

# Financial Results for the First Half of Fiscal 2021

(From April 1, 2021 to September 30, 2021)

Hirogin Holdings, Inc.

## Contents

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### Consolidated Financial Information for the First Half of Fiscal 2021

1. Consolidated Balance Sheets .....	1
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	2
3. Consolidated Statements of Changes in Net Assets .....	3

### [Reference] The Hiroshima Bank, Ltd. Non-Consolidated Financial Information

1. Non-Consolidated Balance Sheets .....	4
2. Non-Consolidated Statements of Income .....	5

### Financial Data for the First Half of Fiscal 2021

1. Income Status .....	6
2. Return on Equity .....	8
3. Capital Adequacy Ratio (Domestic Standard) .....	8
4. Banking Profit .....	8
5. Interest Rate Spread (All Branches) (Domestics Operations) .....	9
6. Gains (Losses) Related to Securities .....	9
7. Gains (Losses) on Valuation of Securities .....	10

### [Loans and Other Assets Information]

1. Loans Outstanding .....	11
2. Risk Managed Loans .....	11
3. Reserve for Possible Loan Losses .....	12
4. Problem Loans Disclosed under the Financial Revitalization Law .....	12
5. Coverage of Problem Loans Disclosed under the Financial Revitalization Law .....	12
6. Loan Portfolio .....	13

### [Deposits Information]

1. Deposits Outstanding .....	14
2. Total Assets under Management .....	14

# Consolidated Financial Information for the First Half of Fiscal 2021

## 1. Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2021	As of September 30, 2021
<b>ASSETS</b>		
Cash and due from banks	¥ 2,580,736	¥ 2,487,292
Call loans and bills purchased	942	900
Financial receivables purchased	7,533	7,279
Trading assets	6,501	6,202
Money held in trust	45,727	44,718
Securities	1,479,829	1,595,369
Loans and bills discounted	6,480,841	6,766,395
Foreign exchanges	15,463	12,620
Lease receivables and investments in leases	60,231	58,696
Other assets	129,018	121,864
Tangible fixed assets	110,904	112,077
Intangible fixed assets	9,308	8,872
Net defined benefit asset	85,864	88,504
Deferred tax assets	1,487	1,495
Customers' liabilities for acceptances and guarantees	36,251	35,073
Reserve for possible loan losses	(41,072)	(44,206)
Total assets	11,009,572	11,303,156
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Deposits	¥ 8,344,597	¥ 8,337,061
Negotiable certificates of deposit	325,478	445,692
Payables under repurchase agreements	255,685	206,011
Deposits received for bonds lending/borrowing transactions	382,445	540,557
Trading liabilities	3,607	3,361
Borrowed money	1,024,872	1,111,567
Foreign exchanges	1,985	866
Due to trust account	47	52
Other liabilities	90,468	73,142
Net defined benefit liability	670	688
Reserve for retirement benefits of directors and corporate auditors	96	112
Reserve for reimbursement of dormant deposits	1,745	1,482
Reserve for point loyalty programs	137	194
Provision for share-based benefit	609	668
Reserve for dismantling costs for fixed assets	768	538
Reserves under special laws	28	28
Deferred tax liabilities	9,588	9,437
Deferred tax liabilities for land revaluation reserve	13,605	13,536
Acceptances and guarantees	36,251	35,073
Total liabilities	10,492,691	10,780,071
<b>Net Assets</b>		
Common stock	60,000	60,000
Capital surplus	25,209	25,209
Retained earnings	361,215	368,540
Treasury stock	(1,311)	(1,236)
Total Shareholders' equity	445,112	452,512
Valuation difference on available-for-sale securities	27,327	28,220
Net deferred losses on hedging instruments, net of tax	(1,938)	(3,179)
Land revaluation reserve, net of tax	27,781	27,649
Remeasurements of defined benefit plans	18,348	17,641
Total accumulated other comprehensive income	71,519	70,331
Stock acquisition rights	126	126
Non-controlling interests	121	113
Total net assets	516,880	523,084
Total liabilities and net assets	¥11,009,572	¥11,303,156

## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

Item	Millions of yen	
	First half of FY2021	
<b>Operating income</b>	¥70,630	
Interest income	35,562	
Interest on loans and discounts	28,599	
Interest and dividends on securities	5,726	
Trust fees	91	
Fees and commissions	16,430	
Trading income	2,273	
Other operating income	12,414	
Other income	3,857	
<b>Operating expenses</b>	53,925	
Interest expenses	1,749	
Interest on deposits	449	
Fees and commissions	5,983	
Other operating expenses	11,249	
General and administrative expenses	29,693	
Other expenses	5,248	
<b>Operating profits</b>	16,705	
<b>Extraordinary gains</b>	0	
Gain on dispositions of fixed assets	0	
Transfer from reserve for financial products transaction liabilities	0	
<b>Extraordinary losses</b>	664	
Losses on dispositions of fixed assets	125	
Impairment losses	539	
<b>Income before income taxes and others</b>	16,041	
Provision for income taxes and others	4,547	
Deferred income taxes	347	
<b>Total income taxes</b>	4,894	
<b>Profit</b>	11,147	
<b>Profit attributable to non-controlling interests</b>	11	
<b>Profit attributable to owners of the parent</b>	¥11,135	

### Consolidated Statements of Comprehensive Income

Item	Millions of yen	
	First half of FY2021	
<b>Profit</b>	¥11,147	
<b>Other comprehensive income (loss)</b>	(829)	
Valuation difference on available-for-sale securities	893	
Net deferred losses on hedging instruments, net of tax	(1,014)	
Remeasurements of defined benefit plans	(707)	
<b>Comprehensive income</b>	¥10,317	
Comprehensive income attributable to owners of the parent	¥10,306	
Comprehensive income attributable to non-controlling interests	11	

### 3. Consolidated Statements of Changes in Net Assets

Item	Millions of yen				
	First half of FY2021				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of current period	¥60,000	¥25,209	¥361,215	¥(1,311)	¥445,112
Cumulative effects of changes in accounting policies			(195)		(195)
Restated balance	60,000	25,209	361,020	(1,311)	444,917
Changes of items during the period					
Dividends from surplus			(3,748)		(3,748)
Profit attributable to owners of the parent			11,135		11,135
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				75	75
Reversal of revaluation reserve for land			132		132
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	7,519	75	7,594
Balance at the end of current period	¥60,000	¥25,209	¥368,540	¥(1,236)	¥452,512

Item	Millions of yen							
	First half of FY2021							
	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Net deferred losses on hedging instruments, net of tax	Land valuation and translation adjustments, net of tax	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of current period	¥27,327	¥(1,938)	¥27,781	¥18,348	¥71,519	¥126	¥121	¥516,880
Cumulative effects of changes in accounting policies		(225)			(225)			(421)
Restated balance	27,327	(2,164)	27,781	18,348	71,293	126	121	516,459
Changes of items during the period								
Dividends from surplus								(3,748)
Profit attributable to owners of the parent								11,135
Purchase of treasury stock								(0)
Disposal of treasury stock								75
Reversal of revaluation reserve for land								132
Net changes of items other than shareholders' equity	893	(1,014)	(132)	(707)	(962)	—	(7)	(969)
Total changes of items during the period	893	(1,014)	(132)	(707)	(962)	—	(7)	6,624
Balance at the end of current period	¥28,220	¥(3,179)	¥27,649	¥17,641	¥70,331	¥126	¥113	¥523,084

## [Reference] The Hiroshima Bank, Ltd. Non-Consolidated Financial Information

## 1. Non-Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2021	As of September 30, 2021
<b>ASSETS</b>		
Cash and due from banks	¥ 2,579,575	¥ 2,485,622
Call loans	942	900
Financial receivables purchased	6,133	5,945
Trading assets	6,501	6,202
Money held in trust	30,127	30,518
Securities	1,486,384	1,601,200
Loans and bills discounted	6,540,880	6,824,098
Foreign exchanges	15,463	12,620
Other assets	107,467	103,497
Tangible fixed assets	108,515	109,383
Intangible fixed assets	8,427	8,030
Prepaid pension cost	59,272	62,937
Customers' liabilities for acceptances and guarantees	35,207	34,101
Reserve for possible loan losses	(38,881)	(41,988)
Total assets	¥10,946,017	¥11,243,070
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Deposits	¥ 8,368,396	¥ 8,360,437
Negotiable certificates of deposit	331,271	451,486
Payables under repurchase agreements	255,685	206,011
Deposits received for bonds lending/borrowing transactions	382,445	540,557
Trading liabilities	3,607	3,361
Borrowed money	1,023,250	1,108,487
Foreign exchanges	1,985	866
Due to trust account	47	52
Other liabilities	58,559	42,435
Income taxes payable	4,944	3,088
Lease obligations	562	523
Asset retirement obligation	342	340
Other liabilities	52,710	38,483
Reserve for reimbursement of dormant deposits	1,745	1,482
Reserve for point loyalty programs	93	150
Provision for share-based benefit	599	643
Reserve for dismantling costs for fixed assets	768	538
Deferred tax liabilities	1,326	1,500
Deferred tax liabilities for land revaluation reserve	13,605	13,536
Acceptances and guarantees	35,207	34,101
Total liabilities	10,478,596	10,765,648
<b>Net Assets</b>		
Common stock	54,573	54,573
Capital surplus	30,634	30,634
Capital reserve	30,634	30,634
Retained earnings	329,081	339,494
Legal earned reserve	40,153	40,153
Other retained earnings	288,928	299,341
Voluntary reserve	289,604	289,604
Earned surplus brought forward	(675)	9,737
Total Shareholders' equity	414,289	424,702
Valuation difference on available-for-sale securities	27,288	28,250
Net deferred losses on hedging instruments, net of taxes	(1,938)	(3,179)
Land revaluation reserve, net of tax	27,781	27,649
Total valuation and translation adjustments	53,131	52,719
Total net assets	467,420	477,422
Total liabilities and net assets	¥10,946,017	¥11,243,070

## 2. Non-Consolidated Statements of Income

Item	Millions of yen	
	First half of FY2020	First half of FY2021
<b>Operating income</b>	¥55,742	¥54,946
Interest income	38,888	36,782
Interest on loans and discounts	29,537	28,611
Interest and dividends on securities	8,792	6,947
Trust fees	49	91
Fees and commissions	11,282	11,898
Trading income	347	301
Other operating income	2,817	1,931
Other income	2,357	3,940
<b>Operating expenses</b>	38,050	39,985
Interest expenses	2,190	1,739
Interest on deposits	691	449
Fees and commissions	4,970	4,702
Other operating expenses	401	1,895
General and administrative expenses	25,635	26,527
Other expenses	4,853	5,120
<b>Operating profits</b>	17,692	14,961
<b>Extraordinary gains</b>	13	0
<b>Extraordinary losses</b>	84	634
<b>Income before income taxes and others</b>	17,621	14,327
Provision for income taxes and others	3,888	3,520
Deferred income taxes	773	330
<b>Total income taxes</b>	4,662	3,851
<b>Profit</b>	¥12,958	¥10,475

# Financial Data for the First Half of Fiscal 2021

## 1. Income Status

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen		
	First half of FY2021		First half of FY2020 (The Hiroshima Bank, Ltd. Consolidated) (B)
	(A)	(A) – (B)	
Consolidated gross banking profit (i)	¥47,790	¥ 1,597	¥46,193
Interest income	33,812	641	33,171
Fees and commissions	10,539	1,687	8,852
Trading income	2,273	535	1,738
Other operating income	1,164	(1,265)	2,429
General and administrative expenses (ii)	29,693	1,475	28,218
Credit cost (iii): ((iv) + (v) + (vi) + (vii) – (viii))	5,039	667	4,372
Write-off amount of loans (iv)	941	(477)	1,418
Net transfer to specific reserve for possible loan losses (v)	3,832	2,393	1,439
Net transfer to general reserve for possible loan losses (vi)	243	(1,127)	1,370
Losses on sales of loans to credit (vii)	22	(121)	143
Recoveries of write-off claims (viii)	0	0	0
Gains (losses) on stocks (ix)	3,410	1,959	1,451
Equity in gains (losses) of affiliated companies (x)	—	(98)	98
Others (xi)	237	(123)	360
Operating profits (xii): ((i) – (ii) – (iii) + (ix) + (x) + (xi))	16,705	1,194	15,511
Extraordinary gains (losses) (xiii)	(663)	(595)	(68)
Income before income taxes and others (xiv): ((xii) + (xiii))	16,041	599	15,442
Provision for income taxes and others (xv)	4,547	223	4,324
Deferred income taxes (xvi)	347	(132)	479
Net income taxes (xvii): ((xv) + (xvi))	4,894	90	4,804
Profit ((xiv) – (xvii))	11,147	509	10,638
Profit attributable to non-controlling interests	11	11	—
Profit attributable to owners of the parent	¥11,135	¥ 497	¥10,638

Notes: 1. As Hirogin Holdings, Inc. was established on October 1, 2020, there are no consolidated figures for the first half of fiscal 2020 (or the six months ended September 30, 2020). However, as a reference, consolidated figures from the former organization with The Hiroshima Bank, Ltd. as the parent are provided as a comparison for the first half of fiscal 2020 (or the six months ended September 30, 2020) (Applies hereafter)

2. Consolidated gross banking profit = (Interest income – Interest expenses) + (Fees and commissions income – Fees and commissions expenses + Trust fees) + (Trading income – Trading expenses) + (Other operating income – Other operating expenses)

[Reference: Number of Consolidated Subsidiaries]

Item	Number of companies
	As of September 30, 2021
Number of consolidated subsidiaries	12
Number of affiliated companies applicable to the equity method	—

## (The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		First half of FY2020 (B)
	First half of FY2021 (A)	(A) – (B)	
Gross banking profit (i)	¥42,671	¥(3,152)	¥45,823
Core gross banking profit (ii): (i) – (iii)	43,322	(851)	44,173
Interest income	35,045	(1,653)	36,698
Fees and commissions	7,288	927	6,361
Trading income	301	(46)	347
Other operating income	35	(2,380)	2,415
Gains (losses) from securities (iii)	(651)	(2,300)	1,649
Expenses (iv)	27,387	1,343	26,044
Personnel expenses	12,369	(845)	13,214
Non-personnel expenses	13,053	1,957	11,096
Taxes	1,964	231	1,733
Banking profit (before transfer to general reserve for possible loan losses) (v): (i) – (iv)	15,283	(4,495)	19,778
Core banking profit (ii) – (iv)	15,934	(2,195)	18,129
Core net business income (excluding gains (losses) on cancellation of investment trust)	15,934	(2,195)	18,129
Transfer to general reserve for possible loan losses (vi)	228	(1,152)	1,380
Banking profit (after transfer to general reserve for possible loan losses) (vii): (v) – (vi)	15,054	(3,344)	18,398
Non-recurrent gains (losses) (viii): (ix) – (x) + (xi)	(93)	613	(706)
Gains (losses) on stocks (ix)	3,366	1,915	1,451
Disposal of non-performing loans (x)	4,689	1,763	2,926
Write-off amount of loans	941	(477)	1,418
Net transfer to specific reserve for possible loan losses	3,726	2,360	1,366
Losses on sales of loans to credit	21	(119)	140
Recoveries of written-off claims	0	0	0
Other non-recurrent gains (losses) (xi)	1,229	460	769
Operating profits (vii) + (viii)	14,961	(2,731)	17,692
Extraordinary gains (losses)	(634)	(563)	(71)
Of which, net gains (losses) from fixed assets	(634)	(563)	(71)
Gains on dispositions of fixed assets	0	(13)	13
Losses on dispositions of fixed assets	95	48	47
Impairment losses	539	502	37
Income before income taxes and others	14,327	(3,294)	17,621
Provision for income taxes and others (xii)	3,520	(368)	3,888
Deferred income taxes (xiii)	330	(443)	773
Net income taxes (xii) + (xiii)	3,851	(811)	4,662
Profit	¥10,475	¥(2,483)	¥12,958
Credit costs (vi) + (x)	¥ 4,918	¥ 612	¥ 4,306

## 2. Return on Equity

(Hirogin Holdings, Inc. Consolidated)

Item	%		
	First half of FY2021		First half of FY2020 (The Hiroshima Bank, Ltd. Consolidated) (B)
	(A)	(A) – (B)	
Base item related to net income attributable to owners of the parent	4.27	(0.04)	4.31

## 3. Capital Adequacy Ratio (Domestic Standard)

In addition, Hirogin Holdings, Inc. and The Hiroshima Bank, Ltd. used the foundation internal ratings-based approach in the calculation of credit risk assets and the gross profit allotment approach in the calculation of the operational risk value.

For the equity capital structure, please see the homepage of Hirogin Holdings. (<https://www.hirogin-hd.co.jp/>)

(Hirogin Holdings, Inc. Consolidated)

Item	Billions of yen		
	As of September 30, 2021		As of March 31, 2021 (B)
	(A)	(A) – (B)	
Base items related to core capital (i)	¥ 487.7	¥ 7.2	¥ 480.5
Adjustment items related to core capital (ii)	74.5	2.3	72.2
Capital (iii): (i) – (ii)	413.2	5.0	408.2
Sum of risk assets, etc. (iv)	3,882.7	32.3	3,850.4
Capital adequacy ratio: (iii) / (iv)	10.64%	0.04%	10.60%

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Billions of yen		
	As of September 30, 2021		As of March 31, 2021 (B)
	(A)	(A) – (B)	
Base items related to core capital (i)	¥ 445.3	10.4	¥ 434.9
Adjustment items related to core capital (ii)	58.7	2.9	55.8
Capital (iii): (i) – (ii)	386.5	7.5	379.0
Sum of risk assets, etc. (iv)	3,854.4	20.7	3,833.7
Capital adequacy ratio: (iii) / (iv)	10.02%	0.14%	9.88%

## 4. Banking Profit

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	First half of FY2021		First half of FY2020 (B)
	(A)	(A) – (B)	
Core banking profit	¥15,934	¥(2,195)	¥18,129
Per head (in thousands of yen)	5,084	(537)	5,621
Banking profit (before transfer to general reserve for possible loan losses)	15,283	(4,495)	19,778
Per head (in thousands of yen)	4,876	(1,256)	6,132
Banking profit	15,054	(3,344)	18,398
Per head (in thousands of yen)	4,803	(901)	5,704

## 5. Interest Rate Spread

(The Hiroshima Bank, Ltd. Non-Consolidated)  
[All Branches]

Item	%		First half of FY2020 (B)
	First half of FY2021 (A)	(A) – (B)	
Average yield on interest earnings assets (i)	0.86	(0.11)	0.97
Average yield on loans and bills discounted	0.84	(0.04)	0.88
Average yield on securities	0.90	(0.56)	1.46
Average yield on interest bearing liabilities (ii)	0.54	(0.05)	0.59
Average yield on deposits and negotiable certificates of deposit	0.01	0.00	0.01
Average interest rate spread on loans and deposits	0.22	(0.01)	0.23
Average interest rate spread ((i) – (ii))	0.32	(0.06)	0.38

[Domestics Operations]

Item	%		First half of FY2020 (B)
	First half of FY2021 (A)	(A) – (B)	
Average yield on interest earnings assets (i)	0.79	(0.08)	0.87
Average yield on loans and bills discounted	0.81	(0.03)	0.84
Average yield on securities	0.99	(0.50)	1.49
Average yield on interest bearing liabilities (ii)	0.53	(0.05)	0.58
Average yield on deposits and negotiable certificates of deposit	0.00	(0.01)	0.01
Average interest rate spread on loans and deposits	0.20	0.00	0.20
Average interest rate spread ((i) – (ii))	0.26	(0.03)	0.29

## 6. Gains (Losses) Related to Securities

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		First half of FY2020 (B)
	First half of FY2021 (A)	(A) – (B)	
Gains/losses related to government bonds and other bonds	¥ (651)	¥(2,300)	¥1,649
Sales gains	1,244	(791)	2,035
Sales losses	1,895	1,509	386
Amortization	—	—	—
Gains/losses related to stocks	¥3,366	¥ 1,915	¥1,451
Sales gains	3,566	1,581	1,985
Sales losses	154	137	17
Amortization	45	(471)	516

## 7. Gains (Losses) on Valuation of Securities

(Hirogin Holdings, Inc. Consolidated)

Item	Billions of yen						
	As of September 30, 2021 (A)				As of March 31, 2021 (B)		
	Valuation gains (losses)	(A) – (B)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other securities	39.6	0.9	54.9	15.3	38.7	57.1	18.4
Stocks	38.5	(4.6)	43.9	5.4	43.1	46.6	3.4
Bonds	2.0	1.9	4.6	2.5	0.1	4.4	4.2
Others	(0.9)	3.7	6.3	7.3	(4.6)	6.1	10.7
Total	¥39.6	¥0.9	¥54.9	¥15.3	¥38.7	¥57.1	¥18.4

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Billions of yen						
	As of September 30, 2021 (A)				As of March 31, 2021 (B)		
	Valuation gains (losses)	(A) – (B)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other securities	39.6	1.0	54.9	15.2	38.6	57.1	18.4
Stocks	38.5	(4.6)	43.9	5.4	43.1	46.6	3.4
Bonds	2.1	2.0	4.6	2.5	0.1	4.4	4.2
Others	(0.9)	3.7	6.3	7.3	(4.6)	6.1	10.7
Total	¥39.6	¥1.0	¥54.9	¥15.2	¥38.6	¥57.1	¥18.4

# [Loans and Other Assets Information]

## 1. Loans Outstanding

(The Hiroshima Bank, Ltd. Non-Consolidated)

### (1) Breakdown of Loans Outstanding

Loans outstanding (average balance)	Billions of yen			FY2020 (B)	First half of FY2020 (c)
	First half of FY2021 (A)	(A) – (B)	(A) – (c)		
Loans outstanding	¥6,760.5	¥160.6	¥129.0	¥6,599.9	¥6,631.5
Business loans	5,093.6	127.2	85.3	4,966.4	5,008.3
Individual loans	1,666.8	33.4	43.6	1,633.4	1,623.2
Housing loans	1,076.6	32.8	42.0	1,043.8	1,034.6
Other loans	590.2	0.7	1.7	589.5	588.5

Loans outstanding (term-end balance)	Billions of yen			As of March 31, 2021 (B)	As of September 30, 2020 (c)
	As of September 30, 2021 (A)	(A) – (B)	(A) – (c)		
Loans outstanding	¥6,824.0	¥283.2	¥233.7	¥6,540.8	¥6,590.3
Business loans	5,148.4	267.0	191.6	4,881.4	4,956.8
Individual loans	1,675.6	16.2	42.1	1,659.4	1,633.5
Housing loans	1,084.7	16.8	41.8	1,067.9	1,042.9
Other loans	590.9	(0.5)	0.4	591.4	590.5

### (2) Loans Outstanding to Small- and Medium-Sized Businesses

Item	Billions of yen			As of March 31, 2021 (B)	As of September 30, 2020 (c)
	As of September 30, 2021 (A)	(A) – (B)	(A) – (c)		
Loans outstanding to small- and medium-sized businesses	¥4,363.0	¥(52.6)	¥27.1	¥4,415.6	¥4,335.9
Ratio to total loans and bill discounted	63.9%	(3.6)%	(1.9)%	67.5%	65.8%

Notes: 1. Includes loans outstanding to individuals.

2. Loans that are denominators of the ratio to total loans and bills discounted excluding JOM account.

## 2. Risk Managed Loans

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen			As of March 31, 2021 (B)	As of September 30, 2020 (The Hiroshima Bank, Ltd. Consolidated) (c)
	As of September 30, 2021 (A)	(A) – (B)	(A) – (c)		
Loans to debtors legally bankrupt	¥ 1,107	¥ (11)	¥ (180)	¥ 1,118	¥ 1,287
Other delinquent loans	56,486	(3,313)	7,449	59,799	49,037
Loans past due 3 months or more	3,528	(632)	(1)	4,160	3,529
Restructured loans	36,069	11,513	12,755	24,556	23,314
Total risk managed loans	¥97,192	¥ 7,558	¥20,022	¥89,634	¥77,170

Notes: Hirogin Holdings, Inc. adopts partial direct write-off.

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen			As of March 31, 2021 (B)	As of September 30, 2020 (c)
	As of September 30, 2021 (A)	(A) – (B)	(A) – (c)		
Loans to debtors legally bankrupt	¥ 1,080	¥ (3)	¥ (176)	¥ 1,083	¥ 1,256
Other delinquent loans	56,486	(3,313)	7,449	59,799	49,037
Loans past due 3 months or more	3,528	(632)	(1)	4,160	3,529
Restructured loans	36,069	11,513	12,755	24,556	23,314
Total risk managed loans	¥97,165	¥ 7,566	¥20,026	¥89,599	¥77,139

Notes: The Hiroshima Bank, Ltd. adopts partial direct write-off.

### 3. Reserve for Possible Loan Losses

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen				
	As of September 30, 2021			As of March 31, 2021 (B)	As of September 30, 2020 (The Hiroshima Bank, Ltd. Consolidated) (c)
	(A)	(A) – (B)	(A) – (c)		
Reserve for possible loan losses	¥44,206	¥3,134	¥8,864	¥41,072	¥35,342
General reserve for possible loan losses	18,262	243	52	18,019	18,210
Specific reserve for possible loan losses	25,944	2,892	8,812	23,052	17,132
Reserve for specific foreign borrowers/countries	—	—	—	—	—

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen				
	As of September 30, 2021			As of March 31, 2021 (B)	As of September 30, 2020 (c)
	(A)	(A) – (B)	(A) – (c)		
Reserve for possible loan losses	¥41,988	¥3,107	¥8,442	¥38,881	¥33,546
General reserve for possible loan losses	17,853	229	96	17,624	17,757
Specific reserve for possible loan losses	24,135	2,879	8,347	21,256	15,788
Reserve for specific foreign borrowers/countries	—	—	—	—	—

### 4. Problem Loans Disclosed under the Financial Revitalization Law

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen				
	As of September 30, 2021			As of March 31, 2021 (B)	As of September 30, 2020 (c)
	(A)	(A) – (B)	(A) – (c)		
Loans to bankrupt and quasi-bankrupt loans	¥ 5,673	¥ (272)	¥ (527)	¥ 5,945	¥ 6,200
Doubtful loans	52,282	(2,968)	6,635	55,250	45,647
Substandard loans	39,598	10,882	12,754	28,716	26,844
Total (i)	¥97,554	¥ 7,641	¥18,862	¥89,913	¥78,692

### 5. Coverage of Problem Loans Disclosed under the Financial Revitalization Law

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen				As of September 30, 2020 (c)
	As of September 30, 2021			As of March 31, 2021 (b)	
	(A)	(A) – (B)	(A) – (c)		
Coverage amount (ii)	¥70,469	¥6,957	¥17,610	¥63,512	¥52,859
Portion covered by reserve (iii)	32,645	6,797	12,620	25,848	20,025
Portion covered by collateral	37,823	160	4,990	37,663	32,833
Specific reserve for loan losses	—	—	—	—	—
Coverage ratio to disclosed totals (ii)/(i)	72.2%	1.6%	5.1%	70.6%	67.1%
Coverage ratio before partial direct write-off	76.7%	1.1%	3.6%	75.6%	73.1%
Excluding collateral and guarantees (iv)	59,730	7,481	13,872	52,249	45,858
Coverage ratio (iii)/(iv)	54.7%	5.3%	11.1%	49.4%	43.6%
Ratio to total loans outstanding	1.41%	0.05%	0.23%	1.36%	1.18%

## 6. Loan Portfolio

(The Hiroshima Bank, Ltd. Non-Consolidated)

### (1) Classification of Loans by Type of Industry

Item	Millions of yen			As of March 31, 2021 (B)	As of September 31, 2020 (c)
	As of September 30, 2021				
	(A)	(A) – (B)	(A) – (c)		
Domestic (excluding JOM account)	¥6,824,098	¥283,218	¥233,715	¥6,540,880	¥6,590,383
Manufacturing	722,232	(18,432)	(47,348)	740,664	769,580
Agriculture/Forestry	6,423	(36)	(63)	6,459	6,486
Fishery	1,259	38	(73)	1,221	1,332
Mining/Quarrying of stone/Gravel	3,372	(418)	(557)	3,790	3,929
Construction	163,054	(11,749)	(11,531)	174,803	174,585
Electricity, gas, heat supply and water	226,385	4,506	(334)	221,879	226,719
Telecommunication	17,847	(4,024)	(5,576)	21,871	23,423
Transportation/Postal activities	379,126	31,147	32,322	347,979	346,804
Wholesale/Retail services	544,961	(4,607)	(13,271)	549,568	558,232
Financial and insurance services	229,848	(5,144)	(22,393)	234,992	252,241
Retail estate/Goods rental and leasing	1,137,044	(4,715)	51,318	1,141,759	1,085,726
Services	436,170	(6,932)	(4,682)	443,102	440,852
Municipal government	1,323,882	318,884	249,674	1,004,998	1,074,208
Others	1,632,484	(15,298)	6,231	1,647,782	1,626,253

Note: Others are included in the following loans.

	Millions of yen				
Item	As of September 30, 2021			As of March 31, 2021 (B)	As of September 31, 2020 (c)
	(A)	(A) – (B)	(A) – (c)		
Individuals	¥1,220,442	¥ 11,826	¥ 35,395	¥1,208,616	¥1,185,047
Ship chartering industry (nonresidents)	369,137	(20,209)	(23,819)	389,346	392,956

• Ship chartering industry (nonresidents) refers primarily to foreign subsidiaries of domestic ship chartering companies.

• Ship-related loans, including loans to the ship chartering industry (domestic and nonresidents) and shipbuilding companies, amounted to 710,208 million yen as of September 30, 2021. (Down by 7,737 million yen from March 31, 2021 and by 6,519 million yen from September 30, 2020.)

### (2) Classification of Risk Managed Loans by Type of Industry

Item	Millions of yen			As of March 31, 2021 (B)	As of September 31, 2020 (c)
	As of September 30, 2021				
	(A)	(A) – (B)	(A) – (c)		
Domestic (excluding JOM account)	¥97,165	¥ 7,566	¥20,026	¥89,599	¥77,139
Manufacturing	20,905	922	3,012	19,983	17,893
Agriculture/Forestry	821	42	165	779	656
Fishery	4	0	0	4	4
Mining/Quarrying of stone/Gravel	24	(8)	(8)	32	32
Construction	4,429	(71)	(183)	4,500	4,612
Electricity, gas, heat supply and water	2,530	(423)	(579)	2,953	3,109
Telecommunication	398	(62)	(17)	460	415
Transportation/Postal activities	1,933	980	1,043	953	890
Wholesale/Retail services	13,178	176	625	13,002	12,553
Financial and insurance services	795	0	(3)	795	798
Retail estate/Goods rental and leasing	16,867	2,777	7,384	14,090	9,483
Services	25,589	4,951	10,955	20,638	14,634
Municipal government	—	—	—	—	—
Others	9,685	(1,719)	(2,368)	11,404	12,053

# [Deposits Information]

## 1. Deposits Outstanding

(The Hiroshima Bank, Ltd. Non-Consolidated)

### Breakdown of Deposits Outstanding

Deposits outstanding (average balance)	Billions of yen			As of March 31, 2021 (B)	First half of FY2020 (C)
	First half of FY2021				
	(A)	(A) – (B)	(A) – (C)		
Deposits and NCD	¥8,840.8	¥546.4	¥684.2	¥8,294.4	¥8,156.6
Corporate deposits	2,746.7	199.5	272.4	2,547.2	2,474.3
Individual deposits	5,538.5	275.4	372.3	5,263.1	5,166.2
Public and finance institution deposits	555.4	71.4	39.5	484.0	515.9

Note: Deposits outstanding includes negotiable certificates of deposit.

	Billions of yen				
	As of September 30, 2021			As of March 31, 2021 (B)	As of September 30, 2020 (c)
Deposits outstanding (term-end balance)	(A)	(A) – (B)	(A) – (c)		
Deposits and NCD	¥8,811.9	¥112.3	¥488.2	¥8,699.6	¥8,323.7
Corporate deposits	2,696.7	(53.8)	123.8	2,750.5	2,572.9
Individual deposits	5,583.8	135.3	336.9	5,448.5	5,246.9
Public and finance institution deposits	531.3	30.8	27.5	500.5	503.8

Note: Deposits outstanding includes negotiable certificates of deposit.

## 2. Total Assets under Management

(The Hiroshima Bank, Ltd. and Hirogin Securities Co., Ltd.)

	Billions of yen				
	As of September 30, 2021			As of March 31,	As of
Deposits outstanding (term-end balance)	(A)	(A) – (B)	(A) – (c)	2021 (B)	September 30,
					2020 (c)
Total assets under management	¥10,365.8	¥100.6	¥485.3	¥10,265.2	¥9,880.5
The Hiroshima Bank, Ltd.	9,896.4	103.9	447.7	9,792.5	9,448.7
Deposits, etc.	8,811.9	112.3	488.2	8,699.6	8,323.7
Non-deposit products	1,084.5	(8.4)	(40.5)	1,092.9	1,125.0
Investment trust	163.1	(9.9)	(26.0)	173.0	189.1
Public bonds	152.8	(17.1)	(40.7)	169.9	193.5
Annuity insurance	391.0	(13.3)	(33.5)	404.3	424.5
Financial instruments brokering	342.3	30.8	53.9	311.5	288.4
Other	35.2	1.3	6.0	33.9	29.2
Hirogin Securities Co., Ltd. (excluding financial instruments brokering)	469.3	(3.3)	37.6	472.6	431.7
Total non-deposit products	¥1,553.8	¥(11.7)	¥(3.0)	¥1,565.5	¥1,556.8

Notes: 1. The Hirogin Securities Co., Ltd. balance is fair value.

2. Does not include financial instruments brokering (Rakuten Securities and SBI Securities) handled via Hirogin App.