

Annual Report 2023

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.

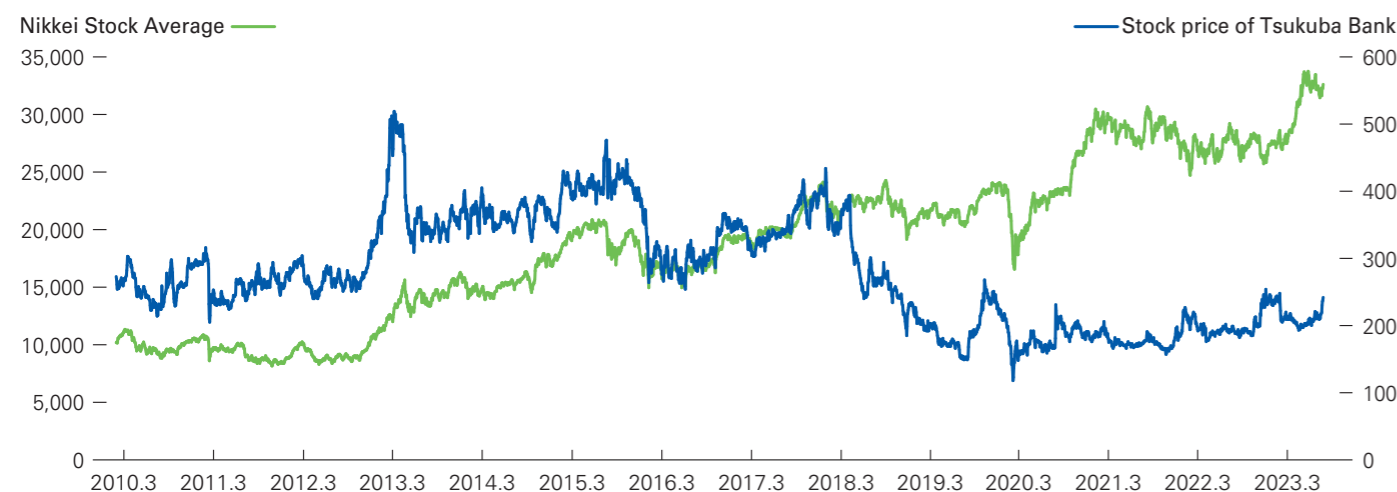
Consolidated Financial Highlights

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2018, 2019, 2020, 2021, 2022 and 2023

	Millions of yen					
	2018	2019	2020	2021	2022	2023
For the year:						
Ordinary income	¥ 40,606	¥ 38,119	¥ 37,819	¥ 35,791	¥ 36,680	¥ 37,098
Ordinary expenses	35,673	36,123	35,186	33,323	31,478	35,335
Ordinary profit	4,933	1,995	2,632	2,467	5,201	1,762
Income before income taxes	4,785	1,788	2,626	2,184	4,570	1,813
Net income attributable to owners of parent	3,037	1,083	1,223	1,760	4,233	2,095
At year-end:						
Deposits	¥ 2,275,005	¥ 2,245,886	¥ 2,240,798	¥ 2,404,160	¥ 2,465,954	¥ 2,512,528
Loans and bills discounted	1,633,318	1,646,779	1,686,026	1,814,648	1,882,596	1,951,202
Securities	569,734	473,603	435,609	476,156	501,352	429,402
Total assets	2,420,184	2,401,627	2,379,649	2,698,415	2,961,028	2,767,374
Net assets	109,449	110,460	105,303	112,310	104,097	91,015

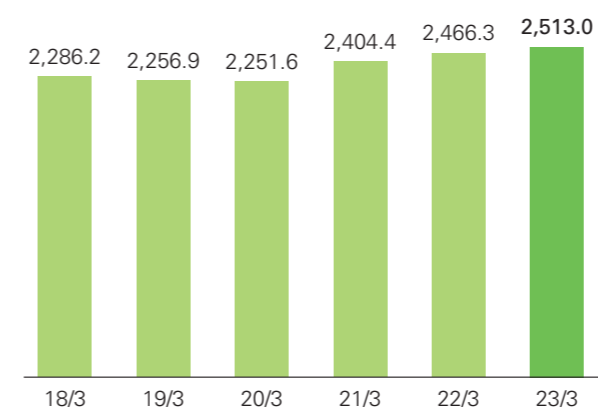
Trends in Stock Prices

(Unit: yen)



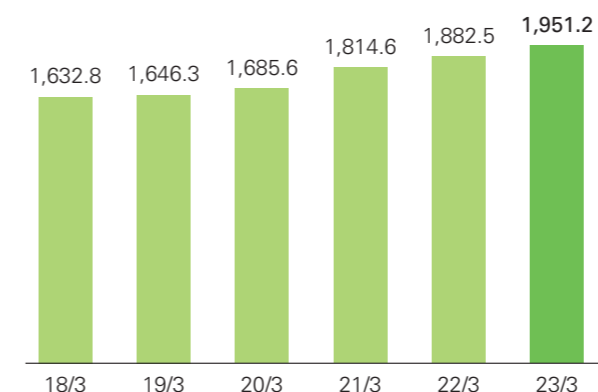
Deposits(Non-consolidated)

Billions of yen, At year-end



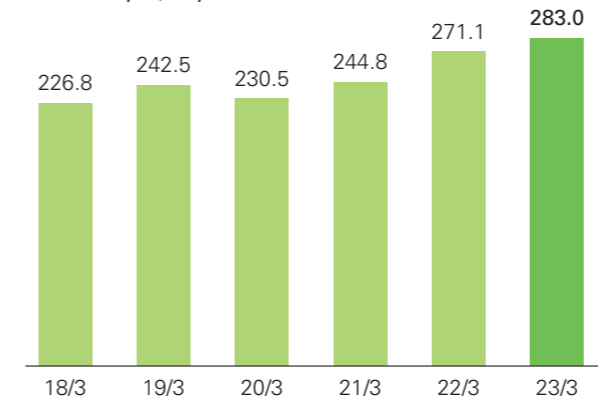
Loans(Non-consolidated)

Billions of yen, At year-end



Assets in custody(Non-consolidated)

Billions of yen, At year-end



Contents

Corporate Philosophy	1
Message from the President	3
Review of the First Year of the Plan	4
Sustainability Promotion System	5
Management Structure	7
Consolidated Balance Sheets	9
Consolidated Statements of Income	10
Consolidated Statements of Comprehensive Income	10
Consolidated Statements of Changes in Net Assets	11
Consolidated Statements of Cash Flows	13
Directory	14

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.

Working on transition to sustainable management for the realization of a sustainable society

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

In April 2022, the Bank launched the 5th Medium-Term Management Plan, Rising Innovation 2025: Bridge to the Future—“*Tsunagari*.” This plan is based on the concept of 3 years for linking to “creation of shared value” and transitioning to “sustainable management,” and we are working on three basic strategies: 1) Respond to issues in the region and customer needs, 2) Enhance management efficiency and innovate action processes, and 3) “Human resources development” and deeper engagement. The first year of the plan



ended in March 2023, and KPIs related to corporate and individual consulting, which represent the core business profit of the Bank, are growing steadily. In this fiscal year, the second year of the plan, we will steadily promote each measure and aim to achieve the management indicators for the fiscal year ending March 31, 2025, the final year of the plan.

In addition, we are actively working on initiatives to realize a sustainable society, and the sustainable finance volume is growing steadily. Moreover, the Bank is focusing on enhancing services that support our customers’ efforts related to the SDGs.

As a responsible regional financial institution, we will make group-wide efforts to support customers in resolving environmental and social issues. We ask for the continued support and patronage of all our shareholders going forward.

Masahiko Ikuta
President

Overview of the 5th Medium-Term Management Plan

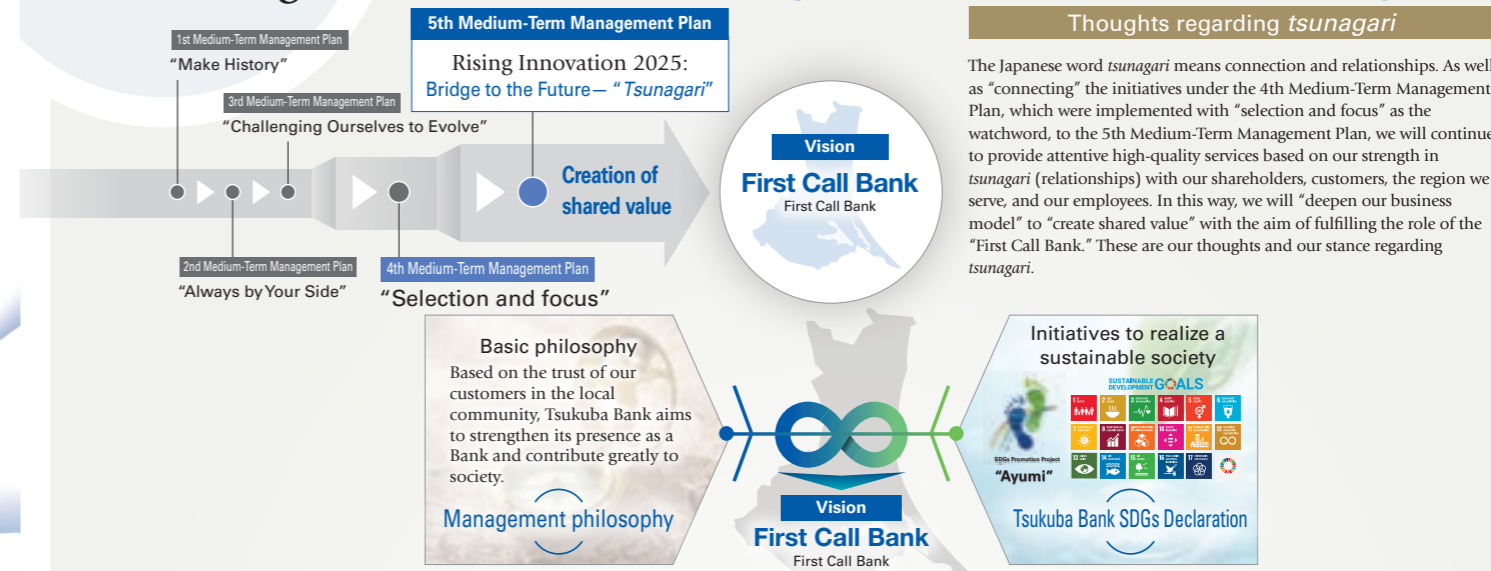
5th Medium-Term Management Plan, Rising Innovation 2025: Bridge to the Future—“ <i>Tsunagari</i> ”			
Concept	3 years for linking to “creation of shared value” and transitioning to “sustainable management”		
Basic elements	Relationships with the region and customers	Connecting to new business models	Connection of human resources
Basic strategies	Respond to issues in the region and customer needs 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.	Enhance management efficiency and innovate action processes We will enhance management efficiency and innovate action processes through digitization, optimization of the branch network, and strengthening of cooperation with other industries	“Human resources development” and deeper engagement We will develop human resources and realize a well-organized work style, a work style that makes work more rewarding, and a good work-life balance, as well as improve engagement with all stakeholders, including customers

Targeted Management Indicators

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

Strategies for achieving the future vision

Review of the First Year of the Plan (April 2022 to March 2023) Rising Innovation 2025: Bridge to the Future—“*Tsunagari*”



Thoughts regarding *tsunagari*

The Japanese word *tsunagari* means connection and relationships. As well as “connecting” the initiatives under the 4th Medium-Term Management Plan, which were implemented with “selection and focus” as the watchword, to the 5th Medium-Term Management Plan, we will continue to provide attentive high-quality services based on our strength in *tsunagari* (relationships) with our shareholders, 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.” These are our thoughts and our stance regarding *tsunagari*.

Achievement Status of Major KGI and KPIs in the First Year of the Plan

Item	FY ended March 2023 (planned)	FY ended March 2023 (first year results)	Achievement status (compared to first year plan)	Progress rate for final year plan	FY ending March 2025 (final year plan)
Basic strategy I: Relationships with the region and customers					
Initiatives to solve issues faced by the region					
Sustainable finance volume	¥27.0 billion	¥55.3 billion	○	60.1%	At least ¥92.0 billion
Number of the companies that declared SDGs	200	488	○	97.6%	At least 500
Reduction of CO ₂ emissions ¹	Down 33.8%	Down 35.4%	○	91.4%	Down 38.7%
Deepening of corporate consulting					
Increase in loan balance for SMEs (excluding for apartment businesses)	¥15.0 billion	¥15.9 billion	○	35.3%	At least ¥45.0 billion
Corporate fees earned	¥1.6 billion	¥1.6 billion	○	32.6%	At least ¥4.9 billion
Deepening of individual consulting					
Increase in consumable loan balance	¥16.0 billion	¥29.8 billion	○	45.8%	At least ¥65.0 billion
Number of clients with assets in custody	62,506	64,558	○	90.9%	At least 71,000
Basic strategy II: Connecting to new business models					
Initiatives for digital transformation (DX)					
Number of API integrations	28,000	44,887	○	118.1%	At least 38,000
Number of employees who have passed IT Passport Examination ²	290	337	○	48.8%	At least 690
Improvement of productivity through the thorough pursuit of streamlining and efficiency					
Reduction of general expenses (amount of reduction from FY ended March 2022 results)	¥190 million	¥300 million	○	75.0%	At least ¥400 million
Reduction of personnel expenses (amount of reduction from FY ended March 2022 results)	¥320 million	¥450 million	○	45.0%	At least ¥1.0 billion
Sales staff ratio	52%	52%	○	96.2%	At least 54%
Basic strategy III: Connection of human resources					
Realization of diversity in a rewarding and comfortable workplace					
Percentage of women in managerial positions	18%	18%	○	90.0%	At least 20%
Percentage of eligible male employees who took childcare leave	100%	93%	×	93.0%	100%
Human resources development that supports autonomous career formation and skill improvement					
Number of employees who have obtained an advanced qualification	7	4	×	16.0%	At least 25



◆ Achievement status ○ indicates the results exceeding the plan for the first year of the Medium-Term Management Plan × indicates the results not achieving the plan for the first year of the Medium-Term Management Plan
¹ We have set the target reduction rate for FY2030 at 50% or more compared to FY2013, and at 38.7% for the three years of the 5th Medium-Term Management Plan
² Number of employees who have passed IT Passport Examination includes the number of employees who have passed Financial Business Test Level 3 DX Course

Sustainability Promotion System

Basic Policy for SDGs Promotion

In April 2019, we endorsed the Sustainable Development Goals (SDGs) established by the United Nations and formulated the "Tsukuba Bank SDGs Declaration" in order to realize our corporate slogan "for the region, for the future."

Recently, the social situation surrounding SDGs has been changing at an accelerating pace, and regional financial institutions make it their mission to solve the problems faced by their local communities and support their growth. Tsukuba Bank will continue the SDGs Promotion Project "Ayumi" and work toward the sustainable growth of the local community, including the Bank.

  **Tsukuba Bank SDGs Declaration**
<https://www.tsukubabank.co.jp/cms/article/0f3f2fc3429eaa35a60ab3bc793ecce5b0fa5600/>

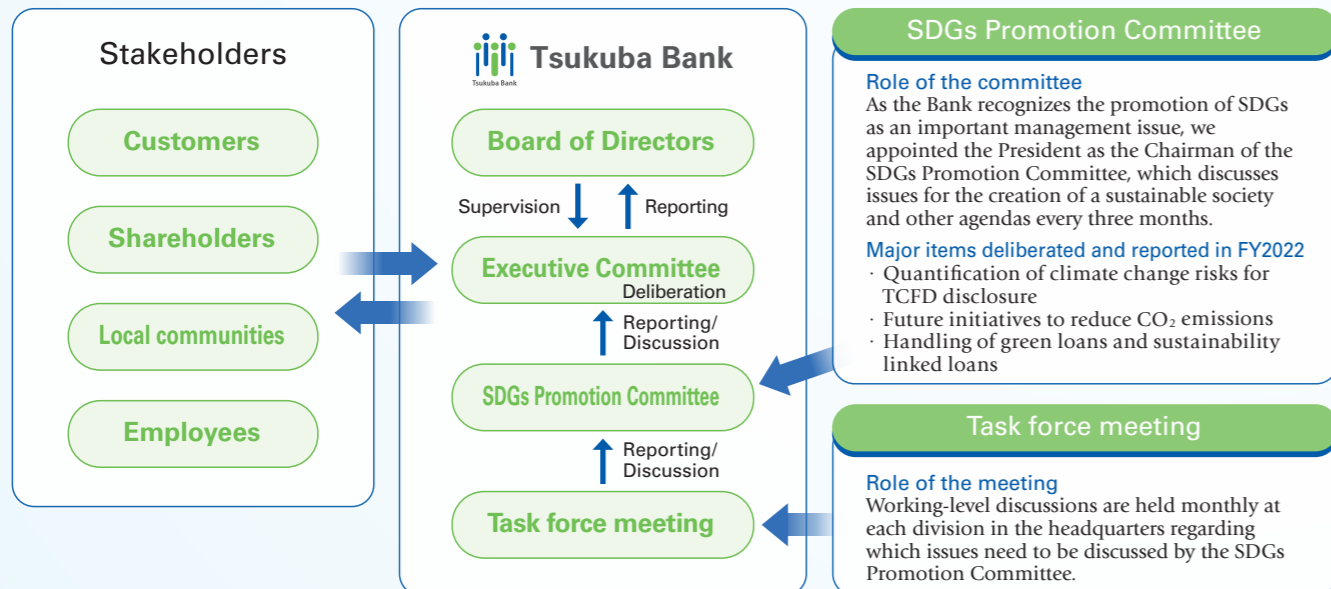
KPIs (period of the plan: April 2022 to March 2025) and Progress

	Sustainable finance volume	Reduction of CO ₂ emissions (reduction rate compared to FY2013)	Number of the companies that declared SDGs
Targets for FY ending March 2025	At least ¥92.0 billion 3-year total *April 2022 to March 2031 (9 years) ¥300.0 billion	Down 50.0% FY2030 target reduction rate *Target as of March 2025 Down 38.7%	At least 500 3-year total
(1st year of Medium-Term Management Plan) Results for FY ended March 2023	¥55.3 billion	Down 35.4%	488

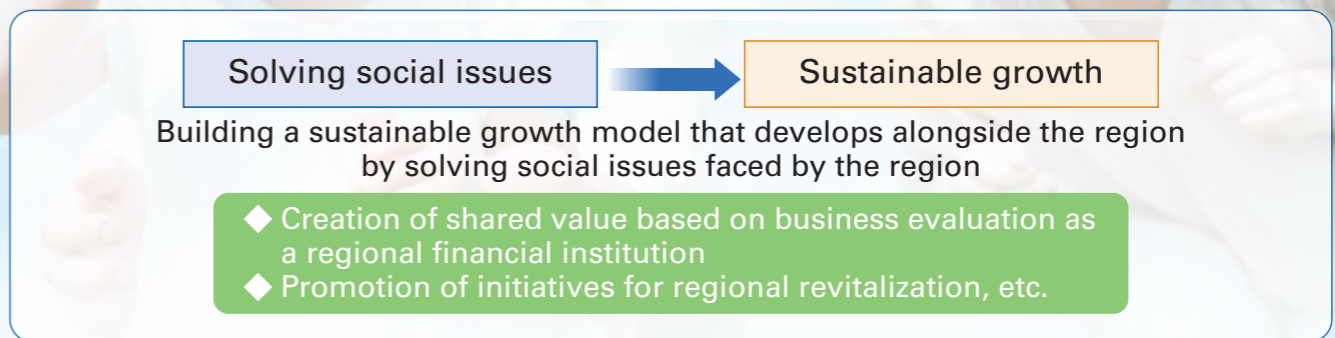
SDGs Promotion System

As the Bank recognizes the promotion of SDGs as an important management issue, we appointed the President as the Chairman of the SDGs Promotion Committee, which discusses the progress of our initiatives for the SDGs Promotion Project "Ayumi."

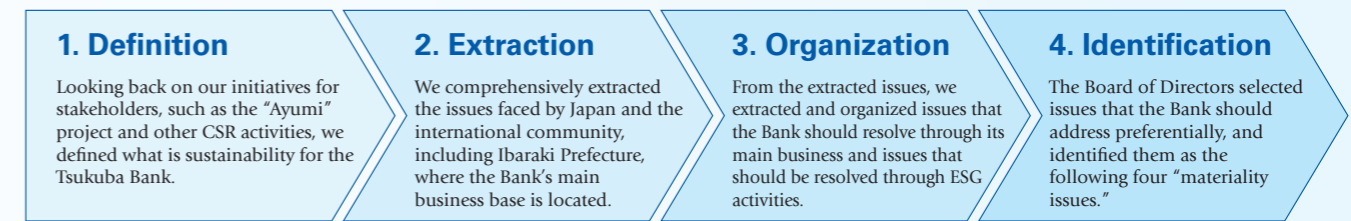
In addition, we hold monthly task force meetings to discuss matters that need for special reinforcement, and submit the outcome to the SDGs Promotion Committee. Discussions at the SDGs Promotion Committee are regularly reported to the Board of Directors via the Executive Committee.







SDGs Promotion Project "Ayumi" "for the region, for the future"



Materiality Identification Process



Materiality Issues	Themes	Major initiatives
1 Toward sustainable development of the regional economy 	1-1. Aiming for a sustainable regional economy 1-2. Creation of regional innovation	Economy <ul style="list-style-type: none"> Promotion of sustainable finance Strengthening of initiatives to support the development of venture companies and to support startups
2 Toward the realization of a sustainable global environment 	2-1. Actions that take the global environment into consideration	Environment <ul style="list-style-type: none"> Reduction of CO₂ emissions
3 Toward the realization of a prosperous society for people living in the region 	3-1. Further promotion of regional revitalization 3-2. CSR initiatives 3-3. Improving the working environment of business partners	Society <ul style="list-style-type: none"> Cooperation with tourism-related projects and regional branding projects Holding of Economics Koshien (National High School Financial and Economic Quiz Championship) Ibaraki Tournament and promotion of SDGs diagnosis and declaration services Promotion of welfare package "Happy Yell Support"
4 Toward the promotion of responsible business 	4-1. Participation in consortiums such as the TCFD recommendations 4-2. Governance system for sustainable growth	Governance <ul style="list-style-type: none"> Progress management of disclosure items after endorsement of TCFD recommendations Confirmation of the progress of various initiatives by the SDGs Promotion Committee and establishment of a reporting system to the management

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 and takes the form of a company with an Audit & Supervisory Committee. We have established an Audit & Supervisory Committee consisting of five Directors serving as Audit & Supervisory Committee Members to “strengthen supervisory functions” and “accelerate decision-making,” thus properly auditing the execution of duties by Directors and enhancing the oversight of management.

Board of Directors

The Board of Directors consists of seven 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 12 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.

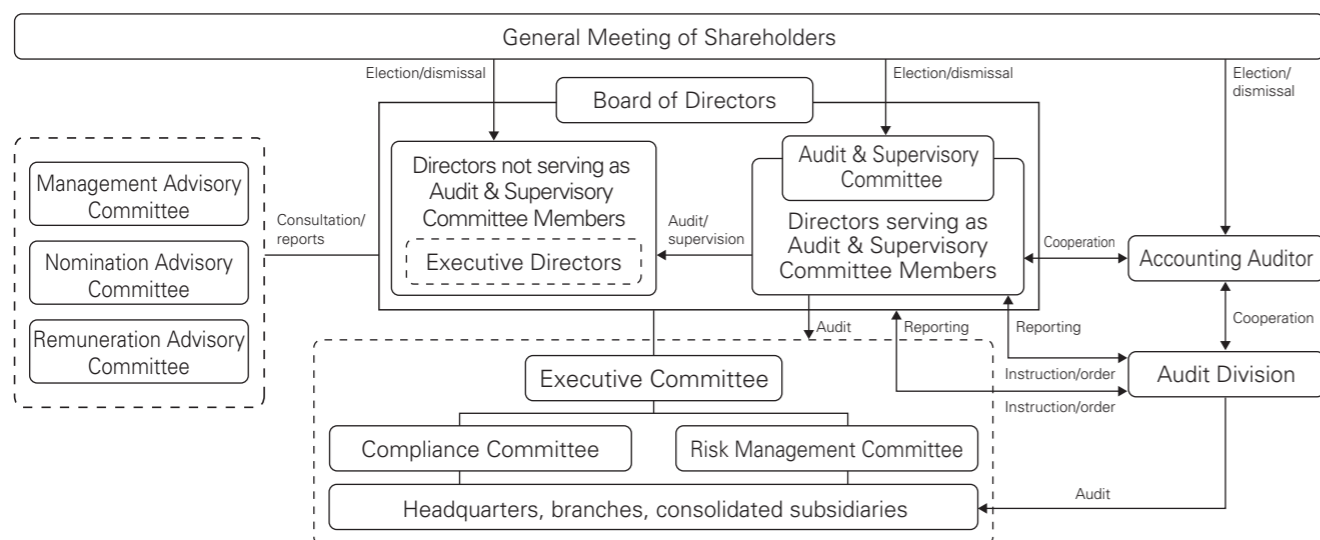
Furthermore, as a voluntary committee that consults the Board of Directors, a Management Advisory Committee mainly consisting of Outside Directors has been established to strengthen collaboration, exchange information, and share awareness between Outside Directors and the management team. The Bank strives 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.

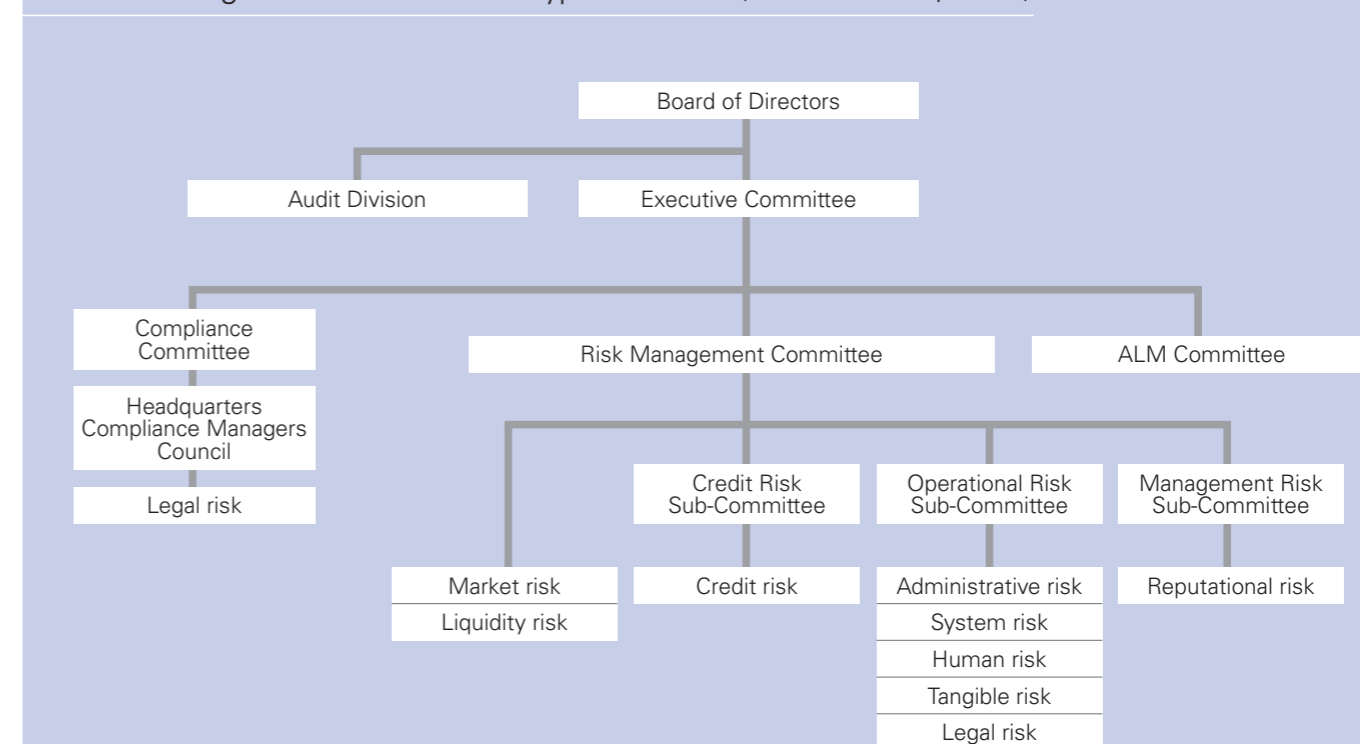
In such an environment, striving to be a bank that gains the trust of its customers, the Bank views risk management as the most important management issue from the perspective of maintaining sound management and securing stable profits, and tackles it by involving all employees.

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 22, 2023)



Consolidated Balance Sheets

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2022 and 2023

	Millions of yen	
	2022	2023
Assets		
Cash and due from banks	¥ 524,843	¥ 334,870
Monetary claims bought	1,005	1,063
Trading securities	200	173
Money held in trust	2,948	2,650
Securities	501,352	429,402
Loans and bills discounted	1,882,596	1,951,202
Foreign exchanges	7,188	10,727
Other assets	17,224	16,887
Tangible fixed assets	20,833	20,113
Buildings	9,978	9,459
Land	9,569	9,544
Construction in progress	90	105
Other tangible fixed assets	1,195	1,004
Intangible fixed assets	4,533	4,368
Software	2,738	3,432
Other intangible fixed assets	1,794	936
Net defined benefit asset	4,898	5,422
Deferred tax assets	1,555	2,869
Customers' liabilities for acceptances and guarantees	1,103	819
Reserve for possible loan losses	(9,255)	(13,198)
Total assets	¥2,961,028	¥2,767,374
Liabilities		
Deposits	¥2,465,954	¥2,512,528
Call money and bills sold	20,000	—
Payables under securities lending transactions	12,000	27,575
Borrowed money	349,000	128,300
Foreign exchanges	93	109
Other liabilities	7,197	5,402
Reserve for employees' bonuses	743	730
Net defined benefit liability	96	104
Reserve for executives' retirement benefits	3	1
Reserve for executive officers' retirement benefits	52	60
Reserve for reimbursement of dormant deposits	121	110
Reserve for point card certificates	15	18
Reserve for loss on contingency	227	276
Deferred tax liabilities for land revaluation	321	320
Acceptances and guarantees	1,103	819
Total liabilities	2,856,931	2,676,358
Net assets		
Common stock	48,868	48,868
Capital surplus	30,447	30,447
Retained earnings (accumulated deficit)	34,909	36,592
Treasury stock	(8)	(13)
Total shareholders' equity	114,216	115,895
Net unrealized gains (losses) on available-for-sale securities	(11,728)	(26,349)
Land revaluation excess	341	341
Remeasurements of defined benefit plans	1,267	1,129
Total accumulated other comprehensive income	(10,119)	(24,879)
Total net assets	104,097	91,015
Total liabilities and net assets	¥2,961,028	¥2,767,374

Consolidated Statements of Income

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2022 and 2023

	Millions of yen	
	2022	2023
Ordinary income	¥36,680	¥37,098
Interest income	25,937	25,649
Interest on loans and discounts	20,587	20,886
Interest and dividends on securities	4,726	4,526
Interest on call loans and bills bought	—	6
Interest on deposits with banks	623	224
Other interest income	0	5
Fees and commissions	8,267	8,535
Other operating income	661	587
Other ordinary income	1,813	2,325
Recoveries of write-offs	369	261
Other ordinary income	1,444	2,064
Ordinary expenses	31,478	35,335
Interest expenses	464	820
Interest on deposits	72	66
Interest on negotiable certificates of deposit	0	—
Interest on call money and bills sold	(1)	(1)
Interest on payables under securities lending transactions	393	756
Other interest expenses	(0)	—
Fees and commissions	3,845	4,044
Other operating expenses	921	2,104
General and administrative expenses	23,901	23,142
Other ordinary expenses	2,345	5,223
Provision for reserve for possible loan losses	1,331	4,065
Other ordinary expenses	1,014	1,158
Ordinary profit	5,201	1,762
Extraordinary income	82	96
Gain on disposal of fixed assets	82	96
Extraordinary losses	713	45
Loss on disposal of fixed assets	44	36
Loss on impairment of fixed assets	93	8
Loss on cancellation of receipt of cash collateral for securities lent	575	—
Income before income taxes	4,570	1,813
Income taxes - current	327	458
Income taxes - deferred	8	(740)
Total income taxes	336	(281)
Net income	4,233	2,095
Net income attributable to owners of parent	¥ 4,233	¥ 2,095

Consolidated Statements of Comprehensive Income

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2022 and 2023

	Millions of yen	
	2022	2023
Net income	¥ 4,233	¥ 2,095
Other comprehensive income	(12,032)	(14,759)
Net unrealized gains on available-for-sale securities	(12,168)	(14,620)
Remeasurements of defined benefit plans, net of tax	135	(138)
Total comprehensive income	(7,798)	(12,664)
Total comprehensive income attributable to:		
Equity holders of the parent	(7,798)	(12,664)

Consolidated Statements of Changes in Net Assets

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2022 and 2023

	Million yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
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				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
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

	Million yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
For the year ended March 31, 2023					
Balance at beginning of period	¥48,868	¥30,447	¥34,909	¥ (8)	¥114,216
Changes during period					
Dividends of surplus			(412)		(412)
Profit attributable to owners of parent			2,095		2,095
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		0		14	14
Reversal of revaluation reserve for land			0		0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	1,682	(4)	1,678
Balance at end of period	¥48,868	¥30,447	¥36,592	¥(13)	¥115,895

	Million yen				
	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
For the year ended March 31, 2023					
Balance at beginning of period	¥(11,728)	¥341	¥1,267	¥(10,119)	¥104,097
Changes during period					
Dividends of surplus					(412)
Profit attributable to owners of parent					2,095
Purchase of treasury shares					(18)
Disposal of treasury shares					14
Reversal of revaluation reserve for land					0
Net changes in items other than shareholders' equity	(14,620)	(0)	(138)	(14,760)	(14,760)
Total changes during period	(14,620)	(0)	(138)	(14,760)	(13,081)
Balance at end of period	¥(26,349)	¥341	¥1,129	¥(24,879)	¥ 91,015

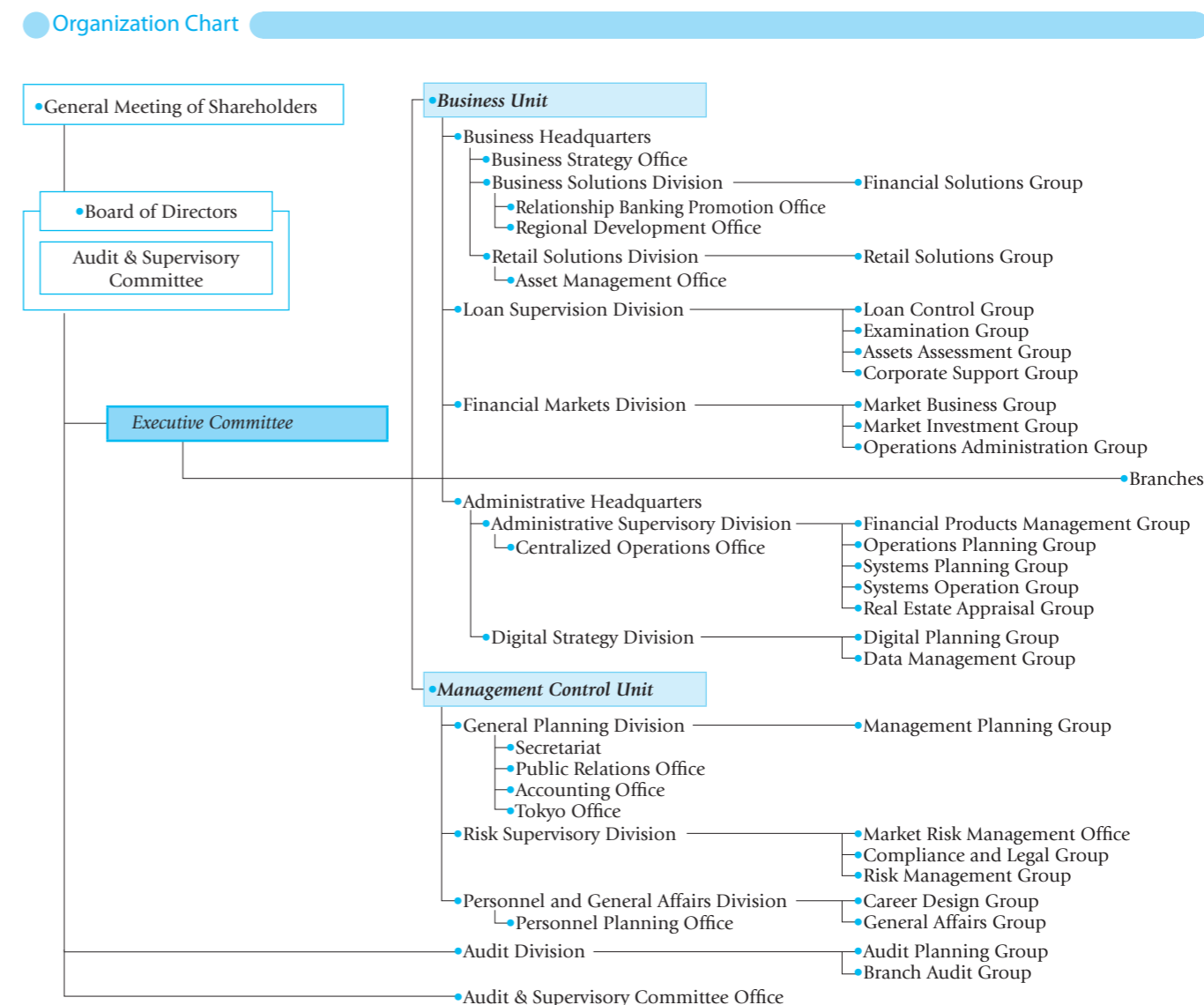
Consolidated Statements of Cash Flows

Tsukuba Bank, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2022 and 2023

	Millions of yen	
	2022	2023
Cash flows from operating activities		
Income before income taxes	¥ 4,570	¥ 1,813
Depreciation	2,165	2,280
Losses on impairment of fixed assets	93	8
Increase (decrease) in reserve for possible loan losses	(740)	3,943
Increase (decrease) in reserve for employees' bonuses	(28)	(12)
Decrease (increase) in net defined benefit asset	(717)	(523)
Increase (decrease) in net defined benefit liability	(136)	7
Increase (decrease) in reserve for executives' retirement benefits	1	(1)
Increase (decrease) in reserve for executive officers' retirement benefits	0	7
Increase (decrease) in reserve for reimbursement of dormant deposits	(16)	(11)
Increase (decrease) in reserve for point card certificates	0	2
Increase (decrease) in reserve for loss on contingency	(69)	48
Interest income	(25,937)	(25,649)
Interest expenses	464	820
Gains (losses) on securities transactions	40	103
Losses (gains) on money held in trust	(15)	290
Foreign exchange losses (gains)	(4,044)	(4,040)
Losses (gains) on disposal of fixed assets	(37)	(59)
Net decrease (increase) in loans and bills discounted	(67,947)	(68,606)
Net increase (decrease) in deposits	61,793	46,574
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	191,000	(220,700)
Net decrease (increase) in due from banks excluding cash equivalents	17,202	(13,023)
Net decrease (increase) in call loans and others	(85)	(58)
Net increase (decrease) in call money	20,000	(20,000)
Net increase (decrease) in payables under securities lending transactions	(3,999)	15,575
Net decrease (increase) in foreign exchange, assets	(835)	(3,538)
Net increase (decrease) in foreign exchange, liabilities	48	16
Net decrease (increase) in trading securities	31	27
Interest and dividends received	25,941	25,811
Interest paid	(509)	(800)
Others, net	1,978	(1,827)
Subtotal	220,212	(261,523)
Income taxes paid	(215)	(409)
Net cash provided by (used in) operating activities	219,997	(261,932)
Cash flows from investing activities		
Purchases of securities	(190,172)	(16,629)
Proceeds from sale of securities	96,818	34,736
Proceeds from redemption of securities	59,992	42,645
Purchases of tangible fixed assets	(303)	(314)
Purchases of intangible fixed assets	(1,231)	(1,209)
Payments for retirement of fixed assets	(15)	(17)
Payments for execution of assets retirement obligations	(28)	(44)
Proceeds from sale of tangible fixed assets	275	200
Proceeds from sale of intangible fixed assets	—	0
Net cash provided by (used in) investing activities	(34,663)	59,367
Cash flows from financing activities		
Cash dividends paid	(412)	(412)
Purchase of treasury stock	(11)	(18)
Net cash provided by (used in) financing activities	(424)	(431)
Translation adjustment for cash and cash equivalents	0	—
Net increase (decrease) in cash and cash equivalents	184,910	(202,996)
Cash and cash equivalents at beginning of year	335,045	519,956
Cash and cash equivalents at end of year	¥ 519,956	¥ 316,959

Directory

(As of April 1, 2023)



Board of Directors, Executive Officers, Corporate Auditors

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

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 2023, the Bank had 148 offices.



Tsukuba Bank Overview (as of March 31, 2023)

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	¥2,513.0 billion
Loans	¥1,951.2 billion
No. of employees	1,307
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, 2023

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

