

Annual Report 2021

Year Ended March 31, 2021



33FG

San ju San Financial Group, Inc.

Message from the Management

I would like to express my warmest gratitude for your continued support.

On May 1, 2021, our subsidiary banks Mie Bank and Daisan Bank merged to form San ju San Bank. We appreciate your understanding and support as we set up this new bank.

The newly created San ju San Bank has the corporate philosophy of “contributing to creating a vibrant future as a financial group which is favorable for clients and grows along with the region”. The bank’s goal is to be the “number one regional bank in terms of quality” that can contribute to furthering the regional economy by fully combining the strengths that each bank has developed and advancing our financial intermediation functions.

Our Second Medium-term Management Plan that started from April 2021 includes our three basic policies: deepening relations and solutions, increasing management efficiency and optimization, and establishing a robust business foundation. By maximizing the joint synergies of these policies, we exert the combined strengths of our group to build a sustainable regional community.

I would like to ask for your continued support and patronage moving forward.

September 2021



Representative Director
and Chairman

Hiroshi Iwama

Representative Director
and President

Mitsunori Watanabe

Name

San ju San Financial Group, Inc.

**“Wish”
contained in the
company name**

“San ju San” means that by adding (+) the respective strengths of former Mie Bank and former Daisan Bank, we wish to develop with the region and contribute to the creation of a vibrant future.

Corporate philosophy

Contributing to creating a vibrant future as a financial group which is favorable for clients and grows along with the region.

Logo



Connotations contained within our logo mark

Our logo features two birds based around the motif of the number “33.” These two birds signify former Mie Bank and former Daisan Bank, and are also representative of members of the community and San ju San Financial Group. This image of two birds taking flight into the heavens together depicts both the growth of local communities and San ju San Financial Group, as well as a dynamic future.

Corporate Data

Address of Head Office

510 Kyomachi, Matsusaka, Mie

Address of Headquarters

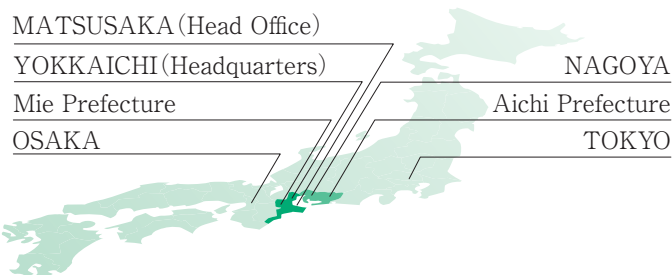
7-8 Nishishinchi, Yokkaichi, Mie

Capital

JPY 10 billion

Listing Stock Exchange

Tokyo Stock Exchange,
Nagoya Stock Exchange



Board Members

Representative Director and Chairman	Hiroshi Iwama
Representative Director and President	Mitsunori Watanabe
Director and Executive Officer	Hiroki Horiuchi
Director and Executive Officer	Yoshiki Kato
Director and Executive Officer	Kenichi Yamakawa
Director and Executive Officer	Kazuya Kawase
Director (Audit Committee Member)	Yasutaka Sakamoto
Outside Director (Audit Committee Member)	Akihiko Noro
Outside Director (Audit Committee Member)	Tsuneaki Furukawa
Outside Director (Audit Committee Member)	Hitoshi Tanemura
Outside Director (Audit Committee Member)	Sumie Yoshida

Note 1: Director (Audit Committee Member) Akihiko Noro, Tsuneaki Furukawa, Hitoshi Tanemura and Sumie Yoshida are outside directors as defined under Article 2(xv) of the Companies Act. (As of June 25, 2021)

Consolidated Balance Sheets

San ju San Financial Group, Inc. and Consolidated Subsidiaries

March 31, 2021 and 2020

	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Assets			
Cash and Due from Banks	¥ 535,489	¥ 215,943	\$ 4,836,862
Call Loans and Bills Bought	885	725	7,993
Monetary Claims Bought	2,301	4,232	20,784
Trading Securities	983	1,212	8,879
Securities	842,422	879,376	7,609,267
Loans and Bills Discounted	2,801,203	2,709,768	25,302,167
Foreign Exchanges	8,332	7,758	75,259
Lease Receivables and Investments in Leases	29,426	30,353	265,793
Other Assets	65,515	57,888	591,771
Tangible Fixed Assets	25,208	27,283	227,693
Buildings, Net	7,929	8,338	71,619
Land	11,332	14,484	102,357
Leased Assets, Net	6	6	54
Construction in Progress	1,320	473	11,923
Other Tangible Fixed Assets	4,619	3,979	41,721
Intangible Fixed Assets	10,488	8,640	94,733
Software	4,377	5,183	39,535
Software in Progress	5,830	3,158	52,660
Leased Assets	17	31	153
Other Intangible Fixed Assets	263	266	2,375
Retirement Benefit Asset	4,940	3,455	44,621
Deferred Tax Assets	593	652	5,356
Customers' Liabilities for Acceptances and Guarantees	12,204	9,895	110,233
Allowance for Loan Losses	(27,151)	(20,252)	(245,244)
Total Assets	¥ 4,312,845	¥ 3,936,933	\$ 38,956,237
Liabilities			
Deposits	¥ 3,697,464	¥ 3,465,927	\$ 33,397,741
Negotiable Certificates of Deposit	80,402	83,302	726,239
Borrowed Money	243,487	110,513	2,199,322
Foreign Exchanges	35	21	316
Other Liabilities	31,908	30,152	288,212
Provision for Bonuses	1,237	1,218	11,173
Retirement Benefit Liability	891	942	8,048
Provision for Retirement Benefits for Directors (and Other Officers)	173	172	1,562
Provision for Share Awards	179	117	1,616
Provision for Reimbursement of Deposits	324	318	2,926
Provision for Contingent Loss	810	850	7,316
Deferred Tax Liabilities	5,232	6,034	47,258
Acceptances and Guarantees	12,204	9,895	110,233
Total Liabilities	¥ 4,074,354	¥ 3,709,468	\$ 36,802,041
Net Assets			
Share Capital	¥ 10,000	¥ 10,000	\$ 90,326
Capital Surplus	79,416	79,400	717,333
Retained Earnings	129,248	127,294	1,167,446
Treasury Shares	(321)	(327)	(2,899)
Total Shareholders' Equity	218,342	216,367	1,972,197
Valuation Difference on Available-for-Sale Securities	19,611	11,359	177,138
Deferred Gains or Losses on Hedges	(37)	(58)	(334)
Remeasurements of Defined Benefit Plans	191	(574)	1,725
Total Accumulated Other Comprehensive Income	19,765	10,726	178,529
Non-Controlling Interests	383	371	3,459
Total Net Assets	238,491	227,465	2,154,195
Total Liabilities and Net Assets	¥ 4,312,845	¥ 3,936,933	\$ 38,956,237

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

San ju San Financial Group, Inc. and Consolidated Subsidiaries Years ended March 31, 2021 and 2020

Consolidated Statements of Income	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Ordinary Income	¥ 76,245	¥ 71,116	\$ 688,691
Interest Income	34,901	36,168	315,247
Interest on Loans and Discounts	28,566	28,212	258,025
Interest and Dividends on Securities	6,084	7,782	54,954
Interest on Call Loans and Bills Bought	3	12	27
Interest on Deposits with Banks	197	113	1,779
Other Interest Income	49	47	442
Fees and Commissions	14,427	14,455	130,313
Other Ordinary Income	2,582	2,283	23,322
Other Income	24,334	18,208	219,799
Recoveries of Written Off Receivables	2	10	18
Other	24,331	18,198	219,772
Ordinary Expenses	72,831	64,938	657,853
Interest Expenses	815	1,173	7,361
Interest on Deposits	626	872	5,654
Interest on Negotiable Certificates of Deposit	5	6	45
Interest on Call Money and Bills Sold	—	(0)	0
Interest Expenses on Cash Collateral Received for Securities Lent	—	3	0
Interest on Borrowings and Rediscounts	127	118	1,147
Other Interest Expenses	55	173	496
Fees and Commissions Payments	3,925	4,121	35,452
Other Ordinary Expenses	1,255	940	11,335
General and Administrative Expenses	39,944	39,390	360,798
Other Expenses	26,889	19,312	242,877
Provision of Allowance for Loan Losses	10,709	816	96,730
Other	16,180	18,496	146,147
Ordinary Profit	3,413	6,178	30,828
Extraordinary Income	3,358	491	30,331
Gain on Disposal of Non-Current Assets	3,358	414	30,331
Compensation for Forced Relocation	—	76	—
Extraordinary Losses	1,340	131	12,103
Loss on Disposal of Non-Current Assets	284	79	2,565
Impairment Losses	1,056	52	9,538
Profit before Income Taxes	5,430	6,538	49,047
Total Income Taxes	1,232	2,044	11,128
Income Taxes-Current	5,252	3,697	47,439
Income Taxes-Deferred	(4,020)	(1,653)	(36,311)
Profit	4,197	4,493	37,909
Profit Attributable to Non-Controlling Interests	18	342	162
Profit Attributable to Owners of Parent	¥ 4,179	¥ 4,151	\$ 37,747

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Comprehensive Income	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Profit	¥ 4,197	¥ 4,493	\$ 37,909
Other Comprehensive Income	9,049	(18,209)	81,736
Valuation Difference on Available-for-Sale Securities	8,261	(17,417)	74,618
Deferred Gains or Losses on Hedges	21	93	189
Remeasurements of Defined Benefit Plans, Net of Tax	765	(884)	6,909
Comprehensive Income	13,246	(13,715)	119,645
Comprehensive Income Attributable to Owners of Parent	13,218	(14,087)	119,393
Comprehensive Income Attributable to Non-Controlling Interests	28	371	252

Exchange Rate
1US\$=¥110.71

Consolidated Balance Sheets

THE MIE BANK, LTD. and Consolidated Subsidiaries

March 31, 2021 and 2020

	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Assets			
Cash and Due from Banks	¥ 217,843	¥ 96,102	\$ 1,967,691
Call Loans and Bills Bought	885	725	8,000
Monetary Claims Bought	2,301	4,232	20,790
Trading Securities	60	92	550
Securities	363,992	384,468	3,287,804
Loans and Bills Discounted	1,463,212	1,406,103	13,216,622
Foreign Exchanges	2,448	1,778	22,118
Lease Receivables and Investments in Leases	16,040	16,878	144,887
Other Assets	45,056	38,053	406,973
Tangible Fixed Assets	10,622	10,387	95,952
Buildings, Net	5,000	5,221	45,167
Land	3,104	3,437	28,040
Construction in Progress	678	55	6,125
Other Tangible Fixed Assets	1,839	1,674	16,619
Intangible Fixed Assets	4,652	4,160	42,027
Software	1,377	2,414	12,439
Software in Progress	3,093	1,562	27,946
Other Intangible Fixed Assets	181	183	1,640
Retirement Benefit Asset	4,940	3,455	44,625
Deferred Tax Assets	294	403	2,657
Customers' Liabilities for Acceptances and Guarantees	10,953	8,450	98,941
Allowance for Loan Losses	(13,905)	(7,690)	(125,604)
Total Assets	¥ 2,129,400	¥ 1,967,603	\$ 19,234,040
Liabilities			
Deposits	¥ 1,800,840	¥ 1,687,013	\$ 16,266,286
Negotiable Certificates of Deposit	77,002	79,902	695,528
Borrowed Money	93,046	48,938	840,448
Foreign Exchanges	18	2	169
Other Liabilities	17,204	14,677	155,401
Provision for Bonuses	546	543	4,936
Retirement Benefit Liability	43	130	394
Provision for Retirement Benefits for Executive Officers	110	95	999
Provision for Share Awards	85	52	773
Provision for Reimbursement of Deposits	119	147	1,083
Deferred Tax Liabilities	3,287	4,905	29,695
Acceptances and Guarantees	10,953	8,450	98,941
Total Liabilities	¥ 2,003,259	¥ 1,844,860	\$ 18,094,659
Net Assets			
Share Capital	¥ 15,295	¥ 15,295	\$ 138,157
Capital Surplus	11,272	11,256	101,821
Retained Earnings	82,738	81,215	747,340
Total Shareholders' Equity	109,306	107,767	987,319
Valuation Difference on Available-for-Sale Securities	15,515	14,819	140,142
Deferred Gains or Losses on Hedges	(37)	(58)	(335)
Remeasurements of Defined Benefit Plans	973	(157)	8,792
Total Accumulated Other Comprehensive Income	16,451	14,603	148,598
Non-Controlling Interests	383	371	3,462
Total Net Assets	126,140	122,742	1,139,380
Total Liabilities and Net Assets	¥ 2,129,400	¥ 1,967,603	\$ 19,234,040

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

THE MIE BANK, LTD. and Consolidated Subsidiaries

Years ended March 31, 2021 and 2020

Consolidated Statements of Income	Millions of JP Yen		Thousands of US Dollars	
	2021	2020	2021	
Ordinary Income	¥ 43,086	¥ 36,103	\$ 389,183	
Interest Income	17,119	17,320	154,630	
Interest on Loans and Discounts	13,933	13,473	125,851	
Interest and Dividends on Securities	3,054	3,732	27,588	
Interest on Call Loans and Bills Bought	3	12	31	
Interest on Deposits with Banks	99	74	901	
Other Interest Income	28	27	257	
Fees and Commissions	7,382	7,066	66,681	
Other Ordinary Income	1,396	995	12,613	
Other Income	17,188	10,721	155,258	
Recoveries of Written Off Receivables	0	0	0	
Other	17,188	10,721	155,258	
Ordinary Expenses	38,228	29,803	345,306	
Interest Expenses	402	637	3,634	
Interest on Deposits	287	411	2,593	
Interest on Negotiable Certificates of Deposit	5	6	51	
Interest Expenses on Cash Collateral Received for Securities Lent	—	2	—	
Interest on Borrowings and Rediscounts	72	63	651	
Other Interest Expenses	37	154	338	
Fees and Commissions Payments	1,545	1,638	13,963	
Other Ordinary Expenses	791	30	7,147	
General and Administrative Expenses	19,818	19,252	179,013	
Other Expenses	15,670	8,243	141,548	
Provision of Allowance for Loan Losses	6,564	370	59,293	
Other	9,106	7,873	82,254	
Ordinary Profit	4,857	6,299	43,877	
Extraordinary Income	1	76	11	
Gain on Disposal of Non-Current Assets	1	0	11	
Compensation for Forced Relocation	—	76	—	
Extraordinary Losses	910	30	8,226	
Loss on Disposal of Non-Current Assets	46	15	420	
Impairment Losses	864	15	7,806	
Profit before Income Taxes	3,948	6,345	35,662	
Total Income Taxes	1,437	2,175	12,988	
Income Taxes-Current	3,697	1,947	33,398	
Income Taxes-Deferred	(2,259)	227	(20,410)	
Profit	2,510	4,169	22,674	
Profit Attributable to Non-Controlling Interests	18	18	164	
Profit Attributable to Owners of Parent	¥ 2,491	¥ 4,151	\$ 22,509	

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Comprehensive Income	Millions of JP Yen		Thousands of US Dollars	
	2021	2020	2021	
Profit	¥ 2,510	¥ 4,169	\$ 22,674	
Other Comprehensive Income	1,857	(13,912)	16,780	
Valuation Difference on Available-for-Sale Securities	705	(13,159)	6,373	
Deferred Gains or Losses on Hedges	21	93	193	
Remeasurements of Defined Benefit Plans, Net of Tax	1,130	(845)	10,213	
Comprehensive Income	4,368	(9,742)	39,454	
Comprehensive Income Attributable to Owners of Parent	4,339	(9,759)	39,200	
Comprehensive Income Attributable to Non-Controlling Interests	28	17	253	

Exchange Rate
1US\$=¥110.71

Consolidated Balance Sheets

THE DAISAN BANK, LTD. and Consolidated Subsidiaries

March 31, 2021 and 2020

	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Assets			
Cash and Due from Banks	¥ 317,626	¥ 119,792	\$ 2,868,991
Trading Account Securities	922	1,120	8,328
Securities	478,429	494,907	4,321,461
Loans and Bills Discounted	1,335,075	1,298,395	12,059,208
Foreign Exchanges	5,883	5,980	53,138
Other Assets	33,577	33,021	303,287
Tangible Fixed Assets	22,028	23,649	198,970
Buildings, Net	3,962	4,308	35,787
Land	14,637	16,609	132,210
Leased Assets, Net	6	6	54
Construction in Progress	642	418	5,798
Other Tangible Fixed Assets	2,779	2,305	25,101
Intangible Fixed Assets	5,832	4,476	52,678
Software	3,000	2,768	27,097
Software in Progress	2,736	1,596	24,713
Leased Assets	17	31	153
Other Intangible Fixed Assets	79	79	713
Deferred Tax Assets	287	372	2,592
Customers' Liabilities for Acceptances and Guarantees	1,250	1,444	11,290
Allowance for Loan Losses	(9,611)	(6,615)	(86,812)
Total Assets	¥ 2,191,304	¥ 1,976,545	\$ 19,793,189
Liabilities			
Deposits	¥ 1,897,505	¥ 1,779,718	\$ 17,139,418
Negotiable Certificates of Deposit	3,400	3,400	30,710
Borrowed Money	151,216	62,300	1,365,874
Foreign Exchanges	16	19	144
Other Liabilities	14,584	15,390	131,731
Provision for Bonuses	663	648	5,988
Provision for Directors' Bonuses	6	8	54
Retirement Benefit Liability	848	811	7,659
Provision for Share Awards	94	65	849
Provision for Retirement Benefits for Directors (and Other Officers)	19	29	171
Provision for Reimbursement of Deposits	204	171	1,842
Provision for Contingent Loss	591	610	5,338
Deferred Tax Liabilities	1,394	—	12,591
Deferred Tax Liabilities for Land Revaluation Excess	2,146	2,587	19,383
Acceptances and Guarantees	1,250	1,444	11,290
Total Liabilities	¥ 2,073,944	¥ 1,867,206	\$ 18,733,122
Net Assets			
Share Capital	¥ 37,461	¥ 37,461	\$ 338,370
Capital Surplus	34,252	34,252	309,384
Retained Earnings	30,959	24,492	279,640
Total Shareholders' Equity	102,672	96,206	927,395
Valuation Difference on Available-for-Sale Securities	13,366	10,580	120,729
Land Revaluation Excess	2,569	3,522	23,204
Remeasurements of Defined Benefit Plans	(1,248)	(970)	(11,272)
Total Accumulated Other Comprehensive Income	14,687	13,132	132,661
Total Net Assets	117,359	109,338	1,060,057
Total Liabilities and Net Assets	¥ 2,191,304	¥ 1,976,545	\$ 19,793,189

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

THE DAISAN BANK, LTD. and Consolidated Subsidiaries

Years ended March 31, 2021 and 2020

Consolidated Statements of Income	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Ordinary Income	¥ 38,721	¥ 37,365	\$ 349,751
Interest Income	19,154	19,985	173,010
Interest on Loans and Discounts	14,636	14,742	132,201
Interest and Dividends on Securities	4,399	5,183	39,734
Interest on Deposits with Banks	98	38	885
Other Interest Income	20	20	180
Fees and Commissions	7,069	7,401	63,851
Other Ordinary Income	3,756	2,109	33,926
Other Income	8,741	7,869	78,954
Recoveries of Written Off Receivables	2	10	18
Other	8,738	7,859	78,926
Ordinary Expenses	34,887	32,336	315,120
Interest Expenses	416	538	3,757
Interest on Deposits	339	460	3,062
Interest on Negotiable Certificates of Deposit	0	0	0
Interest on Call Money and Bills Sold	—	(0)	—
Interest Expenses on Cash Collateral Received for Securities Lent	—	0	—
Interest on Borrowings and Rediscounts	58	58	523
Other Interest Expenses	18	18	162
Fees and Commissions Payments	2,400	2,488	21,678
Other Ordinary Expenses	374	1,017	3,378
General and Administrative Expenses	20,457	20,567	184,780
Other Expenses	11,238	7,724	101,508
Provision of Allowance for Loan Losses	4,190	513	37,846
Other	7,047	7,211	63,652
Ordinary Profit	3,833	5,028	34,621
Extraordinary Income	4,550	461	41,098
Gain on Disposal of Non-Current Assets	4,550	461	41,098
Extraordinary Losses	830	302	7,497
Loss on Disposal of Non-Current Assets	265	64	2,393
Impairment Losses	565	237	5,103
Profit before Income Taxes	7,553	5,187	68,223
Total Income Taxes	783	1,093	7,072
Income Taxes-Current	1,538	1,734	13,892
Income Taxes-Deferred	(754)	(641)	(6,810)
Profit	6,769	4,094	61,141
Profit Attributable to Non-Controlling Interests	—	355	—
Profit Attributable to Owners of Parent	¥ 6,769	¥ 3,739	\$ 61,141

Exchange Rate
1US\$=¥110.71

Consolidated Statements of Comprehensive Income	Millions of JP Yen		Thousands of US Dollars
	2021	2020	2021
Profit	¥ 6,769	¥ 4,094	\$ 61,141
Other Comprehensive Income	2,508	(8,332)	22,653
Valuation Difference on Available-for-Sale Securities	2,786	(8,406)	25,164
Remeasurements of Defined Benefit Plans, Net of Tax	(278)	73	(2,511)
Comprehensive Income	9,278	(4,238)	83,804
Comprehensive Income Attributable to Owners of Parent	9,278	(4,592)	83,804
Comprehensive Income Attributable to Non-Controlling Interests	—	354	—

Exchange Rate
1US\$=¥110.71



San ju San Financial Group, Inc.

Head Office : 510 Kyomachi, Matsusaka, Mie, 515-8530, Japan

TEL : +81-598-21-3303

Headquarters : 7-8 Nishishinchi, Yokkaichi, Mie, 510-0087, Japan

TEL : +81-59-357-3355

URL : <https://www.33fg.co.jp/>

San ju San Bank, Ltd.

7-8 Nishishinchi, Yokkaichi, Mie, 510-0087, Japan

TEL : +81-59-353-3111

URL : <https://www.33bank.co.jp/>

E-mail : koho@33bank.co.jp