



The Awa Bank, Ltd.

Consolidated Financial Statements

The Awa Bank, Ltd. and its Consolidated Subsidiaries

Years Ended March 31, 2019 and 2020



Independent auditor's report

To the Board of Directors of The Awa Bank, Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of The Awa Bank, Ltd. and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2020 and 2019, the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years then ended in accordance with 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these 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 the Audit and Supervisory Committee for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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 consolidated financial statements.

As part of our 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

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

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

黒木 賢一郎 

Kuroki Kenichiro

Designated Engagement Partner

Certified Public Accountant

大橋 正昭 

Ohashi Masatsugu

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Osaka Office, Japan

December 25, 2020

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Assets			
Cash and due from banks (Notes 3 and 4)	¥ 255,631	¥ 287,164	\$ 2,638,647
Call loans and bills purchased (Note 4)	5,549	2,151	19,764
Commercial paper and other debt purchased (Notes 4 and 5)	1,260	1,149	10,557
Trading account securities (Notes 4 and 5)	952	917	8,425
Securities (Notes 4, 5 and 9)	1,049,832	995,428	9,146,632
Loans and bills discounted (Notes 4, 6, 7 and 8)	1,899,448	1,962,862	18,036,037
Foreign exchange (Note 7)	7,008	11,070	101,718
Lease receivables and investment assets (Notes 4 and 6)	28,522	28,802	264,651
Other assets (Note 9)	45,566	47,308	434,696
Tangible fixed assets (Notes 10 and 11)	35,331	37,396	343,618
Intangible fixed assets	4,143	5,164	47,450
Net defined benefit asset (Note 19)	6,411	5,261	48,341
Deferred tax assets (Note 16)	213	269	2,471
Customers' liabilities for acceptances and guarantees (Note 17)	8,164	8,437	77,524
Reserve for possible loan losses	(17,265)	(17,174)	(157,805)
Total assets	<u>¥ 3,330,769</u>	<u>¥ 3,376,210</u>	<u>\$ 31,022,787</u>
Liabilities			
Deposits (Notes 4 and 9)	¥ 2,755,865	¥ 2,771,127	\$ 25,462,896
Negotiable certificates of deposit (Note 4)	180,878	175,149	1,609,381
Call money and bills sold (Note 4)	3,884	20,024	183,993
Payables under securities lending transactions (Notes 4 and 9)	27,437	58,470	537,259
Borrowed money (Notes 4, 9 and 18)	38,993	53,610	492,603
Foreign exchange	2	83	762
Other liabilities (Note 18)	20,346	25,493	234,246
Accrued employees' bonuses	28	22	202
Accrued directors' bonuses	47	53	486
Net defined benefit liability (Note 19)	506	505	4,640
Accrued directors' retirement benefits	12	10	91
Accrued stock compensation program for directors	58	139	1,277
Reserve for reimbursement of deposits	466	427	3,923
Reserve for contingent liabilities	962	1,043	9,583
Deferred tax liabilities (Note 16)	18,049	6,515	59,864
Deferred tax liabilities for land revaluation account (Note 11)	2,732	2,730	25,084
Acceptances and guarantees (Note 17)	8,164	8,437	77,524
Total liabilities	<u>3,058,437</u>	<u>3,123,847</u>	<u>28,703,914</u>
Net Assets			
Common stock			
Authorized - 100,000,000 shares			
Issued - 43,240,000 shares in 2020 and 2019	23,452	23,452	215,492
Capital surplus	20,069	20,106	184,746
Retained earnings	160,069	169,299	1,555,628
Treasury stock	(1,043)	(2,892)	(26,573)
— Issued 1,049,013 shares in 2020 and 299,229 shares in 2019			
Total shareholders' equity	202,548	209,966	1,929,302
Net unrealized holding gains (losses) on securities (Note 5)	65,837	40,516	372,287
Net deferred gains (losses) on derivatives under hedge accounting	(2,629)	(2,479)	(22,778)
Land revaluation account (Note 11)	5,187	5,184	47,633
Remeasurements of defined benefit plans (Note 19)	387	(824)	(7,571)
Total accumulated other comprehensive income	68,783	42,396	389,561
Noncontrolling interests	1,000	-	-
Total net assets	<u>272,331</u>	<u>252,362</u>	<u>2,318,864</u>
Total liabilities and net assets	<u>¥ 3,330,769</u>	<u>¥ 3,376,210</u>	<u>\$ 31,022,787</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Income:			
Interest and dividend income:			
Interest on loans and discounts	¥ 23,702	¥ 23,603	\$ 216,879
Interest and dividends on securities	14,473	15,091	138,665
Other interest income	309	243	2,232
Trust fees	1	3	27
Fees and commissions	8,829	8,775	80,630
Other operating income	15,251	15,442	141,891
Other income (Note 13)	7,785	4,246	39,014
Total income	<u>70,352</u>	<u>67,406</u>	<u>619,369</u>
Expenses:			
Interest expense:			
Interest on deposits and certificates of deposit	748	1,005	9,234
Interest on borrowings, rediscounts and bonds	1,184	906	8,324
Other interest expense	2,486	2,267	20,830
Fees and commissions	1,495	1,220	11,210
Other operating expenses	13,562	12,770	117,338
General and administrative expenses (Note 12)	27,528	28,005	257,327
Other expenses:			
Provision for loan losses	4,166	3,915	35,973
Other expenses (Note 14)	1,149	1,656	15,216
Total expenses	<u>52,323</u>	<u>51,748</u>	<u>475,493</u>
Income before income taxes	18,028	15,658	143,875
Income taxes (Note 16):			
Current	5,094	4,593	42,203
Deferred	253	(105)	(964)
Net income	<u>12,681</u>	<u>11,170</u>	<u>102,637</u>
Net income attributable to noncontrolling interests in income of consolidated subsidiaries	<u>1,723</u>	<u>9</u>	<u>82</u>
Net income attributable to owners of the parent company	<u>¥ 10,958</u>	<u>¥ 11,160</u>	<u>\$ 102,545</u>

Per share of common stock

	Yen		U.S. dollars (Note 1)
	2019	2020	2020
Net income per share – basic	¥ 252.78	¥ 261.80	\$ 2.405
Dividends	45.00	45.00	0.413

For the years ended March 31, 2019 and 2020, diluted net income per share of common stock was not disclosed because no dilutive securities were outstanding.

The Bank executed a consolidation of shares at a ratio of one share for each five shares on October 1, 2018. Net income per share and dividends per share are calculated assuming the consolidation of shares was executed on April 1, 2018.

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Net income	¥ 12,681	¥ 11,170	\$ 102,637
Other comprehensive income:			
Net unrealized holding gains (losses) on securities	(6,207)	(25,335)	(232,794)
Net deferred gains (losses) on derivatives under hedge accounting	(182)	150	1,378
Remeasurements of defined benefit plans	(828)	(1,211)	(11,127)
Total other comprehensive income (Note 15)	(7,218)	(26,397)	(242,552)
Comprehensive income	¥ 5,462	¥ (15,226)	\$ (139,906)
Comprehensive income attributable to:			
Owners of the parent company	¥ 4,156	¥ (15,222)	\$ (139,869)
Noncontrolling interests	1,306	(4)	(36)

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Millions of yen					
	Stockholders' equity					Total shareholders' equity
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at March 31, 2018	226,200,000	¥ 23,452	¥ 16,232	¥ 158,143	¥ (5,313)	¥ 192,515
Changes during the accounting period						
Dividends	-	-	-	(1,962)	-	(1,962)
Net income attributable to owners of the parent company	-	-	-	10,958	-	10,958
Purchase of treasury stock	-	-	-	-	(2,750)	(2,750)
Disposal of treasury stock	-	-	(0)	(0)	0	0
Cancellation of treasury stock	(2,000,000)	-	-	(7,019)	7,019	-
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	3,836	-	-	3,836
Reversal of land revaluation account	-	-	-	(49)	-	(49)
Consolidation of shares	(180,960,000)	-	-	-	-	-
Changes other than changes in stockholders' equity (net)	-	-	-	-	-	-
Total changes during the accounting period	(182,960,000)	-	3,836	1,926	4,269	10,032
Balance at March 31, 2019	43,240,000	¥ 23,452	¥ 20,069	¥ 160,069	¥ (1,043)	¥ 202,548
Changes during the accounting period						
Dividends	-	-	-	(1,934)	-	(1,934)
Net income attributable to owners of the parent company	-	-	-	11,160	-	11,160
Purchase of treasury stock	-	-	-	-	(1,853)	(1,853)
Disposal of treasury stock	-	-	-	(0)	5	4
Cancellation of treasury stock	-	-	-	-	-	-
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	36	-	-	36
Reversal of land revaluation account	-	-	-	3	-	3
Consolidation of shares	-	-	-	-	-	-
Changes other than changes in stockholders' equity (net)	-	-	-	-	-	-
Total changes during the accounting period	-	-	36	9,229	(1,848)	7,417
Balance at March 31, 2020	43,240,000	¥ 23,452	¥ 20,106	¥ 169,299	¥ (2,892)	¥ 209,966

	Millions of yen							
	Accumulated other comprehensive income						Noncontrolling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Land revaluation account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2018	¥ 71,624	¥ (2,447)	¥ 5,138	¥ 1,220	¥ 75,535	¥ 13,954	¥ 282,005	
Changes during the accounting period								
Dividends	-	-	-	-	-	-	(1,962)	
Net income attributable to owners of the parent company	-	-	-	-	-	-	10,958	
Purchase of treasury stock	-	-	-	-	-	-	(2,750)	
Disposal of treasury stock	-	-	-	-	-	-	0	
Cancellation of treasury stock	-	-	-	-	-	-	-	
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	-	-	-	-	3,836	
Reversal of land revaluation account	-	-	-	-	-	-	(49)	
Consolidation of shares	-	-	-	-	-	-	-	
Changes other than changes in stockholders' equity (net)	(5,786)	(182)	49	(832)	(6,752)	(12,954)	(19,706)	
Total changes during the accounting period	(5,786)	(182)	49	(832)	(6,752)	(12,954)	(9,673)	
Balance at March 31, 2019	¥ 65,837	¥ (2,629)	¥ 5,187	¥ 387	¥ 68,783	¥ 1,000	¥ 272,331	
Changes during the accounting period								
Dividends	-	-	-	-	-	-	(1,934)	
Net income attributable to owners of the parent company	-	-	-	-	-	-	11,160	
Purchase of treasury stock	-	-	-	-	-	-	(1,853)	
Disposal of treasury stock	-	-	-	-	-	-	4	
Cancellation of treasury stock	-	-	-	-	-	-	-	
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	-	-	-	-	36	
Reversal of land revaluation account	-	-	-	-	-	-	3	
Consolidation of shares	-	-	-	-	-	-	-	
Changes other than changes in stockholders' equity (net)	(25,321)	150	(3)	(1,212)	(26,386)	(1,000)	(27,386)	
Total changes during the accounting period	(25,321)	150	(3)	(1,212)	(26,386)	(1,000)	(19,969)	
Balance at March 31, 2020	¥ 40,516	¥ (2,479)	¥ 5,184	¥ (824)	¥ 42,396	¥ -	¥ 252,362	

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Thousands of U.S. dollars (Note 1)					
	Stockholders' equity					Total shareholders' equity
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at April 1, 2019	43,240,000	\$ 215,492	\$ 184,406	\$ 1,470,816	\$ (9,583)	\$ 1,861,141
Changes during the accounting period						
Dividends	-	-	-	(17,770)	-	(17,770)
Net income attributable to owners of the parent company	-	-	-	102,545	-	102,545
Purchase of treasury stock	-	-	-	-	(17,026)	(17,026)
Disposal of treasury stock	-	-	-	(0)	45	36
Cancellation of treasury stock	-	-	-	-	-	-
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	330	-	-	330
Reversal of land revaluation account	-	-	-	27	-	27
Consolidation of shares	-	-	-	-	-	-
Changes other than changes in stockholders' equity (net)	-	-	-	-	-	-
Total changes during the accounting period	-	-	330	84,801	(16,980)	68,152
Balance at March 31, 2020	<u>43,240,000</u>	<u>\$ 215,492</u>	<u>\$ 184,746</u>	<u>\$ 1,555,628</u>	<u>\$ (26,573)</u>	<u>\$ 1,929,302</u>

	Thousands of U.S. dollars (Note 1)						
	Accumulated other comprehensive income						Total net assets
	Net unrealized holding gains (losses) on securities	Net deferred gains (losses) on derivatives under hedge accounting	Land revaluation account	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Noncontrolling interests	
Balance at April 1, 2019	\$ 604,952	\$ (24,156)	\$ 47,661	\$ 3,556	\$ 632,022	\$ 9,188	\$ 2,502,352
Changes during the accounting period							
Dividends	-	-	-	-	-	-	(17,770)
Net income attributable to owners of the parent company	-	-	-	-	-	-	102,545
Purchase of treasury stock	-	-	-	-	-	-	(17,026)
Disposal of treasury stock	-	-	-	-	-	-	36
Cancellation of treasury stock	-	-	-	-	-	-	-
Change in ownership interests of the parent company due to transactions with noncontrolling interests	-	-	-	-	-	-	330
Reversal of land revaluation account	-	-	-	-	-	-	27
Consolidation of shares	-	-	-	-	-	-	-
Changes other than changes in stockholders' equity (net)	(232,665)	1,378	(27)	(11,136)	(242,451)	(9,188)	(251,640)
Total changes during the accounting period	<u>(232,665)</u>	<u>1,378</u>	<u>(27)</u>	<u>(11,136)</u>	<u>(242,451)</u>	<u>(9,188)</u>	<u>(183,488)</u>
Balance at March 31, 2020	<u>\$ 372,287</u>	<u>\$ (22,778)</u>	<u>\$ 47,633</u>	<u>\$ (7,571)</u>	<u>\$ 389,561</u>	<u>\$ -</u>	<u>\$ 2,318,864</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2020	2020
Cash flows from operating activities:			
Income before income taxes	¥ 18,028	¥ 15,658	\$ 143,875
Depreciation	2,185	2,629	24,156
Impairment loss	297	50	459
Increase (decrease) in reserve for possible loan losses	1,147	(91)	(836)
Net change in provision for contingent liabilities	120	81	744
Increase (decrease) in accrued employees' bonuses	1	(5)	(45)
Increase (decrease) in accrued directors' bonuses	(12)	6	55
Decrease (increase) in net defined benefit asset	24	(599)	(5,503)
Increase (decrease) in net defined benefit liability	(51)	(2)	(18)
Contribution to retirement benefit trust	(5,000)	-	-
Net change in reserve for retirement payments to directors	(463)	(2)	(18)
Net change in accrued stock compensation program for directors	58	81	744
Net change in reserve for claims on dormant accounts	(73)	(38)	(349)
Net change in reserve for asset demolition costs	(447)	-	-
Interest and dividend income	(38,484)	(38,939)	(357,796)
Interest expense	4,419	4,179	38,399
Securities losses (gains), net	(5,200)	(2,740)	(25,176)
Losses (gains) on investments in money held in trust, net	(0)	(0)	(0)
Foreign exchange losses (gains), net	(4,950)	4,149	38,123
Losses (gains) on disposal of tangible fixed assets, net	107	21	192
Net decrease (increase) in trading account securities	(637)	34	312
Net decrease (increase) in loans and bills discounted	(63,391)	(63,413)	(582,679)
Net increase (decrease) in deposits	34,862	15,261	140,227
Net increase (decrease) in certificates of deposit	41,577	(5,728)	(52,632)
Net increase (decrease) in borrowed money (except for subordinated borrowed money)	5,085	14,617	134,310
Net decrease (increase) in due from banks (except for deposits with the Bank of Japan)	(954)	1,121	10,300
Net decrease (increase) in call loans, bills purchased, commercial paper and other debt purchased	(2,268)	3,506	32,215
Net increase (decrease) in call money	(17,363)	16,140	148,304
Net increase (decrease) in payables under securities lending transactions	(731)	31,033	285,151
Net decrease (increase) in foreign exchange (assets)	(2,670)	(3,561)	(32,720)
Net increase (decrease) in foreign exchange (liabilities)	(369)	80	735
Interest and dividends received	38,993	39,086	359,147
Interest paid	(4,522)	(4,160)	(38,224)
Other	4,116	1,730	15,896
Subtotal	3,431	30,185	277,359
Income taxes paid	(5,277)	(5,132)	(47,156)
Net cash provided by (used in) operating activities	(1,846)	25,053	230,203
Cash flows from investing activities:			
Payments for purchases of securities	(171,490)	(203,698)	(1,871,708)
Proceeds from sales of securities	81,371	71,178	654,029
Proceeds from maturities of securities	109,980	150,591	1,383,726
Payments for increases in money held in trust	(2,100)	(2,100)	(19,296)
Proceeds from decreases in money held in trust	2,100	2,100	19,296
Payments for purchases of tangible fixed assets	(3,116)	(3,433)	(31,544)
Payments for disposals of tangible fixed assets	(188)	(52)	(477)
Proceeds from sales of tangible fixed assets	219	141	1,295
Purchases of intangible fixed assets	(1,755)	(2,382)	(21,887)
Net cash provided by (used in) investing activities	15,020	12,343	113,415
Cash flows from financing activities:			
Dividends paid	(1,962)	(1,934)	(17,770)
Dividends paid to noncontrolling interests stockholders	(16)	(0)	(0)
Payments for purchases of treasury stock	(2,750)	(1,853)	(17,026)
Proceeds from sales of treasury stock	0	4	36
Payments from changes in ownership interests in subsidiaries that do not result in a change in scope of consolidation	(10,407)	(958)	(8,802)
Net cash provided by (used in) financing activities	(15,136)	(4,742)	(43,572)
Foreign currency translation adjustments	(1)	0	0
Net increase (decrease) in cash and cash equivalents	(1,963)	32,654	300,045
Cash and cash equivalents at beginning of year	254,584	252,620	2,321,234
Cash and cash equivalents at end of year (Note 3)	¥ 252,620	¥ 285,275	\$ 2,621,290

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements of The Awa Bank, Ltd. (the “Bank”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and the Japanese Banking Law, generally conform with the Japanese Uniform Rules for Bank Accounting and the guidelines of Japanese regulatory authorities and are in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English, with some expanded descriptions, from the consolidated financial statements of the Bank prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

As permitted by the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been rounded down. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

The translations of the Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2020, which was ¥108.83 to U.S.\$1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

(1) Principles of consolidation

The consolidated financial statements for the years ended March 31, 2019 and 2020 include the accounts of the Bank and the following six subsidiaries:

The Awagin Business Service Company Limited (for 2019)
The Awagin Guaranty Company Limited
The Awagin Card Company Limited
The Awagin Consulting Company Limited
The Awagin Lease Company Limited
The Awagin Growth Companies Investment Limited Partnership (for 2020)

All significant intercompany balances, transactions and unrealized profits and losses included in assets and liabilities have been eliminated. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to noncontrolling shareholders, are evaluated using the fair value at the time the Bank acquired control of the respective subsidiary.

(Change of the scope of consolidation)

The Awagin Growth Companies Investment Limited Partnership is included in the scope of consolidation for the year ended March 31, 2020 due to the increase in its importance.

The Awagin Business Service Company Limited, which was a consolidated subsidiary of the Bank, was excluded from the scope of consolidation for the year ended March 31, 2020 because the subsidiary was dissolved by absorption type merger in which the Bank is the surviving company.

The following two subsidiaries of the Bank were excluded from the scope of consolidation for the years ended March 31, 2019 and 2020 because the exclusion did not affect the reasonable interpretation of the financial condition and operating results of the enterprise group in terms of assets and the Bank's ownership percentage of net income, retained earnings or accumulated other comprehensive income.

The Awagin AFFrinnovation Investment Limited Partnership (for 2019 and 2020)
The Awagin Growth Companies Investment Limited Partnership (for 2019)

The following two subsidiaries of the Bank were also not accounted for using the equity method for the years ended March 31, 2019 and 2020 because the exclusion did not have a material impact on the consolidated financial statements in terms of the Bank's ownership percentage of net income, retained earnings or accumulated other comprehensive income.

The Awagin AFFrinnovation Investment Limited Partnership (for 2019 and 2020)
The Awagin Growth Companies Investment Limited Partnership (for 2019)

The following affiliates of the Bank were not accounted for using the equity method for the years ended March 31, 2019 and 2020 because the exclusion did not have a material impact on the consolidated financial statements in terms of the Bank's ownership percentage of net income, retained earnings or accumulated other comprehensive income.

Shikoku Alliance Capital Company Limited (for 2019 and 2020)
The Awagin Regional Revitalization Investment Limited Partnership (for 2019 and 2020)

2. Significant Accounting Policies (cont' d)

(2) Trading account securities

Listed trading account securities of the Bank are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations of the securities are recognized as gains and losses in the period of the change. Costs are calculated by the moving average method.

(3) Securities

Held-to-maturity debt securities are stated at amortized cost. Equity securities of nonconsolidated subsidiaries and affiliates which are not accounted for using the equity method are stated at moving average cost. Available-for-sale securities with available fair market values are stated at fair market value, which is the average for the last month of the fiscal year. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity or net assets. Realized gains and losses on the sale of such securities are computed using moving average cost. Available-for-sale securities whose fair values are extremely difficult to determine are stated at moving average cost. Debt securities with no available fair market values are stated at amortized cost, net of the amount considered not collectible.

(4) Depreciation method for fixed assets

① Tangible fixed assets (except for leased assets)

Tangible fixed assets are generally stated at cost, less accumulated depreciation and deferred gains on the sale of real estate. Depreciation of tangible fixed assets owned by the Bank and its consolidated subsidiaries is recorded using the straight-line method. At March 31, 2019 and 2020, the estimated useful life for buildings and equipment was 19 to 50 years and 4 to 8 years, respectively.

② Intangible fixed assets

Depreciation for intangible fixed assets of the Bank and its consolidated subsidiaries is recorded using the straight-line method. Internal use software costs of the Bank and its consolidated subsidiaries are depreciated using the straight-line method over the estimated useful life of 5 years. Goodwill is expensed when incurred.

③ Leased assets

Leased assets are business equipment included in tangible fixed assets. Leased assets in tangible fixed assets capitalized under finance leases that do not transfer ownership of the leased assets to the lessee are depreciated using the straight-line method over the lease period. The residual value of a leased asset with a residual value guarantee clause is the guaranteed amount. For a leased asset without such a clause, the residual value is zero.

2. Significant Accounting Policies (cont' d)

(5) Reserve for possible loan losses

The Bank writes off loans and makes provisions for possible loan losses based on the financial circumstances of the borrower and the status of the loan. For loans to insolvent customers who are undergoing bankruptcy or other collection proceedings or who are in a similar financial condition, the reserve for possible loan losses for the portions of the loans that are neither secured nor guaranteed is provided in the full amount, excluding write-off amounts and the portion that is estimated to be recoverable due to the existence of security interests or guarantees. For loans to customers not presently in the above circumstances but who have a high probability of becoming insolvent, the reserve for possible loan losses for the portions of the loans that are neither secured nor guaranteed is provided for in the amounts estimated to be unrecoverable after an evaluation of the customer's overall financial condition. For other loans, the reserve for possible loan losses is provided at estimated future loss amounts mainly for one year or three years, which is calculated using an estimated loss ratio obtained from an average of the actual default ratio for a certain period in the past based on actual defaults for the past one year or three years with certain necessary adjustments such as future estimates.

Assessments and classifications regarding possible loan losses are made by each business department and credit supervision department and are audited by the independent Credit Administration Department. The reserve for possible loan losses is provided based on the audit results. The consolidated subsidiaries write off loans and make provisions for possible loan losses based on their actual rate of loan losses in the past. However, unrecoverable amounts of loans to customers who have a high probability of becoming bankrupt are estimated and a reserve for possible loan losses is provided based on the estimation.

For the fiscal years ended March 31, 2019 and 2020, the Bank wrote off portions of loans that were estimated to be unrecoverable from insolvent customers who were undergoing bankruptcy or other collection proceedings. The estimated unrecoverable amounts were determined after excluding estimated recoverable amounts due to the existence of security interests or guarantees. As of March 31, 2019 and 2020, the write-off of the estimated unrecoverable amounts was ¥19,564 million and ¥19,623 million (\$180,308 thousand), respectively.

(6) Accrued employees' bonuses

Accrued employees' bonuses were recorded to pay bonuses to employees of the consolidated subsidiaries for the fiscal years ended March 31, 2019 and 2020.

(7) Accounting for retirement benefits

The benefit formula basis is used as a method of attributing expected benefits to the period through the end of the fiscal year in calculating projected benefit obligation. Prior service costs are recognized in the statements of income using the straight-line method within the average of the estimated remaining service years of employees (10 years). Actuarial differences are recognized in the statements of income using the straight-line method within the average of the estimated remaining service years (10 years) commencing with the following period.

Consolidated subsidiaries apply the simplified method for their unfunded lump-sum payment plans, which in calculating net defined benefit liability and retirement benefit expenses assumes the Bank's projected benefit obligation to be equal to the benefits payable and the voluntary retirement of all employees at the fiscal year-end.

(8) Accrued directors' bonuses

Accrued directors' bonuses were recorded to provide for the payment of bonuses to directors in an estimated payment amount attributable to the current period.

(9) Accrued directors' retirement benefits

A provision is made for accrued retirement benefits of directors and corporate auditors in the amount deemed accrued at the end of the reporting period.

2. Significant Accounting Policies (cont' d)

(10) Accrued stock compensation program for directors

A provision is made for the accrued stock compensation program for directors, etc., based on the internal regulations for the distribution of shares to directors in the amount deemed accrued at the end of the reporting period.

(11) Reserve for reimbursement of deposits

A provision is made in an amount deemed necessary for losses on future reimbursements of deposits, taking into account the Bank's estimated refund amount.

(12) Reserve for contingent liabilities

A provision is made in an estimated amount for future payments to credit guarantee associations on loan-loss burden sharing.

(13) Translation of foreign currencies

Foreign currency denominated assets and liabilities held by the Bank at the year end are translated into Japanese yen at the exchange rates prevailing at the end of the fiscal year.

(14) Derivatives and hedge accounting

Derivative financial instruments are carried at market value.

① Hedging against interest rate risk

In order to hedge the interest rate risk associated with various financial assets and liabilities, the Bank applies the deferred hedge method stipulated in "Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24, February 13, 2002).

The effectiveness of hedging is assessed for each identified group of hedged deposits, loans and similar items and the corresponding group of hedging instruments, such as interest rate swaps, in the same maturity bucket. In assessing the effectiveness of cash flow hedges, the correlation between the interest rate sensitivities of the hedged items and the hedging instruments is examined.

② Hedging against foreign currency risk

The Bank applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities as stipulated in "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25, July 29, 2002). Assessment of the effectiveness of these hedge transactions is conducted by confirming whether the notional amounts of the hedging foreign exchange swaps, etc., correspond to the hedged foreign currency denominated receivables or payables.

(15) Cash flow statements

In preparing consolidated statements of cash flows, cash on hand and deposits with the Bank of Japan are considered to be cash and cash equivalents.

(16) Income taxes

The tax effects of loss carryforwards and the temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting are recognized. The asset-liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

2. Significant Accounting Policies (cont' d)

(17) Per share data

Net income per share is based on the weighted average number of shares of common stock outstanding during the year, excluding treasury stock.

Cash dividends per share shown in the accompanying consolidated statements of income represent dividends declared as applicable to the respective year.

The Bank executed a consolidation of shares at a ratio of one share for each five shares on October 1, 2018. Net income per share and cash dividends per share are calculated assuming the consolidation of shares was executed on April 1, 2018.

The Bank's own shares held by the Directors Compensation BIP Trust are recorded as treasury stock in the net assets section and are deducted from the weighted average number of shares outstanding during the year for the purpose of calculating net income per share.

(18) Unadopted accounting standards

The following standard and guidance were issued but not yet adopted.

- "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan ("ASBJ") Statement No. 29, March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)

① Overview

The above standard and guidance provide comprehensive principles for revenue recognition. Under the standard and guidance, revenue is recognized by applying following 5 steps:

Step 1: Identify the contract with the customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligation in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

② Effective date

The standard shall be effective from the beginning of the fiscal year ending March 31, 2022.

③ Effects of application of the standard

The Bank and its consolidated subsidiaries are in the process of determining the effects of the new standard on the consolidated financial statements.

- "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019)
- "Revised Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 4, 2019)
- "Revised Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019)
- "Revised Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

① Overview

The “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement” (hereinafter “Accounting Standard for Fair Value Measurement”) have been developed to enhance comparability between Japanese accounting standards and international accounting standards. The Accounting Standard for Fair Value Measurement is applied to the following items:

- Financial instruments as prescribed in the “Accounting Standard for Financial Instruments”
- Inventories held for trading purposes as prescribed in the “Accounting Standard for Measurement of Inventories”

Further, “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” has been revised, and note items have been established, including the breakdown by level of the fair value of financial instruments.

② Effective date

The standard shall be effective from the beginning of the fiscal year ending March 31, 2022.

③ Effects of application of the standard

The Bank and its consolidated subsidiaries are in the process of determining the effects of the new standard on the consolidated financial statements.

- “Revised Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No. 24, March 31, 2020)

① Overview

The objective of the revised standard is to disclose summary information on accounting policies and procedures when the requirements under the related accounting standards are not clearly defined.

② Effective date

The standard shall be effective from the end of the fiscal year ending March 31, 2021.

- “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020)

① Overview

The objective of the above standard is to disclose information regarding accounting estimates among those used in the preparation of the current year financial statements on items which may have a significant impact on the financial statements of the following year and facilitate an understanding of such items by users of financial statements.

② Effective date

The standard shall be effective from the end of the fiscal year ending March 31, 2021.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

2. Significant Accounting Policies (cont' d)

(19) Additional information

(Accounting estimates with regard to effects of COVID-19)

With regard to effects of COVID-19 on the economy, it is assumed that the stock market and other financial markets will continue to be unstable until around the fall of 2020, and then the world economy will gradually recover. Under these assumptions, the Group recognizes certain effects on credit risk, such as with loans, and determines debtor classification at March 31, 2020 with consideration of available information that affects the estimate and makes the reserve for possible loan losses. However, because of the uncertainty, the loss may increase or decrease if the situation with COVID-19 and the economic impact change.

(Executive Compensation BIP (Board Incentive Plan) Trust)

The Bank introduced a performance linked stock compensation program using a scheme referred to as the “Executive Compensation BIP (Board Incentive Plan) Trust” (the “BIP”) for directors of the Bank (excluding members of the Audit and Supervisory Committee and outside directors) and executive officers (together the “Directors, etc.”) to motivate them to contribute to the improvement of the Bank’s mid- to long-term business performance and its corporate value.

① Overview of the transaction

Based on internal regulations for the distribution of shares, the Bank’s shares and the cash equivalent of the market value of the Bank’s shares will be delivered and paid to the Directors, etc., according to points granted based on business performance and the individual’s position among Directors, etc., at the time of retirement.

② The remaining balance of the Bank’s own stock in the trusts

- (i) The Bank records the remaining balance of the Bank’s own stock in the BIP as treasury stock in the section of net assets
- (ii) The carrying amount and the number of shares of such treasury stock as of March 31, 2019 and 2020 were ¥749 million and ¥744 million (\$6,836 thousand) and 215 thousand shares and 214 thousand shares, respectively.

3. Cash and Cash Equivalents

A reconciliation between “Cash and due from banks” in the consolidated balance sheets and “Cash and cash equivalents at end of year” in the consolidated statements of cash flows at March 31, 2019 and 2020 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Cash and due from banks -----	¥ 255,631	¥ 287,164	\$ 2,638,647
Due from banks (excluding deposits with the Bank of Japan) -----	(3,010)	(1,888)	(17,348)
Cash and cash equivalents -----	<u>¥ 252,620</u>	<u>¥ 285,275</u>	<u>\$ 2,621,290</u>

4. Financial Instruments

(1) Overview of financial instruments

① Policy on financial instruments

The Bank and its consolidated subsidiaries (the “Group”) provide mainly banking services and other financial services, including leasing. The Group holds financial assets such as loans and securities raised by deposits. In order to effectively manage its assets and liabilities, the Bank works on asset and liability management (ALM) and conducts derivative transactions as part of this ALM.

② Descriptions and risks of financial instruments

The financial assets of the Bank consist mainly of loans to domestic customers. They are subject to credit risk arising from changes in the domestic economy and the financial status of the borrowers. The Group reduces its total credit risk by holding a well-diversified portfolio of loans and not concentrating its lending with certain customers.

Also the Bank holds securities that consist mainly of stocks, bonds and mutual funds for investment and trading purposes. They are subject to credit risk, interest rate risk and market price risk. The Group’s portfolio consists mainly of government bonds and municipal bonds, which are very safe.

The financial liabilities of the Bank consist mainly of the deposits of domestic customers, which create liquidity risk in connection with the raising of necessary funds in case of unexpected capital outflows. To manage this risk, the Group tries to maintain and improve the soundness and reliability of its assets and ensure stable cash management.

Derivative transactions include interest rate swaps, currency swaps, forward foreign exchange contracts, currency options and bond futures contracts. The Bank engages in derivative transactions principally to stabilize its earnings by hedging the risk of future fluctuations in interest rates, market prices and exchange rates related to assets and liabilities. These transactions are also executed in order to provide various services to customers.

For interest rate risk, the Bank applies hedge accounting based on “Accounting Standards and Auditing Treatment for Financial Instruments in the Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002). The Bank assesses the effectiveness of hedges in offsetting movement in the fair value from changes in interest rates by classifying hedged items such as deposits and loans and hedging instruments such as interest rate swaps by incidence and remaining period. For cash flow hedges, the Bank assesses the effectiveness by verifying the correlation of the interest rate fluctuation between the hedged items and the hedging instruments.

For exchange rate risk, the Bank applies hedge accounting based on “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee Report No. 25, July 29, 2002). The Bank uses currency swaps and other methods to hedge exchange rate risk and evaluates the effectiveness of the hedges by confirming that a foreign currency hedge position exists in an amount equivalent to the foreign currency denominated monetary assets or liabilities being hedged.

Derivative transactions are subject to market risk and credit risk, but the Bank does not engage in complicated or speculative transactions.

③ Risk management systems for financial products

The Bank and its consolidated subsidiaries manage risk as follows:

4. Financial Instruments (cont' d)

(i) Credit risk management

The Bank prescribes “Credit Risk Management Standards” and carries out its credit risk management by division, maintains an appropriate portfolio and seeks to improve on the soundness of its assets. In addition, the Bank reviews the system for credit risk management periodically and works to improve it.

The Credit Division functions independently from the Business Promotion Division to maintain and improve the soundness of assets. The Risk Management Division verifies credit ratings, conducts self assessments, administers the credit portfolio and exerts influence on the system of internal checks to branches and the Credit Division while trying to further enhance the credit rating and self-assessment.

(ii) Market risk management

(Management for interest rate risks, market price risks and foreign exchange risks)

The Bank has set its market risk policy “to take adequate market risk within the Bank’s management vitality, assess market risk accurately and execute policy and controls that corresponds to that vitality and the scale and characteristics of the business to earn a profit.” In this way, the Bank enhances its system of management and optimizes its market risk management.

The Trading Division of the Bank, in addition to maintaining the Trade Execution Section (front office), maintains the Market Risk Management Section (middle office) and the Administrative Processing Section (back office) to confirm and monitor the transactions of the Trade Execution Section, sets the tolerance levels for risk, measures profit and loss on market risks and reports risks to the Board of Directors regularly.

The Risk Management Division, which is independent from the divisions above, monitors risk and profit and loss and reports the information to the ALM Committee regularly. The Group strives to improve risk management, in part, by discussing future measures. The Bank uses the VaR (Value at Risk) method for calculations of interest rate risk, foreign exchange risk and market price risk. For interest rate risk denominated in Japanese yen, the Bank analyzes the gaps in risk, including the deposits and loans of the entire Bank, and uses the BPV (Basis Point Value) method and present value method for detailed management.

4. Financial Instruments (cont' d)

(Quantitative information on market risk)

The Bank measures market risk based on the VaR method. The variance-covariance model is applied in the measurement (holding period: 60 business days (cross-shareholdings: 120 business days), confidence interval: 99% and historical observation period: 250 business days). The amount of market risk (estimated amount of loss) of the Group as of March 31, 2019 and 2020 was ¥45,648 million and ¥69,769 million (\$641,082 thousand), respectively.

The Bank identifies the interest rate risk sorted by an internal model for liquid deposits which have had no incoming or outgoing movement to or from the Bank for a considerable period of time as core deposits and categorizing these using maturity periods of up to 10 years.

The Bank periodically performs back-testing to compare VaR measured by the model with the hypothetical profit and loss which are assumed to have been incurred when the portfolio was fixed, as it was at the point the risk amount was measured. The bank believes that the model estimates market risk with sufficient accuracy. As VaR represents the market risk arising with a certain probability using a statistical methodology based on historical market volatilities, however, risks arising from drastic market movements beyond normal estimation may not be captured by this method.

(iii) Liquidity risk management related to fund procurement

The Bank maintains the soundness and reliability of its assets and makes daily analysis of fund procurement and asset management for the stable supply of funds and maintains a sound level of highly negotiable debt securities, such as government bonds. In addition, the Bank sets risk management policies and organizes liquidity risk management to maximize its assurance.

④ Supplementary explanation for the fair value of financial instruments

In addition to values based on market price, the fair value of financial instruments includes values reasonably calculated if no market price is available. Since certain assumptions are used in the calculation of such values, the results of such calculations may vary if different assumptions are used.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

(2) Fair value of financial instruments

The following table summarizes book values, fair values and any differences between the book value and fair value as of March 31, 2019 and 2020. Unlisted stocks and others for which the fair value was deemed to be extremely difficult to determine were excluded from the table (see Note 2).

	Millions of yen		
	2019		
	Book value	Fair value	Difference
(1) Cash and due from banks	¥ 255,631	¥ 255,631	¥ -
(2) Call loans and bills purchased	5,549	5,549	-
(3) Commercial paper and other debt purchased	1,260	1,260	-
(4) Trading account securities			
Trading securities	952	952	-
(5) Securities			
Held-to-maturity debt securities	-	-	-
Available-for-sale securities	1,040,429	1,040,429	-
(6) Loans and bills discounted	1,899,448		
Reserve for possible loan losses (*1)	(16,529)		
	1,882,919	1,892,059	9,140
(7) Lease receivables and investment assets	28,522		
Reserve for lease losses (*1)	(528)		
(*2)	27,994	30,064	2,070
Total assets:	¥ 3,214,736	¥3,225,947	¥ 11,211
(1) Deposits	¥ 2,755,865	¥2,755,982	¥ 116
(2) Negotiable certificates of deposit	180,878	180,881	3
(3) Call money and bills sold	3,884	3,884	-
(4) Payables under securities lending transactions	27,437	27,437	-
(5) Borrowed money	38,993	38,989	(3)
Total liabilities:	¥ 3,007,059	¥3,007,175	¥ 116
Derivative transactions (*3)			
Hedge accounting not applied	¥ 697	¥ 697	¥ -
Hedge accounting applied	(3,956)	(3,956)	-
Total derivative transactions:	¥ (3,258)	¥ (3,258)	¥ -

(*1) "General and specific reserves for loan losses related to loans and bills discounted" and "General and specific reserves for loan losses related to lease receivables and investment assets" are excluded.

(*2) The book value after deduction for uncollectible receivables of lease receivables and investment assets for which the fair value was calculated was ¥24,215 million.

(*3) Derivative transactions recorded in other assets and liabilities are presented as a lump sum.

Net claims and debts that arise from derivative transactions are presented on a net basis, and net liabilities are presented in parentheses.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

	Millions of yen			Thousands of U.S. dollars		
	2020			2020		
	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and due from banks	¥ 287,164	¥ 287,164	¥ -	\$ 2,638,647	\$ 2,638,647	\$ -
(2) Call loans and bills purchased	2,151	2,151	-	19,764	19,764	-
(3) Commercial paper and other debt purchased	1,149	1,149	-	10,557	10,557	-
(4) Trading account securities						
Trading securities	917	917	-	8,425	8,425	-
(5) Securities						
Held-to-maturity debt securities	-	-	-	-	-	-
Available-for-sale securities	983,503	983,503	-	9,037,057	9,037,057	-
(6) Loans and bills discounted	1,962,862			18,036,037		
Reserve for possible loan losses (*1)	(16,362)			(150,344)		
	1,946,499	1,950,404	3,904	17,885,684	17,921,565	35,872
(7) Lease receivables and investment assets	28,802			264,651		
Reserve for lease losses (*1)	(658)			(6,046)		
(*2)	28,143	30,223	2,080	258,595	277,708	19,112
Total assets:	¥ 3,249,529	¥ 3,255,514	¥ 5,985	\$ 29,858,761	\$ 29,913,755	\$ 54,994
(1) Deposits	¥ 2,771,127	¥ 2,771,249	¥ 122	\$ 25,462,896	\$ 25,464,017	\$ 1,121
(2) Negotiable certificates of deposit	175,149	175,150	0	1,609,381	1,609,390	0
(3) Call money and bills sold	20,024	20,024	-	183,993	183,993	-
(4) Payables under securities lending transactions	58,470	58,470	-	537,259	537,259	-
(5) Borrowed money	53,610	53,603	(6)	492,603	492,538	(55)
Total liabilities:	¥ 3,078,383	¥ 3,078,499	¥ 116	\$ 28,286,161	\$ 28,287,227	\$ 1,065
Derivative transactions (*3)						
Hedge accounting not applied	¥ 196	¥ 196	¥ -	\$ 1,800	\$ 1,800	\$ -
Hedge accounting applied	(3,290)	(3,290)	-	(30,230)	(30,230)	-
Total derivative transactions:	¥ (3,093)	¥ (3,093)	¥ -	\$ (28,420)	\$ (28,420)	\$ -

(*1) "General and specific reserves for loan losses related to loans and bills discounted" and "General and specific reserves for loan losses related to lease receivables and investment assets" are excluded.

(*2) The book value after deduction for uncollectible receivables of lease receivables and investment assets for which the fair value was calculated was ¥23,989 million (\$220,426 thousand).

(*3) Derivative transactions recorded in other assets and liabilities are presented as a lump sum.

Net claims and debts that arise from derivative transactions are presented on a net basis, and net liabilities are presented in parentheses.

(Note 1) Methods used to determine the fair value of financial instruments

Assets

(1) Cash and due from banks

The fair value of due from banks with no maturity is considered to be the book value because the fair value of these items approximates the book value.

4. Financial Instruments (cont' d)

(2) Call loans and bills purchased

The fair value of call loans and bills purchased is deemed to be the book value because these items have short contractual terms (within 1 year) and the fair value approximates the book value.

(3) Commercial paper and other debt purchased

The fair value of trust beneficial rights in other debt purchased is based on the price quoted for corresponding securities. For factoring, these have short contractual terms (within 1 year). Therefore, the fair value is considered to be the book value because the fair value of these items approximates the book value.

(4) Trading account securities

The fair value of securities such as bonds held for trading is based on the published market price or the price quoted by correspondent financial institutions.

(5) Securities

The fair value of stocks is based on the market price. The fair value of bonds is determined by the over-the-counter market value or amounts quoted by correspondent financial institutions. The fair value of investment trusts is based on the publicly disclosed net asset value. The fair value of private placement bonds is calculated based on loans and bills discounted. Investments in partnerships are evaluated if the partnership assets can be quoted at fair value and the posted equivalent value of net assets is the fair value of the investment in the partnership.

Information on securities classified by the purpose for which they are held is disclosed in Note 5, "Securities."

(6) Loans and bills discounted

The fair value of loans and bills discounted with floating rates is considered to be equal to the book value since the rate reflects the market rate in a short period and the fair value of these items approximates the book value, unless the creditworthiness of the borrower changes significantly from the inception date. The fair value of loans and bills discounted with a fixed rate is calculated as the present value, discounting future cash flow at a rate that reflects the proper market rate corresponding to the remaining period and credit risk based on the internal rating. The fair value of loans and bills discounted with short contractual terms (within 1 year) is considered to be the book value because the fair value of these items approximates the book value.

In addition, the fair value of claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, because the bad debt is calculated based on the present value of the expected future cash flow or the estimated collectable amount from collateral and/or guarantees, approximates the consolidated balance sheet amount as of the consolidated balance sheet date less the allowance for bad debts.

The fair value of loans and bills discounted with no maturity due to conditions such as limiting the loans to the value of pledged assets is deemed to be the book value since the fair value is expected to approximate the book value considering the estimated loan period, interest rate and other conditions.

(7) Lease receivables and investment assets

The fair value of lease receivables and investment assets takes into consideration the loan loss ratio of each borrower's category and the discounted market interest rate on the consolidated balance sheet date. In addition, the fair value of claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, because the bad debt is calculated based on the present value of the expected future cash flow or the estimated collectable amount from collateral and/or guarantees, approximates the consolidated balance sheet amount as of the consolidated balance sheet date less the allowance for bad debts.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

Liabilities

(1) Deposits and (2) Negotiable certificates of deposit

The fair value of demand deposits is considered to be the payable amount as of the consolidated balance sheet date (the book value). In addition, the fair value of fixed-term deposits and negotiable certificates of deposit is calculated as the present value, discounting the future cash flow at a rate that reflects when the Bank received the new deposit. The fair value of floating interest-rate deposits, time deposits (matured), nonresident Japanese yen deposits and foreign currency time deposits is considered less important and is expected to approximate the book value.

(3) Call money and bills sold and (4) Payables under securities lending transactions

The fair value of call money and bills sold is deemed to be the book value because the contractual terms are within 1 year and the fair value of these items approximates the book value.

(5) Borrowed money

The fair value of borrowed money with floating rates is considered to be the book value since the rate reflects the market rate in a short period and the fair value of these items approximate the book value, unless the creditworthiness of the Bank and its consolidated subsidiaries changes significantly from the inception date. The fair value of borrowed money with a fixed rate is calculated as the present value by discounting the total amount of principal and interest at an assumed interest rate for similar new loans. The fair value of borrowed money with short contractual terms (within 1 year) is considered to be the book value because the fair value of these items approximates the book value.

Derivative Transactions

Information on derivative transactions is disclosed in Note 20, "Derivative Transactions."

(Note 2) Financial instruments whose fair value was deemed to be extremely difficult to determine were not included in Available-for-sale securities under (5) Securities in "(2) Fair value of financial instruments" above. These instruments were as follows:

	Book value		
	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2019	2020	2020
Unlisted stocks (*1)(*2)	¥ 6,312	¥ 6,679	\$ 61,370
Investments in partnerships (*3)	¥ 3,090	¥ 5,245	\$ 48,194
Total -----	<u>¥ 9,403</u>	<u>¥ 11,924</u>	<u>\$ 109,565</u>

(*1) Unlisted stocks are not included in the disclosure of fair value because the fair value is deemed extremely difficult to determine.

(*2) The amount of unlisted stocks impaired during the years ended March 31, 2019 and 2020 was nil and ¥3 million (\$27 thousand), respectively.

(*3) Investments in partnerships in which the partnership assets comprise unlisted stocks are not included in the disclosure of fair value because the fair value is deemed extremely difficult to determine.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

(Note 3) Expected collection of monetary claims and securities with maturities:

	Millions of yen					
	2019					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Due from banks	¥222,276	¥ -	¥ -	¥ -	¥ -	¥ -
Call loans and bills purchased	5,549	-	-	-	-	-
Commercial paper and other debt purchased	708	-	545	-	-	-
Securities						
Held-to-maturity debt securities	-	-	-	-	-	-
Japanese government bonds	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Available-for-sale securities with maturities	108,211	232,301	167,464	95,735	96,933	60,972
Japanese government bonds	45,200	117,000	62,300	25,700	6,200	18,800
Municipal bonds	26,420	32,466	30,982	31,976	48,424	18,973
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	18,740	30,403	26,440	11,309	17,160	18,504
Others	17,850	52,430	47,740	26,748	25,148	4,694
Loans and bills discounted (*1)	409,871	377,213	277,145	184,836	219,384	367,809
Lease receivables and investment assets (*2)	8,057	11,727	6,330	1,292	456	294
Total	¥754,674	¥621,242	¥451,485	¥281,863	¥316,775	¥429,076

(*1) Loans and bills discounted on which full repayment is not expected from debtors such as bankrupt obligors, substantially bankrupt obligors and intensively controlled obligors in the amount of ¥40,166 million and those without terms in the amount of ¥23,020 million are not included.

(*2) Lease receivables and investment assets on which full repayment is not expected from debtors such as bankrupt obligors, substantially bankrupt obligors and intensively controlled obligors in the amount of ¥364 million are not included.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

	Millions of yen					
	2020					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Due from banks	¥249,648	¥ -	¥ -	¥ -	¥ -	¥ -
Call loans and bills purchased	2,151	-	-	-	-	-
Commercial paper and other debt purchased	719	425	-	-	-	-
Securities						
Held-to-maturity debt securities	-	-	-	-	-	-
Japanese government bonds	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Available-for-sale securities with maturities	134,597	192,196	175,630	67,360	87,462	77,500
Japanese government bonds	74,500	76,600	50,100	5,000	8,500	18,800
Municipal bonds	17,520	37,226	36,871	33,658	37,666	18,971
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	18,885	28,081	20,206	10,374	17,441	33,479
Others	23,691	50,288	68,452	18,327	23,854	6,249
Loans and bills discounted (*1)	435,245	393,552	273,593	200,951	208,624	389,223
Lease receivables and investment assets (*2)	8,176	12,021	6,213	1,298	433	218
Total	¥830,537	¥598,196	¥455,437	¥269,610	¥296,520	¥466,941

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

	Thousands of U.S. dollars					
	2020					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Due from banks	\$2,293,926	\$ -	\$ -	\$ -	\$ -	\$ -
Call loans and bills purchased	19,764	-	-	-	-	-
Commercial paper and other debt purchased	6,606	3,905	-	-	-	-
Securities						
Held-to-maturity debt securities	-	-	-	-	-	-
Japanese government bonds	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Available-for-sale securities with maturities	1,236,763	1,766,020	1,613,801	618,946	803,657	712,119
Japanese government bonds	684,553	703,850	460,351	45,943	78,103	172,746
Municipal bonds	160,985	342,056	338,794	309,271	346,099	174,317
Short-term corporate bonds	-	-	-	-	-	-
Corporate bonds	173,527	258,026	185,665	95,322	160,259	307,626
Others	217,688	462,078	628,980	168,400	219,185	57,419
Loans and bills discounted (*1)	3,999,310	3,616,208	2,513,948	1,846,466	1,916,971	3,576,431
Lease receivables and investment assets (*2)	75,126	110,456	57,089	11,926	3,978	2,003
Total	\$7,631,507	\$5,496,609	\$4,184,847	\$2,477,349	\$2,724,616	\$4,290,554

(*1) Loans and bills discounted on which full repayment is not expected from debtors such as bankrupt obligors, substantially bankrupt obligors and intensively controlled obligors in the amount of ¥38,299 million (\$351,915 thousand) and those without terms in the amount of ¥23,371 million (\$214,747 thousand) are not included.

(*2) Lease receivables and investment assets on which full repayment is not expected from debtors such as bankrupt obligors, substantially bankrupt obligors and intensively controlled obligors in the amount of ¥440 million (\$4,043 thousand) are not included.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

4. Financial Instruments (cont' d)

(Note 4) Amount payable for borrowed money and other interest bearing liabilities:

	Millions of yen					
	2019					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Deposits (*)	¥ 2,579,231	¥ 152,017	¥ 22,632	¥ 1,116	¥ 868	¥ -
Negotiable certificates of deposit	179,978	900	-	-	-	-
Call money and bills sold	3,884	-	-	-	-	-
Payables under securities lending transactions	27,437	-	-	-	-	-
Borrowed money	5,019	5,651	28,322	-	-	-
Total	¥ 2,795,551	¥ 158,568	¥ 50,954	¥ 1,116	¥ 868	¥ -

	Millions of yen					
	2020					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Deposits (*)	¥ 2,611,612	¥ 134,206	¥ 23,432	¥ 740	¥ 1,135	¥ -
Negotiable certificates of deposit	174,949	200	-	-	-	-
Call money and bills sold	20,024	-	-	-	-	-
Payables under securities lending transactions	58,470	-	-	-	-	-
Borrowed money	4,978	32,178	16,454	-	-	-
Total	¥ 2,870,035	¥ 166,584	¥ 39,886	¥ 740	¥ 1,135	¥ -

	Thousands of U.S. dollars					
	2020					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
Deposits (*)	\$23,997,169	\$1,233,171	\$ 215,308	\$ 6,799	\$ 10,429	\$ -
Negotiable certificates of deposit	1,607,543	1,837	-	-	-	-
Call money and bills sold	183,993	-	-	-	-	-
Payables under securities lending transactions	537,259	-	-	-	-	-
Borrowed money	45,741	295,672	151,189	-	-	-
Total	\$26,371,726	\$1,530,680	\$ 366,498	\$ 6,799	\$ 10,429	\$ -

(*) Demand deposits are included in "Within 1 year."

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities

Unsecured securities that have been loaned and that allow the borrowers to sell the borrowed securities amounted to ¥104,312 million and ¥89,781 million (\$824,965 thousand) as of March 31, 2019 and 2020, respectively, and are included in Japanese government bonds in Securities.

(1) Acquisition costs, book values and fair values of securities with available fair values

The following tables summarize acquisition costs, book values and fair values of securities with available fair values as of March 31, 2019 and 2020. The amounts in the following tables include trading account securities and trust beneficiary interests in commercial paper and other debt purchased as well as securities

① Trading securities:

	Millions of yen		Thousands of U.S. dollars	
	2019	2020	2020	
Amount of net unrealized gains (losses) included in statements of income -----	¥ 7	¥ 4	\$	36

② Held-to-maturity debt securities for the years ended March 31, 2019 and 2020:

Not applicable.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities (cont' d)

③ Available-for-sale securities:

※ Book value exceeded acquisition cost.

	Millions of yen		
	2019		
	Book (fair) value	Acquisition cost	Difference
Equity securities -----	¥ 117,450	¥ 43,578	¥ 73,871
Bonds:			
Japanese government bonds -	253,042	244,960	8,082
Municipal bonds -----	195,933	192,593	3,340
Corporate bonds -----	108,386	105,017	3,368
Other -----	187,981	176,204	11,777
Total -----	¥ 862,794	¥ 762,354	¥ 100,440

※ Book value did not exceed acquisition cost.

Equity securities -----	¥ 7,215	¥ 8,121	¥ (906)
Bonds:			
Japanese government bonds -	33,327	33,477	(150)
Municipal bonds -----	480	484	(3)
Corporate bonds -----	18,736	18,897	(161)
Other -----	118,426	121,196	(2,769)
Total -----	¥ 178,186	¥ 182,177	¥ (3,991)
Grand total -----	¥ 1,040,981	¥ 944,532	¥ 96,448

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities (cont'd)

※ Book value exceeded acquisition cost.

	Millions of yen		
	2020		
	Book (fair) value	Acquisition cost	Difference
Equity securities -----	¥ 91,223	¥ 37,667	¥ 53,555
Bonds:			
Japanese government bonds -	197,978	192,283	5,694
Municipal bonds -----	112,576	110,374	2,202
Corporate bonds -----	86,098	83,654	2,443
Other -----	202,593	190,640	11,953
Total -----	¥ 690,469	¥ 614,619	¥ 75,849

※ Book value did not exceed acquisition cost.

Equity securities -----	¥ 10,983	¥ 13,796	¥ (2,812)
Bonds:			
Japanese government bonds -	43,230	44,127	(896)
Municipal bonds -----	74,322	74,682	(360)
Corporate bonds -----	47,704	48,320	(615)
Other -----	117,222	128,572	(11,350)
Total -----	¥ 293,463	¥ 309,499	¥ (16,035)
Grand total -----	¥ 983,933	¥ 924,118	¥ 59,814

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities (cont' d)

※ Book value exceeded acquisition cost.

	Thousands of U.S. dollars		
	2020		
	Book (fair) value	Acquisition cost	Difference
Equity securities -----	\$ 838,215	\$ 346,108	\$ 492,097
Bonds:			
Japanese government bonds --	1,819,149	1,766,819	52,320
Municipal bonds -----	1,034,420	1,014,187	20,233
Corporate bonds -----	791,123	768,666	22,447
Other -----	1,861,554	1,751,722	109,831
Total -----	\$ 6,344,473	\$ 5,647,514	\$ 696,949

※ Book value did not exceed acquisition cost.

Equity securities -----	\$ 100,918	\$ 126,766	\$ (25,838)
Bonds:			
Japanese government bonds --	397,225	405,467	(8,233)
Municipal bonds -----	682,918	686,226	(3,307)
Corporate bonds -----	438,335	443,995	(5,651)
Other -----	1,077,111	1,181,402	(104,291)
Total -----	\$ 2,696,526	\$ 2,843,875	\$ (147,339)
Grand total -----	\$ 9,041,008	\$ 8,491,390	\$ 549,609

④ Held-to-maturity debt securities sold for the years ended March 31, 2019 and 2020:

Not applicable.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities (cont'd)

⑤ Available-for-sale securities sold in the years ended March 31, 2019 and 2020:

	Millions of yen		
	2019		
	Amount sold	Gains	Losses
Equity securities -----	¥ 11,911	¥ 5,914	¥ 179
Bonds:			
Japanese government bonds --	14,044	33	-
Municipal bonds -----	10,570	8	12
Corporate bonds-----	1,708	9	1
Other -----	43,137	249	789
Total -----	¥ 81,371	¥ 6,215	¥ 981

	Millions of yen		
	2020		
	Amount sold	Gains	Losses
Equity securities -----	¥ 7,655	¥ 2,790	¥ 821
Bonds:			
Japanese government bonds -	9,027	15	11
Municipal bonds -----	26,341	57	37
Corporate bonds-----	2,219	6	1
Other -----	25,893	916	49
Total -----	¥ 71,138	¥ 3,786	¥ 920

	Thousands of U.S. dollars		
	2020		
	Amount sold	Gains	Losses
Equity securities -----	\$ 70,339	\$ 25,636	\$ 7,543
Bonds:			
Japanese government bonds -	82,945	137	101
Municipal bonds -----	242,038	523	339
Corporate bonds-----	20,389	55	9
Other -----	237,921	8,416	450
Total -----	\$ 653,661	\$ 34,788	\$ 8,453

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

5. Securities (cont' d)

⑥ Securities reclassified for the years ended March 31, 2019 and 2020:

Not applicable.

⑦ Available-for-sale securities with market values are considered impaired if the market value decreases materially below the acquisition cost and the decline is not considered recoverable. The market value is used for the balance sheet amount, and the amount of write-down is accounted for as an impairment loss for the fiscal year. Impairment loss for the fiscal years ended March 31, 2019 was ¥60 million, including nil of equity securities and ¥60 million of other. Impairment loss for the fiscal years ended March 31, 2020 was ¥182 million (\$1,672 thousand), including ¥182 million (\$1,672 thousand) of equity securities and nil of other.

The market value is deemed to have decreased materially when it has fallen by 50% or more from the acquisition cost. In such cases, impairment accounting is applied uniformly. In cases in which the market value has fallen by 30% or more but less than 50%, historical price trends over a specific period and the recent business performance of the issuing company are taken into account to determine whether or not the acquisition cost can be recovered. Securities whose acquisition costs are deemed not to be recoverable are written down to the current market value.

(2) Net unrealized holding gains on securities stated at market value

Net unrealized holding gains on securities stated at market value at March 31, 2019 and 2020 were as follows:

	Millions of yen		Thousands of
	2019	2020	U.S. dollars
			2020
Available-for-sale securities -----	¥ 96,448	¥ 59,814	\$ 549,609
Deferred tax liabilities -----	(29,069)	(17,968)	(165,101)
Net unrealized holding gains on securities (before adjustment for noncontrolling interests)-----	67,379	41,846	384,507
Noncontrolling interests-----	(1,541)	(1,329)	(12,211)
Net unrealized holding gains on securities ---	<u>¥ 65,837</u>	<u>¥ 40,516</u>	<u>\$ 372,287</u>

(3) Guarantee obligations for privately placed bonds

At March 31, 2019 and 2020, the amount of guarantee obligations for privately placed bonds (Securities and Exchange Law, Article 2, Item 3) included in corporate bonds amounted to ¥18,700 million and ¥19,238 million (\$176,771 thousand), respectively.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

6. Loans and Bills Discounted

At March 31, 2019 and 2020, loans and bills discounted included the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Loans to bankrupt customers-----	¥ 2,105	¥ 2,715	\$ 24,947
Nonaccrual loans-----	38,425	36,024	331,011
Loans past due three months or more-----	493	381	3,500
Restructured loans -----	5,820	6,473	59,478
Total -----	<u>¥ 46,845</u>	<u>¥ 45,594</u>	<u>\$ 418,946</u>

The amounts above represent gross receivable amounts before deducting reserves for possible loan losses.

Loans to bankrupt customers are loans to customers undergoing bankruptcy or similar proceedings or who are in similar financial condition. Interest is not being accrued on these loans as there is a strong likelihood that the principal and interest are uncollectible.

Nonaccrual loans are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

Loans past due three months or more are loans not included in the above categories or in restructured loans for which payments are past due three months or more but less than six months.

Restructured loans are loans not included in the above categories for which the Bank has granted concessions such as reduced interest rates or the deferral or waiver of interest and/or principal payments to support customers in financial difficulties.

7. Commercial Bills

Discounts of commercial bills are accounted for as financing transactions as stipulated in “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, February 13, 2002). The Bank has rights to use commercial bills discounted or foreign exchange purchased in the form of sale or use as (re)collateral. The total face value of commercial bills obtained as a result of discounting was ¥15,417 million and ¥10,438 million (\$95,911 thousand) at March 31, 2019 and 2020, respectively.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

8. Commitment Lines

Loan agreements and commitment line agreements related to loans are agreements which oblige the Bank and its consolidated subsidiaries to lend funds up to a certain limit agreed to in advance. The Bank and its consolidated subsidiaries lend the funds upon the request of the borrower to draw down funds under the agreement as long as there is no breach of the various terms and conditions stipulated in the agreement. The unused commitment balances related to these agreements at March 31, 2019 and 2020 amounted to ¥368,589 million and ¥369,371 million (\$3,394,018 thousand), respectively. Of these amounts, ¥361,505 million and ¥359,231 million (\$3,300,845 thousand), respectively, related to loans in which the term of the agreement was one year or less or in which unconditional cancellation of the agreement was allowed at any time.

In many cases, the term of the agreement expires without the loan ever being drawn down. In these cases, the unused loan commitment does not necessarily affect future cash flows. Conditions are also included in certain loan agreements which allow the Bank and its consolidated subsidiaries either to decline the request for a loan drawdown or to reduce the agreed to limit when there is cause to do so, such as when there is a change in financial condition of the borrower or when it is necessary to protect the Bank or its consolidated subsidiaries' credit.

The Bank and its consolidated subsidiaries take various measures to protect their credit. Such measures include having the obligor pledge collateral such as real estate or securities on signing the loan agreement or confirming the obligor's financial condition at regular intervals in accordance with the Bank and its consolidated subsidiaries' established internal procedures.

9. Assets Pledged

At March 31, 2019 and 2020, assets and future receipts pledged as collateral were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2019	2020	2020	
	¥	¥	\$	
Securities -----	88,857	120,421	\$	1,106,505

The above pledged amounts secure the following liabilities:

	Millions of yen		Thousands of U.S. dollars	
	2019	2020	2020	
	¥	¥	\$	
Deposits -----	15,083	15,220	\$	139,851
Payables under securities lending transactions -----	27,437	58,470		537,259
Borrowed money -----	27,000	42,000		385,922

At March 31, 2019 and 2020, certain investment securities amounting to ¥1,367 million and ¥1,287 million (\$11,825 thousand), respectively, and other assets of ¥30,049 million including deposits with the central counterparty of ¥30,000 million and other of ¥49 million and other assets of ¥30,049 million (\$276,109 thousand) including deposits with the central counterparty of ¥30,000 million (\$275,659 thousand) and other of ¥49 million (\$450 thousand), respectively, were pledged as collateral for exchange settlement and handling and others of government funds or in substitution for clearing margins on futures and others.

At March 31, 2019 and 2020, other assets included cash collateral paid for financial instruments of ¥4,426 million and ¥4,756 million (\$43,701 thousand), respectively, and guarantee deposits of ¥339 million and ¥294 million (\$2,701 thousand), respectively.

10. Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets at March 31, 2019 and 2020 amounted to ¥32,240 million and ¥32,151 million (\$295,424 thousand), respectively. Accumulated capital gains that directly offset acquisition costs of tangible fixed assets to obtain tax benefits at March 31, 2019 and 2020 amounted to ¥734 million and ¥734 million (\$6,744 thousand), respectively. No such offset was newly recorded for the years ended March 31, 2019 and 2020.

11. Land Revaluation Account

In accordance with the Land Revaluation Law, the Bank revalued land used in the ordinary course of business as of March 31, 1999. The revaluation excess, net of deferred taxes, is shown as land revaluation account, a separate component of shareholders' equity. At March 31, 2019 and 2020, the market values of the revalued land decreased from the revalued amount by ¥7,872 million and ¥7,535 million (\$69,236 thousand), respectively.

12. General and Administrative Expenses

For the years ended March 31, 2019 and 2020, general and administrative expenses included salaries and allowances of ¥9,919 million and ¥9,637 million (\$88,550 thousand), respectively, and outsourcing expenses of ¥3,525 million and ¥3,607 million (\$33,143 thousand), respectively.

13. Other Income

For the years ended March 31, 2019 and 2020, other income included gain on sale of securities of ¥6,144 million and ¥3,341 million (\$30,699 thousand), respectively.

14. Other Expenses

(1) Loss on loans and securities

For the years ended March 31, 2019 and 2020, other expenses included loans written off of ¥17 million and ¥24 million (\$220 thousand), respectively, loss on sale of securities of ¥179 million and ¥823 million (\$7,562 thousand), respectively, and securities written off of ¥2 million and ¥185 million (\$1,699 thousand), respectively.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

14. Other Expenses (cont'd)

(2) Impairment loss

For the year ended March 31, 2019, the Bank reduced the book value of business use assets whose operating cash flows had decreased and real estate values had declined and assets that were to be disposed of due to relocation and rebuilding to the recoverable amounts and recognized impairment loss of ¥297 million.

				Impairment loss				
				Millions of yen				
				2019				
Operating assets	Tokushima area	Branches and others	8 locations	Land and	¥	143		
				buildings			(Land)	76
				(Buildings)				66
Idle assets	Tokushima area	Company housing Idle assets	1 location 4 locations	Buildings		151		
				Land and				1
				buildings			(Land)	0
				(Buildings)		0		
Total					¥	297		
				(Land)	¥	77		
				(Buildings)		219		

The Bank allocates its assets to each branch (or group of branches if the management is in a group), which is the smallest unit of an asset group, and the consolidated subsidiaries regard each entity as a unit in a group. The recoverable amount is the net realizable value, which is determined by the appraisal value based on Real Estate Appraisal Standards less the expected disposal cost or zero for assets to be disposed of due to relocation or rebuilding.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

14. Other Expenses (cont' d)

(2) Impairment loss (cont' d)

For the year ended March 31, 2020, the Bank reduced the book value of business use assets whose operating cash flows had decreased and real estate values had declined and assets that were to be disposed of due to relocation and rebuilding to the recoverable amounts and recognized impairment loss of ¥50 million (\$459 thousand).

	Area	Purpose of use	Type	Impairment loss	
				Millions of yen	Thousands of U.S. dollars
				2020	
Operating assets	Tokushima area	Branches and others	5 locations Buildings	¥ 50	\$ 459
Total				¥ 50	\$ 459

The Bank allocates its assets to each branch (or group of branches if the management is in a group), which is the smallest unit of an asset group, and the consolidated subsidiaries regard each entity as a unit in a group. The recoverable amount is the net realizable value, which is determined by the appraisal value based on Real Estate Appraisal Standards less the expected disposal cost or zero for assets to be disposed of due to relocation or rebuilding.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

15. Other Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income for the years ended March 31, 2019 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Net unrealized holding gains (losses) on securities			
Increase (decrease) during the year -----	¥ (5,587)	¥ (33,620)	\$ (308,922)
Reclassification adjustments -----	(3,258)	(2,729)	(25,075)
Subtotal, before tax -----	(8,846)	(36,349)	(333,997)
Tax (expense) benefit -----	2,638	11,014	101,203
Subtotal, net of tax -----	(6,207)	(25,335)	(232,794)
Net deferred gains (losses) on derivatives under hedge accounting			
Increase (decrease) during the year -----	(2,749)	(2,051)	(18,845)
Reclassification adjustments -----	2,487	2,268	20,839
Subtotal, before tax -----	(262)	216	1,984
Tax (expense) benefit -----	79	(65)	(597)
Subtotal, net of tax -----	(182)	150	1,378
Remeasurements of defined benefit plans			
Increase (decrease) during the year -----	(1,266)	(1,383)	(12,707)
Reclassification adjustments -----	77	(366)	(3,363)
Subtotal, before tax -----	(1,188)	(1,750)	(16,080)
Tax (expense) benefit -----	359	538	4,943
Subtotal, net of tax -----	(828)	(1,211)	(11,127)
Total other comprehensive income -----	¥ (7,218)	¥ (26,397)	\$ (242,552)

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

16. Income Taxes

The Bank and its consolidated subsidiaries are subject to a number of taxes based on income, including corporation tax, inhabitants tax and enterprise tax, which in the aggregate indicate a statutory rate of approximately 30.4% for the year ended March 31, 2020.

A reconciliation of the statutory tax rate and effective tax rate for the year ended March 31, 2019 was not disclosed because the difference between the statutory tax rate and effective tax rate was less than 5% of the statutory tax rate.

The reconciliation of the statutory tax rate and effective tax rate for the year ended March 31, 2020 was as follows:

	<u>2020</u>
Statutory tax rate	30.4%
(Adjustments)	
Items permanently excluded from expenses such as entertainment expenses	0.4
Items permanently excluded from income such as dividend income	(1.5)
Inhabitants tax on per capita basis	0.2
Increase (decrease) in valuation allowance	(1.1)
Others	<u>0.2</u>
Effective tax rate after application of deferred income tax accounting	<u>28.6%</u>

Significant components of deferred tax assets and liabilities as of March 31, 2019 and 2020 were as follows:

	<u>Millions of yen</u>		<u>Thousands of U.S. dollars</u>
	<u>2019</u>	<u>2020</u>	<u>2020</u>
Deferred tax assets:			
Excess reserve for possible loan losses -----	¥ 10,110	¥ 10,209	\$ 93,806
Excess depreciation -----	508	515	4,732
Net defined benefit liability-----	356	521	4,787
Tax loss carryforwards -----	8	-	-
Net deferred gains (losses) on derivatives under hedge accounting -----	1,151	1,085	9,969
Others-----	1,948	2,058	18,910
Valuation allowance -----	<u>(2,600)</u>	<u>(2,423)</u>	<u>(22,264)</u>
Total deferred tax assets -----	11,483	11,968	109,969
Deferred tax liabilities:			
Deferred gains on real property -----	(244)	(244)	(2,242)
Unrealized gains on securities -----	(29,069)	(17,968)	(165,101)
Others-----	(6)	(1)	(9)
Total deferred tax liabilities -----	<u>(29,319)</u>	<u>(18,214)</u>	<u>(167,361)</u>
Net deferred tax liabilities-----	<u>¥ (17,836)</u>	<u>¥ (6,246)</u>	<u>\$ (57,392)</u>

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

17. Acceptances and Guarantees

All commitments and contingent liabilities arising in connection with customers' needs in foreign trade and other transactions are included in "Acceptances and guarantees" in Liabilities in the Consolidated Balance Sheets. A contra account, "Customers' liabilities for acceptances and guarantees," representing the Bank's right of indemnity from customers is shown in Assets.

18. Borrowed Money

Borrowed money at March 31, 2019 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Borrowings from banks and others-----	¥ 38,993	¥ 53,610	\$ 492,603
Lease obligations (payable within 1 year)-----	¥ 113	¥ 108	\$ 992
Lease obligations (excluding those payable within 1 year)--- (Lease obligations are included in other liabilities.)	¥ 174	¥ 122	\$ 1,121

The following is a summary of aggregate annual maturities of borrowings from banks and others and lease obligations within 5 years at March 31, 2020.

•Borrowings from banks and others:

Year ending March 31:	Millions of yen	Thousands of U.S. dollars
2021-----	¥ 4,978	\$ 45,741
2022-----	3,217	29,559
2023-----	28,961	266,112
2024-----	16,023	147,229
2025-----	431	3,960

•Lease obligations:

Year ending March 31:	Millions of yen	Thousands of U.S. dollars
2021-----	¥ 108	\$ 992
2022-----	80	735
2023-----	25	229
2024-----	11	101
2025-----	4	36

19. Employees' Severance and Retirement Benefits

(1) Overview of retirement benefit plan

The Bank and its consolidated subsidiaries provide a funded contributory pension plan under the Defined Benefit Corporate Pension Law and a lump-sum payment plan as defined benefit plans. The funded contributory pension plans, which were transferred from the welfare pension fund with approval from the Minister of Health, Labour and Welfare, have been provided effective from September 1, 2004. Retirement benefit plans were revised on September 1, 2004, and a "Point system" was introduced in the calculation of retirement benefits. In addition, a portion of the lump-sum payment plans were transferred to defined contribution plans on December 1, 2004. The Bank also has established a retirement benefit trust.

Consolidated subsidiaries apply the simplified method for their lump-sum payment plans in the calculation of net defined benefit liability and retirement benefit expenses.

(2) Defined benefit plans

① Movement in projected benefit obligation (excluding plans to which the simplified method is applied):

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Projected benefit obligation at beginning of year --	¥ 30,677	¥ 30,720	\$ 282,275
Service cost -----	773	765	7,029
Interest cost -----	198	156	1,433
Actuarial differences -----	521	(180)	(1,653)
Retirement benefits paid -----	(1,451)	(1,501)	(13,792)
Effects of transition from the simplified method to principal method due to merger-----	-	113	1,038
Projected benefit obligation at end of year -----	<u>¥ 30,720</u>	<u>¥ 30,073</u>	<u>\$ 276,330</u>

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

19. Employees' Severance and Retirement Benefits (cont'd)

② Movement in plan assets:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Plan assets at beginning of year -----	¥ 32,986	¥ 36,851	\$ 338,610
Expected return on plan assets -----	662	689	6,330
Actuarial differences -----	(745)	(1,564)	(14,371)
Employer contribution -----	26	33	303
Contribution for the retirement benefit trust -----	5,000	-	-
Employee contribution -----	32	31	284
Retirement benefits paid -----	(1,110)	(1,101)	(10,116)
Plan assets at end of year -----	<u>¥ 36,851</u>	<u>¥ 34,940</u>	<u>\$ 321,051</u>

(*1) Plan assets include the assets of the retirement benefits trust.

③ Reconciliation of net defined benefit liability applying the simplified method:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Net defined benefit liability at beginning of year ---	¥ 242	¥ 227	\$ 2,085
Net retirement benefit expenses -----	21	20	183
Retirement benefits paid -----	(37)	(23)	(211)
Effects of transition from the simplified method to principal method due to merger-----	-	(113)	(1,038)
Net defined benefit liability at end of year -----	<u>¥ 227</u>	<u>¥ 111</u>	<u>\$ 1,019</u>

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

19. Employees' Severance and Retirement Benefits (cont'd)

④ Reconciliation from the ending balances of projected benefit obligation and plan assets to net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheet:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Funded projected benefit obligation -----	¥ 30,720	¥ 30,073	\$ 276,330
Plan assets -----	(36,851)	(34,940)	(321,051)
	(6,131)	(4,867)	(44,721)
Unfunded projected benefit obligation -----	227	111	1,019
Net liability and asset recorded on the consolidated balance sheet ----	<u>¥ (5,904)</u>	<u>¥ (4,756)</u>	<u>\$ (43,701)</u>
Net defined benefit liability -----	¥ 506	¥ 505	\$ 4,640
Net defined benefit asset -----	(6,411)	(5,261)	(48,341)
Net liability and asset recorded on the consolidated balance sheet ----	<u>¥ (5,904)</u>	<u>¥ (4,756)</u>	<u>\$ (43,701)</u>

(*1) Plan assets include the assets of the retirement benefits trust.

(*2) The above table includes plans applying the simplified method.

⑤ Net retirement benefit expenses and their breakdown:

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Service cost -----	¥ 763	¥ 753	\$ 6,919
Interest cost -----	198	156	1,433
Expected return on plan assets -----	(662)	(689)	(6,330)
Amortization of actuarial differences -----	183	(269)	(2,471)
Amortization of prior service costs -----	(105)	(97)	(891)
Net retirement benefit expenses -----	<u>¥ 378</u>	<u>¥ (145)</u>	<u>\$ (1,332)</u>

(*1) Retirement benefit expenses of the consolidated subsidiaries applying the simplified method were included in "service cost".

(*2) Employee contributions to the funded contributory pension plan were not included in service cost.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

19. Employees' Severance and Retirement Benefits (cont' d)

⑥ The components of remeasurements of defined benefit plans in other comprehensive income (before income tax effect):

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Prior service costs -----	¥ (105)	¥ (97)	\$ (891)
Actuarial differences -----	(1,082)	(1,652)	(15,179)
Total -----	¥ (1,188)	¥ (1,750)	\$ (16,080)

⑦ The components of remeasurements of defined benefit plans in accumulated other comprehensive income (before income tax effect):

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Unrecognized prior service costs -----	¥ (97)	¥ -	\$ -
Unrecognized actuarial differences -----	(423)	1,229	11,292
Total -----	¥ (520)	¥ 1,229	\$ 11,292

⑧ Plan assets

(i) Plan assets comprise:

	2019	2020
Debt securities -----	44.3%	42.3%
Equity securities -----	30.5	28.8
Life insurance general accounts -----	13.2	10.2
Cash and due from banks and others -----	7.7	13.4
Other -----	4.3	5.3
Total -----	100.0%	100.0%

(*) As of March 31, 2019 and 2020, plan assets consisted of 5.5% and 3.9%, respectively, of assets of the retirement benefit trust established for the funded contributory pension plan and 13.4% and 13.8%, respectively, of assets of the retirement benefit trust established for the lump-sum payment plans.

(ii) Determination of expected long-term rate of plan assets

The expected long-term rate of return on plan assets is determined considering the current and future portfolio of plan assets and current and expected long-term rate of return generated from various components of the plan assets.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

19. Employees' Severance and Retirement Benefits (cont' d)

⑨ Actuarial assumptions at end of year:

	2019	2020
Discount rate -----	0.5%	0.5%
Expected long-term rate of return on plan assets		
Funded contributory pension plan -----	2.0%	2.0%
Employee retirement benefit trust -----		
Funded contributory pension plan	0.0%	0.0%
Lump-sum payment plan	2.0%	2.0%
Expected rate of salary increase		
Funded contributory pension plan -----	2.5%	2.5%
Lump-sum payment plan-----	2.4%	2.4%

(*1) The discount rate for the years ended March 31, 2019 and 2020 was presented using a weighted average rate.

(*2) The expected rate of salary increase is based on the expected rate of increase in points calculated for each plan as a point system is used to determine retirement benefits.

(3) Defined contribution plans

The amount of required contribution to the defined contribution plans was ¥124 million and ¥144 million (\$1,323 thousand) as of March 31, 2019 and 2020, respectively.

20. Derivative Transactions

The Bank enters into various derivative contracts, including swaps, options, forwards and futures, that cover interest rates, foreign currencies and stocks and bonds in order to meet customers' needs and manage the risks of market fluctuations related to the assets, liabilities and interest rates of the Bank and its consolidated subsidiaries. In connection with these transactions, the Bank has established procedures and controls to minimize market and credit risk, including limits on transaction levels, hedging exposed positions, daily reporting to management and the outside review of trading department activities. At March 31, 2019 and 2020, outstanding derivatives were as follows:

(1) Interest related transactions:

There were no interest related transactions at March 31, 2019 and 2020.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

20. Derivative Transactions (cont' d)

(2) Currency and foreign exchange transactions:

		Millions of yen								
		2019								
		Contract amount	Portion maturing over one year	Market value	Recognized gain (loss)					
Over-the-counter transactions:										
Forward exchange contracts										
Sell -----	¥	59,398	¥	26,447	¥	39	¥	39		
Buy -----		27,043		23,944		657		657		
Currency options										
Sell -----		45,121		-		(411)		(160)		
Buy -----		45,121		-		411		215		
		Millions of yen				Thousands of U.S. dollars				
		2020				2020				
		Contract amount	Portion maturing over one year	Market value	Recognized gain (loss)	Recognized gain (loss)				
Over-the-counter transactions:										
Forward exchange contracts										
Sell -----	¥	54,231	¥	26,085	¥	(3,128)	¥	(3,128)	\$	(28,742)
Buy -----		25,678		23,478		3,325		3,325		30,552
Currency options										
Sell -----		38,046		-		(434)		(144)		(1,323)
Buy -----		38,046		-		434		326		2,995

The above transactions were recorded at market values, and recognized gains and losses were included in the consolidated statements of income. Market values for over-the-counter transactions were calculated at discounted present values or values based on option price calculation models and other methods for the balances at March 31, 2019 and 2020. Derivative transactions for which hedge accounting was applied were excluded from the above table.

21. Segment Information

(1) General information about reportable segments

The Group's reportable segments are components of the Group for which separate financial information is provided to and used by the ALM Committee and Management Meeting periodically to determine the allocation of resources and assess performance.

The Group is engaged mainly in commercial banking and leasing services. Therefore, the Bank and its consolidated subsidiaries recognize reportable segments by the financial services provided: 'Commercial banking' and 'Leasing.'

'Commercial banking' includes deposit services, lending services, securities investment services and exchange services. 'Commercial banking' represents the Bank's banking services and the consolidated subsidiaries' credit guarantee services, credit card services, management consulting services and investment services to growing companies.

'Leasing' includes the leasing services of Awagin Leasing Company Limited, one of the consolidated subsidiaries.

(2) Basis of measurement for reporting segment ordinary income, profit or loss, segment assets, segment liabilities and other material items

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2, "Significant Accounting Policies." Reportable segment profit is based on operating profit, and intersegment ordinary income is based on arm's length pricing.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

21. Segment Information (cont'd)

(3) Information about reported segment ordinary income, profit or loss and amounts of assets, liabilities and other material items

Segment information as of and for the years ended March 31, 2019 and 2020 was as follows:

	Millions of yen									
	2019									
	Reportable segment									
	Commercial banking		Leasing		Total	Adjustments	Consolidated total			
Ordinary income										
Customers	¥	53,716	¥	16,606	¥	70,323	¥	–	¥	70,323
Intersegment		151		164		316		(316)		–
Total	¥	53,867	¥	16,771	¥	70,639	¥	(316)	¥	70,323
Segment profit	¥	15,707	¥	2,753	¥	18,460	¥	(26)	¥	18,433
Segment assets	¥	3,298,600	¥	41,978	¥	3,340,578	¥	(9,809)	¥	3,330,769
Segment liabilities	¥	3,043,773	¥	24,818	¥	3,068,592	¥	(10,155)	¥	3,058,437
Other items										
Depreciation	¥	1,974	¥	170	¥	2,144	¥	41	¥	2,185
Interest income received		38,448		87		38,535		(51)		38,484
Interest expense paid		4,380		76		4,457		(37)		4,419
Extraordinary income		27		1		29		–		29
Gains on disposal of fixed assets		27		1		29		–		29
Extraordinary losses		417		16		433		0		433
Losses on disposal of fixed assets		120		16		136		0		136
Impairment loss		297		–		297		–		297
Tax expenses		4,519		827		5,347		0		5,347
Increase in tangible fixed assets and intangible fixed assets		4,784		34		4,818		54		4,872

(*1) Ordinary income is presented as the counterpart of sales of companies in other industries.

(*2) Adjustments are as below.

1. Adjustment of segment profit of negative ¥26 million is for the elimination of intersegment transactions.
2. Adjustment of segment assets of negative ¥9,809 million is for the elimination of intersegment transactions and others.
3. Adjustment of segment liabilities of negative ¥10,155 million is for the elimination of intersegment transactions and others.
4. Adjustment of depreciation of ¥41 million is due to intersegment transactions.
5. Adjustment of interest income received of negative ¥51 million is for the elimination of intersegment transactions.
6. Adjustment of interest expense paid of negative ¥37 million is for the elimination of intersegment transactions.
7. Adjustment of losses on disposal of fixed assets of ¥0 million is due to intersegment transactions.
8. Adjustment of tax expenses of ¥0 million is for the elimination of intersegment transactions.
9. Adjustment of increase in tangible fixed assets and intangible fixed assets of ¥54 million is due to intersegment transactions.

(*3) Segment profit is reconciled to net income in the consolidated statements of income.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

21. Segment Information (cont' d)

	Millions of yen									
	2020									
	Reportable segment						Adjustments	Consolidated total		
Commercial banking	Leasing		Total							
Ordinary income										
Customers	¥	53,353	¥	14,305	¥	67,658	¥	(284)	¥	67,374
Intersegment		666		177		844		(844)		-
Total	¥	54,019	¥	14,483	¥	68,503	¥	(1,128)	¥	67,374
Segment profit	¥	15,816	¥	725	¥	16,541	¥	(811)	¥	15,729
Segment assets	¥	3,346,840	¥	41,520	¥	3,388,360	¥	(12,150)	¥	3,376,210
Segment liabilities	¥	3,109,555	¥	25,573	¥	3,135,129	¥	(11,281)	¥	3,123,847
Other items										
Depreciation	¥	2,446	¥	133	¥	2,580	¥	49	¥	2,629
Interest income received		39,425		71		39,497		(558)		38,939
Interest expense paid		4,149		62		4,212		(32)		4,179
Extraordinary income		32		-		32		-		32
Gains on disposal of fixed assets		32		-		32		-		32
Extraordinary losses		103		0		103		0		103
Losses on disposal of fixed assets		52		0		53		0		53
Impairment loss		50		-		50		-		50
Tax expenses		4,364		209		4,573		(86)		4,487
Increase in tangible fixed assets and intangible fixed assets		5,682		64		5,746		69		5,815

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

21. Segment Information (cont'd)

	Thousands of U.S. dollars				
	2020				
	Reportable segment			Adjustments	Consolidated total
Commercial banking	Leasing	Total			
Ordinary income					
Customers	\$ 490,241	\$ 131,443	\$ 621,685	\$ (2,609)	\$ 619,075
Intersegment	6,119	1,626	7,755	(7,755)	-
Total	\$ 496,361	\$ 133,079	\$ 629,449	\$ (10,364)	\$ 619,075
Segment profit	\$ 145,327	\$ 6,661	\$ 151,989	\$ (7,451)	\$ 144,528
Segment assets	\$ 30,752,917	\$ 381,512	\$ 31,134,429	\$ (111,642)	\$ 31,022,787
Segment liabilities	\$ 28,572,590	\$ 234,981	\$ 28,807,580	\$ (103,657)	\$ 28,703,914
Other items					
Depreciation	\$ 22,475	\$ 1,222	\$ 23,706	\$ 450	\$ 24,156
Interest income received	362,262	652	362,923	(5,127)	357,796
Interest expense paid	38,123	569	38,702	(294)	38,399
Extraordinary income	294	-	294	-	294
Gains on disposal of fixed assets	294	-	294	-	294
Extraordinary losses	946	0	946	0	946
Losses on disposal of fixed assets	477	0	486	0	486
Impairment loss	459	-	459	-	459
Tax expenses	40,099	1,920	42,019	(790)	41,229
Increase in tangible fixed assets and intangible fixed assets	52,209	588	52,797	634	53,431

(*1) Ordinary income is presented as the counterpart of sales of companies in other industries.

(*2) Adjustments are as below.

1. Adjustment of ordinary income from customers of negative ¥284 million (\$2,609 thousand) is for the adjustment of gain on sale of shares.
2. Adjustment of segment profit of negative ¥811 million (\$7,451 thousand) is for the adjustment of gain on sale of shares and the elimination of intersegment transactions.
3. Adjustment of segment assets of negative ¥12,150 million (\$111,642 thousand) is for the elimination of intersegment transactions and others.
4. Adjustment of segment liabilities of negative ¥11,281 million (\$103,657 thousand) is for the elimination of intersegment transactions and others.
5. Adjustment of depreciation of ¥49 million (\$450 thousand) is due to intersegment transactions.
6. Adjustment of interest income received of negative ¥558 million (\$5,127 thousand) is for the elimination of intersegment transactions.
7. Adjustment of interest expense paid of negative ¥32 million (\$294 thousand) is for the elimination of intersegment transactions.
8. Adjustment of losses on disposal of fixed assets of ¥0 million (\$0 thousand) is due to intersegment transactions.
9. Adjustment of tax expenses of negative ¥86 million (\$790 thousand) is associated mainly with the adjustment of gain on sale of shares.
10. Adjustment of increase in tangible fixed assets and intangible fixed assets of ¥69 million (\$634 thousand) is due to intersegment transactions.

(*3) Segment profit is reconciled to net income in the consolidated statements of income.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

21. Segment Information (cont'd)

(4) Related information

For the years ended March 31, 2019 and 2020:

Information by service:

		Millions of yen								
		2019								
		Loans	Security investments	Leasing	Other businesses	Total				
Ordinary income										
Customers	¥	24,778	¥	18,462	¥	16,606	¥	10,475	¥	70,323

		Millions of yen								
		2020								
		Loans	Security investments	Leasing	Other businesses	Total				
Ordinary income										
Customers	¥	24,384	¥	18,950	¥	14,305	¥	9,734	¥	67,374

		Thousands of U.S. dollars								
		2020								
		Loans	Security investments	Leasing	Other businesses	Total				
Ordinary income										
Customers	\$	224,055	\$	174,124	\$	131,443	\$	89,442	\$	619,075

(5) Impairment loss on tangible fixed assets by reportable segment

For the years ended March 31, 2019 and 2020:

		Millions of yen				
		2019				
		Reportable segments				
		Commercial banking	Leasing	Total		
Impairment loss	¥	297	¥	-	¥	297

		Millions of yen				
		2020				
		Reportable segments				
		Commercial banking	Leasing	Total		
Impairment loss	¥	50	¥	-	¥	50

		Thousands of U.S. dollars				
		2020				
		Reportable segments				
		Commercial banking	Leasing	Total		
Impairment loss	\$	459	\$	-	\$	459

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

22. Transactions with Related Parties

The Bank and related party transactions for the year ended March 31, 2019 were as follows:

Related party	Transactions	Transaction amount	Account	Balance at end of year
		Millions of yen		Millions of yen
Nishino Kinryo Co., Ltd. *1	Lending	¥(124)	Loans	¥3,455
	Interest received	¥6	Unearned income	¥0
	Guarantees of liabilities	-	Liabilities for acceptances and guarantees	¥15
	Guarantee deposits received	¥0	Unearned income	¥0
Kagawa Shurui Hanbai Co., Ltd. *2	Lending	-	Loans	¥470
	Interest received	¥1	Unearned income	¥0
Hasui Saketen Co., Ltd. *2	Lending	-	Loans	¥50
	Interest received	¥0	Unearned income	¥0

(*1) A corporate auditor of the Bank, Takeaki Nishino, serves as chairman of Nishino Kinryo Co., Ltd.

(*2) Companies whose voting rights are owned entirely by Nishino Kinryo Co., Ltd.

(*3) Takeaki Nishino resigned as a corporate auditor of the Bank on June 26, 2018. Therefore, the transaction amounts include transactions for the period to that date and the balances represent amounts as of that date.

There were no transactions with related parties for the year ended March 31, 2020.

Related party transactions involving consolidated subsidiaries of the Bank for the year ended March 31, 2019 were as follows:

Related party	Transactions	Transaction amount
		Millions of yen
		2019
Nishino Kinryo Co., Ltd.	Receiving lease payments	¥2
	Lease commitments	¥17

(*1) A corporate auditor of the Bank, Takeaki Nishino, serves as chairman of Nishino Kinryo Co., Ltd.

(*2) Takeaki Nishino resigned as a corporate auditor of the Bank on June 26, 2018. Therefore, the transaction amounts include transactions for the period to that date and the balances represent amounts as of that date.

There were no related party transactions involving consolidated subsidiaries of the Bank for the year ended March 31, 2020.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

23. Changes in Net Assets

(1) Type and number of shares

The type and number of shares issued and treasury stock for the years ended March 31, 2019 and 2020 were as follows:

For the year ended March 31, 2019:

	Number of shares as of the previous fiscal year end (thousands)	Increase in number of shares during the accounting period (thousands)	Decrease in number of shares during the accounting period (thousands)	Number of shares as of the fiscal year end (thousands)
Shares issued				
Common stock	226,200	–	182,960	(*1 and *2) 43,240
Total	226,200	–	182,960	43,240
Treasury stock				
Common stock	7,405	2,883	9,989	(*1, *3 and *4) 299
Total	7,405	2,883	9,989	299

(*1) The Bank executed a consolidation of shares at a ratio of one share for each five shares on October 1, 2018.

(*2) The 182,960 thousand decrease in the number of shares issued was due to the consolidation of shares (180,960 thousand shares) and cancellation of treasury stock (2,000 thousand shares) (2,000 thousand shares after the consolidation of shares).

(*3) The number of treasury stock as of March 31, 2019 included the Bank's own shares of 215 thousand shares held by the BIP.

(*4) The 2,883 thousand increase in the number of shares of treasury stock was due to the purchase of fractional shares (6 thousand shares) (4 thousand shares before the consolidation of shares, 1 thousand shares acquired in relation to the consolidation of shares and 0 thousand shares after the consolidation of shares), acquisition through the market (1,800 thousand shares) (1,500 thousand shares before the consolidation of shares and 300 thousand shares after the consolidation of shares) and purchase by the BIP (1,077 thousand shares) (1,077 thousand shares before the consolidation of shares). The 9,989 thousand decrease in the number of shares of treasury stock was due to the sale of fractional shares (0 thousand shares) (0 thousand shares after the consolidation of shares), decrease due to the consolidation of shares (7,989 thousand shares) and cancellation of treasury stock (2,000 thousand shares) (2,000 thousand shares after the consolidation of shares).

For the year ended March 31, 2020:

	Number of shares as of the previous fiscal year end (thousands)	Increase in number of shares during the accounting period (thousands)	Decrease in number of shares during the accounting period (thousands)	Number of shares as of the fiscal year end (thousands)
Shares issued				
Common stock	43,240	–	–	43,240
Total	43,240	–	–	43,240
Treasury stock				
Common stock	299	751	1	(*1 and *2) 1,049
Total	299	751	1	1,049

(*1) The number of treasury stock as of March 31, 2019 and 2020 included the Bank's own shares of 215 thousand shares and 214 thousand shares, respectively, held by the BIP.

(*2) The 751 thousand increase in the number of shares of treasury stock was due to the purchase of fractional shares (1 thousand shares) and acquisition through the market (750 thousand shares). The 1 thousand decrease in the number of shares of treasury stock was due to the sale of fractional shares (0 thousand shares) and the delivery of the Bank's own shares by the BIP (1 thousand shares).

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

23. Changes in Net Assets (cont'd)

(2) Dividends

The following dividends were paid in the years ended March 31, 2019 and 2020:

Year ended March 31, 2019:

Date of resolution	Type of shares	Amount of dividends	Cash dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual meeting of stockholders held on June 26, 2018	Common stock	¥ 984	¥ 4.50	March 31, 2018	June 27, 2018
Directors' meeting held on November 9, 2018	Common stock	¥ 977	¥ 4.50	September 30, 2018	December 5, 2018

Year ended March 31, 2020:

Date of resolution	Type of shares	Amount of dividends		Cash dividends per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Directors' meeting held on May 10, 2019	Common stock	¥ 971	\$ 8,922	¥ 22.50	\$ 0.20	March 31, 2019	June 10, 2019
Directors' meeting held on November 8, 2019	Common stock	¥ 963	\$ 8,848	¥ 22.50	\$ 0.20	September 30, 2019	December 5, 2019

(*1) The Bank executed a consolidation of shares at a ratio of one share for each five shares on October 1, 2018.

(*2) The amount of dividends resolved at the Directors' meeting held on May 10, 2019 includes ¥4 million (\$36 thousand) of dividends for the Bank's own shares held by the BIP.

(*3) The amount of dividends resolved at the Directors' meeting held on November 8, 2019 includes ¥4 million (\$36 thousand) of dividends for the Bank's own shares held by the BIP.

Notes to Consolidated Financial Statements
The Awa Bank, Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2019 and 2020

23. Changes in Net Assets (cont'd)

The following dividends were recorded during the fiscal years ended March 31, 2019 and 2020 and became effective after March 31, 2019 and 2020:

For the fiscal year ended March 2019, the dividends became effective after March 31, 2019:

Date of resolution	Type of shares	Amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
		Millions of yen		Yen		
Directors' meeting held on May 10, 2019	Common stock	¥ 971	Retained earnings	¥ 22.50	March 31, 2019	June 10, 2019

(*) The amount of dividends includes ¥4 million of dividends for the Bank's own shares held by the BIP.

For the fiscal year ended March 2020, the dividends became effective after March 31, 2020:

Date of resolution	Type of shares	Amount of dividends		Source of dividends	Cash dividends per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
Directors' meeting held on May 15, 2020	Common stock	¥ 954	\$ 8,765	Retained earnings	¥ 22.50	\$ 0.20	March 31, 2020	June 10, 2020

(*) The amount of dividends includes ¥4 million (\$36 thousand) of dividends for the Bank's own shares held by the BIP.

24. Business Combinations

(1) Transaction under common control

Acquisition of treasury stock by consolidated subsidiary

The Awagin Lease Company Limited, a consolidated subsidiary of the Bank has acquired its treasury stock on July 16, 2019.

1. Outline of the transaction

(1) Name and business of the companies under the business combination

Name:	The Awagin Lease Company Limited
Business:	Leasing business

(2) Date of the business combination

July 16, 2019

(3) Legal form of the business combination

Acquisition of treasury stock by a consolidated subsidiary from noncontrolling shareholders

(4) Company name after the business combination

Unchanged

(5) Other matters related to the outline of the transaction

The subsidiary has acquired the treasury stock from noncontrolling shareholders in order to strengthen the uniform management of the Group. As a result of this transaction, the percent of voting rights held by the Group became 100% at all of the consolidated subsidiaries.

2. Outline of accounting policy applied

The transaction is accounted for as a transaction with noncontrolling shareholders within a transaction under common control based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

3. Information on acquisition of treasury stock by the consolidated subsidiary

Acquisition cost and its breakdown

		Millions of yen	Thousands of U.S. dollars
Consideration for acquisition	Cash and due from banks	¥ 958	\$ 8,802
Total acquisition cost		¥ 958	\$ 8,802

4. Changes in the Bank’s ownership interests in relation to the transactions with noncontrolling shareholders

(1) Major reason for the change in capital surplus

The amount of acquisition cost of treasury stock by a consolidated subsidiary from noncontrolling shareholders was less than the amount of noncontrolling interests decreased due to the acquisition of treasury stock.

24. Business Combinations (cont' d)

(2) Amount of capital surplus increased due to the transactions with noncontrolling shareholders
¥36 million (\$330 thousand)

(2) Merger of consolidated subsidiary

The Bank, at the Directors' meeting held on February 26, 2019 resolved to merge The Awagin Business Service Company Limited, a consolidated subsidiary of the Bank and the transaction has been completed on October 1, 2019 as resolved.

1. Outline of the transaction

(1) Name and business of the companies under the business combination

Name of the merging company:	The Awa Bank, Ltd.
Business:	Banking business

Name of the merged company:	The Awagin Business Service Company Limited
Business:	Outsourcing business of banking operations

(2) Date of the business combination
October 1, 2019

(3) Legal form of the business combination

Absorption type merger in which the Bank is the surviving company and The Awagin Business Service Company Limited is the absorbed company.

(4) Company name after the business combination
The Awa Bank, Ltd.

(5) Other matters related to the outline of the transaction

The Bank has merged The Awagin Business Service Company Limited, a wholly owned subsidiary, in order to facilitate more efficient management as well as to better utilize the management resources of the Group.

2. Outline of accounting policy applied

The transaction is accounted for as a transaction under common control based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

25. Subsequent Events

Introduction of employee shareholding incentive plan

The Bank, at the Directors' meeting held on May 15, 2020, resolved to introduce a trust-based employee shareholding incentive plan (the "Plan") designed for the employees of the Group and to provide incentives for improving the Bank's medium to long-term corporate value and support asset building by encouraging employees to acquire and hold shares through the expansion of the employee shareholding association as a measure of enhancing employee welfare and benefits.

1. Outline of the Plan

The Plan is an incentive plan designed for all employees who join the Awagin Group Employee Shareholding Association (the "Shareholding Association"). Under the Plan, the Bank will establish the Awagin Group Employee Shareholding Association Dedicated Trust (the "Trust") in the trust bank. The Trust will acquire in advance a certain number of the Bank's shares that are expected to be acquired by the Shareholding Association for three years after the establishment. Until the termination of the Trust, the shares will be continually sold to the Shareholding Association. If a significant amount of realized gains on sale of shares remain within the Trust upon its termination, these gains will be distributed as residual assets to the Shareholding Association members who satisfy the eligibility requirements for beneficiaries. Moreover, the Bank will provide guarantees for the loans undertaken to acquire its shares. Therefore, if there is a residual loan balance equivalent to a realized loss on the sale of these shares within the Trust upon its termination due to a decline in the Bank's stock price, the Bank shall repay this residual loan balance based on the guarantee agreement.

Details of trust agreement

Type of trust:	Money trust other than designated individually operated money trust (Third-party-benefit trust)
Purpose of trust:	Stable and continuous delivery of shares to the Shareholding Association and delivery of trust property to those who satisfy beneficiary eligibility requirements
Trustor:	The Bank
Trustee:	The Nomura Trust and Banking Co., Ltd.
Beneficiary:	Members who satisfy beneficiary eligibility requirements (those who exist throughout certain procedures after the event of beneficiary right confirmation)
Trust administrator:	The Awa Bank, Ltd. Employee Association Executive Chairperson
Trust agreement date:	May 15, 2020
Term of trust:	From May 15, 2020 through June 19, 2023
System start date:	May 15, 2020
Exercise of voting rights:	Exercise based on the instructions of the trust administrator
Type of acquired shares:	Common stock of the Bank
Total amount of acquired shares:	¥927 millions (\$8,517 thousand) (upper limit)
Method of share acquisition:	Acquisition from the markets

2. Total amount of shares scheduled to be acquired by the Shareholding Association

The upper limit is ¥927 millions (\$8,517 thousand).

25. Subsequent Events (cont' d)

3. Scope of the members who can receive the beneficiary rights and other rights under the Plan

The beneficiaries are the members who exist at the start date of the beneficiary confirmation procedure (the date when the trust period expires and the conversion of trust assets terminates, when all the shares of the Bank belonging to the trust assets are sold to the Shareholding Association, etc.), and who are members of the Shareholding Association (includes members who have withdrawn from the Shareholding Association due to retirement, employment transfer or promotion to officer after the trust agreement date and before the beneficiary confirmation procedure start date).



The Awa Bank, Ltd.

24-1, Nishisemba-cho 2 chome, Tokushima 770-8601, Japan

Phone: 088(623)3131