

2022

ANNUAL REPORT

The Aichi Bank, Ltd.

PROFILE

Aichi Bank is a regional bank whose business base is Aichi Prefecture, the central prefecture of the Tokai region, one of the country's three main industrial areas. Since its establishment in 1910, the Bank has worked to meet the diverse needs of customers in the region, based on its corporate mission of contributing to the prosperity of the community via a thorough commitment to sound management and business growth.

Aichi Bank has a domestic service network comprising 106 branches, and also engages in international operations. The Bank's head office is located in Nagoya, Aichi Prefecture, Japan's fourth-largest prefecture by population, and an area that combines a beautiful natural environment with a rich historical and cultural heritage.

As of March 31, 2022, the Bank had total assets of ¥4,320,749 million (US\$35,303 million) on a consolidated basis, and deposits amounting to ¥3,389,658 million (US\$27,695 million). Its capital ratio, calculated according to standards for banks operating only in Japan, stood at 9.95%.

FINANCIAL HIGHLIGHTS Years ended March 31, 2022 and 2021

Consolidated	Millions of Yen		Thousands of U.S. Dollars	
	2022	2021	2022	2021
For the year:				
Total income	¥ 56,200	¥ 53,296	\$ 459,187	\$ 435,460
Total expenses	40,825	47,329	333,564	386,706
Profit before income taxes	15,374	5,966	125,614	48,745
Profit attributable to owners of parent	10,945	4,266	89,427	34,855
At year-end:				
Deposits	¥ 3,389,658	¥ 3,221,635	\$ 27,695,547	\$ 26,322,697
Loans and bills discounted	2,759,402	2,528,640	22,545,975	20,660,511
Securities	993,000	953,370	8,113,407	7,789,606
Total assets	4,320,749	3,788,132	35,303,121	30,951,319
Total net assets	239,512	246,391	1,956,957	2,013,162

Note: The U.S. dollar amounts represent translation of Japanese yen at the rate of ¥122.39 to U.S. \$1.00 on March 31, 2022.

MESSAGE FROM THE MANAGEMENT

Business and Financial Conditions

Looking back at Japan's economy during the year ended March 31, 2022, although economic activity, such as face-to-face services, continued to stagnate amid challenging conditions in which the COVID-19 pandemic has been prolonged in addition to the impact of supply restrictions remaining, the economy has continued to recover as exports and manufacturing have continued to increase, which has led to improvements in corporate earnings.

On the other hand, as for the local economy of our business base, which is centered in Aichi Prefecture, exports and manufacturing have come to a standstill as manufacturing in the automobile industry, one of the major local industries, has not yet recovered due to disruptions in the component supply chain because of the long-lasting semiconductor shortage and the spread of COVID-19. Furthermore, with regard to personal consumption, the recovery of the economy is in a lull, which differs from Japan overall, as there is strong downward pressure on restaurants, accommodation services, etc.

Looking forward, in regard to the economic outlook, we are expecting recovery due to the effects of the economic measures, improvement in overseas economies, etc. amid the normalization of socioeconomic activity, despite increasing uncertainties, such as the spread of COVID-19 and the steady rise of energy prices, etc. caused by the situation in Ukraine.

In the financial sector, the Bank of Japan works to support the cash flows of corporations, etc. and stably maintain financial markets through special programs that support monetary easing in response to COVID-19 under "quantitative and qualitative monetary easing with yield curve control," and will not hesitate to take additional monetary easing measures if necessary.

Looking at the business environment surrounding the Bank, challenges have further increased due to factors such as competition between banks, including financial institutions in other prefectures, steadily intensifying because of the advancement of the development of fintech and parties entering into the banking industry from other industries as well as both long- and short-term interest continuing to remain low in the continuation of monetary easing measures amid a situation in which the end of COVID-19 is still unable to be foreseen.

The Bank set four basic policies of "reinforce sales capabilities & profitability," "increase productivity," "reinforce human resources" and "reinforce governance," in the "Eleventh Medium-Term Management Plan," which spanned from April 2019 until March 2022, and carried out various initiatives with the aim of being a "bank that contributes to the local community as our customers' partner."

Earnings

Our business results on a consolidated basis for the year ended March 31, 2022 are as follows.

Total income increased ¥2,904 million year on year to ¥56,200 million (US\$459 million) mainly due to increases in interest on loans and bills discounted and purchased, interest on and dividends from securities and fees and commissions. Total expenses decreased ¥6,504 million year on year to ¥40,825 million (US\$333 million) mainly due to a decrease in provision of allowance for possible loan losses. As a result, profit attributable to owners of parent increased ¥6,679 million year on year to ¥10,945 million (US\$89 million).

By segment, ordinary income of the banking segment increased ¥2,939 million year on year to ¥47,463 million (US\$387 million) and its segment profit increased ¥9,635 million to ¥15,212 million (US\$124 million). Ordinary income of the leasing segment decreased ¥83 million year on year to ¥8,082 million (US\$66 million), and its segment profit decreased ¥191 million to ¥144 million (US\$1 million).

Cash Flows

Net cash provided by operating activities increased ¥279,864 million year on year to ¥314,587 million (US\$2,570 million). This was mainly attributable to increases in borrowings and call money and bills sold. Net cash used in investing activities decreased ¥110,378 million to ¥54,626 million (US\$446 million). This was mainly attributable to purchases of securities. Net cash used in financing activities amounted to ¥1,746 million (US\$14 million), an increase in cash used of ¥646 million. This was mainly due to dividends paid.

As a result, cash and cash equivalents at the end of the year amounted to ¥482,440 million (US\$3,941 million), an increase of ¥258,215 million from the previous year-end.

Medium-term Strategy

In the "Twelfth Medium-Term Management Plan," we have set the three basic strategies of "strengthen ability and channels for solving issues (business strategy)," "increase efficiency of and optimize management (foundational strategy)" and "reform corporate culture and develop human resources (human resources strategy)," aiming to "provide trustworthy and ideal financial services to communities, and become the leading bank in generating value that continues to grow together with the community."

The specific details of each basic strategy are as follows:

- 1) "Strengthen ability and channels for solving issues (business strategy)"
We will support the transition to a carbon-free society and establish a business model that grows together with the community by demonstrating our consulting function and strengthening channels that utilize digital technologies.
 - a. Strengthen consulting function by enhancing solutions menu
 - b. Enhance services for individuals
 - c. Strengthen non-face-to-face channels
 - d. Establish sales structure appropriate for the market environment
- 2) "Increase efficiency of and optimize management (foundational strategy)"
We will establish sustainability for management by increasing productivity and optimizing management resources, and aim for sustainable growth together with the community.
 - a. Strategic relocation of personnel
 - b. Promotion of IT and the shift to digital, and increase operational efficiency (BPR)
 - c. Display the Group's comprehensive strengths
 - d. Enhance managerial control
- 3) "Reform corporate culture and develop human resources (human resources strategy)"
We will establish a corporate culture that places importance on speed and taking on challenges, and establish a rewarding, vibrant organization where all employees play an active role.
 - a. Establish a corporate culture that places importance on speed and taking on challenges
 - b. Develop professional human resources
 - c. Strengthen initiatives for diversity & inclusion
 - d. Strengthen initiatives for ES management and health and productivity management



Yukinori Ito, President

A handwritten signature in black ink that reads "Yuki Ito". The signature is written in a cursive, flowing style.

Yukinori Ito
President

BOARD OF DIRECTORS AND CORPORATE AUDITORS

President

Yukinori Ito

Senior Managing Director

Nobuhiko Kuratomi

Managing Directors

Hiroyasu Matsuno

Hiroaki Yoshikawa

Directors

Audit and Supervisory Committee Members

Masahiro Kato*¹

Yasutoshi Emoto*²

Yasuo Hasegawa*²

Yoshihiko Nakao*²

Tsunehiro Matsuno*²

Chieko Murata*²

Directors

Kenichi Taguchi

Norimasa Suzuki

Kenji Ito

*¹Standing Audit and Supervisory Committee Member

*²Outside Audit and Supervisory Committee Member

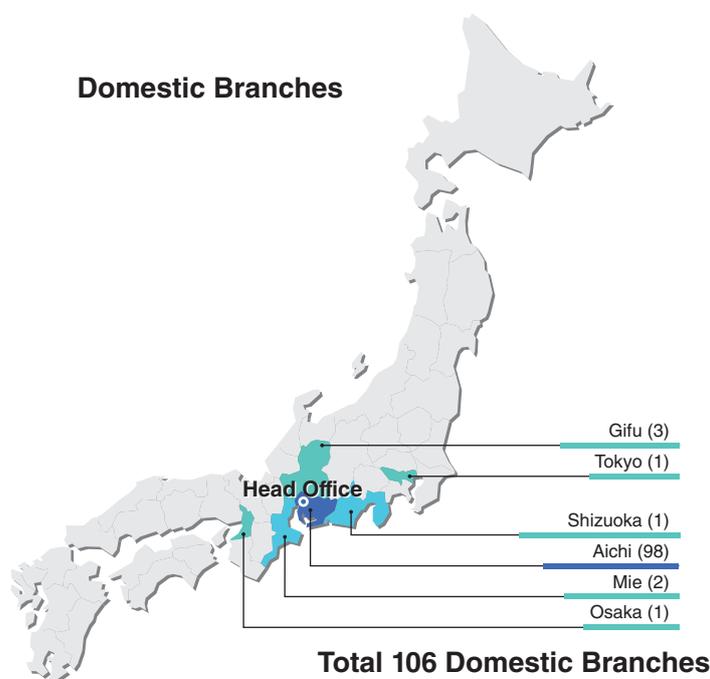
CORPORATE DIRECTORY

Service Network

Head Office (Securities & Foreign Business Department)

14-12, Sakae 3-chome, Naka-ku, Nagoya 460-8678
Telephone: 81-52-251-3211
SWIFT: AICHJPJN
Facsimile: 81-52-262-5793

Domestic Branches



Consolidated Companies

Aigin Business Service Co., Ltd.

Aigin DC Card Co., Ltd.

Aigin Lease Co., Ltd.

Aigin Computer Service Co., Ltd.

Aichi Capital Co., Ltd.

The Aichi Bank, Ltd.
Consolidated Financial Statements
March 31, 2022 and 2021

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars	
	2022	2021	2022	2021
Assets:				
Cash and due from banks	¥ 484,775	¥ 226,415	\$ 3,960,903	\$ 1,849,946
Call loans and bills purchased	2,888	590	23,596	4,820
Monetary claims bought	7,238	3,090	59,138	25,247
Trading securities	49	-	400	-
Securities	993,000	953,370	8,113,407	7,789,606
Reserve for possible losses on investments	(0)	(0)	(0)	(0)
Loans and bills discounted	2,759,402	2,528,640	22,545,975	20,660,511
Foreign exchange	1,528	1,975	12,484	16,136
Other assets	37,397	38,044	305,556	310,842
Tangible fixed assets	34,191	35,050	279,361	286,379
Intangible fixed assets	760	1,002	6,209	8,186
Employee retirement benefit asset	7,453	7,461	60,895	60,960
Deferred tax assets	195	185	1,593	1,511
Customers' liabilities for acceptances and guarantees	5,928	6,014	48,435	49,138
Allowance for possible loan losses	(14,059)	(13,708)	(114,870)	(112,002)
Total assets	<u>¥ 4,320,749</u>	<u>¥ 3,788,132</u>	<u>\$ 35,303,121</u>	<u>\$ 30,951,319</u>

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Balance Sheets (Continued)
March 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars	
	2022	2021	2022	2021
Liabilities:				
Deposits	¥ 3,389,658	¥ 3,221,635	\$ 27,695,547	\$ 26,322,697
Negotiable certificates of deposit	4,100	4,100	33,499	33,499
Call money and bills sold	131,119	-	1,071,321	-
Security deposits received related to securities lending transactions	49,241	91,318	402,328	746,123
Borrowings	455,615	166,852	3,722,648	1,363,281
Foreign exchange	1,433	1,460	11,708	11,929
Other liabilities	23,149	22,227	189,141	181,607
Reserve for employee bonuses	582	587	4,755	4,796
Reserve for bonuses to directors	35	35	285	285
Employee retirement benefit liability	535	683	4,371	5,580
Reserve for executive retirement benefits	44	35	359	285
Reserve for reimbursement of deposits	155	188	1,266	1,536
Reserve for contingencies	1,564	1,449	12,778	11,839
Deferred tax liabilities	13,475	20,484	110,098	167,366
Deferred tax liabilities for revaluation	4,598	4,668	37,568	38,140
Acceptances and guarantees	5,928	6,014	48,435	49,138
Total liabilities	4,081,237	3,541,740	33,346,163	28,938,148
Net assets:				
Common stock	18,000	18,000	147,070	147,070
Capital surplus	13,883	13,883	113,432	113,432
Retained earnings	151,391	142,074	1,236,955	1,160,830
Less treasury stock, at cost	(979)	(1,055)	(7,999)	(8,619)
Total shareholders' equity	182,295	172,903	1,489,459	1,412,721
Accumulated other comprehensive income	52,552	68,850	429,381	562,545
Stock acquisition rights	259	302	2,116	2,467
Non-controlling interests	4,405	4,335	35,991	35,419
Total net assets	239,512	246,391	1,956,957	2,013,162
Total liabilities and net assets	¥ 4,320,749	¥ 3,788,132	\$ 35,303,121	\$ 30,951,319

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars	
	2022	2021	2022	2021
Income:				
Interest and dividend income:				
Interest on loans and bills discounted and purchased	¥ 21,128	¥ 19,180	\$ 172,628	\$ 156,712
Interest on and dividends from securities	10,655	9,928	87,057	81,117
Other interest and dividend income	504	90	4,117	735
Total interest and dividend income	32,288	29,200	263,812	238,581
Fees and commissions	17,575	17,106	143,598	139,766
Other operating income	547	481	4,469	3,930
Other income	5,788	6,507	47,291	53,166
Total income	56,200	53,296	459,187	435,460
Expenses:				
Interest expense:				
Interest on deposits	220	250	1,797	2,042
Interest on call money and bills sold	(11)	21	(89)	171
Interest on borrowings	30	60	245	490
Other interest expense	115	16	939	130
Total interest expense	356	351	2,908	2,867
Fees and commissions	10,422	10,428	85,154	85,203
Other operating expenses	1,068	2,040	8,726	16,668
General and administrative expenses	25,527	26,409	208,570	215,777
Impairment loss on fixed assets	186	50	1,519	408
Other expenses	3,264	8,049	26,668	65,765
Total expenses	40,825	47,329	333,564	386,706
Profit before income taxes	15,374	5,966	125,614	48,745
Income taxes	4,342	1,560	35,476	12,746
Profit	11,031	4,405	90,129	35,991
Profit attributable to non-controlling interests	86	139	702	1,135
Profit attributable to owners of parent	¥ 10,945	¥ 4,266	\$ 89,427	\$ 34,855
	Yen		U.S. dollars	
Per share:				
Basic earnings	¥ 1,017.22	¥ 396.82	\$ 8.31	\$ 3.24
Diluted earnings	1,011.45	394.46	8.26	3.22
Cash dividends	310.00	120.00	2.53	0.98

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended March 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars	
	2022	2021	2022	2021
Profit	¥ 11,031	¥ 4,405	\$ 90,129	\$ 35,991
Other comprehensive income:				
Unrealized (losses) gains on available- for-sale securities	(16,621)	29,777	(135,803)	243,296
Deferred gains on hedges	535	100	4,371	817
Retirement benefit adjustment	(65)	3,815	(531)	31,170
Total other comprehensive income	(16,151)	33,692	(131,963)	275,283
Comprehensive income	¥ (5,119)	¥ 38,098	\$ (41,825)	\$ 311,283
Comprehensive income attributable to:				
Owners of parent	¥ (5,212)	¥ 37,937	\$ (42,585)	\$ 309,968
Non-controlling interests	92	160	751	1,307
Total comprehensive income	¥ (5,119)	¥ 38,098	\$ (41,825)	\$ 311,283

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Changes in Net Assets
For the Years Ended March 31, 2022 and 2021

	Millions of yen														
	Shareholders' equity						Accumulated other comprehensive income								
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Deferred gains on hedges	Land revaluation increment	Retirement benefit adjustment	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets	
Balance at April 1, 2020	10,943,240	¥ 18,000	¥ 13,883	¥ 138,933	¥ (1,071)	¥ 169,746	¥ 29,589	¥ -	¥ 8,366	¥ (2,823)	¥ 35,131	¥ 295	¥ 4,177	¥ 209,350	
Profit attributable to owners of parent	-	-	-	4,266	-	4,266	-	-	-	-	-	-	-	4,266	
Cash dividends	-	-	-	(1,075)	-	(1,075)	-	-	-	-	-	-	-	(1,075)	
Reversal of land revaluation increment	-	-	-	(46)	-	(46)	-	-	-	-	-	-	-	(46)	
Treasury stock acquired, net	-	-	(3)	-	16	13	-	-	-	-	-	-	-	13	
Transfer to capital surplus from retained earnings	-	-	3	(3)	-	-	-	-	-	-	-	-	-	-	
Net changes in items other than shareholders' equity	-	-	-	-	-	-	29,755	100	46	3,815	33,718	7	158	33,883	
Balance at March 31, 2021	10,943,240	18,000	13,883	142,074	(1,055)	172,903	59,345	100	8,413	991	68,850	302	4,335	246,391	
Cumulative effects of changes in accounting polices	-	-	-	(38)	-	(38)	-	-	-	-	-	-	(20)	(58)	
Restated balance at March 31, 2021	-	18,000	13,883	142,036	(1,055)	172,865	59,345	100	8,413	991	68,850	302	4,315	246,333	
Profit attributable to owners of parent	-	-	-	10,945	-	10,945	-	-	-	-	-	-	-	10,945	
Cash dividends	-	-	-	(1,721)	-	(1,721)	-	-	-	-	-	-	-	(1,721)	
Reversal of land revaluation increment	-	-	-	140	-	140	-	-	-	-	-	-	-	140	
Treasury stock acquired, net	-	-	(9)	-	75	66	-	-	-	-	-	-	-	66	
Transfer to capital surplus from retained earnings	-	-	9	(9)	-	-	-	-	-	-	-	-	-	-	
Net changes in items other than shareholders' equity	-	-	-	-	-	-	(16,627)	535	(140)	(65)	(16,297)	(43)	90	(16,250)	
Balance at March 31, 2022	10,943,240	¥ 18,000	¥ 13,883	¥ 151,391	¥ (979)	¥ 182,295	¥ 42,718	¥ 635	¥ 8,272	¥ 925	¥ 52,552	¥ 259	¥ 4,405	¥ 239,512	

	Thousands of U.S. dollars														
Balance at April 1, 2020	\$ 147,070	\$ 113,432	\$ 1,135,166	\$ (8,750)	\$ 1,386,927	\$ 241,759	\$ -	\$ 68,355	\$ (23,065)	\$ 287,041	\$ 2,410	\$ 34,128	\$ 1,710,515		
Profit attributable to owners of parent	-	-	34,855	-	34,855	-	-	-	-	-	-	-	34,855		
Cash dividends	-	-	(8,783)	-	(8,783)	-	-	-	-	-	-	-	(8,783)		
Reversal of land revaluation increment	-	-	(375)	-	(375)	-	-	-	-	-	-	-	(375)		
Treasury stock acquired, net	-	(24)	-	130	106	-	-	-	-	-	-	-	106		
Transfer to capital surplus from retained earnings	-	24	(24)	-	-	-	-	-	-	-	-	-	-		
Net changes in items other than shareholders' equity	-	-	-	-	-	243,116	-	375	31,170	275,496	57	1,290	276,844		
Balance at March 31, 2021	147,070	113,432	1,160,830	(8,619)	1,412,721	484,884	817	68,739	8,097	562,545	2,467	35,419	2,013,162		
Cumulative effects of changes in accounting polices	-	-	(310)	-	(310)	-	-	-	-	-	-	(163)	(473)		
Restated balance at March 31, 2021	147,070	113,432	1,160,519	(8,619)	1,412,411	484,884	817	68,739	8,097	562,545	2,467	35,256	2,012,688		
Profit attributable to owners of parent	-	-	89,427	-	89,427	-	-	-	-	-	-	-	89,427		
Cash dividends	-	-	(14,061)	-	(14,061)	-	-	-	-	-	-	-	(14,061)		
Reversal of land revaluation increment	-	-	1,143	-	1,143	-	-	-	-	-	-	-	1,143		
Treasury stock acquired, net	-	(73)	-	612	539	-	-	-	-	-	-	-	539		
Transfer to capital surplus from retained earnings	-	73	(73)	-	-	-	-	-	-	-	-	-	-		
Net changes in items other than shareholders' equity	-	-	-	-	-	(135,852)	4,371	(1,143)	(531)	(133,156)	(351)	735	(132,772)		
Balance at March 31, 2022	\$ 147,070	\$ 113,432	\$ 1,236,955	\$ (7,999)	\$ 1,489,459	\$ 349,031	\$ 5,188	\$ 67,587	\$ 7,557	\$ 429,381	\$ 2,116	\$ 35,991	\$ 1,956,957		

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars	
	2022	2021	2022	2021
Cash flows from operating activities:				
Profit before income taxes	¥ 15,374	¥ 5,966	\$ 125,614	\$ 48,745
Adjustments for:				
Depreciation	1,738	1,589	14,200	12,983
Impairment loss on fixed assets	186	50	1,519	408
Increase in allowance for possible loan losses	351	4,983	2,867	40,714
Interest and dividend income	(32,288)	(29,200)	(263,812)	(238,581)
Interest expense	356	351	2,908	2,867
(Increase) decrease in trading securities	(49)	1	(400)	8
Increase in loans and bills discounted	(230,762)	(464,940)	(1,885,464)	(3,798,839)
Increase in call loans and bills purchased	(6,553)	(2,537)	(53,541)	(20,728)
Increase (decrease) in call money and bills sold	131,119	(5,441)	1,071,321	(44,456)
Increase in deposits	168,023	412,866	1,372,849	3,373,363
(Decrease) increase in security deposits received related to securities lending transactions	(42,077)	11,209	(343,794)	91,584
Increase in borrowings (excluding subordinated borrowings)	288,762	71,256	2,359,359	582,204
Gain on securities transactions	(4,226)	(3,804)	(34,528)	(31,080)
Gain on foreign currency transactions	(5,176)	(950)	(42,291)	(7,762)
Increase in reserve for contingencies	115	134	939	1,094
Interest and dividend income received	32,690	29,919	267,096	244,456
Interest expense paid	(368)	(436)	(3,006)	(3,562)
Other, net	1,500	5,325	12,255	43,508
Subtotal	318,713	36,341	2,604,077	296,927
Income taxes paid	(4,126)	(1,618)	(33,711)	(13,220)
Net cash provided by operating activities	314,587	34,723	2,570,365	283,707
Cash flows from investing activities:				
Purchases of securities	(218,477)	(263,673)	(1,785,088)	(2,154,367)
Proceeds from sales and maturities of securities	164,407	321,489	1,343,304	2,626,758
Purchases of tangible fixed assets	(832)	(1,810)	(6,797)	(14,788)
Proceeds from sales of tangible fixed assets	465	74	3,799	604
Purchases of intangible fixed assets	(147)	(328)	(1,201)	(2,679)
Payment for asset retirement obligations	(41)	-	(334)	-
Net cash (used in) provided by investing activities	(54,626)	55,752	(446,327)	455,527
Cash flows from financing activities:				
Dividends paid	(1,721)	(1,075)	(14,061)	(8,783)
Other, net	(25)	(25)	(204)	(204)
Net cash used in financing activities	(1,746)	(1,100)	(14,265)	(8,987)
Net increase in cash and cash equivalents	258,214	89,375	2,109,763	730,247
Cash and cash equivalents at beginning of year	224,225	134,849	1,832,053	1,101,797
Cash and cash equivalents at end of year	¥ 482,440	¥ 224,225	\$ 3,941,825	\$ 1,832,053

Basis of Presenting Consolidated Financial Statements

The consolidated financial statements of The Aichi Bank, Ltd. (the “Bank”) and its subsidiaries (collectively the “Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements from International Financial Reporting Standards. The accompanying consolidated financial statements have been reformatted 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 Act. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2022, which was ¥122.39 to U.S. \$1.00. This translation should not be construed as a representation 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.

The Japanese yen amounts in the accompanying consolidated financial statements are expressed in millions of Japanese yen and have been rounded down. U.S. dollar amounts in the accompanying consolidated financial statements are expressed in thousands of U.S. dollars and also have been rounded down. As a result, total amounts expressed in both Japanese yen and U.S. dollars appearing in the consolidated financial statements thereto may not be equal to the sum of the individual amounts.

Certain comparative figures have been reclassified to conform to the current year’s presentation.