing (total equity at the end of the period – stock acquisition rights at the end of the period) by total assets at the end of the period.

“Capital ratio” herein is not the capital ratio specified by the regulatory notices pertaining to capital adequacy ratio.

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Ordinary profit		Net income		Net income per share
	Million yen	%	Million yen	%	Yen
Full year	24,000	131.3	16,000	41.2	324.81

* These interim financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

- Forward-looking statements, such as financial results forecasts, made in this document are based on information currently available to the Bank and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to various factors.
- The Bank falls under a company engaged in specified business (a company conducting a business as prescribed in Article 17-15, paragraph (2) of the Cabinet Office Order on Disclosure of Corporate Information) and has prepared interim consolidated financial statements and interim (non-consolidated) financial statements for the second quarterly accounting period.

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1. Qualitative Information on Interim Financial Results

(1) Explanation of Operating Results

Due to the outbreak of the novel coronavirus infection, the challenging situation has continued in a wide range of industries, and we expect that some more time will be required for a full-scale recovery as corporate activities and consumption activities are restricted to some extent until vaccines and therapeutic medications are widely available worldwide.

The pandemic strongly urged an immediate response to previously recognized issues such as “sustainability” and “digitalization.” With the declining birthrate and aging population, and falling population as well as the rapidly changing population composition, social structure, and economic structure against the backdrop of technological innovations such as IoT and AI, the business management of regional banks are now at a historic turning point. The future is not an extension of conventional ideas and past business models, and there is a need to build new business models.

Under these circumstances, in order to further increase corporate value and existential value, the Bank has implemented the 7th Medium-Term Business Plan, “Define a future and realize a dream” (Period: 5 years, April 2019 – March 2024). The Group is making all-out efforts toward the realization of a “Sustainability Design Company” with a strong desire to “plan and create sustainable development of customers and regional communities, and go beyond the conventional framework and ideas.”

As a result of these efforts, the operating results for the interim accounting period under review were as follows.

Ordinary income was ¥50,047 million, an increase of ¥7,592 million year-on-year. This was mainly due to an increase in other income (an increase of ¥7,432 million year-on-year) due to an increase in gains on sales of stocks and other securities.

On the other hand, ordinary expenses were ¥33,331 million, a decrease of ¥2,189 million year-on-year. This was mainly due to a decrease in other expenses (a decrease of ¥1,853 million year-on-year) due to a decrease in provision of allowance for loan losses.

As a result, ordinary profit for the interim accounting period under review increased by ¥9,782 million year-on-year to ¥16,716 million, and net income attributable to owners of the parent increased by ¥5,498 million year-on-year to ¥11,910 million.

(2) Explanation of Financial Position

The financial position at the end of the interim accounting period under review was as follows.

The balance of total assets was ¥7,425,874 million, a decrease of ¥367,874 million from the end of the previous fiscal year.

With regards to the main account balance of assets, investment securities stood at ¥1,507,440 million (a decrease of ¥79,066 million from the end of the previous fiscal year), and loans and bills discounted totaled ¥4,021,894 million (an increase of ¥20,196 million from the end of the previous fiscal year.)

Meanwhile, total liabilities were ¥6,921,586 million, a decrease of ¥376,692 million from the end of the previous fiscal year.

With regards to the main account balance of liabilities, deposits totaled ¥5,430,275 million (an increase of ¥31,423 million from the end of the previous fiscal year), negotiable certificates of deposit were ¥66,510 million (an increase of ¥16,950 million from the end of the previous fiscal year), call money was ¥76,398 million (a decrease of ¥439,678 million from the end of the previous fiscal year), payables under securities lending transactions were ¥309,988 million (an increase of ¥37,334 million from the end of the previous fiscal year), and borrowed money was ¥878,581 million (a decrease of ¥20,473 million from the end of the previous fiscal year).

Total equity amounted to ¥504,287 million, an increase of ¥8,817 million from the end of the previous fiscal year. This was mainly due to an increase of ¥10,691 million in retained earnings from the end of the previous fiscal year and an increase of ¥4,325 million in net unrealized gains on available-for-sale securities from the end of the previous fiscal year, despite a decrease of ¥4,565 million in deferred gains (losses) on derivatives under hedge accounting from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Regarding the financial results forecast for the fiscal year ending March 31, 2022, both the consolidated financial results forecast and the non-consolidated financial results forecast have been revised upward due to factors such as, on a non-consolidated basis, gains on sales of investment securities, etc., and fees and commissions centered on consulting services are both expected to exceed the initial forecasts (announced on May 14, 2021), and credit-related costs are expected to be lower than initially expected. For details, please refer to the “Notice Regarding Revisions to the Full-year Financial Results Forecast and Year-end Dividend Forecast for the Fiscal Year Ending March 31, 2022” released today.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheet

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	2,013,251	1,717,114
Call loans and bills bought	10,000	–
Debt purchased	4,218	4,156
Trading securities	567	583
Money held in trust	14,476	14,490
Investment securities	1,586,506	1,507,440
Loans and bills discounted	4,001,698	4,021,894
Foreign exchange assets	8,334	10,122
Other assets	98,021	86,142
Tangible fixed assets	47,667	49,337
Intangible fixed assets	1,855	1,703
Asset for retirement benefits	12,969	14,079
Deferred tax assets	626	619
Customers' liabilities for acceptances and guarantees	27,246	29,928
Allowance for loan losses	(33,692)	(31,739)
Total assets	7,793,748	7,425,874
Liabilities		
Deposits	5,398,851	5,430,275
Negotiable certificates of deposit	49,560	66,510
Call money and bills sold	516,077	76,398
Payables under securities lending transactions	272,654	309,988
Borrowed money	899,055	878,581
Foreign exchange liabilities	303	341
Borrowed money from trust account	166	206
Other liabilities	53,645	49,226
Liability for retirement benefits	143	148
Liability for retirement benefits of directors and Audit & Supervisory Board Members	5	3
Liability for reimbursement of deposits	267	212
Allowance for repayment of excess interest	20	18
Reserve for other contingent losses	156	133
Deferred tax liabilities	74,522	74,010
Deferred tax liabilities for land revaluation	5,602	5,602
Acceptances and guarantees	27,246	29,928
Total liabilities	7,298,278	6,921,586

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Equity		
Common stock	33,076	33,076
Capital surplus	24,536	24,536
Retained earnings	232,289	242,980
Treasury stock	(9,116)	(10,117)
Total shareholders' equity	280,786	290,476
Net unrealized gains on available-for-sale securities	195,174	199,499
Deferred gains (losses) on derivatives under hedge accounting	1,634	(2,931)
Land revaluation surplus	8,532	8,535
Defined retirement benefit plans	9,257	8,612
Total accumulated other comprehensive income	214,598	213,716
Stock acquisition rights	84	94
Total equity	495,469	504,287
Total liabilities and equity	7,793,748	7,425,874

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statement of Income

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Ordinary income	42,455	50,047
Interest income	24,058	24,839
(Of which, Interest on loans and discounts)	17,570	16,808
(Of which, Interest and dividends on securities)	6,387	7,483
Trust fees	1	0
Fees and commissions	7,771	8,551
Other operating income	8,588	7,188
Other income	2,036	9,468
Ordinary expenses	35,521	33,331
Interest expenses	1,967	1,495
(Of which, Interest on deposits)	515	314
Fees and commissions	2,392	2,193
Other operating expenses	6,871	5,454
General and administrative expenses	21,524	23,276
Other expenses	2,765	912
Ordinary profit	6,934	16,716
Extraordinary income	2,225	0
Gains on disposal of fixed assets	2,225	0
Extraordinary losses	348	20
Losses on disposal of fixed assets	125	20
Losses on impairment of long-lived assets	223	-
Income before income taxes	8,811	16,696
Income taxes - current	4,105	4,813
Income taxes - deferred	(1,707)	(28)
Total income taxes	2,398	4,785
Net income	6,412	11,910
Net income attributable to owners of the parent	6,412	11,910

Interim Consolidated Statement of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net income	6,412	11,910
Other comprehensive income		
Net unrealized gains on available-for-sale securities	47,731	4,325
Deferred gains (losses) on derivatives under hedge accounting	1,769	(4,565)
Defined retirement benefit plans	(169)	(644)
Total other comprehensive income	49,331	(884)
Comprehensive income	55,744	11,026
Attributable to		
Owners of the parent	55,744	11,026

(3) Interim Consolidated Statement of Changes in Equity

For the six months ended September 30, 2020

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2020	33,076	24,536	220,282	(8,184)	269,712
Changes during the period					
Cash dividends			(1,129)		(1,129)
Net income attributable to owners of the parent			6,412		6,412
Purchase of treasury stock				(1)	(1)
Sales of treasury stock			(4)	71	67
Reversal of land revaluation surplus			2,543		2,543
Other changes					
Net change in the period	–	–	7,822	69	7,892
Balance as of September 30, 2020	33,076	24,536	228,105	(8,114)	277,604

	Accumulated other comprehensive income					Stock acquisition rights	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2020	102,311	(8,351)	11,103	894	105,957	131	375,801
Changes during the period							
Cash dividends							(1,129)
Net income attributable to owners of the parent							6,412
Purchase of treasury stock							(1)
Sales of treasury stock							67
Reversal of land revaluation surplus							2,543
Other changes	47,731	1,769	(2,543)	(169)	46,787	(56)	46,731
Net change in the period	47,731	1,769	(2,543)	(169)	46,787	(56)	54,623
Balance as of September 30, 2020	150,042	(6,581)	8,559	724	152,745	75	430,425

For the six months ended September 30, 2021

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2021	33,076	24,536	232,289	(9,116)	280,786
Cumulative effect by changes in accounting policies			(97)		(97)
Balance as of April 1, 2021 reflecting changes in accounting policies	33,076	24,536	232,191	(9,116)	280,689
Changes during the period					
Cash dividends			(1,119)		(1,119)
Net income attributable to owners of the parent			11,910		11,910
Purchase of treasury stock				(1,001)	(1,001)
Sales of treasury stock			(0)	0	0
Reversal of land revaluation surplus			(3)		(3)
Other changes					
Net change in the period	–	–	10,788	(1,000)	9,787
Balance as of September 30, 2021	33,076	24,536	242,980	(10,117)	290,476

	Accumulated other comprehensive income					Stock acquisition rights	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2021	195,174	1,634	8,532	9,257	214,598	84	495,469
Cumulative effect by changes in accounting policies							(97)
Balance as of April 1, 2021 reflecting changes in accounting policies	195,174	1,634	8,532	9,257	214,598	84	495,372
Changes during the period							
Cash dividends							(1,119)
Net income attributable to owners of the parent							11,910
Purchase of treasury stock							(1,001)
Sales of treasury stock							0
Reversal of land revaluation surplus							(3)
Other changes	4,325	(4,565)	3	(644)	(881)	9	(872)
Net change in the period	4,325	(4,565)	3	(644)	(881)	9	8,915
Balance as of September 30, 2021	199,499	(2,931)	8,535	8,612	213,716	94	504,287

(4) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

(Application of the Accounting Standard for Revenue Recognition)

The Bank has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020, hereinafter referred to as “Revenue Recognition Accounting Standard”), etc. from the beginning of the interim accounting period under review, and has decided to recognize revenue in the amount expected to be received in exchange for promised goods or service when the control of the goods or service is transferred to customers.

Regarding the application of the Revenue Recognition Accounting Standard, etc., the Bank has followed the transitional treatment stipulated in the proviso in Paragraph 84 of the Revenue Recognition Accounting Standard, and there is no impact on retained earnings at the beginning of the interim accounting period under review.

In addition, the impact of the application of the said accounting standard, etc. on profit and loss and per share information is immaterial.

(Application of the Accounting Standard for Fair Value Measurement)

The Bank has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30 issued on July 4, 2019, hereinafter referred to as “Fair Value Measurement Standard”), etc. from the beginning of the interim accounting period under review, and has reviewed and changed the fair value adjustment method for measuring the fair value of derivative transactions to an approach that makes maximum use of observable inputs estimated from derivatives traded in the market in accordance with Paragraph 8 of the Fair Value Measurement Standard.

This review is due to the application of the Fair Value Measurement Standard, etc., and the Bank reflects the cumulative impact of retroactively applying the new accounting standard prior to the beginning of the interim accounting period under review in retained earnings at the beginning of the interim accounting period under review in accordance with the transitional measures stipulated in Paragraph 20 of the said measurement standard.

As a result, at the beginning of the interim accounting period under review, “retained earnings” decreased by ¥97 million, “other assets” decreased by ¥183 million, “other liabilities” decreased by ¥44 million, “deferred tax liabilities” decreased by ¥42 million, and equity per share decreased by ¥1.95.

(Change in presentation)

(Interim Consolidated Statement of Income)

Profits or losses related to investment in investment business associations, etc. were previously presented, for each individual association, with profits included in “other income” and losses included in “other expenses.” However, profits or losses related to investment in investment business associations, etc. are strongly associated with a core business for regional financial institutions from the aspect of growth investment in regional

companies centered on Shiga Prefecture, where the Group has a base. As a result of reexamination from that point of view, from the viewpoint of presenting operating results more appropriately, we have decided to include them in the interest and dividends on securities in “interest income” from the interim accounting period under review.

Interim consolidated financial statements for the previous interim accounting period have been reclassified in order to reflect this change in presentation.

As a result, in the interim consolidated statement of income for the previous interim accounting period, the profit of ¥306 million related to investment business associations, etc., which was included in “other income,” and the loss of ¥111 million, which was included in “other expenses,” have been reclassified to interest and dividends on securities (net amount of ¥194 million) in “interest income.”

(Additional information)

(Impact of the novel coronavirus)

The Group assumes that the outbreak of the novel coronavirus infection will continue to be a constraint on various economic activities, and that the full-scale economic recovery phase will begin after April 2022. The assumptions have not changed since the end of March 2021.

Economic measures including fund-raising support from federal and local governments are currently still being implemented; therefore, during the interim accounting period under review (the six months ended September 30, 2021), the impact on credit risk such as loans and bills discounted is limited.

However, since the above assumptions are highly uncertain, the situation of future outbreaks of the novel coronavirus infection and its impact on the economy may have a significant impact on the consolidated financial statements after the third quarterly accounting period (the nine months ending December 31, 2021).

(Significant subsequent events)

There is no relevant information.

3. Interim Financial Statements

(1) Interim Balance Sheet

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	2,013,154	1,717,025
Call loans	10,000	–
Debt purchased	4,218	4,156
Trading securities	567	583
Money held in trust	14,476	14,490
Investment securities	1,589,519	1,510,426
Loans and bills discounted	4,020,228	4,040,775
Foreign exchange assets	8,334	10,122
Other assets	64,263	52,966
Other	64,263	52,966
Tangible fixed assets	47,407	49,084
Intangible fixed assets	1,660	1,531
Prior service cost	–	1,695
Customers' liabilities for acceptances and guarantees	27,246	29,928
Allowance for loan losses	(31,581)	(29,728)
Total assets	7,769,496	7,403,057
Liabilities		
Deposits	5,403,957	5,436,120
Negotiable certificates of deposit	63,540	80,120
Call money	516,077	76,398
Payables under securities lending transactions	272,654	309,988
Borrowed money	896,821	876,939
Foreign exchange liabilities	303	341
Borrowed money from trust account	166	206
Other liabilities	37,804	33,485
Accrued income taxes	3,313	4,220
Other	34,490	29,264
Provision for retirement benefits	340	–
Liability for reimbursement of deposits	267	212
Reserve for other contingent losses	156	133
Deferred tax liabilities	70,270	69,992
Deferred tax liabilities for land revaluation	5,602	5,602
Acceptances and guarantees	27,246	29,928
Total liabilities	7,295,209	6,919,469

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Equity		
Common stock	33,076	33,076
Capital surplus	23,942	23,942
Legal capital surplus	23,942	23,942
Retained earnings	221,688	232,236
Legal retained earnings	9,134	9,134
Other retained earnings	212,553	223,102
Reserve for tax purpose reduction entry of non-current assets	400	400
General reserve	197,293	208,993
Retained earnings brought forward	14,859	13,708
Treasury stock	(9,116)	(10,117)
Total shareholders' equity	269,591	279,138
Net unrealized gains on available-for-sale securities	194,445	198,751
Deferred gains (losses) on derivatives under hedge accounting	1,634	(2,931)
Land revaluation surplus	8,532	8,535
Total valuation and translation adjustments	204,611	204,355
Stock acquisition rights	84	94
Total equity	474,287	483,588
Total liabilities and equity	7,769,496	7,403,057

(2) Interim Statement of Income

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Ordinary income	35,510	44,394
Interest income	24,741	25,322
(Of which, Interest on loans and discounts)	17,568	16,808
(Of which, Interest and dividends on securities)	7,075	7,970
Trust fees	1	0
Fees and commissions	6,563	7,345
Other operating income	2,164	2,242
Other income	2,039	9,482
Ordinary expenses	28,705	28,160
Interest expenses	1,962	1,492
(Of which, Interest on deposits)	516	314
Fees and commissions	2,558	2,324
Other operating expenses	926	914
General and administrative expenses	20,808	22,523
Other expenses	2,450	905
Ordinary profit	6,804	16,233
Extraordinary income	2,225	0
Gains on disposal of fixed assets	2,225	0
Extraordinary losses	348	20
Losses on disposal of fixed assets	125	20
Losses on impairment of long-lived assets	223	-
Income before income taxes	8,681	16,213
Income taxes - current	3,741	4,519
Income taxes - deferred	(1,629)	(73)
Total income taxes	2,111	4,445
Net income	6,569	11,767

(3) Interim Statement of Changes in Equity
For the six months ended September 30, 2020

(Million yen)

	Shareholders' equity									
	Common stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings	Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings					
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance as of April 1, 2020	33,076	23,942	23,942	9,134	400	186,893	13,370	209,798	(8,184)	258,633
Changes during the period										
Cash dividends							(1,129)	(1,129)		(1,129)
Provision of general reserve						10,400	(10,400)	-		
Net income							6,569	6,569		6,569
Purchase of treasury stock									(1)	(1)
Sales of treasury stock							(4)	(4)	71	67
Reversal of land revaluation surplus							2,543	2,543		2,543
Other changes										
Net change in the period	-	-	-	-	-	10,400	(2,420)	7,979	69	8,049
Balance as of September 30, 2020	33,076	23,942	23,942	9,134	400	197,293	10,949	217,778	(8,114)	266,683

	Valuation and translation adjustments				Stock acquisition rights	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation surplus	Total valuation and translation adjustments		
Balance as of April 1, 2020	101,731	(8,351)	11,103	104,483	131	363,248
Changes during the period						
Cash dividends						(1,129)
Provision of general reserve						
Net income						6,569
Purchase of treasury stock						(1)
Sales of treasury stock						67
Reversal of land revaluation surplus						2,543
Other changes	47,545	1,769	(2,543)	46,771	(56)	46,714
Net change in the period	47,545	1,769	(2,543)	46,771	(56)	54,764
Balance as of September 30, 2020	149,276	(6,581)	8,559	151,254	75	418,013

For the six months ended September 30, 2021

(Million yen)

	Shareholders' equity									
	Common stock	Capital surplus		Legal retained earnings	Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus		Other retained earnings			Total retained earnings		
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance as of April 1, 2021	33,076	23,942	23,942	9,134	400	197,293	14,859	221,688	(9,116)	269,591
Cumulative effect by changes in accounting policies							(97)	(97)		(97)
Balance as of April 1, 2021 reflecting changes in accounting policies	33,076	23,942	23,942	9,134	400	197,293	14,762	221,591	(9,116)	269,494
Changes during the period										
Cash dividends							(1,119)	(1,119)		(1,119)
Provision of general reserve						11,700	(11,700)	-		
Net income							11,767	11,767		11,767
Purchase of treasury stock									(1,001)	(1,001)
Sales of treasury stock							(0)	(0)	0	0
Reversal of land revaluation surplus							(3)	(3)		(3)
Other changes										
Net change in the period	-	-	-	-	-	11,700	(1,054)	10,645	(1,000)	9,644
Balance as of September 30, 2021	33,076	23,942	23,942	9,134	400	208,993	13,708	232,236	(10,117)	279,138

	Valuation and translation adjustments				Stock acquisition rights	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation surplus	Total valuation and translation adjustments		
Balance as of April 1, 2021	194,445	1,634	8,532	204,611	84	474,287
Cumulative effect by changes in accounting policies						(97)
Balance as of April 1, 2021 reflecting changes in accounting policies	194,445	1,634	8,532	204,611	84	474,190
Changes during the period						
Cash dividends						(1,119)
Provision of general reserve						
Net income						11,767
Purchase of treasury stock						(1,001)
Sales of treasury stock						0
Reversal of land revaluation surplus						(3)
Other changes	4,306	(4,565)	3	(256)	9	(247)
Net change in the period	4,306	(4,565)	3	(256)	9	9,397
Balance as of September 30, 2021	198,751	(2,931)	8,535	204,355	94	483,588