

SURUGA bank, Ltd.

Consolidated financial results for the six months ended September 30, 2021

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)
 URL: <https://www.surugabank.co.jp>
 Representative: Kosuke Saga, President
 Dividend payment date: —

(Amounts and percentages are rounded down to the nearest million yen and first decimal places, respectively.)

1. Consolidated financial results for the six months ended September 30, 2021

(1) Consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	54,142	6.3	21,327	103.8	17,805	224.7
September 30, 2020	50,916	(20.5)	10,460	(47.9)	5,482	(65.6)

(Note) Comprehensive income:

(a) Six months ended Sep. 30, 2021: ¥18,626 million [167.7%]

(b) Six months ended Sep. 30, 2020: ¥6,957 million [(38.8)%]

	Earnings per share	Earnings per share (diluted)
	yen	yen
Six months ended September 30, 2021	76.86	-
September 30, 2020	23.66	-

(Note) Earnings per share for the six months ended September 30, 2020 and 2021 are not provided because there are no potentially shares.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	3,607,892	303,199	8.4
March 31, 2021	3,550,415	285,770	8.0

(Reference) Shareholders' equity:

(a) As of September 30, 2021: ¥303,098 million; (b) As of March 31, 2021: ¥285,665 million

(Note) Net assets ratio = (Total net assets - Non-controlling interests) / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

2. Dividends on common stock

	Dividends per share				
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total
Fiscal year ended	yen				
March 31, 2021	-	0.00	-	5.00	5.00
ending March 31, 2022	-	0.00	-	5.00	5.00
ending March 31, 2022 (forecast)	-	-	-	5.00	5.00

(Note) Revision of dividend forecast from the latest announcement: No

3. Consolidated earnings forecast for the fiscal year ending March 31, 2022

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2022	87,000	(12.8)	8,000	(65.3)	7,000	(67.3)	30.21

(Note) Revision of earnings forecast from the latest announcement: No

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused changes in the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatements

(A) Changes in accounting policies due to revision of accounting standards: Yes

(B) Changes in accounting policies due to reasons other than (A): No

(C) Changes in accounting estimates: Yes

(D) Restatements: No

(3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Sep. 30, 2021	232,139,248 shares	As of Mar. 31, 2021	232,139,248 shares
(B) Number of treasury shares:	As of Sep. 30, 2021	403,965 shares	As of Mar. 31, 2021	490,315 shares
(C) Average number of shares:	Six months ended Sep. 30, 2021	231,663,833 shares	Six months ended Sep. 30, 2020	231,649,801 shares

(Summary of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2021

(1) Non-consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	49,693	10.0	20,875	139.3	17,594	319.2
September 30, 2020	45,146	(20.9)	8,723	(55.0)	4,196	(73.1)

	Earnings per share
Six months ended September 30, 2021	Yen 75.94
September 30, 2020	18.11

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	3,584,932	282,813	7.8
March 31, 2021	3,527,376	265,162	7.5

(Reference) Shareholders' equity:

(a) As of September 30, 2021: ¥282,813 million; (b) As of March 31, 2021: ¥265,162 million

(Note) Net assets ratio = Total net assets / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2022

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
March 31, 2022	78,000	(12.5)	7,000	(64.9)	6,000	(68.3)	25.89

(Note) This report is outside the scope of audit procedures by certified public accountants or audit firms.

(Note) Explanation on appropriate use of forecast and other special items

- The company is a "Specified business company" under the Article 17-15-2 of the "Cabinet Office Ordinance regarding Disclosure of Corporate Information, etc." and prepares its interim consolidated and interim non-consolidated financial statements for the six months ended September 30, 2021.
- The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

(Appendix)

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* Financial results for the six months ended September 30, 2021 supplementary information

1. Qualitative information on financial results

(1) Details of operating results

As for the consolidated operating results for the six months ended September 30, 2021, ordinary income increased by ¥3.226 billion year-on-year to ¥54.142 billion. This was mainly due to the recording of a reversal of allowance for loan losses, despite a decrease in interest income due to a decrease in interest on loans and bills discounted. Meanwhile, ordinary expenses decreased by ¥7.641 billion year-on-year to ¥32.814 billion, mainly due to the fall in credit costs.

As a result, ordinary profit increased by ¥10.867 billion year-on-year to ¥21.327 billion. Profit attributable to owners of parent increased by ¥12.323 billion year-on-year to ¥17.805 billion.

(2) Details of financial position

As for the consolidated major account balances as of September 30, 2021, loans and bills discounted came in at ¥2,259.033 billion, down by ¥60.527 billion from March 31, 2021. This was primarily due to the decrease (¥95.091 billion) in consumer loans (non-consolidated).

Securities amounted to ¥410.344 billion, rose by ¥142.998 billion from March 31, 2021.

Deposits amounted to ¥3,284.838 billion, rose by ¥38.898 billion from March 31, 2021, mainly due to an increase (¥28.574 billion) in individual deposits.

(3) Details of forecast information, including consolidated earnings forecast

The earnings forecast for the fiscal year ending March 31, 2022 remains unchanged from that announced on May 14, 2021.

Consolidated (Billions of yen)

	Fiscal year ending March 31, 2022
Ordinary income	87.0
Ordinary profit	8.0
Profit attributable to owners of parent	7.0

Non-consolidated (Billions of yen)

	Fiscal year ending March 31, 2022
Ordinary income	78.0
Core net operating profit	23.0
Net operating profit	23.0
Ordinary profit	7.0
Net income	6.0
Actual credit costs	16.0

(Note) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

2. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Assets		
Cash and due from banks	953,932	917,625
Call loans and bills bought	19,000	20,000
Trading securities	103	96
Money held in trust	99	99
Securities	267,346	410,344
Loans and bills discounted	2,319,560	2,259,033
Foreign exchanges	3,324	2,875
Lease receivables and investment assets	5,507	5,247
Other assets	49,084	44,743
Property, plant and equipment	34,689	35,376
Intangible assets	20,439	19,519
Net defined benefit asset	22,442	22,859
Deferred tax assets	11,331	9,934
Customers' liabilities for acceptances and guarantees	1,565	1,938
Allowance for loan losses	(158,011)	(141,801)
Total assets	3,550,415	3,607,892
Liabilities		
Deposits	3,245,940	3,284,838
Foreign exchanges	5	28
Other liabilities	14,754	15,546
Provision for bonuses	492	485
Provision for bonuses for directors (and other officers)	41	—
Net defined benefit liability	272	280
Provision for share-based compensation	183	161
Provision for reimbursement of deposits	305	256
Provision for contingent loss	89	93
Deferred tax liabilities	994	1,062
Acceptances and guarantees	1,565	1,938
Total liabilities	3,264,644	3,304,692
Net assets		
Share capital	30,043	30,043
Capital surplus	2,045	1,976
Retained earnings	238,863	255,441
Treasury shares	(561)	(461)
Total shareholders' equity	270,391	286,999
Valuation difference on available-for-sale securities	8,954	10,329
Deferred gains or losses on hedges	(20)	(17)
Remeasurements of defined benefit plans	6,341	5,786
Total accumulated other comprehensive income	15,274	16,098
Non-controlling interests	104	100
Total net assets	285,770	303,199
Total liabilities and net assets	3,550,415	3,607,892

(2) Consolidated statements of income and Consolidated statements of comprehensive income

(2) Consolidated statements of income

(Millions of yen)

	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Ordinary income	50,916	54,142
Interest income	42,504	38,240
Interest on loans and discounts	41,667	37,008
Interest and dividends on securities	428	809
Fees and commissions	4,411	4,015
Other ordinary income	2,114	1,990
Other income	1,885	9,894
Ordinary expenses	40,455	32,814
Interest expenses	791	761
Interest on deposits	741	749
Fees and commissions payments	5,921	5,830
Other ordinary expenses	1,595	1,476
General and administrative expenses	22,150	20,958
Other expenses	9,997	3,788
Ordinary profit	10,460	21,327
Extraordinary income	364	3
Gain on disposal of non-current assets	364	3
Extraordinary losses	293	1,076
Loss on disposal of non-current assets	281	487
Impairment losses	11	588
Profit before income taxes	10,531	20,255
Income taxes - current	4,005	1,343
Income taxes - deferred	1,045	1,109
Income taxes	5,051	2,453
Profit	5,480	17,802
Profit attributable to non-controlling interests	(2)	(3)
Profit attributable to owners of parent	5,482	17,805

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Profit	5,480	17,802
Other comprehensive income		
Net unrealized gains(losses) on available-for-sale securities	1,518	1,375
Deferred gains(losses) on hedges	(7)	2
Remeasurements of defined benefit plans, net of tax	(33)	(554)
Total other comprehensive income	1,477	823
Comprehensive income	6,957	18,626
(Breakdown)		
Comprehensive income attributable to owners of parent	6,960	18,629
Comprehensive income attributable to non-controlling interests	(2)	(3)

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	2,045	218,587	(561)	250,115
Changes of items during period					
Dividends of surplus			(1,158)		(1,158)
Net income			5,482		5,482
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	4,324	(0)	4,323
Balance at end of current period	30,043	2,045	222,911	(561)	254,439

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,276	(23)	412	6,665	111	256,892
Changes of items during period						
Dividends of surplus						(1,158)
Net income						5,482
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	1,518	(7)	(33)	1,477	(2)	1,475
Total changes of items during period	1,518	(7)	(33)	1,477	(2)	5,799
Balance at end of current period	7,795	(31)	379	8,143	108	262,691

For the six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	2,045	238,863	(561)	270,391
Cumulative effects of changes in accounting policies			(69)		(69)
Restated balance	30,043	2,045	238,794	(561)	270,321
Changes of items during period					
Dividends of surplus			(1,158)		(1,158)
Net income			17,805		17,805
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(69)		99	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(69)	16,647	99	16,678
Balance at end of current period	30,043	1,976	255,441	(461)	286,999

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	8,954	(20)	6,341	15,274	104	285,770
Cumulative effects of changes in accounting policies						(69)
Restated balance	8,954	(20)	6,341	15,274	104	285,700
Changes of items during period						
Dividends of surplus						(1,158)
Net income						17,805
Purchase of treasury shares						(0)
Disposal of treasury shares						30
Net changes of items other than shareholders' equity	1,375	2	(554)	823	(3)	820
Total changes of items during period	1,375	2	(554)	823	(3)	17,498
Balance at end of current period	10,329	(17)	5,786	16,098	100	303,199

(4) Notes regarding consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition)

The “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No.29, March 31, 2020) was adopted from the beginning of the first half of the current fiscal year and recognized revenue when control of promised products or services is transferred to customers in an amount that is expected to be received in exchange for those products or services.

The bank follows the transitional treatment stipulated in the provisions of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first half of this year, was added to or reduced from the beginning balance of retained earnings of the first half of this fiscal year.

There was minimal impact on the quarterly consolidated financial statements.

(Application of Accounting Standard for Fair Value Measurement)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) was adopted from the beginning of the first half of the current fiscal year. In addition, in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments(ASBJ Statement No.10,July 4, 2019), the Bank decided to adopt a new accounting standard stipulated by the Accounting Standard for Fair Value Measurement in the future. There was no impact on the interim consolidated financial statements.

(Changes in accounting estimates)

Previously, the bank had set the amortization period of actuarial gains and losses in accounting for retirement benefits to 13 years. However, because the average remaining service life of employees was reduced, the amortization period has been revised to 12 years since the first half of this fiscal year.

There was minimal impact on the interim consolidated financial statements.

(Additional information)

With regard to financial estimates that relate to impact from the coronavirus pandemic in the first quarter of the current consolidated fiscal year, and assumptions that were used for these estimates, there have been no material changes from the information listed in the (Additional information) section of the securities report of the previous consolidated fiscal year.

As such assumptions have a high level of uncertainty, if circumstances concerning the spread of the coronavirus pandemic and its impact on the economy vary from the original assumptions, financial results could be impacted from the second quarter of the fiscal year ending March, 2022.

3.Non-consolidated financial statements

(1)Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Assets		
Cash and due from banks	953,210	916,942
Call loans	19,000	20,000
Trading securities	103	96
Money held in trust	99	99
Securities	270,439	413,249
Loans and bills discounted	2,310,982	2,249,695
Foreign exchanges	3,324	2,875
Other assets	41,444	37,682
Other	41,444	37,682
Property, plant and equipment	33,682	34,367
Intangible assets	18,712	17,754
Prepaid pension costs	13,357	14,569
Deferred tax assets	13,284	11,775
Customers' liabilities for acceptances and guarantees	1,565	1,938
Allowance for loan losses	(151,831)	(136,114)
Total assets	3,527,376	3,584,932
Liabilities		
Deposits	3,250,483	3,289,338
Foreign exchanges	5	28
Other liabilities	9,091	9,870
Income taxes payable	—	1,458
Lease obligations	233	199
Other	8,858	8,212
Provision for bonuses	449	430
Provision for bonuses for directors (and other officers)	41	—
Provision for share-based compensation	183	161
Provision for reimbursement of deposits	305	256
Provision for contingent loss	89	93
Acceptances and guarantees	1,565	1,938
Total liabilities	3,262,214	3,302,118

(Millions of yen)

	Asof Mar.31,2021	Asof Sep.30,2021
Net assets		
Share capital	30,043	30,043
Capital surplus	18,589	18,585
Legal capital surplus	18,585	18,585
Other capital surplus	3	—
Retained earnings	209,899	226,201
Legal retained earnings	30,043	30,043
Other retained earnings	179,856	196,157
Reserve for tax purpose reduction entry of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	76,764	93,066
Treasury shares	(561)	(461)
Total shareholders' equity	257,970	274,368
Valuation difference on available-for-sale securities	7,211	8,462
Deferred gains or losses on hedges	(20)	(17)
Valuation and translation adjustments	7,191	8,445
Total net assets	265,162	282,813
Total liabilities and net assets	3,527,376	3,584,932

(2)Non-consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Ordinary income	45,146	49,693
Interest income	39,314	36,127
Interest on loans and discounts	38,507	34,920
Interest and dividends on securities	398	783
Fees and commissions	3,823	3,556
Other ordinary income	519	437
Other income	1,489	9,572
Ordinary expenses	36,423	28,817
Interest expenses	790	761
Interest on deposits	741	749
Fees and commissions payments	5,900	5,753
Other ordinary expenses	94	38
General and administrative expenses	20,515	19,454
Other expenses	9,122	2,810
Ordinary profit	8,723	20,875
Extraordinary income	364	3
Gain on disposal of non-current assets	364	3
Extraordinary losses	271	1,035
Loss on disposal of non-current assets	271	446
Impairment losses	—	588
Profit before income taxes	8,816	19,844
Income taxes - current	3,913	1,272
Income taxes - deferred	705	977
Income taxes	4,619	2,249
Profit	4,196	17,594

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	58,981
Changes of items during period								
Dividends of surplus								(1,158)
Net income								4,196
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	-	-	3,038
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	62,019

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at beginning of current period	192,116	(561)	240,187	5,054	(23)	5,030	245,218
Changes of items during period							
Dividends of surplus	(1,158)		(1,158)				(1,158)
Net income	4,196		4,196				4,196
Purchase of treasury shares		(0)	(0)				(0)
Disposal of treasury shares		0	0				0
Net changes of items other than shareholders' equity				1,157	(7)	1,150	1,150
Total changes of items during period	3,038	(0)	3,038	1,157	(7)	1,150	4,188
Balance at end of current period	195,154	(561)	243,226	6,211	(31)	6,180	249,406

For the six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	30,043	18,585	3	18,589	30,043	59	103,032	76,764
Cumulative effects of changes in accounting policies								(69)
Restated balance	30,043	18,585	3	18,589	30,043	59	103,032	76,695
Changes of items during period								
Dividends of surplus								(1,158)
Net income								17,594
Purchase of treasury shares								
Disposal of treasury shares			(3)	(3)				(65)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(3)	(3)	-	-	-	16,370
Balance at end of current period	30,043	18,585	3	18,585	30,043	59	103,032	93,066

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at beginning of current period	209,899	(561)	257,970	7,211	(20)	7,191	265,162
Cumulative effects of changes in accounting policies	(69)		(69)				(69)
Restated balance	209,830	(561)	257,901	7,211	(20)	7,191	265,092
Changes of items during period							
Dividends of surplus	(1,158)		(1,158)				(1,158)
Net income	17,594		17,594				17,594
Purchase of treasury shares	-	(0)	(0)				(0)
Disposal of treasury shares	(65)	99	30				30
Net changes of items other than shareholders' equity				1,251	2	1,254	1,254
Total changes of items during period	16,370	99	16,466	1,251	2	1,254	17,720
Balance at end of current period	226,201	(461)	274,368	8,462	(17)	8,445	282,813

Financial Results

For the six months ended September 30, 2021

- Supplementary Information -

SURUGA bank, Ltd.

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1. Unrealized gains (losses)	Non-consolidated, Consolidated	22
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I . Financial highlights for the six months ended September 30, 2021

1. Financial results (Non-consolidated)

(Millions of yen)			
	Six months ended Sep. 30, 2021		Six months ended Sep. 30, 2020
	(a)	(a) - (b)	
Gross operating profit	33,567	(3,304)	36,871
Net interest income	35,366	(3,158)	38,524
Net fees and commissions	(2,197)	(121)	(2,076)
Net other operating income (Note1)	20	5	15
Core gross operating profit	33,188	(3,274)	36,462
Expenses (-)	20,218	(314)	20,532
Core net operating profit (Note2)	12,970	(2,960)	15,930
Excluding gains (loss) on cancellation of investment trusts	12,970	(2,889)	15,859
Gains (losses) on bonds	379	(30)	409
Actual net operating profit (Note3)	13,349	(2,990)	16,339
Provision for general allowance for loan losses (-)(Note4)	-	21,638	(21,638)
Net operating profit	13,349	(24,628)	37,977
Disposal of non-performing loans (-)	2,630	(27,945)	30,575
Reversal of allowance for loan losses(Note4)	6,384	6,384	-
Recoveries of written-off claims	2,942	1,798	1,144
Gains (losses) on stocks	(24)	(24)	(0)
Ordinary profit	20,875	12,152	8,723
Gains (losses) on disposal of non-current assets	(442)	(534)	92
Impairment loss (-)	588	588	-
Net income	17,594	13,398	4,196
Net credit costs	(3,753)	(12,690)	8,937
Actual credit costs (Note5)	(6,695)	(14,487)	7,792

(Note1) Excludes gains (losses) on bonds.

(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses
- Gains (losses) on bonds

(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

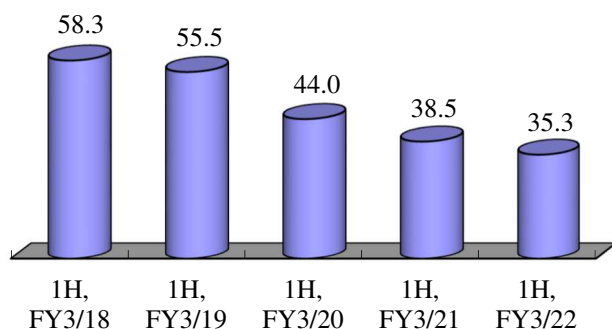
(Note4) For the six months ended Sep. 30, 2021, the net amount of reversal of general allowance for loan losses and provision for specific allowance for loan losses is recorded in reversal of allowance for loan losses, given that the former exceeded the latter during period.

(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans
- Reversal of allowance for loan losses) - Recoveries of written-off claims

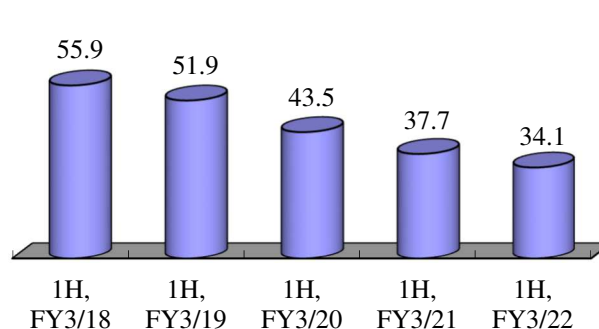
(1) Gross operating profit: ¥33.5 billion

• Net interest income decreased by ¥3.1 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
• Loan-deposit income decreased by ¥3.6 billion year-on-year.
• Core gross operating profit decreased by ¥3.2 billion year-on-year, mainly due to a decrease in net interest income.
• Gross operating profit decreased by ¥3.3 billion year-on-year.

(Billions of yen) Net interest income

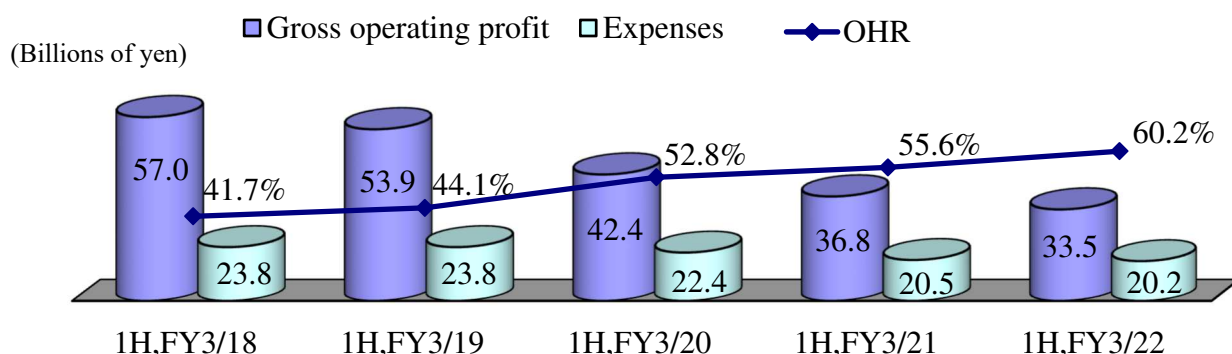


(Billions of yen) Loan-deposit income



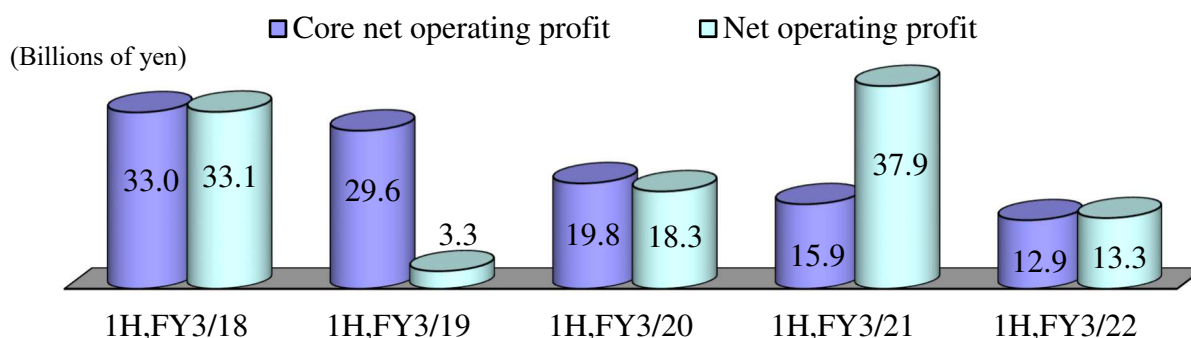
(2) Expenses; OHR: 60.2%

- Expenses decreased by ¥0.3 billion year-on-year.
 - OHR rose year-on-year to 60.2%.
- $$\text{OHR}(\%) = \text{Expenses} / \text{Gross operating profit} \times 100$$



(3) Core net operating profit: ¥12.9 billion, Net operating profit: ¥13.3 billion

- Core net operating profit decreased by ¥2.9 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit decreased by ¥24.6 billion year-on-year, mainly due to a decrease in provision for general allowance for loan losses.



(4) Ordinary profit: ¥20.8 billion

- Ordinary profit increased by ¥12.1 billion year-on-year, mainly due to a decrease in disposal of non-performing loans.

(5) Net income: ¥17.5 billion

- Net income increased by ¥13.3 billion year-on-year, mainly due to an increase in ordinary profit.

(6) Actual credit costs: (¥6.6) billion

- Net credit costs decreased by ¥12.6 billion year-on-year, mainly due to a decrease (¥27.9 billion) in disposal of non-performing loans, an increase (¥21.6 billion) in provision for general allowance for loan losses and a record (¥6.3 billion) in reversal of allowance for loan losses.
- Actual credit costs, calculated as net credit costs ((¥3.7) billion) minus the amount of recoveries of written-off claims (¥2.9 billion) amounted to (¥6.6) billion.

2. Major accounts (Non-consolidated)

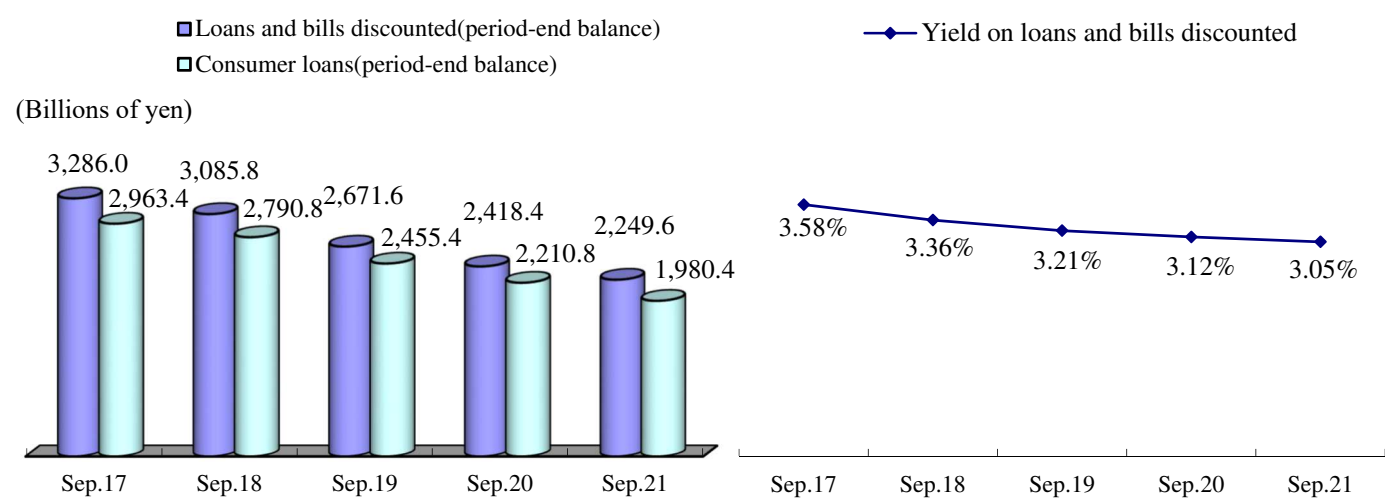
(1) Loans and bills discounted

- Loans and bills discounted decreased by ¥168.8 billion, or 6.9% year-on-year.
- Yield on loans and bills discounted dropped by 7 basis points year-on-year to 3.05%.

	Sep. 30, 2021 (a)	(a) – (b)	Sep. 30, 2020 (b)	(Billions of yen) Mar. 31, 2021
Loans and bills discounted (period-end balance)	2,249.6	(168.8)	2,418.4	2,310.9
Consumer loans	1,980.4	(230.4)	2,210.8	2,075.5
Asset management company loans for property investment	22.2	17.5	4.7	15.1
Structured finance	50.8	37.7	13.1	33.5
Loans and bills discounted (average balance)	2,277.8	(179.2)	2,457.0	2,414.7

(Reference)

	Sep. 30, 2021 (a)	(a) – (b)	Sep. 30, 2020 (b)
New consumer loans	14.0	5.3	8.7
New asset management company loans for property investment	7.3	2.8	4.5
Subtotal	21.4	8.2	13.2
New structured finance	20.1	10.4	9.7
Total	41.5	18.6	22.9



Consumer loans

Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Sep. 30, 2021			Jun. 30, 2021		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,823.6	3.07%	7.05%	1,863.0	3.07%	5.44%
Housing loans	475.1	2.82%	0.27%	486.3	2.83%	0.27%
Studio apartment loans	155.0	3.39%	1.75%	161.3	3.39%	1.51%
Single building apartment loans	1,054.3	3.24%	4.70%	1,073.7	3.24%	3.46%
Share house loans	104.2	1.40%	73.33%	105.9	1.40%	58.12%
Other secured loans	34.8	4.66%	0.34%	35.7	4.70%	0.56%
Unsecured loans	156.8	10.37%	2.28%	162.8	10.35%	2.30%
Card loans	104.5	11.75%	0.85%	108.2	11.73%	0.81%
Unsecured certificate loans	52.2	7.59%	5.14%	54.5	7.62%	5.27%
Consumer loans (A)	1,980.4	3.64%	6.68%	2,025.9	3.65%	5.19%
Consumer loans (excluding share house-related loans)	1,848.8	-	2.74%	1,891.9	-	2.10%
Asset management company loans for property investment (B)	22.2	1.87%	-	17.9	1.92%	-
Structured finance (C)	50.8	2.34%	-	40.6	2.37%	-
Total (A)+(B)+(C)	2,053.5	3.59%	6.45%	2,084.4	3.61%	5.05%

(Note1) Delinquency rate = Loans past due 3 months or more / Loans

(Note2) Yield: Yield for customers (excluding guarantee fee, accrued interest), period-end balance basis

(Note3) Yield and delinquency rate of Studio apartment loans, secured loans and consumer loans are calculated based on originals claims before securitization.

Share house loans (Non-performing loans based on the Financial Reconstruction Law)

(Billions of yen)

	Total	(Non-performing loans)			Subtotal	Normal assets
		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention		
Sep. 30, 2020	189.1	56.1	58.3	62.4	177.0	12.1
Dec. 31, 2020	187.3	80.6	43.6	52.2	176.4	10.8
Mar. 31, 2021	135.7	53.3	31.5	40.1	124.9	10.7
Jun. 30, 2021	133.9	60.6	36.9	28.1	125.7	8.1
Sep. 30, 2021	131.6	73.0	38.0	14.9	126.0	5.6

(Billions of yen)

	Total		Collateral or guarantees, etc. B	Unsecured portion C	Allowance D	Coverage ratio (B + D) / A
	A	Share house claims				
Sep. 30, 2020	189.1	153.5	71.8	117.3	106.5	94.31%
Dec. 31, 2020	187.3	152.5	72.2	115.1	106.1	95.20%
Mar. 31, 2021	135.7	107.2	52.5	83.1	76.7	95.24%
Jun. 30, 2021	133.9	106.0	51.9	81.9	77.3	96.55%
Sep. 30, 2021	131.6	104.2	61.7	69.8	67.7	98.36%

(Note1) Based on obligors of share house loans

(Note2) Covered amount: Estimated amount, calculated by multiplying the covered amount including collateral, etc. with a certain ratio. (Change the ratio from the first half of the fiscal year ending March 31, 2022)

(Note3) Total credit balance, share house loan receivables: Loans and bills discounted, suspense payments equivalent to loans and bills discounted, and accrued interest on loans and bills discounted.

Actual credit costs and Allowance for loan losses

Sep. 30, 2021

(Billions of yen)

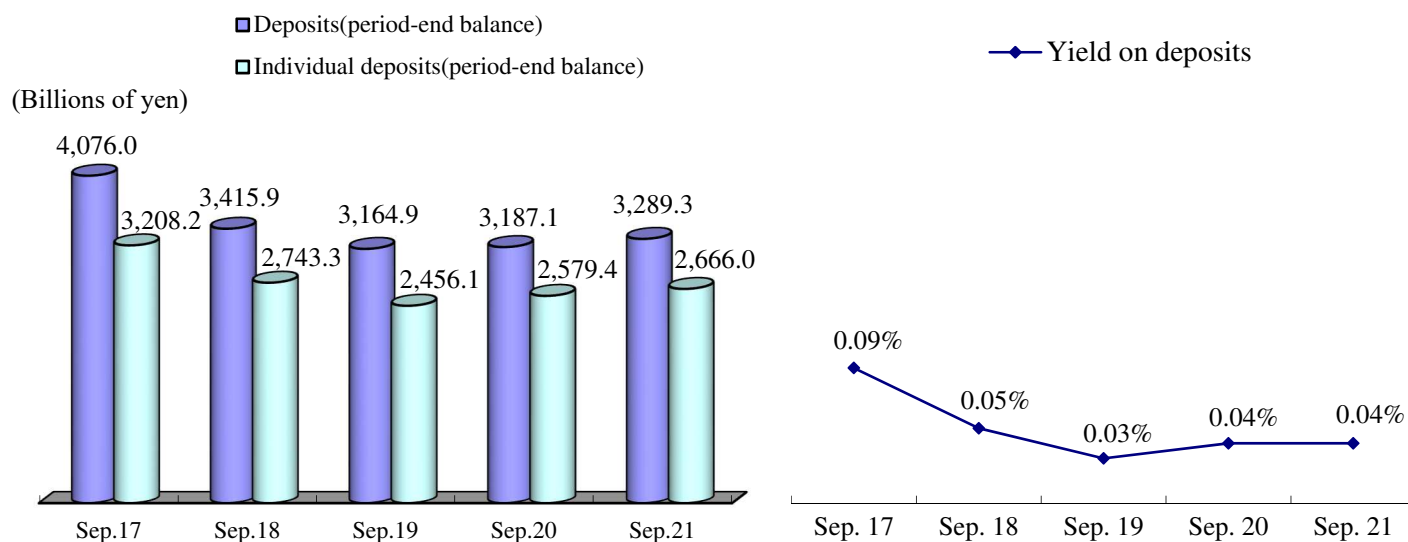
Item	Actual credit costs	Allowance
Share house-related loans	(6.8)	67.7
Investment property loans	0.5	54.1
Housing loans	(0.8)	3.3
Unsecured loans	0.0	2.4
Business financing loans, etc.	0.3	8.4
Total	(6.6)	136.1

(Note)Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

(2) Deposits

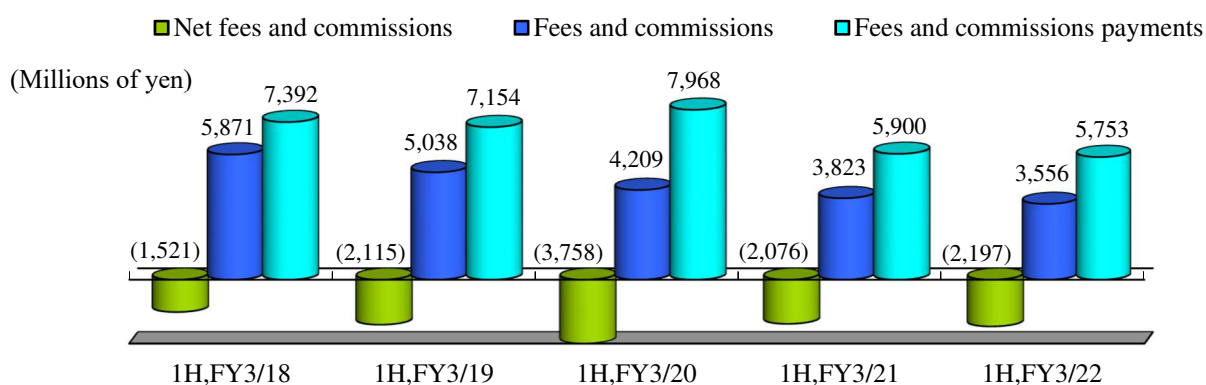
- Deposits increased by ¥102.2 billion, or 3.2% year-on-year.
- Yield on deposits was 0.04%.

	Sep. 30, 2021 (a)	(a) – (b)	Sep. 30, 2020 (b)	(Billions of yen) Mar. 30, 2021
Deposits (period-end balance)	3,289.3	102.2	3,187.1	3,250.4
Individual deposits	2,666.0	86.6	2,579.4	2,637.4
Deposits (average balance)	3,284.6	94.9	3,189.7	3,194.4



(3) Net fees and commissions

- Net fees and commissions decreased by ¥0.1 billion year-on-year, mainly due to a decrease (¥0.2 billion) in fees and commissions, a decrease (¥0.1 billion) in fee and commissions payments.



(4) Individual deposit assets

- Individual deposit assets increased by ¥85.4 billion year-on-year.
- The ratio of investment products to total individual deposit assets dropped by 20 basis points year-on-year to 3.8%.

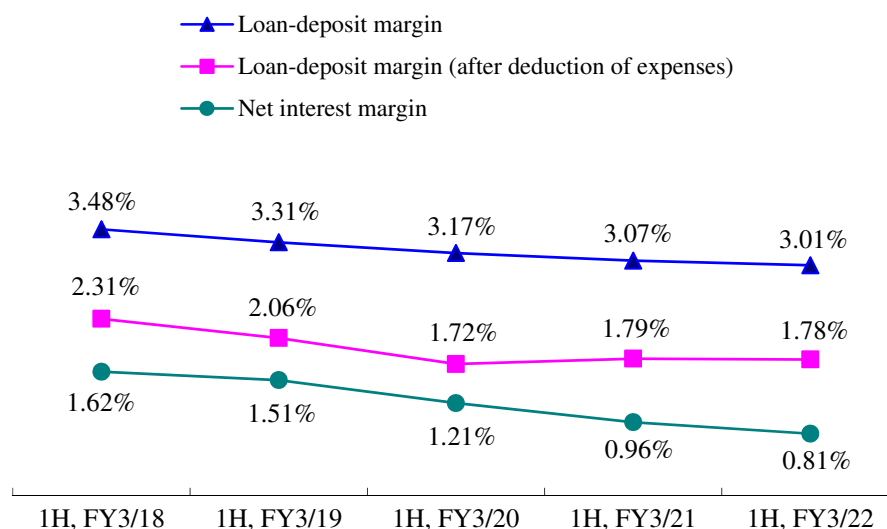
	Sep. 30, 2021 (a)	(a) - (b)	Sep. 30, 2020 (b)	(Millions of yen) Mar. 31, 2021
Individual deposit assets	2,769,394	85,435	2,683,959	2,743,750
Yen deposits	2,662,160	86,609	2,575,551	2,633,381
Investment products	107,233	(1,174)	108,407	110,369
Foreign currency deposits	3,906	(12)	3,918	4,111
Public bonds	5,132	(1,436)	6,568	6,035
Mutual funds	67,920	4,265	63,655	68,050
Personal pension plans	16,565	(3,354)	19,919	18,093
Single premium life insurance	13,708	(637)	14,345	14,078
The ratio of investment products to total individual deposit assets	3.8%	(0.2%)	4.0%	4.0%

3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) shrunk by 1 basis points year-on-year to 1.78%.
- Net interest margin shrunk by 15 basis points year-on-year to 0.81%, mainly due to the decline in yield on interest earning assets.

	Six months ended Sep. 30, 2021 (a)	(a) - (b)	Six months ended Sep. 30, 2020 (b)	(%) FY3/2021
Loan-deposit margin	3.01	(0.06)	3.07	3.07
Loan-deposit margin (after deduction of expenses)	1.78	(0.01)	1.79	1.81
Net interest margin	0.81	(0.15)	0.96	0.94



4. Own capital (Non-consolidated)

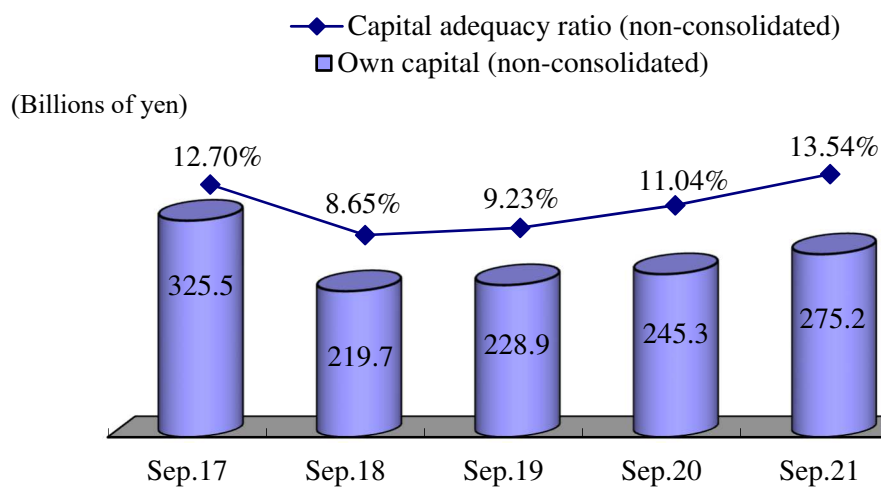
• Capital adequacy ratio rose by 250 basis points year-on-year to 13.54%.

Non-consolidated (Millions of yen)

	Sep 30, 2021	Sep 30, 2020
Capital adequacy ratio	13.54%	11.04%
Own capital (Core capital)	275,243	245,379
Core capital: instruments and reserves	297,805	268,684
Core capital: regulatory adjustments (-)	22,562	23,304
Risk-weighted assets	2,031,462	2,221,267
Total required capital	78,330	85,552

Consolidated (Millions of yen)

	Sep 30, 2021	Sep 30, 2020
Capital adequacy ratio	13.82%	11.25%
Own capital (Core capital)	286,352	254,520
Core capital: instruments and reserves	316,400	280,446
Core capital: regulatory adjustments (-)	30,048	25,926
Risk-weighted assets	2,071,839	2,262,296
Total required capital	79,945	87,193



5. Unrealized gains (losses) on securities (Non-consolidated)

• Net unrealized gains on securities increased by ¥2.4 billion year-on-year.
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	Sep. 30, 2021 (a)	(a) - (b)	Sep. 30, 2020 (b)	(Millions of yen) Mar. 31, 2021
Available-for-sale securities	10,987	2,452	8,535	9,518
Stocks	8,747	1,787	6,960	8,646
Bonds	434	17	417	324
Others	1,805	647	1,158	546

6. Earnings forecast for the fiscal year ending March 31, 2022

Consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2022 (forecast)
Ordinary income	87,000
Ordinary profit	8,000
Profit attributable to owners of parent	7,000

Non-consolidated (Millions of yen)

	Fiscal year ending Mar. 31, 2022 (forecast)
Ordinary income	78,000
Core net operating profit	23,000
Net operating profit	23,000
Ordinary profit	7,000
Net income	6,000
Actual credit costs	16,000

(Note) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

7. Asset quality (Non-consolidated)

(1) Non-performing loans based on the Financial Reconstruction Law

• Non-performing loans based on the Financial Reconstruction Law increased by ¥0.9 billion year-on-year.
Non-performing loan ratio rose by 42 basis points year-on-year to 14.44%.

Outstanding balance

(Millions of yen, %)

		Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		113,396	12,963	12,671	100,433	100,725
Claims with collection risk		126,868	35,615	8,295	91,253	118,573
Claims for special attention		86,699	(47,663)	(70,877)	134,362	157,576
Total	(A)	326,964	916	(49,911)	326,048	376,875
Total claims	(B)	2,263,185	(61,868)	(170,187)	2,325,053	2,433,372
Non-performing loan ratio	(A/B)	14.44	0.42	(1.04)	14.02	15.48

Status of coverage

(Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from
						Mar. 31, 2021
Non-performing loans	(A)	113,396	126,868	86,699	326,964	916
Covered amount (C+D)	(B)	113,396	89,336	44,581	247,314	14,368
Portion secured by collateral or guarantees, etc.	(C)	52,235	53,953	27,275	133,464	25,252
Allowance for loan losses	(D)	61,160	35,382	17,306	113,849	(10,885)
Coverage ratio (B/A)		100.00	70.41	51.42	75.63	4.19
Unsecured portion (A-C)	(E)	61,160	72,914	59,424	193,500	(24,336)
Allowance ratio for unsecured portion (D/E)		100.00	48.52	29.12	58.83	1.57

(Reference) As of Mar. 31, 2021

Unsecured portion	62,264	56,481	99,091	217,836
Allowance ratio for unsecured portion	100.00	55.58	31.36	57.26

(2) Risk-monitored loans

(Millions of yen, %)

	Sep.30,2021			Mar.31,2021	Sep.30,2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Loans to bankrupt obligors	930	(580)	(752)	1,510	1,682
Non-accrual delinquent loans	237,395	48,903	21,862	188,492	215,533
Loans past due 3 months or more	3,438	(1,320)	(4,910)	4,758	8,348
Restructured loans	83,261	(46,342)	(65,966)	129,603	149,227
Total	325,025	660	(49,767)	324,365	374,792
Coverage ratio	75.94	4.20	1.22	71.74	74.72

8. Credit costs (Non-consolidated)

(Millions of yen, %)

		Six months ended	(a) - (b)	Six months ended
		Sep. 30, 2021		Sep. 30, 2020
		(a)		(b)
Provision for general allowance for loan losses	(1)	-	21,638	(21,638)
Disposal of non-performing loans	(2)	2,630	(27,945)	30,575
Write-off of loans		2,457	1,687	770
Provision for specific allowance for loan losses		-	(29,208)	29,208
Losses on sales of delinquent loans		151	(477)	628
Provision for allowance for contingent losses		22	53	(31)
Reversal of allowance for loan losses	(3)	6,384	6,384	-
Recoveries of written-off claims	A	2,942	1,798	1,144
Net credit costs	(4) (= (1)+(2)-(3))	(3,753)	(12,690)	8,937
Actual credit costs	(4)- A	(6,695)	(14,487)	7,792
Loans and bills discounted (average balance)		2,277,868	(179,202)	2,457,070
Net credit costs ratio		(0.32)	(1.04)	0.72
Actual credit costs ratio		(0.58)	(1.21)	0.63

(Note1) Net credit costs ratio = Net credit costs / The average balance of Loans and bills discounted (annualized)

(Note2) Actual credit costs ratio = Actual credit costs / The average balance of Loans and bills discounted (annualized)

(Note3) For the six months ended Sep. 30, 2021 the net amount of reversal of general allowance for loan losses and provision for specific allowance for loan losses is recorded in reversal of allowance for loan losses, given that the former exceeded the latter during period.

9. Dividends

- | |
|---|
| <ul style="list-style-type: none"> • The company has decided to not pay an interim dividends. • For the fiscal year ending March 31, 2022, the company is forecasting an annual dividend of ¥5.0 per share. |
|---|

(yen)

	Fiscal year ending Mar. 31, 2022	Fiscal year ended Mar. 31, 2021 (result)
Annual dividend per share	5.00	5.00
Interim dividend	0.00	0.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2022 is a forecast.

II. Financial data for the six months ended September 30, 2021

1. Details of financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2021		Six months ended Sep. 30, 2020
	(a)	(a) - (b)	(b)
Gross operating profit (excluding gains (losses) on bonds)	33,567	(3,304)	36,871
Domestic gross operating profit (excluding gains (losses) on bonds)	(33,188)	(3,274)	36,462
Net interest income	33,494	(3,285)	36,779
Net fees and commissions	(33,115)	(3,255)	36,370
Net other operating income	35,326	(3,132)	38,458
(of which, Gains (losses) on bonds)	(2,211)	(124)	(2,087)
International gross operating profit (excluding gains (losses) on bonds)	73	(19)	92
Net interest income	(73)	(19)	92
Net fees and commissions	39	(26)	65
Net other operating income	13	3	10
(of which, Gains (losses) on bonds)	(20)	4	16
Expenses (excluding non-recurring losses)	-	-	-
Personnel expenses	20,218	(314)	20,532
Non-personnel expenses	7,207	(253)	7,460
Taxes	11,073	(276)	11,349
Actual net operating profit	1,938	217	1,721
Core net operating profit	13,349	(2,990)	16,339
Excluding gains (loss) on cancellation of investment trust	12,970	(2,960)	15,930
Provision for general allowance for loan losses	-	21,638	(21,638)
Net operating profit	13,349	(24,628)	37,977
Gains (losses) on bonds	379	(30)	409
Non-recurring gains (losses)	7,526	36,780	(29,254)
Reversal of allowance for loan losses	6,384	6,384	-
Recoveries of written-off claims	2,942	1,798	1,144
Gains (losses) on stocks	(24)	(24)	(0)
Ordinary profit	20,875	12,152	8,723
Extraordinary gains (losses)	(1,031)	(1,123)	92
Gains (losses) on disposal of non-current assets	(442)	(534)	92
Impairment loss (-)	588	588	-
Income before income taxes	19,844	11,028	8,816
Income taxes-current	1,272	(2,641)	3,913
Income taxes-deferred	977	272	705
Total income taxes	2,249	(2,370)	4,619
Net income	17,594	13,398	4,196

(1)Provision for general allowance for loan losses	-	21,638	(21,638)
(2)Disposal of non-performing loans	2,630	(27,945)	30,575
Write-off of loans	2,457	1,687	770
Provision for specific allowance for loan losses	-	(29,208)	29,208
Losses on sales of delinquent loans	151	(477)	628
Provision for allowance for contingent losses	22	53	(31)
(3) Reversal of allowance for loan losses	6,384	6,384	-
Provision for general allowance for loan losses	17,339	17,339	-
Provision for specific allowance for loan losses	(10,954)	(10,954)	-
(4)Net credit costs (1)+(2)-(3)	(3,753)	(12,690)	8,937
(5)Recoveries of written-off claims	2,942	1,798	1,144
(6)Actual credit costs (4)-(5)	(6,695)	(14,487)	7,792

Details of financial results (Consolidated)

	Six months ended		Six months ended Sep. 30, 2020 (b)
	Sep. 30, 2021 (a)	(a) - (b)	
(Millions of yen)			
Consolidated gross profit	36,179	(4,543)	40,722
Net interest income	37,479	(4,233)	41,712
Net fees and commissions	(1,814)	(305)	(1,509)
Net other operating income	514	(5)	519
Expenses (excluding non-recurring losses)	21,722	(445)	22,167
Actual credit costs	(5,961)	(14,347)	8,386
Gains (losses) on stocks	(24)	(24)	(0)
Others	934	643	291
Ordinary profit	21,327	10,867	10,460
Extraordinary gains (losses)	(1,072)	(1,142)	70
Income before income taxes	20,255	9,724	10,531
Income taxes-current	1,343	(2,662)	4,005
Income taxes-deferred	1,109	64	1,045
Total income taxes	2,453	(2,598)	5,051
Profit attributable to non-controlling interests	(3)	(1)	(2)
Profit attributable to owners of parent	17,805	12,323	5,482

(1)Provision for general allowance for loan losses	-	22,258	(22,258)
(2)Disposal of non-performing loans	3,603	(28,411)	32,014
Write-off of loans	2,503	1,528	975
Provision for specific allowance for loan losses	-	(29,104)	29,104
Losses on sales of delinquent loans	1,077	(889)	1,966
Provision for allowance for contingent losses	22	53	(31)
(3) Reversal of allowance for loan losses	6,580	6,580	-
Provision for general allowance for loan losses	17,833	17,833	-
Provision for specific allowance for loan losses	(11,253)	(11,253)	-
(4)Net credit costs (1)+(2)-(3)	(2,977)	(12,733)	9,756
(5)Recoveries of written-off claims	2,983	1,614	1,369
(6)Actual credit costs (4)-(5)	(5,961)	(14,347)	8,386

(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other operating income - Other operating expenses)

	Six months ended		Six months ended Sep. 30, 2020 (b)
	Sep. 30, 2021 (a)	(a) - (b)	
(Reference)			
(Millions of yen)			
Consolidated net operating profit	14,457	(26,357)	40,814

(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

	Six months ended		Six months ended Sep. 30, 2020 (b)
	Sep. 30, 2021 (a)	(a) - (b)	
(Number of consolidated subsidiaries and affiliates)			
(Companies)			
Consolidated subsidiaries	6	(2)	8

2. Net operating profit (Non-consolidated)

	Six months ended		Six months ended Sep. 30, 2020 (b)
	Sep. 30, 2021 (a)	(a) - (b)	
(Millions of yen)			
Net operating profit	13,349	(24,628)	37,977
Per employee (Thousands of yen)	9,460	(16,641)	26,101

3. Interest margins (Non-consolidated)

Overall		(%)		
		Six months ended Sep. 30, 2021 (a)	(a) - (b)	Six months ended Sep. 30, 2020 (b)
Yield on interest earning assets	(A)	2.08	(0.21)	2.29
Yield on loans and bills discounted		3.05	(0.07)	3.12
Yield on securities		0.45	(0.02)	0.47
Yield on interest bearing liabilities	(B)	1.27	(0.06)	1.33
Yield on deposits		0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)		1.78	(0.01)	1.79
Net interest margin	(A) - (B)	0.81	(0.15)	0.96

Domestic		(%)		
		Six months ended Sep. 30, 2021 (a)	(a) - (b)	Six months ended Sep. 30, 2020 (b)
Yield on interest earning assets	(A)	2.08	(0.21)	2.29
Yield on loans and bills discounted		3.06	(0.07)	3.13
Yield on securities		0.48	0.02	0.46
Yield on interest bearing liabilities	(B)	1.23	(0.06)	1.29
Yield on deposits		0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)		1.82	(0.01)	1.83
Net interest margin	(A) - (B)	0.84	(0.15)	0.99

4. ROA and ROE (Non-consolidated)

		(%)		
		Six months ended Sep. 30, 2021 (a)	(a) - (b)	Six months ended Sep. 30, 2020 (b)
ROA	Net operating profit basis	0.74	(1.45)	2.19
	Net income basis	0.98	0.74	0.24
ROE	Net operating profit basis	10.34	(21.26)	31.60
	Net income basis	13.63	10.14	3.49

5. Gains (losses) on securities (Non-consolidated)

		(Millions of yen)		
		Six months ended Sep. 30, 2021 (a)	(a) - (b)	Six months ended Sep. 30, 2020 (b)
Gains (losses) on bonds		379	(30)	409
	Gains on sales	-	(73)	73
	Gains on redemptions	417	(13)	430
	Losses on sales	-	-	-
	Losses on redemptions	37	(57)	94
	Losses on devaluation	-	-	-
Gains (losses) on stocks		(24)	(24)	(0)
	Gains on sales	3	-	-
	Losses on sales	-	-	-
	Losses on devaluation	27	27	0

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Sep. 30, 2021		Mar. 31, 2021 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	13.54%	1.41%	12.13%
Own capital (Core capital)	275,243	16,437	258,806
Core capital : instruments and reserves	297,805	16,448	281,357
Core capital : regulatory adjustments (-)	22,562	12	22,550
Risk-weighted assets	2,031,462	(101,912)	2,133,374
Total required capital	78,330	(3,928)	82,258

Consolidated

(Millions of yen)

	Sep. 30, 2021		Mar. 31, 2021 (b)
	(a)	(a) - (b)	
Capital adequacy ratio	13.82%	1.43%	12.39%
Own capital (Core capital)	286,352	16,762	269,590
Core capital : instruments and reserves	316,400	16,092	300,308
Core capital : regulatory adjustments (-)	30,048	(669)	30,717
Risk-weighted assets	2,071,839	(103,301)	2,175,140
Total required capital	79,945	(3,984)	83,929

7. Composition of own capital (domestic standard)

(Millions of yen)

	September 30, 2021	
	Non-consolidated	Consolidated
Core capital: instruments and reserves (1)		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	274,368	286,999
Capital and capital surplus	48,629	32,019
Retained earnings	226,201	255,441
Treasury shares (-)	(461)	(461)
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	5,786
Remeasurements of defined benefit plans	-	5,786
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	-	-
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-	-
Reserves included in Core capital: instruments and reserves	23,437	23,584
General allowance for loan losses	23,437	23,584
Eligible non-cumulative perpetual preferred stock subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Eligible capital instrument subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Capital instrument issued through the measures for strengthening capital by public institutions included in Core capital: instruments and reserves	-	-
45% of revaluation reserve for land included in Core capital: instruments and reserves	-	-
Non-controlling interests included in Core capital subject to transitional arrangements	-	30
Core capital: instruments and reserves (A)	297,805	316,400
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	12,392	14,035
Goodwill (including those equivalent)	-	1,359
Other intangible fixed assets other than goodwill and mortgage servicing rights	12,392	12,675
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	57
Shortfall of eligible provisions to expected losses	-	-
Gains on sale related to securitization transactions	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	10,169	-
Net defined benefit asset	-	15,956
Investments in own shares (excluding those reported in the net assets)	-	-
Reciprocal cross-holdings in relevant capital instruments issued by other financial institutions	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other financial institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specified items	-	-
Significant investments in the common stock of Other financial institutions, net of eligible short positions	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	22,562	33,048
Total capital		
Total capital (A-B) (C)	275,243	286,352
Risk-weighted assets (3)		
Credit risk-weighted assets	1,875,082	1,886,841
Total of items included in risk-weighted assets subject to transitional arrangements	-	-
Amount equivalent to market risk × 12.5	-	-
Amount equivalent to operational risk × 12.5	156,380	184,998
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,031,462	2,071,839
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	13.54%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	13.82%

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of September 30, 2021)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law				(Millions of yen) Risk-monitored loans	
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).				* Includes loans and bills discounted.	
Category Credit balance	Classification				Category Credit balance	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out- standing balance
	Non- classifi- cation	Classifi- cation II	Classifi- cation III	Classifi- cation IV						
Bankrupt obligors 942 [150]	150	792	-	-	Claims against bankrupt and substantially bankrupt obligors 113,396	52,235	61,160	100%	Loans to bankrupt obligors	930
Effectively bankrupt obligors 112,453 [61,009]	61,309	51,144	-	-	Claims with collection risk 126,868	53,953	35,382	70.41%	Non-accrual delinquent loans	237,395
Potentially bankrupt obligors 126,868 [35,382]	39,932	49,403	37,531 [35,382]	-	Claims for special attention 86,699	27,275	17,306	51.42%	Loans past due 3 months or more	3,438
Obligors requiring caution	Sub- standard obligors 107,594	292	107,302	-	Subtotal 326,964	133,464	113,849	75.63%	Restructured loans	83,261
	Other obligors requiring caution 739,106	12,382	726,724	-	Normal assets 1,936,220				Total	325,025
Normal obligors 1,176,219	1,176,219	-	-	-	Total 2,263,185					
Total 2,263,185 [96,543]	1,290,286	935,367	37,531 [35,382]	- [61,160]						

(Note1) “Total claims” includes “Loans and bills discounted”, “Customers’ liabilities for acceptances and guarantees”, “Foreign exchanges”, “Securities lent”, “Suspense payment” and “Accrued interest”.

(Note2) Numbers shown in brackets under “Self-assessment result” represent the reserved amount for each category.

1. Risk-monitored loans

The following table shows figures after partial direct write-off of loans.

The amounts of partial direct write-off of loans for the six months ended September 30, 2021 were as follows:

(a) Non-consolidated: ¥9,097 million; (b) Consolidated: ¥9,097 million

Loans to “Potentially bankrupt obligors”, “Effectively bankrupt obligors” and “Bankrupt obligors” under self-assessment are placed on non-accrual status.

Non-consolidated

(Millions of yen, %)

		Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	930	(580)	(752)	1,510	1,682
	Non-accrual delinquent loans	237,395	48,903	21,862	188,492	215,533
	Loans past due 3 months or more	3,438	(1,320)	(4,910)	4,758	8,348
	Restructured loans	83,261	(46,342)	(65,966)	129,603	149,227
	Total	325,025	660	(49,767)	324,365	374,792
Loans and bills discounted (period-end balance)		2,249,695	(61,287)	(168,722)	2,310,982	2,418,417
% to loans and bills discounted	Loans to bankrupt obligors	0.04	(0.02)	(0.02)	0.06	0.06
	Non-accrual delinquent loans	10.55	2.40	1.64	8.15	8.91
	Loans past due 3 months or more	0.15	(0.05)	(0.19)	0.20	0.34
	Restructured loans	3.70	(1.90)	(2.47)	5.60	6.17
	Total	14.44	0.41	(1.05)	14.03	15.49

Consolidated

(Millions of yen, %)

		Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	1,133	(547)	(1,104)	1,680	2,237
	Non-accrual delinquent loans	241,786	48,974	21,232	192,812	220,554
	Loans past due 3 months or more	3,438	(1,320)	(4,910)	4,758	8,348
	Restructured loans	83,261	(46,342)	(65,966)	129,603	149,227
	Total	329,619	765	(50,749)	328,854	380,368
Loans and bills discounted (period-end balance)		2,259,033	(60,527)	(164,289)	2,319,560	2,423,322
% to loans and bills discounted	Loans to bankrupt obligors	0.05	(0.02)	(0.04)	0.07	0.09
	Non-accrual delinquent loans	10.70	2.39	1.60	8.31	9.10
	Loans past due 3 months or more	0.15	(0.05)	(0.19)	0.20	0.34
	Restructured loans	3.68	(1.90)	(2.47)	5.58	6.15
	Total	14.59	0.42	(1.10)	14.17	15.69

2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	325,025	660	(49,767)	324,365	374,792
Collateral or guarantees, etc.	(B)	133,444	25,262	8,208	108,182	125,236
Allowance for loan losses	(C)	113,381	(11,149)	(41,463)	124,530	154,844
Allowance ratio	(C/A)	34.88	(3.51)	(6.43)	38.39	41.31
Coverage ratio	(B+C)/(A)	75.94	4.20	1.22	71.74	74.72

Consolidated		(Millions of yen, %)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	329,619	765	(50,749)	328,854	380,368
Collateral or guarantees, etc.	(B)	133,466	25,261	6,853	108,205	126,613
Allowance for loan losses	(C)	115,992	(11,175)	(41,400)	127,167	157,392
Allowance ratio	(C/A)	35.18	(3.48)	(6.19)	38.66	41.37
Coverage ratio	(B+C)/(A)	75.68	4.11	1.02	71.57	74.66

3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		136,114	(15,717)	(42,819)	151,831	178,933
General allowance for loan losses		39,570	(18,603)	(26,855)	58,173	66,425
Specific allowance for loan losses		96,543	2,886	(15,965)	93,657	112,508

Consolidated		(Millions of yen)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		141,801	(16,210)	(44,291)	158,011	186,092
General allowance for loan losses		41,808	(19,098)	(28,383)	60,906	70,191
Specific allowance for loan losses		99,993	2,888	(15,907)	97,105	115,900

4. Non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		113,396	12,963	12,671	100,433	100,725
Claims with collection risk		126,868	35,615	8,295	91,253	118,573
Claims for special attention		86,699	(47,663)	(70,877)	134,362	157,576
Total	(A)	326,964	916	(49,911)	326,048	376,875

5. Status of coverage of non-performing loans based on the Financial Reconstruction Law

Non-consolidated		(Millions of yen, %)				
		Sep. 30, 2021		Mar. 31, 2021	Sep. 30, 2020	
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	247,314	14,368	(32,775)	232,946	280,089
Allowance for loan losses		113,849	(10,885)	(40,971)	124,734	154,820
Collateral or guarantees, etc.		133,464	25,252	8,195	108,212	125,269
Coverage ratio	(B/A)	75.63	4.19	1.32	71.44	74.31

6. Loan breakdown by industry, etc.

(1) Loan breakdown by industry (Non-consolidated)

(Millions of yen)

	Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,249,695	(61,287)	(168,722)	2,310,982	2,418,417
Manufacturing	34,698	(7,501)	(6,957)	42,199	41,655
Agriculture and forestry	4,130	(80)	(211)	4,210	4,341
Fishery	71	63	67	8	4
Mining, quarrying and gravel	200	(63)	(51)	263	251
Construction	12,504	222	1,100	12,282	11,404
Utilities	215	90	36	125	179
Information and communication	1,574	0	411	1,574	1,163
Transportation and postal service	12,804	90	(1,758)	12,714	14,562
Wholesale and retail trade	30,071	611	312	29,460	29,759
Finance and insurance	23,827	9,751	3,689	14,076	20,138
Real estate, goods rental and leasing	82,595	18,345	43,166	64,250	39,429
Services	45,948	8,589	15,759	37,359	30,189
Government and municipal government	13,134	3,885	6,615	9,249	6,519
Others	1,987,912	(95,290)	(230,902)	2,083,202	2,218,814

(2) Breakdown of risk-monitored loans by industry (Non-consolidated)

(Millions of yen)

	Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	325,025	660	(49,767)	324,365	374,792
Manufacturing	8,310	113	1,383	8,197	6,927
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	695	(124)	(155)	819	850
Utilities	4	0	0	4	4
Information and communication	118	(2)	(3)	120	121
Transportation and postal service	206	202	202	4	4
Wholesale and retail trade	6,023	120	(114)	5,903	6,137
Finance and insurance	-	-	(800)	-	800
Real estate, goods rental and leasing	110	1	(29)	109	139
Services	849	175	(312)	674	1,161
Government and municipal government	-	-	-	-	-
Others	308,707	174	(49,939)	308,533	358,646

(Note) "Others" includes real estate financing for rent to individuals.

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	1,980,409	(95,091)	(230,469)	2,075,500	2,210,878
Secured loans	1,823,604	(81,880)	(201,840)	1,905,484	2,025,444
Housing loans	475,102	(22,880)	(47,676)	497,982	522,778
Unsecured loans	156,805	(13,210)	(28,629)	170,015	185,434
Asset management company loans for property investment	22,200	7,095	17,430	15,105	4,770
Structured finance, etc.	50,892	17,337	37,765	33,555	13,127
Total	2,053,502	(70,658)	(175,275)	2,124,160	2,228,777

(4) The ratio of loans to small- and medium-sized enterprises, etc. (Non-consolidated)

(%)

	Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
The ratio of loans to small- and medium-sized enterprises, etc.	96.52	(0.50)	(1.05)	97.02	97.57

(Note) "Loans to small- and medium-sized enterprises" includes consumer loans which comprise 88.03% of this total.

7. Loan breakdown by country

(1) Loans to specific foreign countries (Non-consolidated)

Not applicable.

(2) Loans to Asian countries (Non-consolidated)

Not applicable.

8. Deposits and loans (Non-consolidated)

(Millions of yen)

		Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits	period-end balance	3,289,338	38,855	102,206	3,250,483	3,187,132
	average balance	3,284,673	90,185	94,908	3,194,488	3,189,765
Loans	period-end balance	2,249,695	(61,287)	(168,722)	2,310,982	2,418,417
	average balance	2,277,868	(136,887)	(179,202)	2,414,755	2,457,070

9. Number of branches (Non-consolidated)

(Branches)

	Sep. 30, 2021			Mar. 31, 2021	Sep. 30, 2020
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Number of branches	121	(2)	(5)	123	126

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Sep. 30, 2021				Mar. 31, 2021				Sep. 30, 2020			
	Fair value	Net unrealized gains(losses)		Fair value	Net unrealized gains(losses)		Fair value	Net unrealized gains(losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Available-for-sale securities	400,818	10,987	11,770	783	258,452	9,518	10,481	963	193,730	8,535	8,948	412
Stocks	17,023	8,747	9,087	339	16,922	8,646	8,840	193	15,235	6,960	7,172	212
Bonds	140,088	434	474	39	119,092	324	402	78	116,584	417	458	41
Others	243,706	1,805	2,208	403	122,437	546	1,238	691	61,910	1,158	1,316	158

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

Consolidated

(Millions of yen)

	Sep. 30, 2021				Mar. 31, 2021				Sep. 30, 2020			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Available-for-sale securities	404,388	14,337	15,120	783	261,833	12,679	13,643	963	196,874	11,459	11,871	412
Stocks	17,910	9,538	9,878	339	17,781	9,409	9,603	193	16,102	7,730	7,943	212
Bonds	140,088	434	474	39	119,092	324	402	78	116,584	417	458	41
Others	246,389	4,364	4,767	403	124,959	2,945	3,636	691	64,187	3,311	3,469	158

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

V. Retirement benefits

1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2020
Service cost	234	247
Interest cost	50	51
Expected returns on plan assets	(517)	(400)
Amortization of unrecognized net actuarial gains (losses)	(794)	(48)
Others (Note)	109	107
Retirement benefit expenses	(917)	(40)

(Note) "Others" includes the contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2020
Service cost (Note1)	258	267
Interest cost	50	51
Expected returns on plan assets	(517)	(400)
Amortization of unrecognized net actuarial gains (losses)	(794)	(48)
Others (Note2)	117	103
Retirement benefit expenses	(884)	(25)

(Note1) Retirement benefit expenses of consolidated subsidiaries adopting a simplified method are included in "Service cost".

(Note2) "Others" includes the contribution to a defined contribution pension plan.