



Year Ended March 31, 2020



Profile

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

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

The Tama Shinkin Bank, popularly known as "Tamashin" by the local community in which it has established its roots, is one of Japan's highest ranking shinkin banks. As of March 31, 2020, the Bank had total assets of ¥3,082.6 billion, net assets of ¥109.9 billion, and 1,969 employees. The Bank also had a service network of 79 branches, 3 branch offices, and 60 automatic teller facilities.



New head office and administration building (Tachikawa)

Non-Consolidated Financial Highlights

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

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
For the Fiscal Year:			
Total Income	¥ 47,656	¥ 44,751	\$ 437,901
Total Expenses	45,551	41,324	418,553
Income Before Income Taxes	2,105	3,427	19,348
Net Income	1,413	2,332	12,983
Business Profit	4,773	3,627	43,860
At Year-End:			
Deposits	¥ 2,802,870	¥ 2,740,758	\$ 25,754,579
Loans and Bills Discounted	1,090,416	1,072,061	10,019,447
Securities	1,122,200	1,162,820	10,311,495
Total Assets	3,082,685	3,042,639	28,325,700
Total Net Assets	109,996	122,056	1,010,715

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 ¥108.83 to U.S.\$1, the rate prevailing on March 31, 2020.

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.

Maximizing Value creation to realize a bright future for TAMA

Thank you for your continued patronage of Tamashin. I hereby deliver you Annual Report 2020, detailing our activities in FY2019.

By browsing the results of our initiatives over the last 12 months, I hope that you will gain a deeper understanding of our operations. I also look forward to your frank and honest feedback.

We welcome your comments and will ensure they are reflected in our business going forward.



The economic environment in the fiscal year ended March 2020

Looking at the Japanese economy for FY2019, a new era dawned in the first half with the transition from “Heisei” to “Reiwa,” but instability continued as economic risks such as a looming trade war between the United States and China and geopolitical risks such as the

deterioration of the situation in the Middle East surfaced. The second half saw the rapid spread of COVID-19 from the beginning of the year, with a significant impact on the management of our corporate clients and business customers in the Tama region.

Working to maximize value creation

In this business environment, all the officers and employees have worked together and have been committed to solving our customers’ problems in FY2019. As a specific example, in terms of our support to corporate clients and business customers, in addition to financial support through consultations on financing, we redoubled our efforts to stand by our clients through support for business operations by collaboration with

experts, matchmaking between businesses, and other means. For individual customers, we hosted asset management seminars in preparation for era of “the 100-year life.” As initiatives regarding local communities, we also strengthened our liaison with local communities through initiatives such as measures to deal with vacant houses in collaboration with local communities.

Regarding business performance, outstanding

deposits and loans increased thanks to support from our customers, but the chronic low-interest-rate environment, growing credit costs, confusion in the financial market, and other factors have contributed to a declining trend in our profitability.

We will continue to work hard to build an even more robust business platform by saving in expenses and such. Faced with a tough financial environment, we will continue to work diligently to solve our customers' problems in order to realize our management philosophy while responding to changes in the social environment with resilience. We opened our new head office and administration

building in May 2020 as an architectural landmark of the Tama region. We will work to enhance its role as a foundational source for information and problem-solving infrastructure in order to bolster our contribution to the Tama region.

We would like to extend our appreciation for your patronage once again and ask for your continued support going forward as well.

Toshiro Yagi, President



The Long-Term Strategy and the Mid-Term Management Plan

The Long-Term Strategy for 2030 has been released and Tamashin's Mid-Term Management Plan 2020 is underway.

Amid dizzying changes in the external environment, to further enhance Tamashin's role as the "solution provider for regional challenges" – the reason we are in business – amid dizzying changes in the external environment, in 2018 Tamashin launched its Long-term Strategy for 2030 and Mid-term Management Plan 2020. The Long-term Strategy lists seven principles as universal management principles for the future. Based on the Long-term Strategy, the Mid-term Management Plan sets forth four basic strategies to support the main theme, "Story for the future: maximizing value creation." In FY2018, the first year of the plan, we worked to maxi-

mize value creation under the theme of "Stage 1: challenge to Business Process Reengineering."

Based on the Long-term Strategy and Mid-term Management Plan, at Tamashin we constantly ask ourselves, "How can we support our customers?" "How can we contribute to the local community?" from a long-term perspective. We are moving forward to build working environment and system where our officers and employees are committed to solving customers' problems with pride and joy, and to realize a bright future for Tama through that effort.

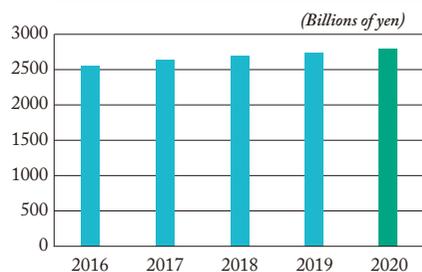
Long-term Strategy 2018-2030: Seven Principles

- ◇ Enrich problem-solving measures
- ◇ Optimize office locations and channel mix strategy
- ◇ Enhance ICT strategy and information utilization
- ◇ Exercise group synergy through strengthened governance and organizational structure
- ◇ Develop and allocate diverse human resource
- ◇ Strengthen initiatives leveraging regional characteristics
- ◇ Strengthen the collaboration with local governments and authorities

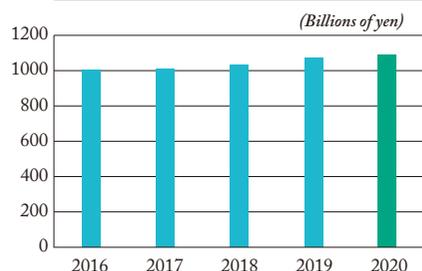
Mid-term Management Plan 2018-2020: Four basic strategies

1. Build a system to maximize the problem(issue)-solving capability (complete BPR)
2. Enhance branch support to maximize problem solving capability
3. Foster a corporate culture in which employees can take pride in their work in and find it rewarding
4. Strengthen our financial foundation and compliance supporting the problem solving infrastructure

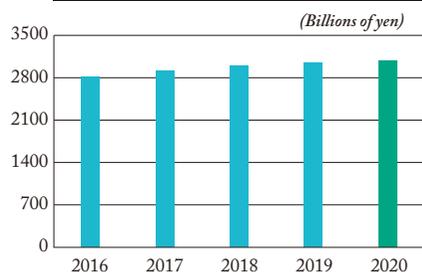
Deposits



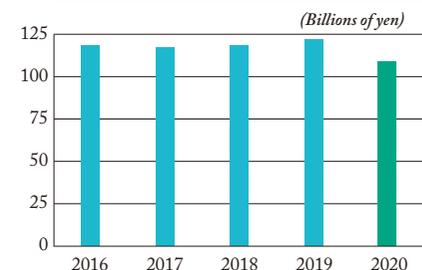
Loans and Bills Discounted



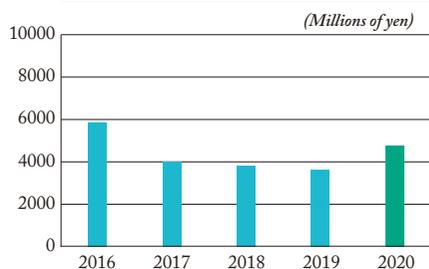
Total Assets



Total Net Assets



Business Profit



The Financial and Economic Environment

Looking at the economic environment, a new era dawned in the first half with the transition from “Heisei” to “Reiwa,” but domestic and overseas demand lacked force as economic risks such as the looming trade war between the United States and China and the United Kingdom’ exit from the European Union and geopolitical risks such as the deterioration of the situation in the Middle East surfaced. The rapid spread of COVID-19 that began with the new year led to a rapid decline in social activities and consumption as events were pushed back or cancelled outright and people were encouraged to voluntarily stay in. Although personal consumption had remained relatively firm, the impact of the consumption tax hike in the second half of the fiscal year as well as the voluntary self-confinement to reduce personal contact in the face of spreading COVID-19 led to a decline in consumption, mainly in retail and services.

The financial market was beset with turbulence in the first half of the fiscal year with the yen trending up against the US dollar as expectations grew that the FRB would cut interest rates in light of the sense of caution over the looming trade war between the United States and China. Subsequently, as excessive caution receded with progress in U.S.-China trade negotiations, the Nikkei Stock Average breached the ¥24,000 level towards the year’s end for the first time in one year and two months. Subsequently, however, stock prices plummeted worldwide as fears of a global recession grew in the face of the spreading COVID-19. The Nikkei Stock Average dropped below ¥16,000 in March and the yen temporarily rose above ¥102 to the dollar. Since then, though, the economic and financial policies worldwide and other factors have pushed the Nikkei Stock Average over the ¥18,000 threshold and the dollar to ¥107.

Operating Results

In FY2019, the second year of the three-year Mid-term Management Plan 2020, the theme of the Plan was established as “Story for the future: maximizing value creation - Stage 2: Bolstering Problem(Issue)-Solving Capability and Enhancing Contributions through Business Process Reengineering,” and the following five basic strategies were set forth toward a bright future for the local community and Tamashin.

1. Bolster the problem(issue)-solving capability of branch offices with the aim of maximizing value creation.
2. Enhance branch support to maximize problem-solving capability
3. Foster a corporate culture in which employees can take pride in their work and find it rewarding
4. Be thorough in compliance-risk management and bolster internal control systems.
5. Build a stable foundation for business management by optimizing management resources.

Balance of Deposits and Loans

Thanks to the support of our customers in the community, deposits increased from the previous fiscal year by ¥62.1 billion (2.2% increase) to ¥2,802.8 billion. Loans increased by ¥18.3 billion (1.7% increase) from the previous fiscal year to a total of ¥1,090.4 billion.

Balance of Securities

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

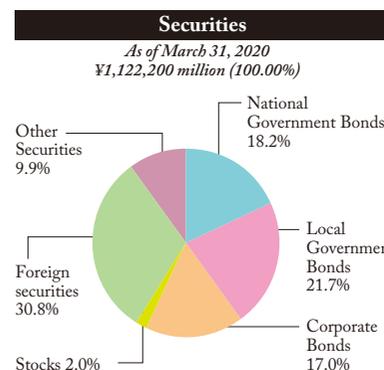
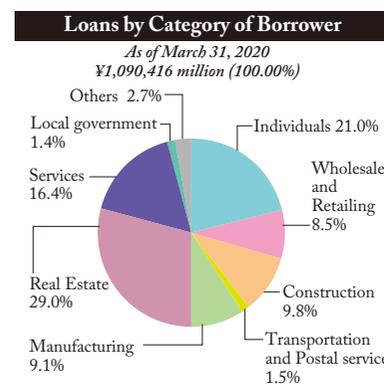
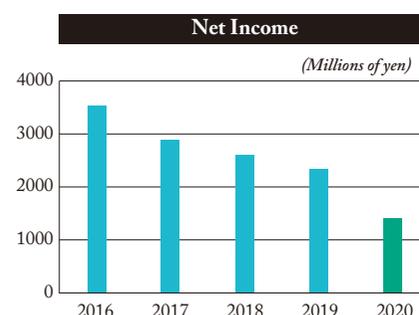
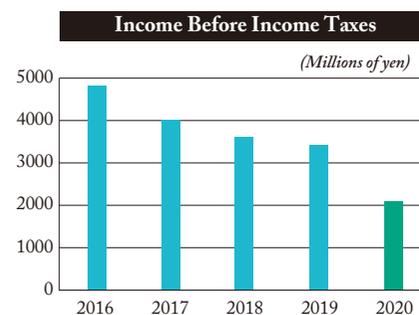
* 1: The balance by securities type is the amount on the balance sheet as of the end of March 2020.

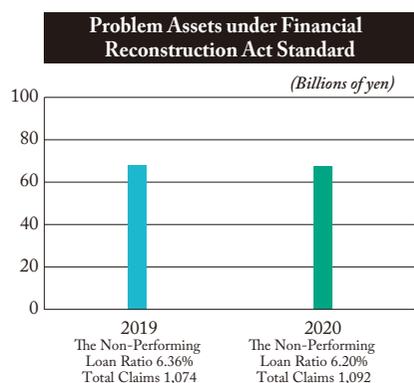
* 2: Other Securities are investment trusts and other vehicles

Earnings

On earnings, the continuing low-interest-rate environment resulted in a ¥0.16 billion decrease in interest on loans collected compared to the previous fiscal year. There was also a ¥0.19 billion increase in interest and dividends on securities from the previous fiscal year through stable portfolio management. However, loss on sales of national government bonds and other bonds increased by ¥1.60 billion from the previous fiscal year due to the turbulence in the financial market and other factors and the specific reserve for possible loan losses increased by ¥2.41 billion from the previous fiscal year due to such factors are the impact of COVID-19, which occurred in the fourth quarter, in addition to the change in our reserve method with a view to the future. These factors resulted in net operating income increasing by ¥1.14 billion (31.5% increase) to ¥4.7 billion.

Operating income decreased by ¥1.29 billion from the previous fiscal year (37.9% decrease) to ¥2.1 billion, income before income taxes decreased by ¥1.32 billion from the previous fiscal year (38.5% decrease) to ¥2.1 billion, and net income decreased by ¥0.91 billion from the previous fiscal year (39.4% decrease) to ¥1.4 billion.





Non-Performing Assets

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

Tamashin's non-performing loans decrease by ¥0.5 billion to ¥67.7 billion from the previous fiscal year. The non-performing loans ratio declined by 0.16 points to 6.20% from the previous fiscal year to ¥17.2 billion increase of total lending.

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

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

Tamashin's loans disclosed under the Financial Reconstruction Act amounted to ¥67.7 billion excluding normal claims, and 78.85% of those are secured by collateral, guarantees and/or loan loss reserves. The remaining ¥14.3 billion, or 21.14%, is covered in full by equity capital (total net assets of ¥109.9 billion).

* There are no substandard loans

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 under the Financial Reconstruction Act

Years ended March 31, 2020 and 2019

	Millions of yen	
	2020	2019
Bankrupt and Quasi-Bankrupt Assets	¥ 10,519	¥ 8,312
Doubtful Assets	57,273	60,051
Substandard Loans	—	—
Normal Assets	1,024,422	1,006,602
Total	¥ 1,092,216	¥ 1,074,966

Risk-Monitored Loans under the Shinkin Bank Law

Years ended March 31, 2020 and 2019

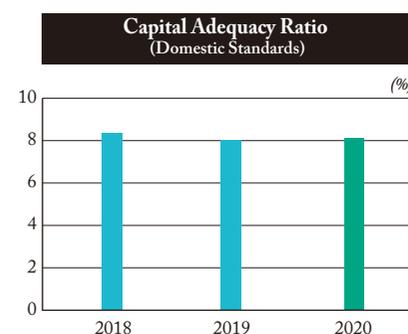
	Millions of yen	
	2020	2019
Total loans to bankrupt borrowers	¥ 3,215	¥ 2,700
Total non-accrual delinquent loans	64,479	65,480
Total loans past due for three months or more	—	—
Total Restructured loans	—	—
Total	¥ 67,694	¥ 68,181

Capital Adequacy Ratio

Tamashin's stance regarding the capital adequacy ratio is not simply to increase this ratio. Our policy is to place foremost priority on our role within the region, and to steadily retain the appropriate level of earnings obtained from serving customers in our home region, which may contribute to the soundness of our operations.

As for the capital adequacy ratio in the fiscal year ended March 2020, the "amount of total capital" (the numerator) increased by ¥1.9 billion over the previous fiscal year to ¥107.2 billion due in part to an increase in business loans, while the "amount of credit risk assets, etc." (the denominator) increased by ¥4.0 billion to ¥1,319.0 billion compared to the previous fiscal year due to increases in business loans and other securities. As a result, Tamashin's capital adequacy ratio rose by 0.12 points compared to the prior year to 8.13%.

As a regional financial institution, Tamashin will continue to place its contribution to regional customers above all else, while striving to further enhance the soundness of our operations.



Capital Adequacy Ratio (Calculated under Basel III)

Year ended March 31, 2020 and 2019

	Millions of yen	
	2020	2019
Core capital basic items	¥ 108,693	¥ 106,838
Core capital adjustment items	(1,422)	(1,478)
Total Capital	¥ 107,271	¥ 105,359
Risk Assets		
Total amount of credit risk assets	¥1,257,351	¥ 1,253,865
Amount Obtained by Dividing Operational Risk Equivalent by 8%	61,727	61,158
Capital Adequacy Ratio	8.13%	8.01%

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 ¥108 billion and the balance of adjustment items related to core capital stood at ¥1,422 million at the end of the fiscal year ended March 2020.

Method to calculate the capital adequacy ratio under Basel III

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

Compliance-Related Efforts

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

1. Dissemination of Compliance Manual

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

2. Compliance Management Structure

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

3. Hold a Compliance Program

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

Compliance Declaration

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

1. Establishment of Trust

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

2. Sincere and Fair Business Activities

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

3. Contributions to the Local Community

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

4. Fair and Appropriate Disclosure of Information

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

5. Exclusion of Antisocial Forces

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

Financial Statements

Year Ended March 31, 2020

Notes to Non-Consolidated Financial Statements

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
ASSETS			
Cash	¥ 29,329	¥ 28,373	\$ 269,501
Due from Banks	740,035	704,691	6,799,921
Monetary Claims Purchased	31,048	12,225	285,297
Money Held in Trust	15,306	14,177	140,643
Trading Account Securities	15	5	140
Trading Account National Government Bonds	15	5	140
Securities	1,122,200	1,162,820	10,311,495
National Government Bonds	205,271	134,017	1,886,162
Local Government Bonds	244,206	272,550	2,243,923
Corporate Bonds	191,111	224,591	1,756,051
Stocks	23,350	27,182	214,563
Other Securities	458,260	504,478	4,210,794
Loans and Bills Discounted	1,090,416	1,072,061	10,019,447
Bills Discounted	9,538	12,108	87,649
Loans on Bills	25,667	28,164	235,850
Loans on Deeds	1,042,404	1,019,785	9,578,279
Overdrafts	12,805	12,002	117,668
Foreign Exchange	1,729	1,207	15,891
Due from Foreign Banks	1,709	1,177	15,704
Foreign Bills of Exchange Bought	11	—	107
Foreign Bills of Exchange Receivable	8	30	80
Other Assets	20,447	19,048	187,881
Outstanding Bank Transfer Advanced	683	925	6,282
Investment in the Shinkin Central Bank	11,265	11,265	103,517
Prepaid Expenses	24	16	223
Accrued Income	3,379	4,412	31,056
Gross Unrealized Gains from Derivative Transactions	454	295	4,176
Cash Collateral Advanced for Derivative Transactions	1,726	—	15,859
Others	2,912	2,133	26,765
Tangible Fixed Assets	36,651	32,672	336,775
Building	10,942	5,839	100,547
Land	21,593	21,366	198,413
Leased Assets	27	36	251
Construction in Progress	468	2,028	4,303
Other Tangible Fixed Assets	3,619	3,402	33,258
Intangible Fixed Assets	1,973	2,051	18,133
Software	1,300	1,370	11,949
Leased Assets	—	1	—
Others	673	679	6,184
Deferred tax Assets	3,479	—	31,968
Reverse against Debt Guarantee	1,208	1,975	11,104
Reserve for Possible Loan Losses	(11,155)	(8,670)	(102,504)
(Specific Reserve for Possible Loan Losses)	(9,626)	(7,102)	(88,454)
Total Assets	¥ 3,082,685	¥ 3,042,639	\$ 28,325,700

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 ¥108.83 to U.S.\$1, the rate prevailing on March 31, 2020

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\$49,159 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, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
LIABILITIES			
Deposits	¥ 2,802,870	¥ 2,740,758	\$ 25,754,579
Current Deposits	55,904	60,630	513,688
Ordinary Deposits	1,582,952	1,485,144	14,545,187
Savings Deposits	9,207	9,290	84,601
Deposits at Notice	5,284	3,117	48,553
Time Deposits	1,053,102	1,088,390	9,676,587
Installment Savings	62,880	69,972	577,785
Other Deposits	33,538	24,211	308,177
Borrowings	100,885	—	927,000
Loans payable	100,885	—	927,000
Call Money	5,370	75,618	49,349
Cash Collateral Received for Repurchase Agreement	49,031	85,484	450,535
Foreign Exchange	6	15	61
Foreign Bills of Exchange Sold	6	11	61
Foreign Bills Payable	0	3	0
Other Liabilities	8,071	8,409	74,167
Outstanding Bank Transfer Received	901	1,406	8,280
Accrued Expenses	497	729	4,568
Reserve for Future Interest Payment of Installment Savings	33	47	307
Income Taxes Payable	661	612	6,079
Unearned Income	161	175	1,481
Unsettled Equity Refunds	73	72	677
Deposits from Employees	1,070	1,032	9,835
Variation margins of futures markets	3	—	29
Gross Unrealized Losses from Derivative Transactions	141	904	1,304
Cash Collateral Received for Derivative Transactions	—	261	—
Lease Obligations	30	41	278
Asset Retirement Obligations	737	355	6,772
Other Liabilities	3,760	2,769	34,553
Reserve for Employee Bonuses	1,059	1,070	9,734
Reserve for Employee Retirement Benefits	55	370	508
Reserve for Director's Retirement Benefits	525	509	4,832
Reserve for Reimbursement of Deposits	170	268	1,568
Reserve for Contingencies	410	320	3,769
Deferred Tax Liabilities	—	2,761	—
Deferred Tax Liabilities for Land Revaluation	3,022	3,021	27,771
Debt Guarantee	1,208	1,975	11,104
Total Liabilities	¥ 2,972,689	¥ 2,920,582	\$ 27,314,985
NET ASSETS			
Paid-in Members' Capital	25,090	24,021	230,547
Common Share	19,740	18,671	181,388
Other Share	5,350	5,350	49,159
Capital Retained Earnings	766	766	7,041
Legal Capital Reserve	766	766	7,041
Retained Earnings	80,840	79,782	742,816
Legal Reserve	22,840	22,600	209,871
Voluntary Reserve	58,000	57,181	532,945
Reserve for Specific Purpose	55,000	53,500	505,375
Retained Earnings for the Current Term	3,000	3,681	27,569
Treasure Share	(0)	(1)	(3)
Total Members' Equity	106,697	104,568	980,402
Unrealized Gains on Available-for-sale Securities	1,639	15,742	15,060
Deferred Gains or Losses on Hedges	(13)	69	(125)
Land Revaluation Excess	1,673	1,674	15,378
Total of Valuation and Translation Adjustments.	3,299	17,487	30,313
Total Net Assets	109,996	122,056	1,010,715
Total Liabilities and Net Assets	¥ 3,082,685	¥ 3,042,639	\$ 28,325,700

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

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

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

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

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

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

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

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Others	3 to 20 years

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

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

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

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

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

For claims on borrowers that are not currently bankrupt, but

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

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

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

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The cumulative write-off amount was ¥6,135 million (US\$56,373 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, 2019)

	Millions of yen	Thousands of U.S. dollars
Amount of Pension Assets	¥ 1,650,650	\$ 15,167,234
Sum of Amount of Actuarial Pension Obligations Amount of the Minimum Actuarial Liability	1,782,453	16,378,327
Balance	¥ (131,803)	\$ (1,211,093)

b) Share of the Bank's premium contributions to the plan (as of March 31, 2019) was 2.1472%

c) Supplementary explanations

The main factor for the balance in a) above is the balance of ¥180,752 million (US\$1,660,873 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 ¥411 million (US\$3,779 thousand) in special premiums in the financial statements for the fiscal year ended March 2020.

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, February 13, 2002) (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, July 29, 2002). With respect to the hedge effectiveness testing, the Bank designates foreign exchange swap transactions as hedges against fluctuation in foreign currency exchange rates arising from foreign currency monetary claims and assesses the effectiveness of such hedges by verifying that the Bank holds foreign currency positions of the hedged items corresponding to the positions of the hedging instruments.

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

20. Total monetary claims to directors and auditors as a result of transactions between directors and auditors were ¥30 million (US\$278 thousand)

21. Capitalization of subsidiaries was ¥2,051 million (US\$18,845 thousand)

22. Total monetary claims for subsidiaries were ¥628 million (US\$5,777 thousand)

23. Total monetary liabilities for subsidiaries were ¥4,054 million (US\$37,257 thousand)

24. Cumulative total depreciation of tangible fixed assets was ¥22,943 million (US\$210,819 thousand)

25. Reduction entry amount of tangible fixed assets was ¥289 million (US\$2,655 thousand)

26. 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	¥ 316	\$ 2,909
Intangible Fixed Assets	0	6
Total	¥ 317	\$ 2,915

2) Accumulated Depreciation

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 131	\$ 1,210
Intangible Fixed Assets	0	2
Total	¥ 132	\$ 1,213

3) Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
Tangible Fixed Assets	¥ 184	\$ 1,698
Intangible Fixed Assets	0	3
Total	¥ 185	\$ 1,701

4) Future Lease Payments Year-end Closing Balance

	Millions of yen	Thousands of U.S. dollars
1 year or Less	¥ 59	\$ 546
Exceeding 1 Year	142	1,313
Total	¥ 202	\$ 1,860

5) Lease Payments, Depreciation Expense and Interest Expense Payments

	Millions of yen	Thousands of U.S. dollars
Lease Payments	¥ 82	\$ 758
Depreciation Expense	63	583
Interest Expense Payments	¥ 26	\$ 244

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.

27. Of loans outstanding, loans to Bankrupt Borrowers amounted to ¥3,215 million (US\$29,544 thousand) and Non-accrual Delinquent loans amounted to ¥64,479 million (US\$592,479 thousand).

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

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

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

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

29. Of loans outstanding, there are no restructured loans. Restructured loans are loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to the borrower's weakened financial condition, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

30. The total amount of loans to Bankrupt Borrowers, non-accrual delinquent loans, loans past due for three months or more, and restructured loans came to ¥67,694 million (US\$622,023 thousand). These amounts are stated before the reduction of reserve for possible loan losses.

31. 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 ¥9,538 million (US\$87,649 thousand).

32. Assets pledged as collateral are as follows.

Assets pledged as collateral:

	Millions of yen	Thousands of U.S. dollars
Securities	¥ 124,395	\$ 1,143,027
Other Assets	31	286

Liabilities corresponding to pledged assets:

	Millions of yen	Thousands of U.S. dollars
Borrowings	¥ 100,885	\$ 927,000

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

In addition to the above, due from banks totalling ¥165,000 million (US\$1,516,126 thousand), securities totalling ¥69,882 million (US\$642,126 thousand), and other assets totalling ¥3 million (US\$27 thousand) were pledged as collateral for exchange settlements, exchange yen settlements, forward exchange contracts, foreign currency yen settlements and call transactions, or in lieu of futures trading margin money. Securities lent out for cash-secured bond lending transactions amounted to ¥51,662 million (US\$474,710 thousand), while cash collateral accepted for bond lending transactions amounted to ¥49,031 million (US\$450,535 thousand).

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

Date of the revaluation:	
The former Tama Chuo Shinkin Bank	March 31, 1999
The former Taihei Shinkin Bank	March 31, 1998
The former Hachioji Shinkin Bank	March 31, 1998

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

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

The difference between the total fair value of the revalued business land as of March 31, 2020 as stipulated in Article 10 of the Land Revaluation Law, and the total book value after revaluation is △¥3,605 million (△US\$33,129 thousand).

34. Net assets per investment unit is ¥278.61 (US\$2.56)

35. Concerning the situation of financial instruments

1) Policy for dealing with financial instruments

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

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

2) Contents of financial instruments and their risk

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

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

3) Risk management systems for financial instruments

A. Credit risk management

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

This framework covers such issues as screening of individual loans, credit limits, management of credit information, assignment

of guarantees and collateral and measures against nonperforming loans.

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

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

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

Credit risk related to securities issuers is managed by Treasury And Securities Department, which regularly monitors credit information and market price.

B. Market risk management

i. Interest rate risk management

The Bank uses ALM to manage interest rate risk.

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

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

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

ii. Exchange rate risk management

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

iii. Market price fluctuation risk management

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

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

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

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

iv. Derivative transactions

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

v. Quantitative information regarding market risk

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

The Bank's VaR is calculated according to the historical simulation method (holding period: 1 year, confidence interval: 99%, observation period: 5 years), and as of March 31, 2020 (fiscal year end) the Bank's amount of market risk (estimated value of

loss) was ¥18,651 million (US\$171,384 thousand) overall.

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

C. Management of liquidity risk related to fund-raising

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

4) Supplementary explanation on fair values of financial instruments

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

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

36. 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, 2020, and net unrealized gains (losses between these amounts (Note 1 in regards to the calculation method for fair value, etc.). The amounts shown in the following table do not include financial instruments whose market values are extremely difficult to determine, such as unlisted stocks classified as available-for-sale securities (Note 2).

In addition, immaterial items were omitted from the table.

	Millions of yen		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	¥ 740,035	¥ 740,130	¥ 94
2) Monetary Claims Purchased	31,048	31,048	—
3) Securities	1,119,112	1,125,379	6,267
Securities Classified as Trading	15	15	—
Bonds Classified as Held-to-Maturity	244,039	250,306	6,267
Available-for-Sale Securities	875,057	875,057	—
4) Loans and Bills Discounted	1,090,416		
Reserve for Possible Loan Losses (*1)	(11,113)		
	1,079,302	1,086,260	6,958
Total Financial Assets	¥ 2,969,498	¥ 2,982,819	¥ 13,320
1) Deposits	2,802,870	2,802,877	(6)
2) Borrowings	100,885	100,885	—
3) Call Money	5,370	5,370	—
4) Bond Lending Transactions	49,031	49,031	—
Total Financial Liabilities	¥ 2,958,158	¥ 2,958,165	(6)
Derivative Transactions (*2)			
to which Hedge Accounting is not Applied	13	13	—
to which Hedge Accounting is Applied	298	298	—
Total Derivative Transactions	¥ 312	¥ 312	—

Non-Consolidated Balance Sheets

	Thousands of U.S. dollars		
	Carrying Amount	Fair Value	Net unrealized gains (losses)
1) Due from Banks	\$ 6,799,921	\$ 6,800,791	\$ 869
2) Monetary Claims Purchased	285,297	285,297	—
3) Securities	10,283,120	10,340,710	57,589
Securities Classified as Trading	140	140	—
Bonds Classified as Held-to-Maturity	2,242,391	2,299,981	57,589
Available-for-sale securities	8,040,588	8,040,588	—
4) Loans and Bills Discounted	10,019,447		
Reserve for Possible Loan Losses (*1)	(102,122)		
	9,917,325	9,981,261	63,935
Total Financial Assets	\$ 27,285,665	\$ 27,408,060	\$ 122,394
1) Deposits	25,754,579	25,754,639	(59)
2) Borrowings	927,000	927,000	—
3) Call Money	49,349	49,349	—
4) Bond Lending Transactions	450,535	450,535	—
Total Financial Liabilities	\$ 27,181,464	\$ 27,181,524	(59)
Derivative Transactions (*2)			
to which Hedge Accounting is not Applied	126	126	—
to which Hedge Accounting is Applied	2,745	2,745	—
Total Derivative Transactions	\$ 2,872	\$ 2,872	—

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

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

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

Financial assets

1) Due from banks

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

2) Monetary claims purchased

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

3) Investment securities

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

Notes to securities classified by purpose for which they are held are listed in 37 through 39.

4) Loans

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

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

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

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

Financial liabilities

1) Deposits

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

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

2) Borrowings, 3) Call Money, 4) Cash Collateral Received for Bond Repurchase Agreement

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

Derivative transactions

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

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

	Millions of yen	Thousands of U.S. dollars
	Carrying Amount	
Subsidiaries' Stocks (*1)	¥ 2,051	\$ 18,845
Unlisted Stocks(*2)(*3)	479	4,404
Investments in Partnerships (*4)	572	5,264
Total	¥ 3,103	\$ 28,515

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

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

(*3). Impairment loss for unlisted stocks in the current fiscal year was not calculated.

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

(Note.3) Scheduled redemption amount of due from banks and securities with a maturity date after March 31, 2020

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥ 574,035	¥ 85,000	¥ —	¥ 81,000
Monetary Claims Purchased Securities	104,013	202,571	215,382	453,766
Bonds Classified as Held-to-Maturity	11,180	8,235	12,210	211,922
Available-for-sale securities with Maturity Dates	92,832	194,336	203,171	241,843
Loans and Bills Discounted	281,049	209,826	140,711	458,828
Total	¥ 959,098	¥ 497,398	¥ 356,094	¥ 1,024,667

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	\$ 5,274,606	\$ 781,034	\$ —	\$ 744,280
Monetary Claims Purchased Securities	955,738	1,861,359	1,979,074	4,169,499
Bonds Classified as Held-to-Maturity	102,733	75,672	112,200	1,947,284
Available-for-sale securities with Maturity Dates	853,005	1,785,687	1,866,873	2,222,214
Loans and Bills Discounted	2,582,465	1,928,023	1,292,950	4,216,009
Total	\$ 8,812,811	\$ 4,570,417	\$ 3,272,024	\$ 9,415,306

(Note.4) Scheduled redemption amount of borrowings and other interest-bearing debt after March 31, 2020

	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	¥ 2,707,447	¥ 81,253	¥ 14,169	—
Borrowings	100,885	—	—	—
Call Money	5,370	—	—	—
Bond Lending Transactions	49,031	—	—	—
Total	¥ 2,862,735	¥ 81,253	¥ 14,169	—

	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits(*)	\$ 24,877,768	\$ 746,609	\$ 130,201	—
Borrowings	927,000	—	—	—
Call Money	49,349	—	—	—
Bond Lending Transactions	450,535	—	—	—
Total	\$ 26,304,653	\$ 746,609	\$ 130,201	—

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

37. 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 39. 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	¥ (138)	\$ (1,271)

2) Held-to-maturity bonds

Type	Millions of yen		
	Carrying Amount	Market Value	Gross unrealized gains (losses)
National Government Bonds	¥ 3,497	¥ 3,542	¥ 44
Local Government Bonds	162,244	167,117	4,872
Corporate Bonds	56,830	58,016	1,185
Other	12,601	12,827	225
Subtotal	235,174	241,503	6,328
National Government Bonds	—	—	—
Local Government Bonds	—	—	—
Corporate Bonds	2,965	2,960	(4)
Other	5,900	5,843	(56)
Subtotal	8,865	8,803	(61)
Total	¥ 244,039	¥ 250,306	¥ 6,267

Type	Thousands of U.S. dollars		
	Carrying Amount	Market Value	Gross unrealized gains (losses)
National Government Bonds	\$ 32,137	\$ 32,548	\$ 410
Local Government Bonds	1,490,805	1,535,580	44,774
Corporate Bonds	522,198	533,091	10,892
Other	115,790	117,865	2,074
Subtotal	2,160,933	2,219,085	58,152
National Government Bonds	—	—	—
Local Government Bonds	—	—	—
Corporate Bonds	27,245	27,204	(41)
Other	54,212	53,690	(522)
Subtotal	81,458	80,895	(563)
Total	\$ 2,242,391	\$ 2,299,981	\$ 57,589

Note:1. Market value is based on the market price at the end of the fiscal year.

3) Available-for-sale securities

Type	Millions of yen		
	Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)
Stocks	¥ 13,474	¥ 7,780	¥ 5,694
Bonds	330,540	324,375	6,164
National Government Bonds	134,507	130,778	3,728
Local Government Bonds	81,462	80,437	1,025
Corporate Bonds	114,569	113,159	1,410
Other	233,058	226,422	6,636
Subtotal	577,073	558,578	18,495
Stocks	7,346	9,459	(2,113)
Bonds	84,510	84,991	(481)
National Government Bonds	67,266	67,502	(236)
Local Government Bonds	499	500	(0)
Corporate Bonds	16,745	16,989	(244)
Other	237,176	250,838	(13,662)
Subtotal	329,032	345,289	(16,256)
Total	¥ 906,106	¥ 903,867	¥ 2,238

Non-Consolidated Balance Sheets

		Thousands of U.S. dollars		
Type		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)
Unrealized gain	Stocks	\$ 123,811	\$ 71,490	\$ 52,320
	Bonds	3,037,215	2,980,568	56,646
	National Government Bonds	1,235,941	1,201,677	34,264
	Local Government Bonds	748,531	739,111	9,419
	Corporate Bonds	1,052,742	1,039,780	12,962
	Other	2,141,495	2,080,518	60,976
	Subtotal	5,302,522	5,132,577	169,944
Unrealized loss	Stocks	67,501	86,919	(19,417)
	Bonds	776,534	780,956	(4,421)
	National Government Bonds	618,083	620,253	(2,169)
	Local Government Bonds	4,586	4,594	(7)
	Corporate Bonds	153,864	156,108	(2,244)
	Other	2,179,327	2,304,862	(125,535)
	Subtotal	3,023,363	3,172,738	(149,374)
Total	\$ 8,325,885	\$ 8,305,316	\$ 20,569	

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

2. The ¥599 million (US\$5,508 thousand) is calculated by deducting the deferred tax liabilities amount of ¥1,639 million (US\$15,060 thousand) from the evaluation excess amount of ¥2,238 million (US\$20,569 thousand) and is included in "Unrealized gains on available-for-sale securities."

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

39. 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		¥ 3,241	¥ 1,764	¥ 475
Bonds		19,033	513	—
National Government Bonds		1,762	105	—
Local Government Bonds		12,972	284	—
Corporate Bonds		4,298	123	—
Other		56,288	2,622	1,851
Total		¥ 78,563	¥ 4,900	¥ 2,327

		Thousands of U.S. dollars		
		Proceeds from sales	Gain on Sales	Loss on Sales
Equity securities		\$ 29,781	\$ 16,211	\$ 4,371
Bonds		174,893	4,718	—
National Government Bonds		16,197	969	—
Local Government Bonds		119,201	2,614	—
Corporate Bonds		39,494	1,134	—
Other		517,214	24,098	17,013
Total		\$ 721,889	\$ 45,029	\$ 21,384

40. Securities booked as impairment loss

A security other than available-for-sale securities (excluding those whose market values are extremely difficult to determine) whose market value is significantly lower than its acquisition cost and is not expected to recover to the acquisition cost is reported on the balance sheet at its market value, and the valuation difference is treated as a loss for the fiscal year (hereafter, "impairment loss").

The amount of impairment loss in the fiscal year is ¥132 million (US\$1,217 thousand) (stocks ¥57 million (US\$523 thousand) investment trusts ¥75 million (US\$693 thousand)).

The determination that "market value is significantly lower" is made when the average value of the issue in the last month of the fiscal year is lower than the acquisition cost by 50% or more or when it is lower by 30% or more but by less than 50% and also falls under a), b), or c).

- The issue has been 30% or more lower for the last two years.
- The issuing company is insolvent.
- The issuing company of the security has registered a loss for two consecutive years and is expected to register a loss in the next fiscal year.

41. Assets held in trust for investment

		Millions of yen	
		Carrying Amount	Gains/Losses for the Fiscal Year Under Review
Assets Held in Trust for Investment		¥ 14,306	¥ (256)

		Thousands of U.S. dollars	
		Carrying Amount	Gains/Losses for the Fiscal Year Under Review
Assets Held in Trust for Investment		\$ 131,455	\$ (2,359)

42. Other monetary trusts

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

		Millions of yen				
		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)	Unrealized gain	Unrealized loss
Other monetary trusts		¥ 1,000	¥ 1,000	—	—	—

		Thousands of U.S. dollars				
		Carrying Amount	Acquisition Cost	Gross unrealized gains (losses)	Unrealized gain	Unrealized loss
Other monetary trusts		\$ 9,188	\$ 9,188	—	—	—

43. Matters regarding real estate for lease

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

44. Securities lent under unsecured securities lending agreements (bond borrowing and lending transactions) are included in "National Government Bonds" for a total of ¥62,942 million (US\$578,356 thousand).

45. Overdraft facilities contracts and loan commitment limits are contracts under which the Bank lends to customers up to prescribed limits. Under these contracts, funds can be drawn based on customers' application for a loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts was ¥52,615 million (US\$483,469 thousand). Of these contracts, those where the remaining period on the contract is 1 year or less amount to ¥42,166 million (US\$387,452 thousand).

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

46. Details of deferred tax assets and liabilities as of March 31, 2020 are as follows.

	Millions of yen	Thousands of U.S. dollars
Proceeds from sales		
Deferred Tax Assets		
Reserve for Possible Loan Losses	¥ 3,578	\$ 32,878
Reserve for Bonuses	295	2,717
Depreciation	283	2,601
Reserve for Director's Retirement Benefits	146	1,349
Reserve for Employee Retirement Benefits	15	141
Other	1,551	14,251
Gross Deferred Tax Assets	5,870	53,940
Less: Valuation Allowance	(1,677)	(15,411)
Total Deferred Tax Assets	¥ 4,193	\$ 38,528
Deferred Tax Liabilities		
Net Unrealized Gains on Available-for-Sale Securities	599	5,508
Other	114	1,050
Total Deferred Tax Liabilities	713	6,559
Net Deferred Tax Liabilities	¥ 3,479	\$ 31,968

47. Subsequent Event

The following appropriation of retained earnings applicable to the year ended March 31, 2020, was approved at the members' meeting held on June 22, 2020.

	yen	Thousands of U.S. dollars
Unappropriated Retained Earnings for the Current Term	¥ 3,000,438,405	\$ 27,569
Retained Earnings Carried Forward (Beginning Balance)	1,587,196,246	14,584
Reversal Amount of Land Revaluation Excess	205,428	1
Current Net Income	1,413,036,731	12,983
Amount of Retained Earnings Appropriated	1,527,953,026	14,039
Legal Reserve	150,000,000	1,378
Dividends for Common Share (Yearly 2.0%)	377,953,026	3,472
Specific Reserve	1,000,000,000	9,188
Retained Earnings Carried Forward (Term-end Balance)	¥ 1,472,485,379	\$ 13,530

48. 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\$49,159 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
	2020	2019	U.S. dollars
OPERATING REVENUE	¥ 47,565,602	¥ 44,674,605	\$ 437,063
Interest Income	37,526,792	37,481,857	344,820
Loans	18,676,827	18,841,983	171,614
Deposits in Other Banks	1,017,572	1,040,093	9,350
Investment Securities	17,139,896	16,946,878	157,492
Interest Rate Swaps	66,486	103,048	610
Others	626,008	549,853	5,752
Fees and Commissions Received	3,970,109	3,783,727	36,479
Exchange Commissions Received	1,967,473	1,862,954	18,078
Others	2,002,636	1,920,772	18,401
Other Operating Income	3,112,882	832,700	28,603
Net Gain on Sales of Bonds such as National Government Bonds	2,697,195	235,095	24,783
Net Gain on Redemption of Bonds such as National Government Bonds	18,757	14,946	172
Others	396,930	582,659	3,647
Other Income	2,955,818	2,576,319	27,159
Gain on Bad Debts Recovered	297,419	325,485	2,732
Gains on Sales of Stocks	2,219,383	1,851,245	20,393
Gains on Money Held in Trust	332,977	144,733	3,059
Others	106,037	254,855	974
OPERATING EXPENSE	¥ 45,442,838	¥ 41,252,355	\$ 417,558
Interest Expense	2,319,710	2,743,126	21,314
Deposits	328,899	406,550	3,022
Provisions for Future Interest Payment of Installment Savings	11,960	18,468	109
Interest on Borrowings	4,666	58	42
Interest on Call Money	37,253	111,979	342
Interest Payment on Bond Lease Transactions	1,929,876	2,195,459	17,732
Others	7,054	10,610	64
Fees and Commissions Paid	1,594,915	1,553,367	14,655
Exchange Commissions Paid	713,749	708,999	6,558
Others	881,165	844,367	8,096
Other Operating Expenses	8,487,525	6,940,753	77,988
Net Loss on Foreign Exchange Trading	4,532,517	4,663,179	41,647
Net Loss on Trading	83	42	0
Net Loss on Sales of Bonds such as National Government Bonds	1,600,225	1,578,388	14,703
Bond Redemption Loss such as on National Government Bonds	2,224,651	615,026	20,441
Loss on devaluation of bonds	75,483	—	693
Others	54,563	84,115	501

Non-Consolidated Statements of Income and Retained Earnings

	Thousands of yen		Thousands of U.S. dollars
	2020	2019	2020
General and Administrative Expenses	27,560,930	27,255,717	253,247
Salaries and Employee Benefits	16,308,808	16,592,984	149,855
Other General and Administrative Expenses	10,391,588	10,250,658	95,484
Tax	860,533	412,075	7,907
Other Expense	5,479,757	2,759,390	50,351
Provisions of Reserve for Possible Loan Losses	4,171,245	1,864,931	38,328
Write - off of Loans	86,730	182,058	796
Loss on Sale of Stocks	740,914	303,906	6,807
Loss on Devaluation of Stocks and Other Securities	57,010	—	523
Loss on Money Held in Trust	95,991	172,547	882
Others	327,864	235,946	3,012
OPERATING INCOME	¥ 2,122,764	¥ 3,422,249	\$ 19,505
EXTRAORDINARY INCOME	91,263	76,926	838
Other Extraordinary Income	91,263	76,926	838
EXTRAORDINARY LOSS	108,297	72,164	995
Loss on Disposal of Fixed Assets	107,625	70,704	988
Losses on Impairment of Fixed Assets	671	1,459	6
INCOME BEFORE INCOME TAXES	¥ 2,105,731	¥ 3,427,012	\$ 19,348
INCOME TAXES CURRENT	1,425,023	1,141,704	13,094
INCOME TAXES DEFERRED	(732,328)	(46,694)	(6,729)
TOTAL INCOME TAXES	692,694	1,095,009	6,364
NET INCOME	¥ 1,413,036	¥ 2,332,002	\$ 12,983
RETAINED EARNINGS AT BEGINNING OF YEAR	1,587,196	1,349,669	14,584
Reversal of Land Revaluation Excess	205	205	1
RETAINED EARNINGS AT END OF YEAR	¥ 3,000,438	¥ 3,681,877	\$ 27,569

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

2. Total earnings by transactions with subsidiaries ¥ 91,788 thousand (US\$ 843,410)

Total expenses by transactions with subsidiaries ¥ 1,739,315 thousand (US\$ 15,981,953)

3. Net Income per share ¥ 3.72 (US\$ 0.034)

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

Area	Purpose of Use	Type	Thousands of yen	Thousands of
			Impairment Loss	U.S. dollars
Higashikurume City	Office	Buildings and equipment	¥ 386	\$ 3
Ome City	Warehouses	Land	285	2
Total			¥ 671	\$ 6

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

Five-Year Summary

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

The Tama Shinkin Bank
Years ended March 31, 2020, 2019, 2018, 2017 and 2016

	Millions of yen					Thousands of U.S. dollars
	2020	2019	2018	2017	2016	2020
For the Years Ended March 31						
Total Income	¥ 47,656	¥ 44,751	¥ 41,552	¥ 41,436	¥ 39,889	\$ 437,901
Interest on Loans and Bills Discounted	19,694	19,882	20,122	20,925	22,547	180,964
Interest and Dividends on Securities	17,139	16,946	14,105	12,793	10,305	157,492
Total Expenses	45,551	41,324	37,940	37,412	35,059	418,553
Business Profit	4,773	3,627	3,842	4,019	5,868	43,860
Income Before Income Taxes	2,105	3,427	3,611	4,024	4,829	19,348
Net Income	1,413	2,332	2,606	2,898	3,535	12,983
As of March 31						
Total Assets	¥ 3,082,685	¥ 3,042,639	¥ 2,989,784	¥ 2,913,274	¥ 2,819,097	\$ 28,325,700
Securities	1,122,200	1,162,820	1,117,253	1,137,707	1,123,875	10,311,495
Loans and Bills Discounted	1,090,416	1,072,061	1,033,057	1,013,469	1,004,010	10,019,447
Total Liabilities	2,972,689	2,920,582	2,871,390	2,795,990	2,700,773	27,314,985
Deposits	2,802,870	2,740,758	2,702,799	2,644,221	2,560,392	25,754,579
Total Net Assets	109,996	122,056	118,394	117,284	118,323	1,010,715
Number of Branches	82	83	83	82	81	
Number of Employees and Officers	1,982	2,005	2,016	2,005	2,006	
Deposits						
Per Branch	¥ 34,181	¥ 33,021	¥ 32,563	¥ 32,246	¥ 31,609	\$ 314,080
Per Employee and Officer	1,414	1,366	1,340	1,318	1,276	12,994
Loans and Bills Discounted						
Per Branch	13,297	12,916	12,446	12,359	12,395	122,188
Per Employee and Officer	550	534	512	505	500	5,055

Note: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2020 of ¥108.83=US\$1.

Supplemental Consolidated Financial Information

Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries
Years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
For the Fiscal Year:			
Total Income	¥ 52,502	¥ 49,762	\$ 482,425
Total Expenses	50,056	45,743	459,947
Income Before Income Taxes and Others	2,446	4,019	22,477
Net Income	1,639	2,746	15,062
Profit attributable to owners of parent	1,607	2,682	14,770
At Year-End:			
Deposits	¥ 2,798,816	¥ 2,736,974	\$ 25,717,322
Loans and Bills Discounted	1,090,045	1,071,941	10,016,039
Securities	1,120,644	1,161,498	10,297,201
Total Assets	3,093,968	3,054,494	28,429,371
Total Net Assets	116,181	128,248	1,067,545
Per Share Data (par value ¥50):			
	Yen		U.S. dollars
Net Assets	¥ 295.14	¥ 344.50	\$ 2.711
Net Income	4.24	7.54	0.038

Notes: 1.The Bank consolidated three subsidiaries for the years ended March 31, 2020 and 2019.

2.U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2020 of ¥108.83=US\$1.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Tama Shinkin Bank.

Opinion

We have audited the financial statements of The Tama Shinkin Bank, which comprise the balance sheet as at March 31, 2020, and the statement of income, and notes to financial statements, all expressed in Japanese yen.
In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with the Ordinance on Shinkin Bank Law Article 39-2 Paragraph 2 and accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and Supervisory Board Member for the Financial

Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

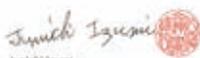
As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

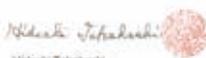
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, of which selection and application depend on the auditor's judgment, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tama Shinkin Bank internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tama Shinkin Bank'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 accounting principles generally accepted in Japan.

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

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

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


Junichi Izumi
Designated Engagement Partner
Certified Public Accountant


Hideaki Takahashi
Designated Engagement Partner
Certified Public Accountant

Grant Thornton Taiyo LLC
Tokyo, Japan
October 9, 2020

Board of Directors
and Auditors
As of June 30, 2020

Chairman
Koji Sato

President
Toshiro Yagi

Senior Managing Director
Katsutoshi Omata

Managing Directors
Kuniyoshi Tani
Satoshi Sorimachi
Masahiko Kanai

Directors
Hiroyuki Saito
Tetsuo Fusa
Hideyuki Maekawa
Naoko Takahashi
Nobutoshi Tsuji
Nobuaki Sakai

Standing Auditor
Kiyoshi Fukushima

Directory

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International Operations Center

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Tachikawa, Tokyo 190-8681, Japan
Phone: 042-526-7703
Fax: 042-526-1139
SWIFT.BIC: TAMAJPJT

**On May 18, 2020, we have relocated our
head office and administration building
to 3-4, Midoricho, Tachikawa, Tokyo.*



The Tama Shinkin Bank

3-4, Midoricho, Tachikawa, Tokyo
190-8681, Japan