

Annual Report 2022

Year Ended March 31, 2022



San ju San Financial Group, Inc.

Message from the Management

Thank you for your continued support.

In our second medium-term management plan, which started in April 2021, we set a period of three years to fully integrate our strengths after our merger, achieve full-scale results, and then strengthen our efforts for further growth. Specifically, the plan establishes three basic policies: “deepen relations and solutions,” “increase management efficiency and optimization,” and “establish a solid management base,” and we are working to maximize our merger synergies for each policy.

We aim to realize our vision of becoming “the region’s No.1 high-quality financial group” by demonstrating the Group’s combined abilities to realize a sustainable local community through the efforts of this medium-term management plan.

In addition, thanks to your understanding and support, San ju San Bank celebrated its first anniversary since its founding in May 2021. We will continue to do our best to meet your expectations.

We look forward to your continued support in the future.

June 2022



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

MATSUSAKA (Head Office)

YOKKAICHI (Headquarters)

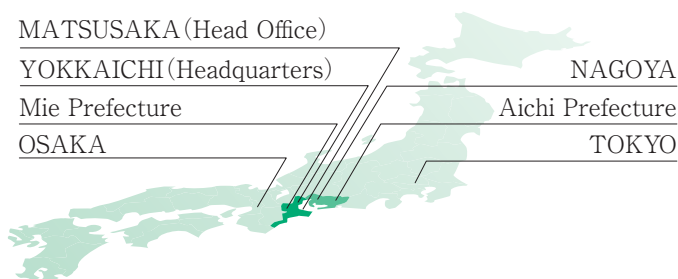
Mie Prefecture

OSAKA

NAGOYA

Aichi Prefecture

TOKYO



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)	Hiroshi Kyodo
Outside Director (Audit Committee Member)	Tsuneaki Furukawa
Outside Director (Audit Committee Member)	Hitoshi Tanemura
Outside Director (Audit Committee Member)	Sumie Yoshida
Outside Director (Audit Committee Member)	Kenichi Matsui

Note 1: Director (Audit Committee Member) Tsuneaki Furukawa, Hitoshi Tanemura, Sumie Yoshida and Kenichi Matsui are outside directors as defined under Article 2(xv) of the Companies Act. (As of June 24, 2022)

Consolidated Balance Sheets

San ju San Financial Group, Inc

March 31, 2022 and 2021

	Millions of JP Yen		Thousands of US Dollars
	2022	2021	2022
Assets			
Cash and Due from Banks	¥ 903,101	¥ 535,489	\$ 7,377,673
Call Loans and Bills Bought	981	885	8,019
Monetary Claims Bought	1,204	2,301	9,839
Trading Securities	656	983	5,365
Securities	830,670	842,422	6,785,971
Loans and Bills Discounted	2,776,098	2,801,203	22,678,692
Foreign Exchanges	8,479	8,332	69,269
Lease Receivables and Investments in Leases	27,808	29,426	227,172
Other Assets	60,424	65,515	493,626
Tangible Fixed Assets	23,961	25,208	195,748
Buildings, Net	8,548	7,929	69,839
Land	10,699	11,332	87,409
Leased Assets, Net	4	6	36
Construction in Progress	278	1,320	2,271
Other Tangible Fixed Assets	4,430	4,619	36,191
Intangible Fixed Assets	9,889	10,488	80,791
Software	9,559	4,377	78,094
Software in Progress	105	5,830	862
Leased Assets	2	17	22
Other Intangible Fixed Assets	221	263	1,812
Retirement Benefit Asset	2,562	4,940	20,934
Deferred Tax Assets	2,796	593	22,848
Customers' Liabilities for Acceptances and Guarantees	12,147	12,204	99,235
Allowance for Loan Losses	(24,767)	(27,151)	(202,334)
Total Assets	¥ 4,636,016	¥ 4,312,845	\$ 37,872,854
Liabilities			
Deposits	¥ 3,705,296	¥ 3,697,464	\$ 30,269,558
Negotiable Certificates of Deposit	73,802	80,402	602,908
Borrowed Money	578,134	243,487	4,722,932
Foreign Exchanges	15	35	129
Other Liabilities	33,847	31,908	276,506
Provision for Bonuses	1,086	1,237	8,878
Retirement Benefit Liability	129	891	1,055
Provision for Retirement Benefits for Directors (and Other Officers)	40	173	331
Provision for Share Awards	182	179	1,492
Provision for Reimbursement of Deposits	241	324	1,974
Provision for Contingent Loss	567	810	4,632
Deferred Tax Liabilities	889	5,232	7,265
Acceptances and Guarantees	12,147	12,204	99,235
Total Liabilities	¥ 4,406,380	¥ 4,074,354	\$ 35,996,902
Net Assets			
Share Capital	¥ 10,000	¥ 10,000	\$ 81,692
Capital Surplus	79,416	79,416	648,771
Retained Earnings	131,865	129,248	1,077,245
Treasury Shares	(265)	(321)	(2,172)
Total Shareholders' Equity	221,015	218,342	1,805,537
Valuation Difference on Available-for-Sale Securities	9,209	19,611	75,238
Deferred Gains or Losses on Hedges	(27)	(37)	(224)
Remeasurements of Defined Benefit Plans	(896)	191	(7,327)
Total Accumulated Other Comprehensive Income	8,285	19,765	67,686
Non-Controlling Interests	334	383	2,728
Total Net Assets	229,635	238,491	1,875,952
Total Liabilities and Net Assets	¥ 4,636,016	¥ 4,312,845	\$ 37,872,854

Exchange Rate
1US\$=¥122.41

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

San ju San Financial Group, Inc

Years ended March 31, 2022 and 2021

Consolidated Statements of Income	Millions of JP Yen		Thousands of US Dollars
	2022	2021	2022
Ordinary Income	¥ 70,479	¥ 76,245	\$ 575,761
Interest Income	34,305	34,901	280,249
Interest on Loans and Discounts	27,963	28,566	228,440
Interest and Dividends on Securities	5,385	6,084	43,997
Interest on Call Loans and Bills Bought	1	3	11
Interest on Deposits with Banks	888	197	7,260
Other Interest Income	66	49	539
Fees and Commissions	14,055	14,427	114,819
Other Ordinary Income	2,123	2,582	17,345
Other Income	19,995	24,334	163,347
Recoveries of Written Off Receivables	1	2	8
Other	19,994	24,331	163,339
Ordinary Expenses	65,594	72,831	535,860
Interest Expenses	544	815	4,444
Interest on Deposits	391	626	3,198
Interest on Negotiable Certificates of Deposit	4	5	39
Interest on Borrowings and Rediscounts	114	127	931
Other Interest Expenses	33	55	275
Fees and Commissions Payments	3,461	3,925	28,274
Other Ordinary Expenses	57	1,255	470
General and Administrative Expenses	42,512	39,944	347,296
Other Expenses	19,019	26,889	155,375
Provision of Allowance for Loan Losses	2,723	10,709	22,249
Other	16,296	16,180	133,126
Ordinary Profit	4,884	3,413	39,900
Extraordinary Income	94	3,358	771
Gain on Disposal of Non-Current Assets	94	3,358	771
Extraordinary Losses	1,232	1,340	10,067
Loss on Disposal of Non-Current Assets	158	284	1,296
Impairment Losses	1,017	1,056	8,310
Loss on Revision of Retirement Benefit Plan	56	—	460
Profit before Income Taxes	3,746	5,430	30,605
Total Income Taxes	(1,114)	1,232	(9,106)
Income Taxes-Current	553	5,252	4,520
Income Taxes-Deferred	(1,668)	(4,020)	(13,627)
Profit	4,861	4,197	39,712
Profit (Loss) Attributable to Non-Controlling Interests	(44)	18	(360)
Profit Attributable to Owners of Parent	¥ 4,905	¥ 4,179	\$ 40,073

Exchange Rate
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Consolidated Statements of Comprehensive Income	Millions of JP Yen		Thousands of US Dollars
	2022	2021	2022
Profit	¥ 4,861	¥ 4,197	\$ 39,712
Other Comprehensive Income	(11,479)	9,049	(93,775)
Valuation Difference on Available-for-Sale Securities	(10,400)	8,261	(84,965)
Deferred Gains or Losses on Hedges	9	21	78
Remeasurements of Defined Benefit Plans, Net of Tax	(1,088)	765	(8,889)
Comprehensive Income	(6,617)	13,246	(54,063)
Comprehensive Income Attributable to Owners of Parent	(6,574)	13,218	(53,711)
Comprehensive Income Attributable to Non-Controlling Interests	(43)	28	(352)

Exchange Rate
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Consolidated Balance Sheets

San ju San BANK, LTD. and Consolidated Subsidiaries		March 31, 2022	
	Millions of JP Yen	Thousands of US Dollars	
	2022	2022	
Assets			
Cash and Due from Banks	¥ 903,045	\$ 7,377,219	
Call Loans and Bills Bought	981	8,019	
Monetary Claims Bought	1,204	9,839	
Trading Securities	656	5,365	
Securities	830,670	6,785,971	
Loans and Bills Discounted	2,776,098	22,678,692	
Foreign Exchanges	8,479	69,269	
Lease Receivables and Investments in Leases	27,808	227,172	
Other Assets	60,226	492,007	
Tangible Fixed Assets	31,141	254,404	
Buildings, Net	9,481	77,457	
Land	16,947	138,447	
Leased Assets, Net	4	36	
Construction in Progress	278	2,271	
Other Tangible Fixed Assets	4,430	36,191	
Intangible Fixed Assets	9,886	80,769	
Software	9,559	78,094	
Software in Progress	105	862	
Leased Assets	2	22	
Other Intangible Fixed Assets	219	1,790	
Retirement Benefit Asset	2,562	20,934	
Deferred Tax Assets	2,788	22,776	
Customers' Liabilities for Acceptances and Guarantees	12,147	99,235	
Allowance for Loan Losses	(24,767)	(202,334)	
Total Assets	¥ 4,642,931	\$ 37,929,344	
Liabilities			
Deposits	¥ 3,706,009	\$ 30,275,379	
Negotiable Certificates of Deposit	73,802	602,908	
Borrowed Money	578,134	4,722,932	
Foreign Exchanges	15	129	
Other Liabilities	33,785	276,002	
Provision for Bonuses	1,079	8,818	
Retirement Benefit Liability	129	1,055	
Provision for Retirement Benefits for Directors (and Other Officers)	40	331	
Provision for Share Awards	182	1,492	
Provision for Reimbursement of Deposits	241	1,974	
Provision for Contingent Loss	567	4,632	
Deferred Tax Liabilities	304	2,489	
Deferred Tax Liabilities for Land Revaluation	2,135	17,446	
Acceptances and Guarantees	12,147	99,235	
Total Liabilities	¥ 4,408,575	\$ 36,014,829	
Net Assets			
Share Capital	¥ 37,461	\$ 306,030	
Capital Surplus	60,820	496,858	
Retained Earnings	116,772	953,942	
Total Shareholders' Equity	215,053	1,756,831	
Valuation Difference on Available-for-Sale Securities	17,817	145,554	
Deferred Gains or Losses on Hedges	(27)	(224)	
Revaluation Reserve for Land	2,489	20,337	
Remeasurements of Defined Benefit Plans	(1,311)	(10,712)	
Total Accumulated Other Comprehensive Income	18,967	154,954	
Non-Controlling Interests	334	2,728	
Total Net Assets	234,355	1,914,514	
Total Liabilities and Net Assets	¥ 4,642,931	\$ 37,929,344	
		Exchange Rate 1US\$=¥122.41	

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

San ju San BANK, LTD. and Consolidated Subsidiaries

Years ended March 31, 2022

	Millions of JP Yen	Thousands of US Dollars
	2022	2022
Consolidated Statements of Income		
Ordinary Income	¥ 68,834	\$ 562,328
Interest Income	33,379	272,683
Interest on Loans and Discounts	26,812	219,034
Interest and Dividends on Securities	5,620	45,912
Interest on Call Loans and Bills Bought	1	10
Interest on Deposits with Banks	879	7,188
Other Interest Income	65	536
Fees and Commissions	13,584	110,976
Other Ordinary Income	1,968	16,084
Other Income	19,901	162,584
Recoveries of Written Off Receivables	1	8
Other	19,900	162,576
Ordinary Expenses	63,799	521,196
Interest Expenses	524	4,287
Interest on Deposits	374	3,056
Interest on Negotiable Certificates of Deposit	4	36
Interest on Borrowings and Rediscounts	114	931
Other Interest Expenses	32	263
Fees and Commissions Payments	3,314	27,075
Other Ordinary Expenses	57	468
General and Administrative Expenses	40,974	334,729
Other Expenses	18,928	154,635
Provision of Allowance for Loan Losses	2,676	21,866
Other	16,252	132,769
Ordinary Profit	5,034	41,132
Extraordinary Income	97	793
Gain on Disposal of Non-Current Assets	97	793
Extraordinary Losses	1,402	11,456
Loss on Disposal of Non-Current Assets	157	1,285
Impairment Losses	1,188	9,710
Loss on Revision of Retirement Benefit Plan	56	460
Profit before Income Taxes	3,729	30,469
Total Income Taxes	(1,218)	(9,957)
Income Taxes-Current	327	2,676
Income Taxes-Deferred	(1,546)	(12,634)
Profit	4,948	40,426
Loss Attributable to Non-Controlling Interests	(44)	(360)
Profit Attributable to Owners of Parent	¥ 4,992	\$ 40,787

Exchange Rate
1US\$=¥122.41

	Millions of JP Yen	Thousands of US Dollars
	2022	2022
Consolidated Statements of Comprehensive Income		
Profit	¥ 4,948	\$ 40,426
Other Comprehensive Income	4,340	35,454
Valuation Difference on Available-for-Sale Securities	4,451	36,369
Deferred Gains or Losses on Hedges	(27)	(224)
Revaluation Reserve for Land	(21)	(175)
Remeasurements of Defined Benefit Plans, Net of Tax	(62)	(513)
Comprehensive Income	9,288	75,881
Comprehensive Income Attributable to Owners of Parent	9,331	76,233
Comprehensive Income Attributable to Non-Controlling Interests	(43)	(352)

Exchange Rate
1US\$=¥122.41



San ju San Financial Group, Inc.

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