

Business Environment

The Japanese economy remained in a difficult situation during the current fiscal year with severe restrictions on social and economic activities due to the impact of the COVID-19 global pandemic, but there were some signs of recovery. In the corporate sector, capital investment was restrained due to declining profits and uncertainty about the future of the global economy, but with the resumption of economic activities in each country, automobile-related exports recovered and production recovered to an increasing trend. In the household budget sector, employment and income conditions remained weak, and although personal consumption showed signs of recovery after the first state of emergency was lifted, consumption of services fell as a result of the second and third waves of the pandemic and announcement of the second state of emergency.

Although there have been continued movements to curb capital investment in both Gifu and Aichi prefectures, which make up the main business base of the Bank, there were signs of resilience such as exports and production returning to an increasing trend mainly in the automobile industry. In the household budget sector, personal consumption showed signs of recovery amid continued weakness in employment and income conditions, but consumption of services such as lodging and dining fell with the suspension of the “Go To Travel” campaign to stimulate tourist demand at the end of last year and announcement of the second state of emergency at the beginning of this year.

Performance

Ordinary income from banking operations increased by ¥2,408 million year on year to ¥79,063 million owing to an increase in other operating income. Ordinary expenses decreased by ¥1,575 million to ¥56,557 million due to decreases in interest expense and operating expenses. As a result, ordinary profit increased by ¥3,983 million year on year to ¥22,506 million.

In the leasing business, ordinary income increased by ¥724 million year on year to ¥25,859 million, ordinary expenses increased by ¥1,230 million year on year to ¥25,379 million, and ordinary profit decreased by ¥506 million year on year to ¥480 million.

In other businesses, including the credit card business and credit guarantee business, ordinary income increased by ¥1,495 million year on year to ¥9,282 million, and ordinary expenses decreased by ¥44 million year on year to ¥7,171 million, and ordinary profit increased by ¥1,539 million year on year to ¥2,111 million.

As a result, ordinary income on a consolidated basis increased by ¥4,486 million year on year to ¥111,346 million, and ordinary expenses decreased by ¥624 million year on year to ¥86,738 million. Ordinary profit increased by ¥5,111 million year on year to ¥24,608 million, and net income attributable to owners of the parent increased by ¥1,860 million to ¥14,722 million.

Net cash provided by operating activities amounted to ¥580,590 million (¥84,244 million was provided in the previous fiscal year) mainly as a result of an increase in deposits. Net cash used in investing activities amounted to ¥274,206 million (¥63,122 million was provided in the previous fiscal year) mainly as a result of purchase of securities. Net cash used in financing activities amounted to ¥4,624 million (¥3,734 million was used in the previous fiscal year) mainly as a result of dividends paid. As a result, the closing balance of cash and cash equivalents increased by ¥301,765 million during the fiscal year under review to ¥930,917 million.

Financial Position

As a “comprehensive financial group that builds a future with its local communities and achieves sustainable growth with local economies,” we have endeavored to provide high-quality customer-oriented services tailored to life events so that our customers and their families can achieve their dreams.

The balance of deposits as of March 31, 2021 increased by ¥454.1 billion year on year to ¥6,137.8 billion, mainly due to an increase in personal and corporate deposits.

In addition, as a result of responding to the diverse needs of individual customers with a wide range of products such as personal pension insurance and investment trusts, our balance of individual customer assets including deposits increased by ¥315.0 billion to ¥4,971.6 billion.

With regard to loans, the balance increased by ¥133.1 billion year on year to ¥4,509.8 billion, reflecting our proactive engagement in financing consultations with customers in the region amid the COVID-19 pandemic and our initiatives for personal loans centering on mortgage loans.

With regard to securities, we have endeavored to manage securities appropriately in accordance with a basic policy of expanding total profit over the medium to long term by building a portfolio that maintains a balance between risk and return while flexibly responding to changes in market conditions.

As a result, the balance of securities as of March 31, 2021 increased by ¥309.1 billion year on year to ¥1,572.1 billion.