

Annual Report 2022

Tsukuba Bank

Tsukuba Bank, Ltd.

Based on the trust of our customers in the local community, Tsukuba Bank aims to strengthen its presence as a Bank and contribute greatly to society.

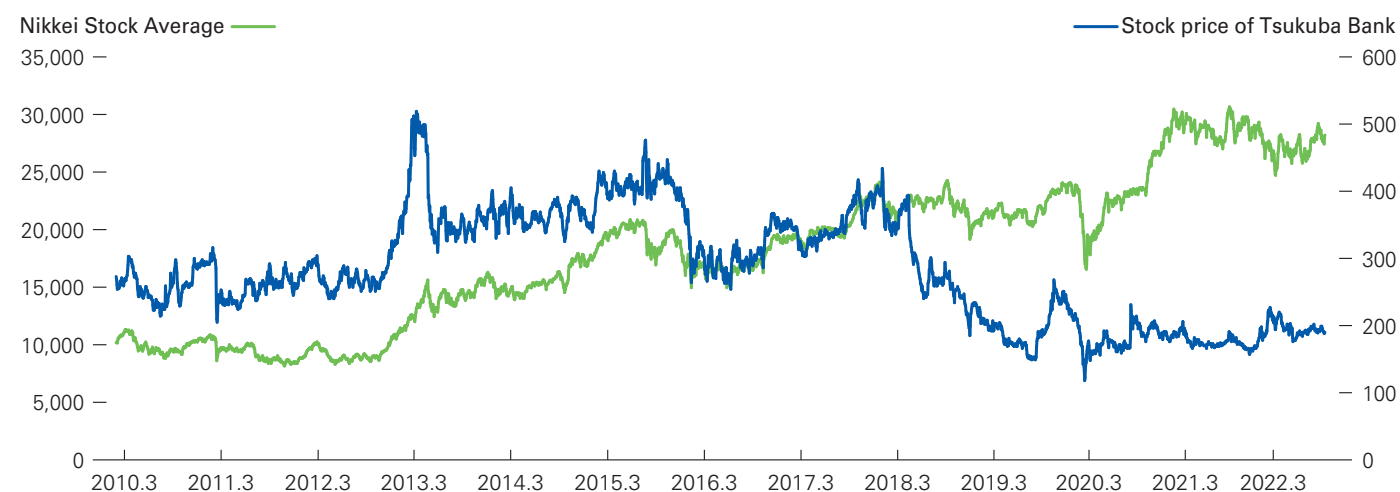
Consolidated Financial Highlights

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2017, 2018, 2019, 2020, 2021 and 2022

	Millions of yen					
	2017	2018	2019	2020	2021	2022
For the year:						
Ordinary income	¥ 41,186	¥ 40,606	¥ 38,119	¥ 37,819	¥ 35,791	¥ 36,680
Ordinary expenses	35,473	35,673	36,123	35,186	33,323	31,478
Ordinary profit	5,713	4,933	1,995	2,632	2,467	5,201
Income before income taxes	5,600	4,785	1,788	2,626	2,184	4,570
Net income attributable to owners of parent	3,701	3,037	1,083	1,223	1,760	4,233
At year-end:						
Deposits	¥ 2,235,249	¥ 2,275,005	¥ 2,245,886	¥ 2,240,798	¥ 2,404,160	¥ 2,465,954
Loans and bills discounted	1,669,614	1,633,318	1,646,779	1,686,026	1,814,648	1,882,596
Securities	575,459	569,734	473,603	435,609	476,156	501,352
Total assets	2,376,801	2,420,184	2,401,627	2,379,649	2,698,415	2,961,028
Net assets	105,677	109,449	110,460	105,303	112,310	104,097

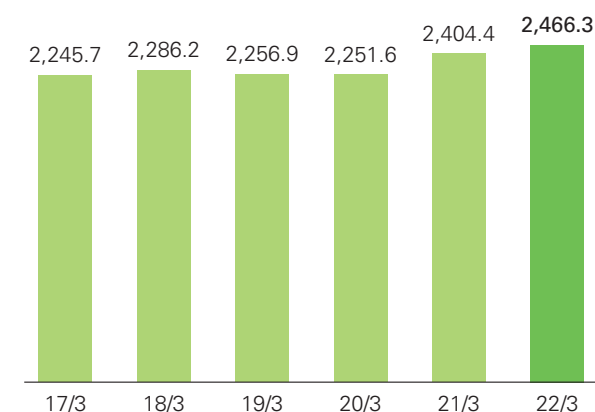
Trends in Stock Prices

(Unit: yen)



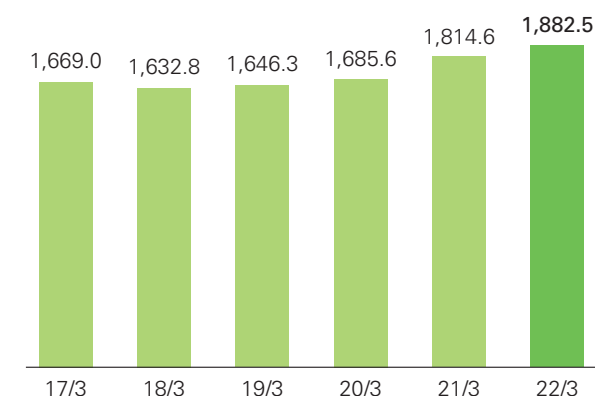
Deposits(Non-consolidated)

Billions of yen, At year-end



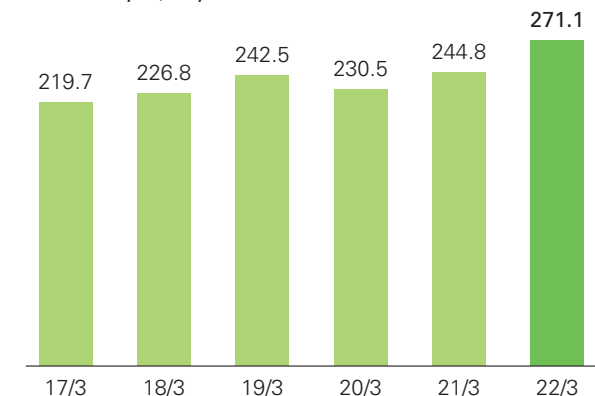
Loans(Non-consolidated)

Billions of yen, At year-end



Assets in custody(Non-consolidated)

Billions of yen, At year-end



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Forward-looking statements

Statements contained in this report regarding the Bank's future performance do not constitute statements of historical fact, and are thus subject to a number of risks and uncertainties. Readers are therefore cautioned not to place undue reliance on forward-looking statements, as factors beyond the Bank's control and outside its ability to predict, including general economic conditions and market fluctuations, could cause results to diverge materially from the Company's projections.

The Bank's annual report published in English is a translation of the original in the Japanese language which was independently audited. The English version itself, however, has not been audited.

Linking love for the local community to contributing to the region

We sincerely thank all our shareholders for their continued support for The Tsukuba Bank, Ltd.

All of us at the Bank would like to extend our heartfelt sympathy to the people affected by the COVID-19 pandemic.

The three-year period covered by the 4th Medium-Term Management Plan that the Bank launched in April 2019 was completed in March 2022. We achieved targets for all five management indicators that we set, including profit targets.

Building on the achievements and the know-how we gained under the previous Medium-Term Management Plan, we launched the 5th Medium-Term Management Plan, Rising Innovation 2025: Bridge to the Future—“Tsunagari,” in April to advance to a new stage

for the future. Under the 5th Medium-Term Management Plan, in order to accomplish our vision of becoming the “First Call Bank,” we will continue to provide attentive high-quality financial services based on our strength in *tsunagari* (relationships) with our customers, the region we serve, and our employees. In this way, we will “deepen our business model” to “create shared value” and transition to “sustainable management.”

Moreover, toward realization of a sustainable society, we will also vigorously engage in ESG and SDGs initiatives, including endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as well as establishing sustainable finance targets and a responsible investment and lending policy that takes into consideration environmental and social impacts.

Despite the protracted challenging environment, we will make group-wide efforts to contribute to the sustainable development of the local community and economy, “for the region, for the future.” We ask for the continued support and patronage of all our shareholders going forward.

Masahiko Ikuta
President



The 4th Medium-Term Management Plan—Review

- The three-year period covered by the 4th Medium-Term Management Plan launched in April 2019 under the theme of “selection and focus” was completed in March 2022. In the final year of the plan (fiscal year ended March 31, 2022), the Bank achieved its targets for all management indicators, that is, core operating profit, net income, capital-to-asset ratio, ROE, and core OHR.
- We will continue striving to be the indispensable bank for the region in order to fulfill the role of the “First Call Bank.”

Management Indicators	Core operating profit	Net income	Capital-to-asset ratio	ROE	Core OHR
Targets	At least ¥3.0 billion	At least ¥2.5 billion	8% range	At least 2.4%	5% improvement
(At the start of the plan) FY ended March 2019 (results)	¥1,815 million	¥936 million	8.42%	0.88%	93.55%
FY ended March 2022 (results)	¥5,817 million	¥4,188 million	8.92%	3.92%	12.99%pt improvement (80.56%)
Achievement	Achieved	Achieved	Achieved	Achieved	Achieved

The 5th Medium-Term Management Plan

<Vision> First Call Bank

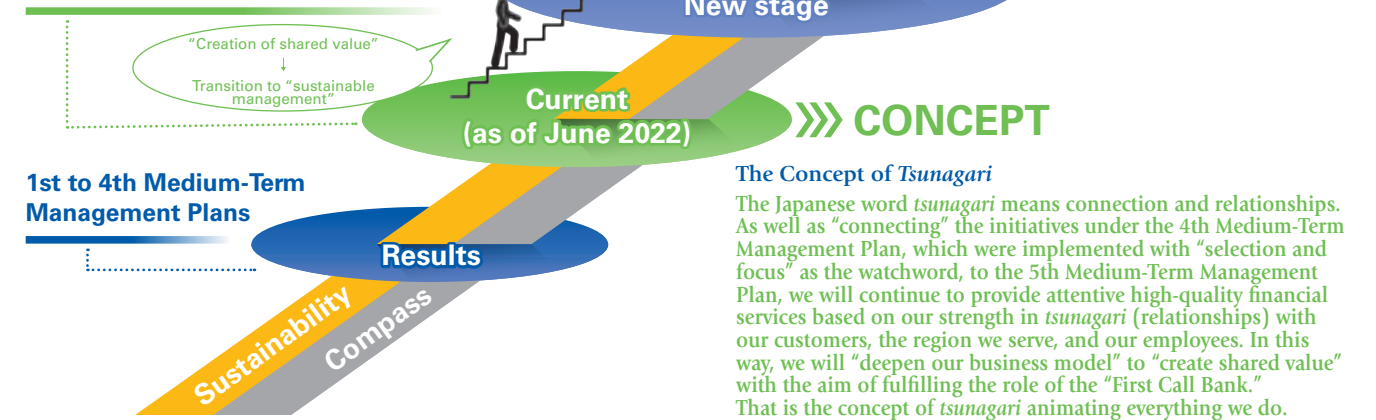
Tsukuba Bank aims to strengthen its presence as the “First Call Bank” by swiftly offering high-quality services and products.

5th Medium-Term Management Plan

Rising Innovation 2025

Bridge to the Future—“Tsunagari”

Plan duration: April 2022 to March 2025



Rising Innovation 2025 Bridge to the Future—“Tsunagari”

3 years for linking to “creation of shared value” and transitioning to “sustainable management”

In the next 3 years, as well as “connecting” the initiatives under the 4th Medium-Term Management Plan, which were implemented with “selection and focus” as a watchword, to the 5th Medium-Term Management Plan, we will continue to provide attentive high-quality financial services based on our strength in *tsunagari* (relationships) with our customers, the region we serve, and our employees. In this way, we will “deepen our business model” to “create shared value” with the aim of fulfilling the role of the “First Call Bank.”

Plan duration: April 2022 to March 2025 (3 years)

<p>01 Relationships with the region and customers</p> <p>Respond to issues in the region and customer needs</p> <p>We will pursue deepening of our consulting capabilities.</p> <p>By deepening our consulting capabilities cultivated over the years, we will work closely with companies and customers to contribute to the sustainable development of the local community and customers by resolving the issues they face.</p>	<p>02 Connecting to new business models</p> <p>Enhance management efficiency and innovate action processes</p> <p>We will step up enhancement of customer contact opportunities and service quality through “selection and focus” of management resources.</p> <p>By deepening our consulting capabilities cultivated over the years, we will work closely with companies and customers to contribute to the sustainable development of the local community and customers by resolving the issues they face.</p>	<p>03 Connection of human resources</p> <p>“Human resources development” and deeper engagement</p> <p>We are committed to motivating our employees to deepen engagement with stakeholders.</p> <p>By deepening our consulting capabilities cultivated over the years, we will work closely with companies and customers to contribute to the sustainable development of the local community and customers by resolving the issues they face.</p>
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Management Indicators and KPIs of the 5th Medium-Term Management Plan

Management Indicators

	Core operating profit	Net income	ROE	Core OHR	Capital-to-asset ratio
FY ending March 2025 (Targets)	At least ¥5.0 billion	At least ¥3.5 billion	At least 3%	70% range	At least 9%

New Initiatives from Fiscal 2022: Toward Realization of a Sustainable Society

The Bank is implementing various measures toward realization of a sustainable society. Above all, following the Great East Japan Earthquake of 2011, we promoted the Regional Development Support Project "Ayumi" to support regional reconstruction and development. Since April 2019, we have been contributing to the region's sustainable development through the SDGs Promotion Project "Ayumi."

Our endorsement of the TCFD recommendations, which we announced in August 2021, is of great significance, indicating the path that the Bank will take from now as we endeavor to establish our presence as the indispensable bank for the region.

Initiatives from now on

Building on the activities listed below, which we have undertaken so far, we will continue to take on the challenge of realizing a sustainable society.



Launch of the SDGs Promotion Committee

The SDGs Promotion Committee has been established to spearhead Bank-wide initiatives to address the SDGs and its committee meetings are notable for a vigorous exchange of views. In a collaborative endeavor involving various head office organizations, we are creating a framework so that the achievements of SDGs initiatives will shape the Bank's core business.

Since the launch of the SDGs Promotion Committee, the Bank has implemented various specific initiatives.



Promotion of the SDGs Promotion Project "Ayumi"

Following the Great East Japan Earthquake, the Bank promoted the overall reconstruction and promotion of the local economy and community through the Regional Development Support Project "Ayumi." Based on this experience, the Bank formulated the "Tsukuba Bank SDGs Declaration," endorsing the Sustainable Development Goals (SDGs) of the United Nations.



Endorsement of TCFD recommendations

Ever since the "Tsukuba Bank SDGs Declaration" in April 2019, we have been promoting the SDGs Promotion Project "Ayumi." Stepping up our SDGs initiatives, we endorsed the TCFD recommendations.

The Bank will vigorously take action in pursuit of decarbonization, while anticipating the risks that climate change poses to customers in the region and the Bank.

Specific initiatives

Building on the activities listed below, which we have undertaken so far, we will continue to take on the challenge of realizing a sustainable society.

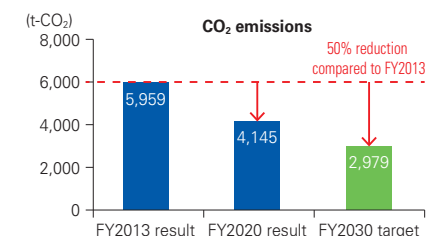


Responsible investment and lending policy that takes into consideration environmental and social impacts

With a view to achieving the Sustainable Development Goals (SDGs) adopted by the United Nations, as befits a financial institution supporting the regional economy, the Bank will take risk, mainly in its home of Ibaraki Prefecture, and contribute to the sustainable development of the region by helping resolve social and environmental issues. In principle, the Bank will not invest in or provide loans to businesses that are likely to have a significant negative impact on the environment and society.

[In principle, the Bank will not invest in or provide loans to the following:]

- (1) Businesses that develop or manufacture inhumane weapons
- (2) Businesses involved in human rights abuses, such as human trafficking, or forced labor
- (3) Businesses that construct new coal-fired power plants



Setting of CO₂ emissions reduction targets

In addition to engagement with its customers, the Bank is also strengthening its efforts to reduce the Bank's own greenhouse gas emissions and has set a target of reducing CO₂ emissions in fiscal 2030 to 50% of the fiscal 2013 level.

From the perspective of reducing environmental impacts and expenses, we are cultivating a workplace environment where all employees take the initiative and do whatever they can to achieve the targets.

	FY2013 result	FY2020 result	FY2030 target
CO ₂ emissions (of which Scope 1)	5,959	4,145	2,979
(of which Scope 2)	4,351	3,322	
CO ₂ emissions reduction		30.4%	50.0%

Sustainable finance execution target

From April 2022 to March 2031 (9 years)

¥300 billion

Identification of issues and value of companies with a focus on ESG factors
An initiative to link the offering of solutions, including support for core businesses, to ESG lending.

Establishment of sustainable finance targets

The Bank has set "sustainable finance targets" to proactively support its customers' initiatives to resolve environmental and social issues by further strengthening the Bank's initiatives related to the "Tsukuba Bank SDGs Declaration" and "Support for the TCFD recommendations." We will promote ESG lending by proactively encouraging our customers to engage in ESG initiatives.

[Services and products introduced by the Bank]

•SDGs Support Service

The Bank performs "SDGs diagnoses" of local small and medium-sized companies working on the SDGs to support the formulation of their "SDGs declarations" to achieve the SDGs.

• Mortgage Loan dedicated to Net Zero Energy House (ZEH)

By supporting the spread of environmentally friendly houses (ZEH), which is attracting attention owing to growing social awareness of the importance of environmental protection, the Bank aims to realize a sustainable local community in cooperation with customers and housebuilders.

Measures Against COVID-19

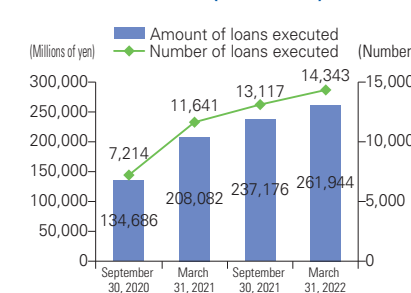
We have been responding swiftly so as to promptly support our customers affected by the COVID-19 pandemic. In order to fulfill our role as a regional financial institution, our employees are working in concert to implement various measures as the "First Call Bank" that reaches out to customers in times of difficulty.

Results of loans executed related to COVID-19

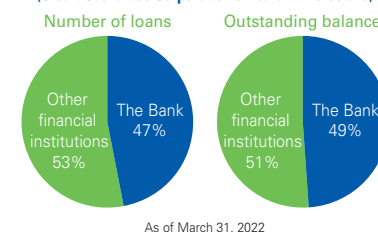
The number of loans executed and the balance of loans outstanding to customers affected by the COVID-19 pandemic are trending upward. In particular, for major loans related to COVID-19, namely Japanese government loans under the special guarantee program that requires borrowers to receive hands-on support from financial institutions and the Power-up Loans of Ibaraki Prefecture, the Bank accounts for more than 40% of the total balance of guarantees provided in Ibaraki Prefecture.

The Bank provides thorough support to customers' core businesses and offers proposals that lead to the improvement of their management, not only for cash management but also other fields.

Amount of loans executed related to COVID-19 (cumulative)



The Bank's share in Ibaraki Prefecture of the total outstanding Japanese government loans under the special guarantee program with hands-on support and the Power-up Loans of Ibaraki Prefecture (Credit Guarantee Corporation of Ibaraki Prefecture)



Corporate governance

Basic Policy on Corporate Governance

The Bank has set “Based on the trust of our customers in the local community, Tsukuba Bank aims to strengthen its presence as a Bank and contribute greatly to society” as its basic philosophy. In order to establish society’s unwavering trust in us, we will make efforts to strengthen corporate governance from the perspective of achieving sustainable growth and improving medium-term corporate value.

Status of Corporate Governance

Overview of Corporate Governance Structure

The Bank recognizes the strengthening of corporate governance as an important management issue. The Audit & Supervisory Committee consisting of five Directors serving as Audit & Supervisory Committee Members properly audits the execution of duties by Directors to “strengthen supervisory functions” and to “accelerate decision-making” so as to enhance the oversight of management.

Board of Directors

The Board of Directors consists of nine Directors (excluding Directors serving as Audit & Supervisory Committee Members), of whom one is an Outside Director, and five Directors serving as Audit & Supervisory Committee Members, of whom four are Outside Directors, for a total of 14 members. Meetings of the Board of Directors are held at least once a month, where decisions on the execution of important business are made in addition to matters provided for in laws and regulations and the Articles of Incorporation.

Also, an Executive Committee has been established as a subsidiary committee of the Board of Directors, to deliberate on matters to be discussed at Board of Directors meetings and make decisions on matters delegated to the Executive Committee. In addition, having introduced an executive officer system, the Bank has put in place a structure that promotes faster decision-making in

management and appropriate execution of initiatives.

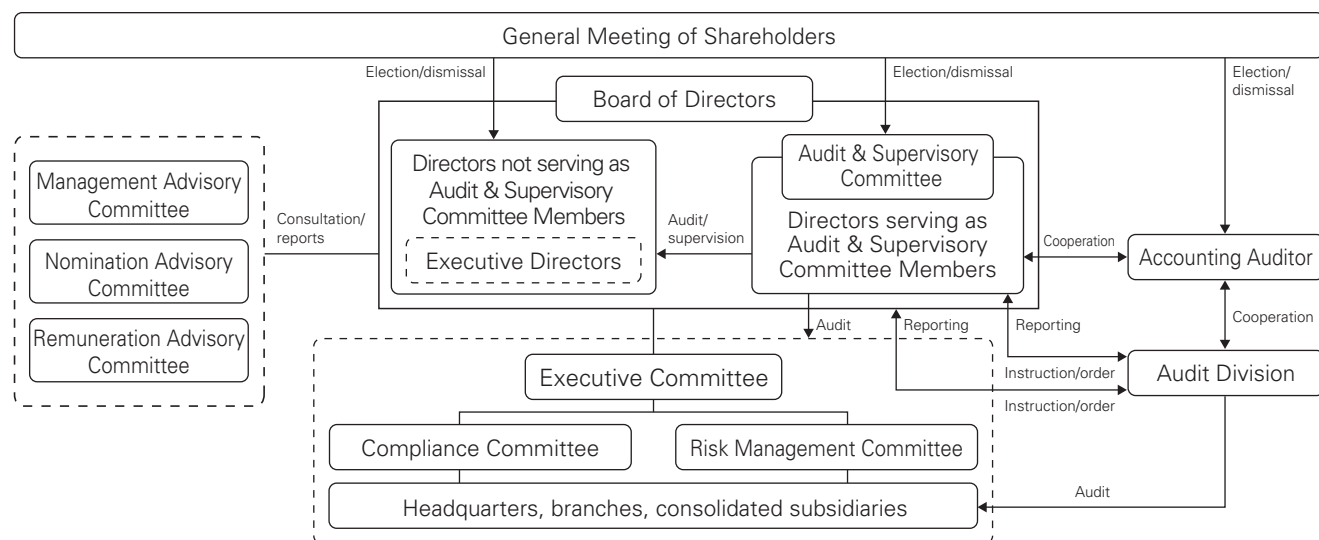
Furthermore, as a voluntary committee that consults the Board of Directors, a Management Advisory Committee mainly consisting of Outside Directors has been established to strengthen collaboration, exchange information, and share awareness between Outside Directors and the management team. The Bank strives to establish a fair and transparent business management system by having the Management Advisory Committee be involved in and give advice on important management matters as appropriate.

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of five Directors serving as Audit & Supervisory Committee Members, of whom four are Outside Directors. Meetings of the Audit & Supervisory Committee are held once a month, in principle. Directors serving as Audit & Supervisory Committee Members attend important meetings, such as those of the Executive Committee, the Compliance Committee, and the Risk Management Committee, in addition to meetings of the Board of Directors, and provide advice and suggestions and also appropriately audit the execution of duties by Directors. Moreover, the Audit & Supervisory Committee has the authority provided for in laws and regulations and the Regulations of the Audit & Supervisory Committee, etc., receives reports on important matters concerning audit, and discusses and make decisions.

To allow Directors (excluding executive directors, etc.) to fulfill their expected roles to the best of their abilities, based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has entered into liability limitation agreements with Outside Directors to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount as stipulated by Article 425, Paragraph 1 of the Companies Act, provided that their actions are in good faith and without gross negligence in the course of their duties.

(Overview of Corporate Governance)



Internal Control System

Risk Management System

On the back of rapid changes and globalization in the financial and economic climates, the business operations of financial institutions are drastically changing. In line with the changes, risks faced by financial institutions are becoming increasingly diverse and complex.

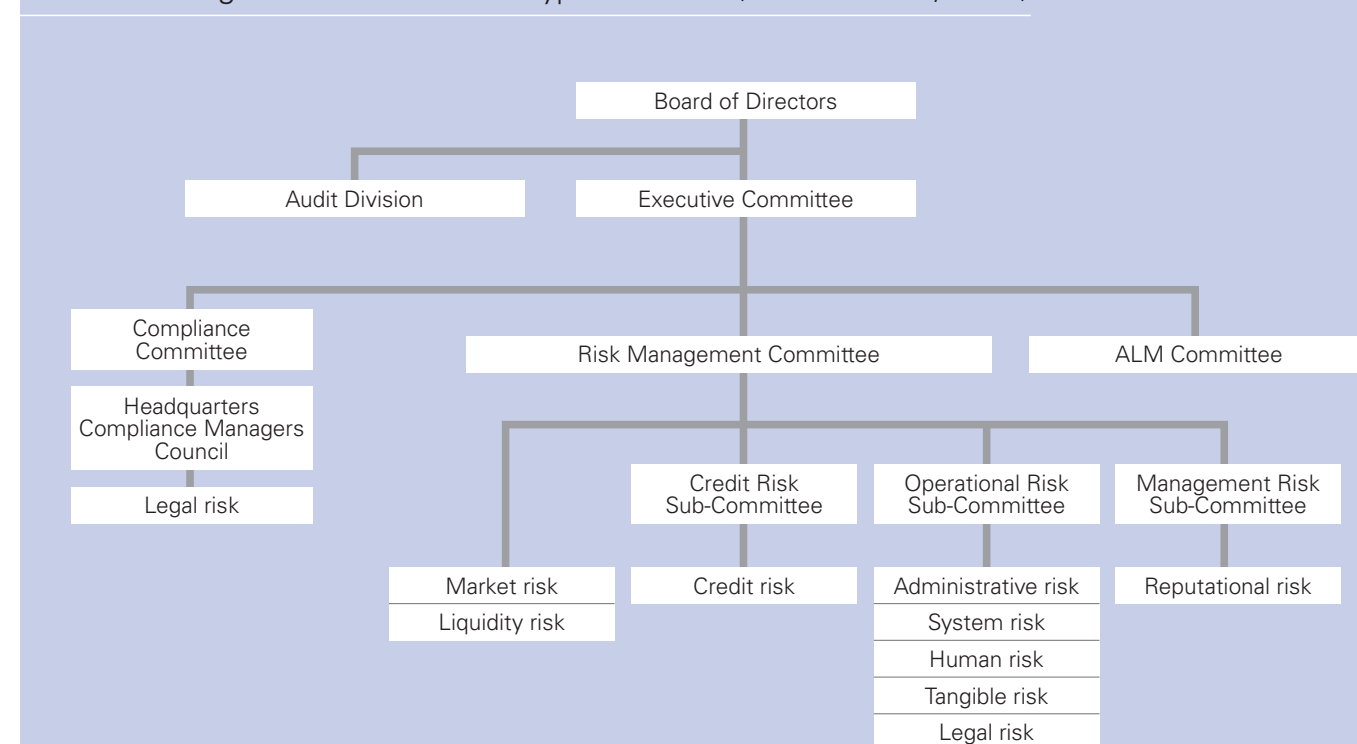
In such an environment, striving to be a bank that gains the trust of its customers, the Bank views risk management as the most important management issue from the perspective of maintaining sound management and securing stable profits, and tackles it by involving all employees.

The Bank has formulated the Integrated Risk Management Policy and the Integrated Risk Management Regulations to

stipulate items such as the management policy and management system for risks. Based on these regulations, the respective division in charge will identify and evaluate the extent of major risks including credit risk, market risk, liquidity risk, operational risk (administrative risk, system risk, etc.), and reputational risk, as well as formulate and operate management regulations by type of risk.

Furthermore, meetings of the Risk Management Committee and sub-committees that respond to each risk are held regularly, where appropriate risk management is conducted, through activities such as the specific evaluation of each risk, and the examination of management policies.

Risk Management Structure and Types of Risks (as of June 24, 2022)



Consolidated Balance Sheets

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2021 and 2022

	Millions of yen	
	2021	2022
Assets		
Cash and due from banks	¥ 357,135	¥ 524,843
Monetary claims bought	919	1,005
Trading securities	231	200
Money held in trust	2,969	2,948
Securities	476,156	501,352
Loans and bills discounted	1,814,648	1,882,596
Foreign exchanges	6,353	7,188
Other assets	17,105	17,224
Tangible fixed assets	21,848	20,833
Buildings	10,508	9,978
Land	9,811	9,569
Construction in progress	136	90
Other tangible fixed assets	1,391	1,195
Intangible fixed assets	4,443	4,533
Software	3,294	2,738
Other intangible fixed assets	1,149	1,794
Net defined benefit asset	4,180	4,898
Deferred tax assets	1,574	1,555
Customers' liabilities for acceptances and guarantees	843	1,103
Reserve for possible loan losses	(9,995)	(9,255)
Total assets	¥2,698,415	¥2,961,028
Liabilities		
Deposits	¥2,404,160	¥2,465,954
Call money and bills sold	—	20,000
Payables under securities lending transactions	16,000	12,000
Borrowed money	158,000	349,000
Foreign exchanges	44	93
Other liabilities	5,224	7,197
Reserve for employees' bonuses	771	743
Net defined benefit liability	233	96
Reserve for executives' retirement benefits	1	3
Reserve for executive officers' retirement benefits	52	52
Reserve for reimbursement of dormant deposits	138	121
Reserve for point card certificates	15	15
Reserve for loss on contingency	297	227
Deferred tax liabilities for land revaluation	321	321
Acceptances and guarantees	843	1,103
Total liabilities	2,586,104	2,856,931
Net assets		
Common stock	48,868	48,868
Capital surplus	30,447	30,447
Retained earnings (accumulated deficit)	31,099	34,909
Treasury stock	(7)	(8)
Total shareholders' equity	110,408	114,216
Net unrealized gains (losses) on available-for-sale securities	439	(11,728)
Land revaluation excess	330	341
Remeasurements of defined benefit plans	1,132	1,267
Total accumulated other comprehensive income	1,902	(10,119)
Total net assets	112,310	104,097
Total liabilities and net assets	¥2,698,415	¥2,961,028

Consolidated Statements of Income

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen	
	2021	2022
Ordinary income	¥35,791	¥36,680
Interest income	24,327	25,937
Interest on loans and discounts	20,512	20,587
Interest and dividends on securities	3,765	4,726
Interest on call loans and bills bought	(14)	—
Interest on deposits with banks	51	623
Other interest income	13	0
Fees and commissions	8,329	8,267
Other operating income	1,236	661
Other ordinary income	1,898	1,813
Recoveries of write-offs	408	369
Other ordinary income	1,489	1,444
Ordinary expenses	33,323	31,478
Interest expenses	634	464
Interest on deposits	142	72
Interest on negotiable certificates of deposit	—	0
Interest on call money and bills sold	(0)	(1)
Interest on payables under securities lending transactions	491	393
Interest on borrowings and rediscounts	0	—
Other interest expenses	—	(0)
Fees and commissions	3,705	3,845
Other operating expenses	1,296	921
General and administrative expenses	25,153	23,901
Other ordinary expenses	2,534	2,345
Provision for reserve for possible loan losses	1,592	1,331
Other ordinary expenses	942	1,014
Ordinary profit	2,467	5,201
Extraordinary income	987	82
Gain on disposal of fixed assets	37	82
Gain on sale of shares of subsidiaries	923	—
Compensation for forced relocation	26	—
Extraordinary losses	1,270	713
Loss on disposal of fixed assets	134	44
Loss on impairment of fixed assets	391	93
Loss on cancellation of receipt of cash collateral for securities lent	745	575
Income before income taxes	2,184	4,570
Income taxes - current	323	327
Income taxes - deferred	99	8
Total income taxes	423	336
Net income	1,760	4,233
Net income attributable to owners of parent	¥ 1,760	¥ 4,233

Consolidated Statements of Comprehensive Income

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen	
	2021	2022
Net income	¥1,760	¥ 4,233
Other comprehensive income	5,662	(12,032)
Net unrealized gains on available-for-sale securities	4,253	(12,168)
Remeasurements of defined benefit plans, net of tax	1,408	135
Total comprehensive income	7,423	(7,798)
Total comprehensive income attributable to:		
Equity holders of the parent	7,423	(7,798)

Consolidated Statements of Changes in Net Assets

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Million yen				
	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
For the year ended March 31, 2021					
Balance at beginning of period	¥48,868	¥30,447	¥29,672	¥(7)	¥108,981
Changes during period					
Dividends of surplus			(416)		(416)
Profit attributable to owners of parent			1,760		1,760
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			82		82
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,426	(0)	1,426
Balance at end of period	¥48,868	¥30,447	¥31,099	¥(7)	¥110,408

	Million yen				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
For the year ended March 31, 2021					
Balance at beginning of period	¥(3,814)	¥413	¥ (276)	¥(3,678)	¥105,303
Changes during period					
Dividends of surplus					(416)
Profit attributable to owners of parent					1,760
Purchase of treasury shares					(0)
Reversal of revaluation reserve for land					82
Net changes in items other than shareholders' equity	4,253	(82)	1,408	5,580	5,580
Total changes during period	4,253	(82)	1,408	5,580	7,006
Balance at end of period	¥ 439	¥330	¥1,132	¥ 1,902	¥112,310

	Million yen				
	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
For the year ended March 31, 2022					
Balance at beginning of period	¥48,868	¥30,447	¥31,099	¥(7)	¥110,408
Changes during period					
Dividends of surplus			(412)		(412)
Profit attributable to owners of parent			4,233		4,233
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		(0)		9	9
Reversal of revaluation reserve for land			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	3,810	(1)	3,808
Balance at end of period	¥48,868	¥30,447	¥34,909	¥(8)	¥114,216

	Million yen				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
For the year ended March 31, 2022					
Balance at beginning of period	¥ 439	¥330	¥1,132	¥ 1,902	¥112,310
Changes during period					
Dividends of surplus					(412)
Profit attributable to owners of parent					4,233
Purchase of treasury shares					(11)
Disposal of treasury shares					9
Reversal of revaluation reserve for land					(10)
Net changes in items other than shareholders' equity	(12,168)	10	135	(12,021)	(12,021)
Total changes during period	(12,168)	10	135	(12,021)	(8,212)
Balance at end of period	¥(11,728)	¥341	¥1,267	¥(10,119)	¥104,097

Consolidated Statements of Cash Flows

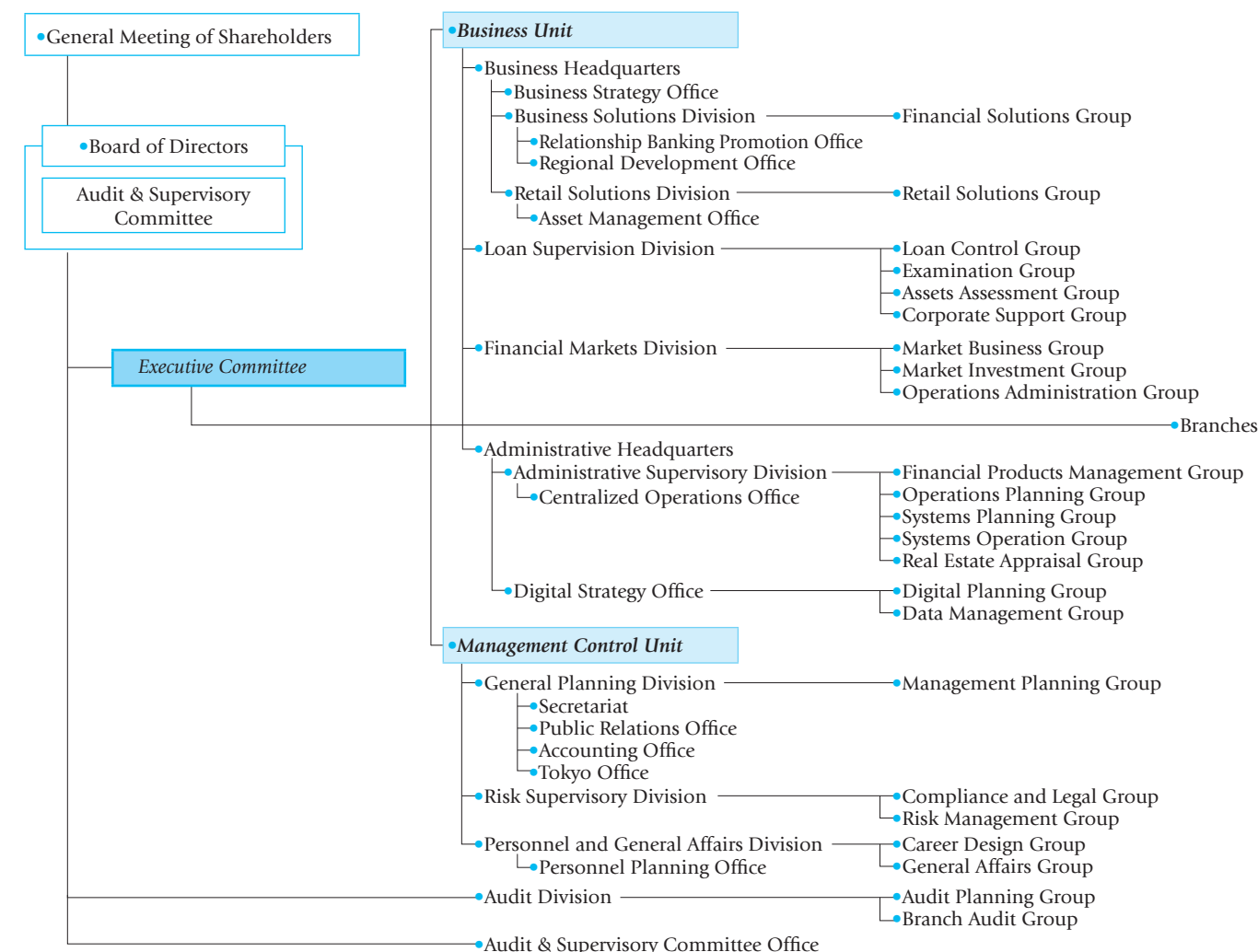
Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen	
	2021	2022
Cash flows from operating activities		
Income before income taxes	¥ 2,184	¥ 4,570
Depreciation	2,087	2,165
Losses on impairment of fixed assets	391	93
Increase (decrease) in reserve for possible loan losses	(755)	(740)
Increase (decrease) in reserve for employees' bonuses	(27)	(28)
Decrease (increase) in net defined benefit asset	(1,693)	(717)
Increase (decrease) in net defined benefit liability	(669)	(136)
Increase (decrease) in reserve for executives' retirement benefits	(5)	1
Increase (decrease) in reserve for executive officers' retirement benefits	5	0
Increase (decrease) in reserve for reimbursement of dormant deposits	(55)	(16)
Increase (decrease) in reserve for point card certificates	0	0
Increase (decrease) in reserve for loss on contingency	(76)	(69)
Interest income	(24,327)	(25,937)
Interest expenses	634	464
Gains (losses) on securities transactions	10	40
Loss (gain) on sale of shares of subsidiaries	(923)	—
Losses (gains) on money held in trust	(125)	(15)
Foreign exchange losses (gains)	(792)	(4,044)
Losses (gains) on disposal of fixed assets	97	(37)
Net decrease (increase) in loans and bills discounted	(129,033)	(67,947)
Net increase (decrease) in deposits	152,030	61,793
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	158,000	191,000
Net decrease (increase) in due from banks excluding cash equivalents	(14,051)	17,202
Net decrease (increase) in call loans and others	4,924	(85)
Net increase (decrease) in call money	—	20,000
Net increase (decrease) in payables under securities lending transactions	(3,999)	(3,999)
Net decrease (increase) in foreign exchange, assets	4,021	(835)
Net increase (decrease) in foreign exchange, liabilities	(30)	48
Net decrease (increase) in trading securities	205	31
Interest and dividends received	24,517	25,941
Interest paid	(762)	(509)
Others, net	2,815	1,978
Subtotal	174,594	220,212
Income taxes paid	(411)	(215)
Net cash provided by (used in) operating activities	174,182	219,997
Cash flows from investing activities		
Purchases of securities	(204,054)	(190,172)
Proceeds from sale of securities	100,850	96,818
Proceeds from redemption of securities	67,650	59,992
Purchases of tangible fixed assets	(582)	(303)
Purchases of intangible fixed assets	(664)	(1,231)
Payments for retirement of fixed assets	(78)	(15)
Payments for execution of assets retirement obligations	(14)	(28)
Proceeds from sale of tangible fixed assets	286	275
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	5,649	—
Net cash provided by (used in) investing activities	(30,956)	(34,663)
Cash flows from financing activities		
Cash dividends paid	(416)	(412)
Purchase of treasury stock	(0)	(11)
Net cash provided by (used in) financing activities	(416)	(424)
Translation adjustment for cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	142,809	184,910
Cash and cash equivalents at beginning of year	192,236	335,045
Cash and cash equivalents at end of year	¥ 335,045	¥ 519,956

Directory

(As of April 1, 2022)

Organization Chart



Board of Directors, Executive Officers, Corporate Auditors

Chairman Masami Fujikawa	Managing Directors Tatsuro Seo	Outside Director serving as Audit & Supervisory Committee Member Norie Yokoi	Executive Officers Yoshiaki Motohashi
President Masahiko Ikuta	Director Kenichi Kikuchi	Daisuke Suzuki	Hiroshi Kohata
Vice-President Satoru Ochi	Akinobu Nagashima	Hiroshi Tamiya	Koichi Kanari
Senior Executive Managing Director Satoru Shinohara	Tsuyoshi Okano	Junichiro Seo	Kunihiro Mashiko
	Outside Directors Yuichi Nemoto	Managing Executive Officers Kazuhiro Watanabe	Mitsuo Ichikawa
	Director serving as Audit & Supervisory Committee Member Satoshi Ozaki	Senior Executive Officers Yasunori Akane	
		Noriyuki Hara	
		Toru Takata	
		Yoshiaki Uchita	
		Takayuki Yamada	

Profile

Tsukuba Bank (“the Bank”) was formed on March 1, 2010 when the former Kanto Tsukuba Bank and the former Ibaraki Bank combined their operations in a merger that was based on the spirit of equality.

The Bank’s name, “Tsukuba,” is derived from Mt. Tsukuba, which is also known as “Mt. Tsukuba of the East, Mt. Fuji of the West.” A sacred place since ancient times, the beautiful shape of this mountain has even been a theme of Manyoshu poetry.

Furthermore, the Bank’s headquarter operations have been moved to a building in Tsukuba City, Japan’s largest research and university town and a hub for groundbreaking research in cutting-edge technology.

The main base for the Bank’s business operations is Ibaraki Prefecture, the proud home of some of Japan’s best agriculture and industry. The region has vast land, air and sea networks, and therefore we anticipate further development in the future. In order to satisfy

our stakeholders — customers, shareholders and the local community, we intend to fully leverage this rich business base and effectively utilize the know-how and staff that both banks have built up over the years in order to provide high-quality financial services.

As of the year ended in March 2022, the Bank had 148 offices.



Tsukuba Bank Overview (as of March 31, 2022)

Corporate name	Tsukuba Bank, Ltd.
Central branch address	2-11-7 Chuo, Tsuchiura City, Ibaraki Prefecture
Headquarters address	1-7 Takezono, Tsukuba City, Ibaraki Prefecture TEL.: +81-29-859-8111 URL: https://www.tsukubabank.co.jp/ (Japanese language only)
Establishment	September 15, 1952
Capital	¥48.8 billion
Deposits	¥2,465.9 billion
Loans	¥1,882.5 billion
No. of employees	1,368
No. of branches*	148 (135 in Ibaraki Prefecture, 12 outside, 1 internet)
No. of branch locations	74 (67 in Ibaraki Prefecture, 7 outside)

*As of March 31, 2022

In principle, figures are rounded to the nearest decimal point. The last digit of comparisons and other figures may not always match.

