

SURUGA bank, Ltd.

Consolidated financial results for the six months ended September 30, 2022

<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, 2022

(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, 2022	52,695	(2.6)	18,270	(14.3)	16,391	(7.9)
September 30, 2021	54,142	6.3	21,327	103.8	17,805	224.7

(Note) Comprehensive income: (a) Six months ended Sep. 30, 2022: ¥166 million [(99.1)%]

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

	Earnings per share	Earnings per share (diluted)
	yen	Yen
Six months ended September 30, 2022	87.03	-
September 30, 2021	76.86	-

(Note) Earnings per share for the six months ended September 30, 2021 and 2022 are not provided because there are no potentially shares.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	3,586,811	263,284	7.3
March 31, 2022	3,589,982	264,229	7.3

(Reference) Shareholders' equity: (a) As of September 30, 2022: ¥263,185 million

(b) As of March 31, 2022: ¥264,129 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 March 31, 2022	yen	yen	yen	yen	yen
ended March 31, 2022	-	0.00	-	6.00	6.00
ending March 31, 2023	-	0.00	-	6.00	6.00
ending March 31, 2023 (forecast)	-	-	-	6.00	6.00

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023

(% 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, 2023	86,000	(6.5)	11,000	3.8	10,000	25.6	53.08

(Note) Revision of earnings forecast from the latest announcement: Yes

* 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, 2022	232,139,248 shares	As of Mar. 31, 2022	232,139,248 shares
(B) Number of treasury shares:	As of Sep. 30, 2022	43,768,339 shares	As of Mar. 31, 2022	43,818,103 shares
(C) Average number of shares:	Six months ended Sep. 30, 2022	188,331,191 shares	Six months ended Sep. 30, 2021	231,663,833 shares

(Summary of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2022

(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, 2022	47,609	(4.1)	17,012	(18.5)	16,108	(8.4)
September 30, 2021	49,693	10.0	20,875	139.3	17,594	319.2

	Earnings per share
Six months ended September 30, 2022	Yen 85.53
September 30, 2021	75.94

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	3,568,440	247,047	6.9
March 31, 2022	3,568,782	246,356	6.9

(Reference) Shareholders' equity: (a) As of September 30, 2022: ¥247,047 million

(b) As of March 31, 2022: ¥246,356 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, 2023

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2023	77,000	(7.9)	10,000	(0.9)	9,500	20.9	50.43

(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, 2022.
- 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, 2022 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, 2022, ordinary income decreased by ¥1.447 billion year-on-year to ¥52.695 billion. This was mainly due to the decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥1.610 billion year-on-year to ¥34.424 billion, mainly due to an increase in the losses on redemptions of bonds.

As a result, ordinary profit decreased by ¥3.057 billion year-on-year to ¥18.270 billion.

Profit attributable to owners of parent decreased by ¥1.414 billion year-on-year to ¥16.391 billion.

(2) Details of financial position

As for the consolidated major account balances as of September 30, 2022, loans and bills discounted came in at ¥2,087.964 billion, down by ¥60.115 billion from March 31, 2022. This was primarily due to the decrease (¥97.008 billion) in consumer loans (non-consolidated).

Securities amounted to ¥438.814 billion, down by ¥24.618 billion from March 31, 2022.

Deposits amounted to ¥3,304.400 billion, down by ¥2.907 billion from March 31, 2022, despite an increase (¥9.204 billion) in individual deposits.

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

The earnings forecast for the fiscal year ending March 31, 2023 remains changed from that announced on August 10, 2022.

Consolidated

(Billions of yen)

	Fiscal year ending March 31, 2023
Ordinary income	86.0
Ordinary profit	11.0
Profit attributable to owners of parent	10.0

Non-consolidated

(Billions of yen)

	Fiscal year ending March 31, 2023
Ordinary income	77.0
Core net operating profit	22.0
Net operating profit	17.5
Ordinary profit	10.0
Net income	9.5

Actual credit costs	10.0
Normal credit costs	3.5
Share house-related loans	(3.0)
Preventive allowance	9.5

(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, 2022	As of Sep. 30, 2022
Assets		
Cash and due from banks	874,184	902,880
Call loans and bills bought	40,244	40,260
Monetary claims bought	59,739	97,007
Trading securities	82	70
Money held in trust	99	99
Securities	463,432	438,814
Loans and bills discounted	2,148,079	2,087,964
Foreign exchanges	2,292	4,638
Lease receivables and investment assets	5,066	4,874
Other assets	45,241	43,754
Property, plant and equipment	35,227	34,934
Intangible assets	18,474	17,241
Retirement benefit asset	20,509	20,896
Deferred tax assets	14,751	14,363
Customers' liabilities for acceptances and guarantees	1,474	1,716
Allowance for loan losses	(138,917)	(122,707)
Total assets	3,589,982	3,586,811
Liabilities		
Deposits	3,307,307	3,304,400
Foreign exchanges	41	28
Other liabilities	14,479	15,884
Provision for bonuses	486	460
Provision for bonuses for directors (and other officers)	41	—
Retirement benefit liability	292	296
Provision for share-based compensation	205	235
Provision for reimbursement of deposits	247	221
Provision for contingent loss	75	85
Deferred tax liabilities	1,102	196
Acceptances and guarantees	1,474	1,716
Total liabilities	3,325,753	3,323,526
Net assets		
Share capital	30,043	30,043
Capital surplus	1,976	1,974
Retained earnings	245,595	260,857
Treasury shares	(18,131)	(18,110)
Total shareholders' equity	259,484	274,764
Valuation difference on available-for-sale securities	1,324	(14,557)
Deferred gains or losses on hedges	(3)	(2)
Remeasurements of defined benefit plans	3,324	2,982
Total accumulated other comprehensive income	4,645	(11,578)
Non-controlling interests	100	98
Total net assets	264,229	263,284
Total liabilities and net assets	3,589,982	3,586,811

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

Consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2021	For the six months ended Sep. 30, 2022
Ordinary income	54,142	52,695
Interest income	38,240	34,574
Interest on loans and discounts	37,008	33,024
Interest and dividends on securities	809	413
Fees and commissions	4,015	3,604
Other ordinary income	1,990	1,679
Other income	9,894	12,836
Ordinary expenses	32,814	34,424
Interest expenses	761	729
Interest on deposits	749	678
Fees and commissions payments	5,830	5,023
Other ordinary expenses	1,476	4,574
General and administrative expenses	20,958	19,868
Other expenses	3,788	4,228
Ordinary profit	21,327	18,270
Extraordinary income	3	48
Gain on disposal of non-current assets	3	48
Extraordinary losses	1,076	252
Loss on disposal of non-current assets	487	247
Impairment losses	588	5
Profit before income taxes	20,255	18,065
Income taxes - current	1,343	1,235
Income taxes - deferred	1,109	440
Income taxes	2,453	1,675
Profit	17,802	16,390
Profit attributable to non-controlling interests	(3)	(1)
Profit attributable to owners of parent	17,805	16,391

Consolidated statements of comprehensive income

(Millions of yen)

	For the six months ended Sep. 30, 2021	For the six months ended Sep. 30, 2022
Profit	17,802	16,390
Other comprehensive income		
Valuation difference on available-for-sale securities	1,375	(15,882)
Deferred gains(losses) on hedges	2	1
Remeasurements of defined benefit plans, net of tax	(554)	(342)
Total other comprehensive income	823	(16,223)
Comprehensive income	18,626	166
(Breakdown)		
Comprehensive income attributable to owners of parent	18,629	168
Comprehensive income attributable to non-controlling interests	(3)	(1)

(3) Consolidated statements of changes in net assets

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

For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	1,976	245,595	(18,131)	259,484
Changes of items during period					
Dividends of surplus			(1,129)		(1,129)
Net income			16,391		16,391
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		20	18
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(2)	15,261	20	15,279
Balance at end of current period	30,043	1,974	260,857	(18,110)	274,764

	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	1,324	(3)	3,324	4,645	100	264,229
Changes of items during period						
Dividends of surplus						(1,129)
Net income						16,391
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	(15,882)	1	(342)	(16,223)	(1)	(16,224)
Total changes of items during period	(15,882)	1	(342)	(16,223)	(1)	(944)
Balance at end of current period	(14,557)	(2)	2,982	(11,578)	98	263,284

(4) Notes regarding consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021) was adopted from the beginning of the first half of the current consolidated fiscal year. In addition, in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Bank decided to adopt a new accounting standard stipulated by the Implementation Guidance on 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 12 years. However, because the average remaining service life of employees was reduced, the amortization period has been revised to 10 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 half 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 third quarter of the fiscal year ending March, 2023.

3. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Assets		
Cash and due from banks	873,583	902,200
Call loans	40,244	40,260
Monetary claims bought	59,739	97,007
Trading securities	82	70
Money held in trust	99	99
Securities	466,243	444,483
Loans and bills discounted	2,138,587	2,078,082
Foreign exchanges	2,292	4,638
Other assets	36,971	35,617
Other	36,971	35,617
Property, plant and equipment	34,418	34,083
Intangible assets	16,782	15,623
Prepaid pension costs	15,746	16,623
Deferred tax assets	15,639	14,964
Customers' liabilities for acceptances and guarantees	1,474	1,716
Allowance for loan losses	(133,124)	(117,032)
Total assets	3,568,782	3,568,440
Liabilities		
Deposits	3,312,181	3,311,175
Foreign exchanges	41	28
Other liabilities	7,725	7,523
Lease liabilities	150	124
Other	7,574	7,399
Provision for bonuses	433	406
Provision for bonuses for directors (and other officers)	41	—
Provision for share-based compensation	205	235
Provision for reimbursement of deposits	247	221
Provision for contingent loss	75	85
Acceptances and guarantees	1,474	1,716
Total liabilities	3,322,425	3,321,393

(Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Net assets		
Share capital	30,043	30,043
Capital surplus	18,585	18,585
Legal capital surplus	18,585	18,585
Retained earnings	216,461	231,437
Legal retained earnings	30,043	30,043
Other retained earnings	186,418	201,393
Reserve for tax purpose reduction entry of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	83,326	98,302
Treasury shares	(18,131)	(18,110)
Total shareholders' equity	246,958	261,955
Valuation difference on available-for-sale securities	(598)	(14,905)
Deferred gains or losses on hedges	(3)	(2)
Valuation and translation adjustments	(602)	(14,908)
Total net assets	246,356	247,047
Total liabilities and net assets	3,568,782	3,568,440

(2) Non-consolidated statements of income

(Millions of yen)

	For the six months ended Sep. 30, 2021	For the six months ended Sep. 30, 2022
Ordinary income	49,693	47,609
Interest income	36,127	34,135
Interest on loans and discounts	34,920	30,927
Interest and dividends on securities	783	2,071
Fees and commissions	3,556	3,098
Other ordinary income	437	97
Other income	9,572	10,279
Ordinary expenses	28,817	30,597
Interest expenses	761	727
Interest on deposits	749	678
Fees and commissions payments	5,753	4,951
Other ordinary expenses	38	3,099
General and administrative expenses	19,454	18,345
Other expenses	2,810	3,473
Ordinary profit	20,875	17,012
Extraordinary income	3	48
Gain on disposal of non-current assets	3	48
Extraordinary losses	1,035	251
Loss on disposal of non-current assets	446	245
Impairment losses	588	5
Profit before income taxes	19,844	16,809
Income taxes - current	1,272	26
Income taxes - deferred	977	675
Income taxes	2,249	701
Profit	17,594	16,108

(3) Non-consolidated statements of changes in net assets

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	-	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

For the six months ended September 30, 2022

(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	-	18,585	30,043	59	103,032	83,326
Changes of items during period								
Dividends of surplus								(1,129)
Net income								16,108
Purchase of treasury shares								
Disposal of treasury shares								(2)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	-	14,975
Balance at end of current period	30,043	18,585	-	18,585	30,043	59	103,032	98,302

	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	216,461	(18,131)	246,958	(598)	(3)	(602)	246,356
Changes of items during period							
Dividends of surplus	(1,129)		(1,129)				(1,129)
Net income	16,108		16,108				16,108
Purchase of treasury shares		(0)	(0)				(0)
Disposal of treasury shares	(2)	20	18				18
Net changes of items other than shareholders' equity				(14,307)	1	(14,305)	(14,305)
Total changes of items during period	14,975	20	14,996	(14,307)	1	(14,305)	690
Balance at end of current period	231,437	(18,110)	261,955	(14,905)	(2)	(14,908)	247,047

Financial Results

For the six months ended September 30, 2022

- Supplementary Information -

SURUGA bank, Ltd.

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I. Financial highlights for the six months ended September 30, 2022

1. Financial results (Non-consolidated)

(Millions of yen)

	Six months ended	(a) - (b)	Six months ended
	Sep. 30, 2022 (a)		Sep. 30, 2021 (b)
Gross operating profit	28,551	(5,016)	33,567
Net interest income	33,407	(1,959)	35,366
Net fees and commissions	(1,853)	344	(2,197)
Net other operating income (Note1)	2	(18)	20
Core gross operating profit	31,556	(1,632)	33,188
Expenses (-)	18,771	(1,447)	20,218
Core net operating profit (Note2)	12,784	(186)	12,970
Excluding gains (loss) on cancellation of investment trusts	12,784	(186)	12,970
Gains (losses) on bonds	(3,004)	(3,383)	379
Actual net operating profit (Note3)	9,780	(3,569)	13,349
Provision for general allowance for loan losses (-)(Note4)	-	-	-
Net operating profit	9,780	(3,569)	13,349
Disposal of non-performing loans (-)	2,875	245	2,630
Reversal of allowance for loan losses(Note4)	6,890	506	6,384
Recoveries of written-off claims	1,252	(1,690)	2,942
Gains (losses) on stocks	1,826	1,850	(24)
Ordinary profit	17,012	(3,863)	20,875
Gains (losses) on disposal of non-current assets	(197)	245	(442)
Impairment loss (-)	5	(583)	588
Net income	16,108	(1,486)	17,594
Net credit costs	(4,015)	(262)	(3,753)
Actual credit costs (Note5)	(5,268)	1,427	(6,695)

(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) The net amount of provision for general allowance for loan losses and provision for specific allowance for loan losses is recorded in reversal of allowance for loan losses.

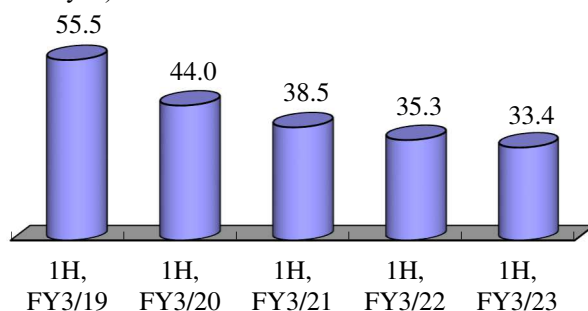
(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans - Reversal of allowance for loan losses) - Recoveries of written-off claims

(1) Gross operating profit: ¥28.5 billion

- Net interest income decreased by ¥1.9 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
- Loan-deposit income decreased by ¥3.9 billion year-on-year.
- Core gross operating profit decreased by ¥1.6 billion year-on-year, mainly due to a decrease in net interest income.
- Gross operating profit decreased by ¥5.0 billion year-on-year.

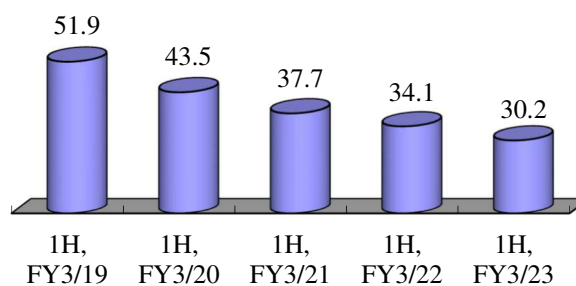
Net interest income

(Billions of yen)



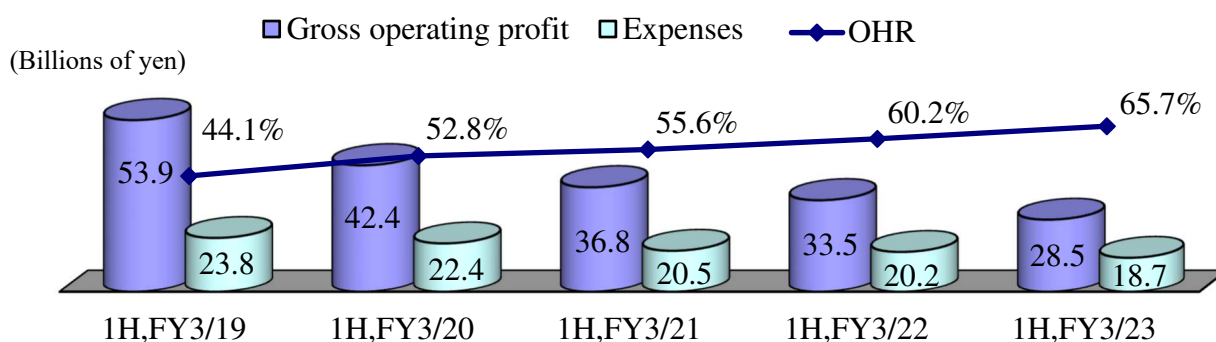
Loan-deposit income

(Billions of yen)



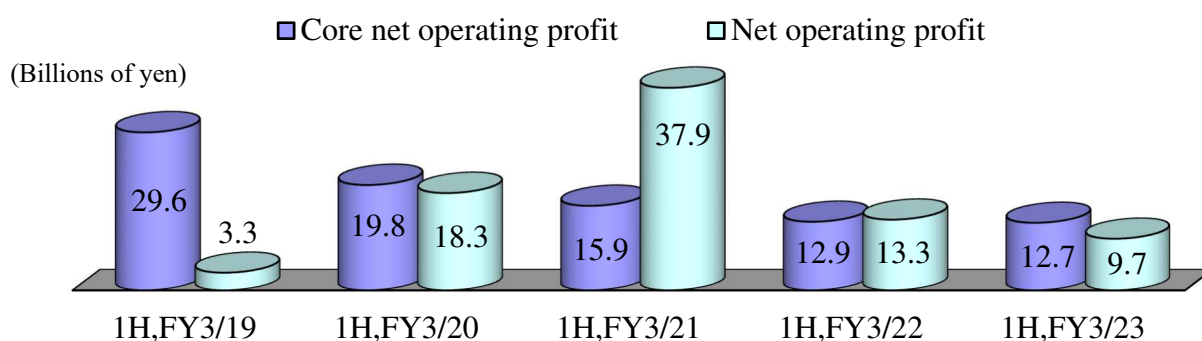
(2) Expenses; OHR: 65.7%

- Expenses decreased by ¥1.4 billion year-on-year.
 - OHR rose year-on-year to 65.7%.
- (OHR(%) = Expenses / Gross operating profit × 100)



(3) Core net operating profit: ¥12.7 billion, Net operating profit: ¥9.7 billion

- Core net operating profit decreased by ¥0.1 billion year-on-year, mainly due to a decrease in net interest income exceeded a decrease in expenses.
- Net operating profit decreased by ¥3.5 billion year-on-year, mainly due to a decrease in gains (losses) on bonds



(4) Ordinary profit: ¥17.0 billion

- Ordinary profit decreased by ¥3.8 billion year-on-year.

(5) Net income: ¥16.1 billion

- Net income decreased by ¥1.4 billion year-on-year, mainly due to a decrease in ordinary profit.

(6) Actual credit costs: (¥5.2) billion

- Net credit costs decreased by ¥0.2 billion year-on-year, mainly due to an increase (¥0.2 billion) in disposal of non-performing loans and an increase (¥0.5 billion) in reversal of allowance for loan losses.
- Actual credit costs, calculated as net credit costs ((¥4.0) billion) minus the amount of recoveries of written-off claims (¥1.2 billion) amounted to (¥5.2) billion.

2. Major accounts (Non-consolidated)

(A) Loans and bills discounted

- Loans and bills discounted decreased by ¥171.6 billion, or 7.6% year-on-year.
- Yield on loans and bills discounted dropped by 14 basis points year-on-year to 2.91%.

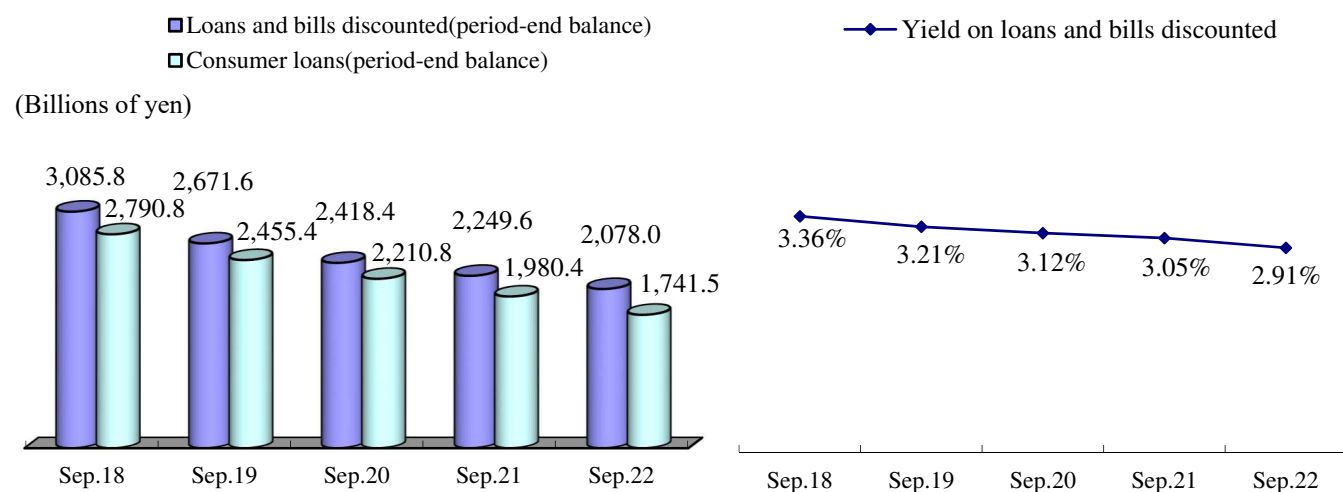
(Billions of yen)

	Sep. 30, 2022 (a)	(a) – (b)	Sep. 30, 2021 (b)	Mar. 31, 2022
Loans and bills discounted (period-end balance)	2,078.0	(171.6)	2,249.6	2,138.5
Consumer loans	1,741.5	(238.8)	1,980.4	1,838.5
Asset management company loans for property investment	40.3	18.1	22.2	33.5
Structured finance	82.7	31.8	50.8	68.9
Loans and bills discounted (average balance)	2,112.9	(164.9)	2,277.8	2,244.3

(Results of new loans)

(Billions of yen)

	Sep. 30, 2022 (a)	(a) – (b)	Sep. 30, 2021 (b)
New consumer loans	24.1	10.1	14.0
New asset management company loans for property investment	7.8	0.5	7.3
Subtotal	31.9	10.5	21.4
New structured finance	20.4	0.3	20.1
Total	52.4	10.9	41.5
New monetary claims bought	39.9	39.9	-
Grand total	92.4	50.9	41.5



Consumer loans

Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Sep. 30, 2022			Jun. 30, 2022		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,606.0	3.08%	6.68%	1,659.4	3.08%	7.42%
Housing loans	441.8	2.75%	0.28%	449.7	2.77%	0.27%
Studio apartment loans	130.0	3.36%	2.82%	136.0	3.37%	2.76%
Single building apartment loans (including share house loans)	1,001.2	3.14%	10.24%	1,040.7	3.13%	11.41%
Other secured loans	32.8	4.41%	0.46%	32.8	4.51%	0.23%
Unsecured loans	135.5	10.46%	2.51%	139.6	10.45%	2.44%
Card loans	92.8	11.78%	0.94%	95.0	11.78%	0.94%
Unsecured certificate loans	42.6	7.59%	5.94%	44.6	7.61%	5.63%
Consumer loans (A)	1,741.5	3.65%	6.36%	1,799.1	3.65%	7.04%
Consumer loans (excluding organizational negotiation partners)	1,636.2	-	1.50%	1,692.6	-	2.48%
Asset management company loans for property investment (B)	40.3	1.82%	-	35.3	1.82%	-
Structured finance (C)	82.7	2.24%	-	76.0	2.27%	-
Monetary claims bought (D)	97.0	1.95%	-	58.9	1.94%	-
Total (A)+(B)+(C)+(D)	1,961.6	3.47%	5.65%	1,969.5	3.51%	6.43%

(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.

(Note4) Organizational negotiation partners are customers who have suspended repayment as a result of structured negotiations (excluding share house loans).

Share house-related loans (Status of coverage)

(Billions of yen)

	Total		Collateral or guarantees, etc. B	Unsecured portion C	Allowance D	Coverage ratio (B+D)/A
	A	Share house claims				
Mar. 31, 2019	250.3	201.9	91.4	158.8	139.3	92.20%
Mar. 31, 2020	192.1	154.7	72.7	119.3	102.5	91.29%
Mar. 31, 2021	135.7	107.2	52.5	83.1	76.7	95.24%
Mar. 31, 2022	53.6	41.9	26.2	27.4	25.7	96.87%
Sep. 30, 2022	32.8	24.0	16.7	16.0	14.1	94.30%

(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.

(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, 2022

(Billions of yen)

Item	Actual credit costs	Allowance
Share house-related loans	(3.2)	14.1
Investment property loans	(2.3)	87.5
Housing loans	(0.3)	2.6
Unsecured loans	(0.0)	3.2
Monetary claims bought	0.0	0.2
Business financing loans, etc.	0.7	9.1
Total	(5.2)	117.0

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

(B) Deposits

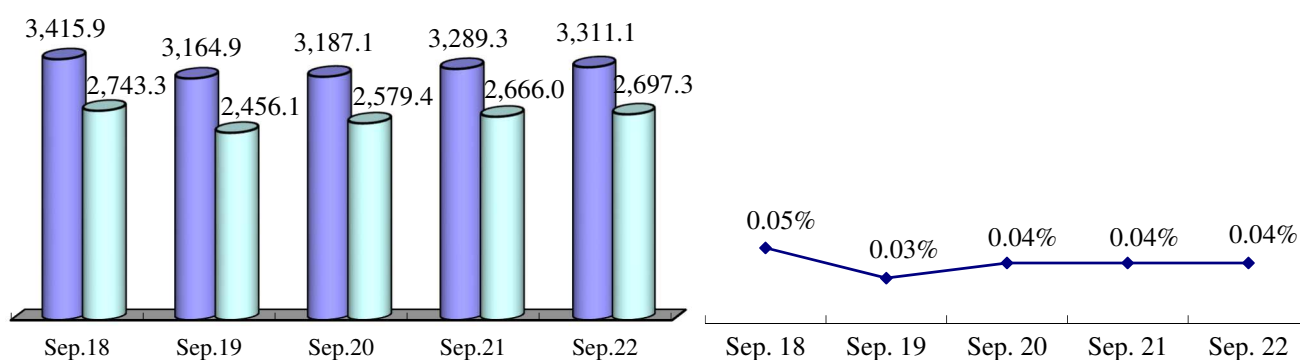
- Deposits increased by ¥21.8 billion, or 0.6% year-on-year.
- Yield on deposits was 0.04%.

(Billions of yen)

	Sep. 30, 2022 (a)	(a) – (b)	Sep. 30, 2021 (b)	Mar. 31, 2022
Deposits (period-end balance)	3,311.1	21.8	3,289.3	3,312.1
Individual deposits	2,697.3	31.2	2,666.0	2,688.1
Deposits (average balance)	3,346.6	62.0	3,284.6	3,291.5

■ Deposits (period-end balance) ◆ Yield on deposits
■ Individual deposits (period-end balance)

(Billions of yen)

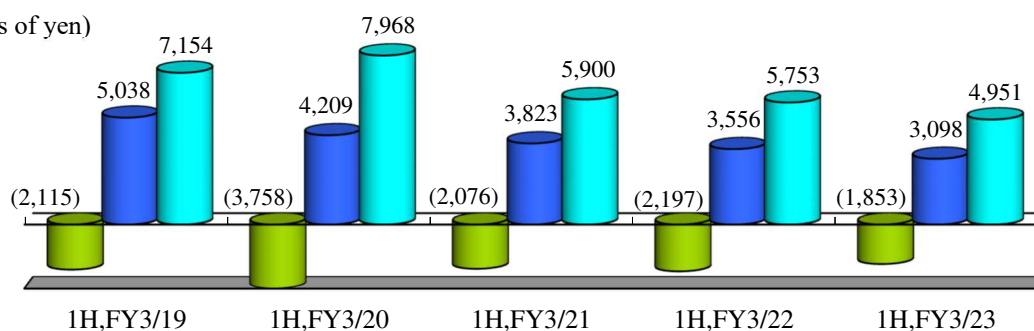


(3) Net fees and commissions

- Net fees and commissions increased by ¥0.3 billion year-on-year, mainly due to a decrease (¥0.4 billion) in fees and commissions, a decrease (¥0.8 billion) in fees and commissions payments.

■ Net fees and commissions ■ Fees and commissions ■ Fees and commissions payments

(Millions of yen)



(4) Individual deposit assets

- Individual deposit assets increased by ¥23.8 billion year-on-year.
- The ratio of investment products to total individual deposit assets dropped by 30 basis points year-on-year to 3.5%.

(Millions of yen)

	Sep. 30, 2022 (a)	(a) - (b)	Sep. 30, 2021 (b)	Mar. 31, 2022
Individual deposit assets	2,793,207	23,813	2,769,394	2,789,587
Yen deposits	2,694,493	32,333	2,662,160	2,684,636
Investment products	98,714	(8,519)	107,233	104,951
Foreign currency deposits	2,862	(1,044)	3,906	3,516
Public bonds	3,855	(1,277)	5,132	4,356
Mutual funds	62,277	(5,643)	67,920	68,475
Personal pension plans	14,198	(2,367)	16,565	14,656
Single premium life insurance	15,520	1,812	13,708	13,945
The ratio of investment products to total individual deposit assets	3.5%	(0.3)%	3.8%	3.7%

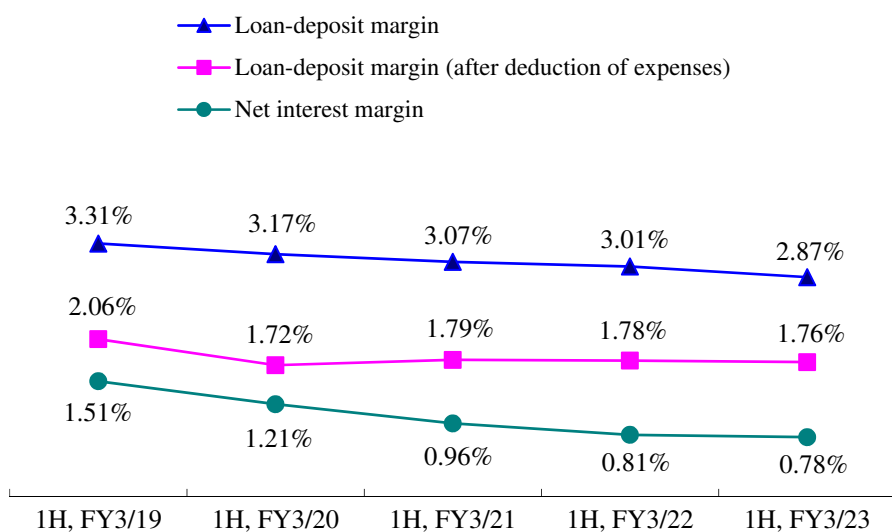
3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) shrunk by 2 basis points year-on-year to 1.76%.
- Net interest margin shrunk by 3 basis points year-on-year to 0.78%, mainly due to the decline in yield on interest earning assets.

(%)

	Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)	FY3/2022
Loan-deposit margin	2.87	(0.14)	3.01	2.97
Loan-deposit margin (after deduction of expenses)	1.76	(0.02)	1.78	1.77
Net interest margin	0.78	(0.03)	0.81	0.78



4. Own capital (Non-consolidated)

•Capital adequacy ratio rose by 5 basis points year-on-year to 13.59%.
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Non-consolidated

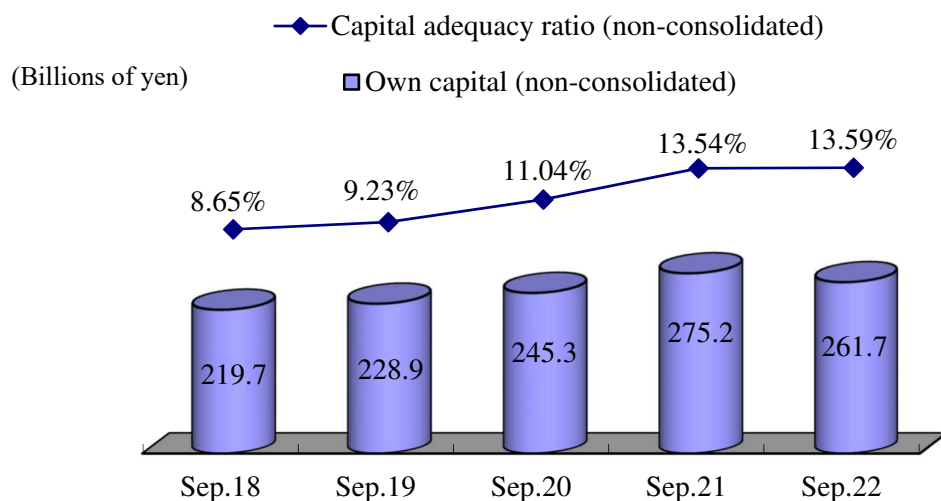
(Millions of yen)

	Sep 30, 2022	Sep 30, 2021
Capital adequacy ratio	13.59%	13.54%
Own capital (Core capital)	261,777	275,243
Core capital: instruments and reserves	284,286	297,805
Core capital: regulatory adjustments (-)	22,508	22,562
Risk-weighted assets	1,925,364	2,031,462
Total required capital	75,361	78,330

Consolidated

(Millions of yen)

	Sep 30, 2022	Sep 30, 2021
Capital adequacy ratio	13.93%	13.82%
Own capital (Core capital)	273,257	286,352
Core capital: instruments and reserves	300,255	316,400
Core capital: regulatory adjustments (-)	26,997	30,048
Risk-weighted assets	1,961,331	2,071,839
Total required capital	76,799	79,945



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

• Net unrealized gains on securities decreased by ¥26.8 billion year-on-year.

	Sep. 30, 2022 (a)	(a) - (b)	Sep. 30, 2021 (b)	(Millions of yen) Mar. 31, 2022
Available-for-sale securities	(15,832)	(26,819)	10,987	(1,482)
Stocks	8,403	(344)	8,747	7,587
Bonds	(1,241)	(1,675)	434	(353)
Others	(22,995)	(24,800)	1,805	(8,715)

6. Earnings forecast for the fiscal year ending March 31, 2023

Consolidated

(Millions of yen)

	Fiscal year ending Mar. 31, 2023 (forecast)
Ordinary income	86,000
Ordinary profit	11,000
Profit attributable to owners of parent	10,000

Non-consolidated

(Millions of yen)

	Fiscal year ending Mar. 31, 2023 (forecast)
Ordinary income	77,000
Core net operating profit	22,000
Net operating profit	17,500
Ordinary profit	10,000
Net income	9,500

Actual credit costs	10,000
Normal credit costs	3,500
Share house-related loans	(3,000)
Preventive allowance	9,500

(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 decreased by ¥46.5 billion year-on-year.
Non-performing loan ratio declined by 186 basis points year-on-year to 10.77%.

Outstanding balance

(Millions of yen, %)

		Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		115,342	(18,825)	1,946	134,167	113,396
Claims with collection risk		46,662	(19,199)	(80,206)	65,861	126,868
Claims for special attention		63,307	(8,544)	(23,392)	71,851	86,699
Total	(A)	225,312	(46,568)	(101,652)	271,880	326,964
Total claims	(B)	2,090,407	(60,959)	(172,778)	2,151,366	2,263,185
Non-performing loan ratio	(A/B)	10.77	(1.86)	(3.67)	12.63	14.44

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, 2022
Non-performing loans	(A)	115,342	46,662	63,307	225,312	(46,568)
Covered amount (C+D)	(B)	115,342	31,145	35,789	182,278	(32,922)
Portion secured by collateral or guarantees, etc.	(C)	45,075	20,768	19,610	85,454	(18,857)
Allowance for loan losses	(D)	70,267	10,377	16,178	96,823	(14,065)
Coverage ratio (B/A)		100.00	66.74	56.53	80.89	1.74
Unsecured portion (A-C)	(E)	70,267	25,894	43,696	139,858	(27,710)
Allowance ratio for unsecured portion (D/E)		100.00	40.07	37.02	69.22	3.05

(Reference) As of Mar. 31, 2022

Unsecured portion	80,307	37,329	49,931	167,568
Allowance ratio for unsecured portion	100.00	37.09	33.51	66.17

(2) Risk-monitored loans

(Millions of yen, %)

	Sep.30,2022			Mar.31,2022	Sep.30,2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Loans to bankrupt obligors	115,342	(18,825)	1,946	134,167	113,396
Non-accrual delinquent loans	46,662	(19,199)	(80,206)	65,861	126,868
Loans past due 3 months or more	3,673	(78)	235	3,751	3,438
Restructured loans	59,633	(8,467)	(23,628)	68,100	83,261
Total	225,312	(46,568)	(101,652)	271,880	326,964
Coverage ratio	80.89	1.74	5.26	79.15	75.63

(Note) Risk-monitored loans are displayed in Enforcement Regulations of the Banking Act of after revision, including those for past year.

8. Credit costs (Non-consolidated)

(Millions of yen, %)

	Six months ended		Six months ended
	Sep. 30, 2022 (a)	(a) - (b)	Sep. 30, 2021 (b)
Provision for general allowance for loan losses (1)	-	-	-
Disposal of non-performing loans (2)	2,875	245	2,630
Write-off of loans	2,095	(362)	2,457
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	749	598	151
Provision for allowance for contingent losses	29	7	22
Reversal of allowance for loan losses (3)	6,890	506	6,384
Recoveries of written-off claims A	1,252	(1,690)	2,942
Net credit costs (4) (=1)+(2)-(3))	(4,015)	(262)	(3,753)
Actual credit costs (4)- A	(5,268)	1,427	(6,695)
Loans and bills discounted (average balance)	2,112,958	(164,910)	2,277,868
Net credit costs ratio	(0.37)	(0.05)	(0.32)
Actual credit costs ratio	(0.49)	0.09	(0.58)

(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) The net amount of reversal of general allowance for loan losses and provision for specific allowance for loan losses are recorded in reversal of allowance for loan losses.

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, 2023, the company is forecasting an annual dividend of ¥6.0 per share.

(yen)

	Fiscal year ending Mar. 31, 2023	Fiscal year ended Mar. 31, 2022 (result)
Annual dividend per share	6.00	6.00
Interim dividend	0.00	0.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2023 is a forecast.

II. Financial data for the six months ended September 30, 2022

1. Details of financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Gross operating profit	28,551	(5,016)	33,567
(excluding gains (losses) on bonds)	(31,556	(1,632)	33,188)
Domestic gross operating profit	28,624	(4,870)	33,494
(excluding gains (losses) on bonds)	(31,527	(1,588)	33,115)
Net interest income	33,391	(1,935)	35,326
Net fees and commissions	(1,864)	347	(2,211)
Net other operating income	(2,903)	(3,282)	379
(of which, Gains (losses) on bonds)	((2,903)	(3,282)	379)
International gross operating profit	(72)	(145)	73
(excluding gains (losses) on bonds)	(28	(45)	73)
Net interest income	15	(24)	39
Net fees and commissions	10	(3)	13
Net other operating income	(98)	(118)	20
(of which, Gains (losses) on bonds)	((101)	(101)	-)
Expenses (excluding non-recurring losses)	18,771	(1,447)	20,218
Personnel expenses	6,951	(256)	7,207
Non-personnel expenses	10,265	(808)	11,073
Taxes	1,554	(384)	1,938
Actual net operating profit	9,780	(3,569)	13,349
Core net operating profit	12,784	(186)	12,970
Excluding gains (loss) on cancellation of investment trust	12,784	(186)	12,970
Provision for general allowance for loan losses	-	-	-
Net operating profit	9,780	(3,569)	13,349
Gains (losses) on bonds	(3,004)	(3,383)	379
Non-recurring gains (losses)	7,231	(295)	7,526
Reversal of allowance for loan losses	6,890	506	6,384
Recoveries of written-off claims	1,252	(1,690)	2,942
Gains (losses) on stocks	1,826	1,850	(24)
Ordinary profit	17,012	(3,863)	20,875
Extraordinary gains (losses)	(202)	829	(1,031)
Gains (losses) on disposal of non-current assets	(197)	245	(442)
Impairment loss (-)	5	(583)	588
Income before income taxes	16,809	(3,035)	19,844
Income taxes-current	26	(1,246)	1,272
Income taxes-deferred	675	(302)	977
Total income taxes	701	(1,548)	2,249
Net income	16,108	(1,486)	17,594

(1)Provision for general allowance for loan losses	-	-	-
(2)Disposal of non-performing loans	2,875	245	2,630
Write-off of loans	2,095	(362)	2,457
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	749	598	151
Provision for allowance for contingent losses	29	7	22
(3) Reversal of allowance for loan losses	6,890	506	6,384
Provision for general allowance for loan losses	2,439	(14,900)	17,339
Provision for specific allowance for loan losses	4,450	15,404	(10,954)
(4)Net credit costs (1)+(2)-(3)	(4,015)	(262)	(3,753)
(5)Recoveries of written-off claims	1,252	(1,690)	2,942
(6)Actual credit costs (4)-(5)	(5,268)	1,427	(6,695)

Details of financial results (Consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Consolidated gross profit	29,531	(6,648)	36,179
Net interest income	33,845	(3,634)	37,479
Net fees and commissions	(1,419)	395	(1,814)
Net other operating income	(2,894)	(3,408)	514
Expenses (excluding non-recurring losses)	20,294	(1,428)	21,722
Actual credit costs	(4,405)	1,556	(5,961)
Gains (losses) on stocks	4,385	4,409	(24)
Others	242	(692)	934
Ordinary profit	18,270	(3,057)	21,327
Extraordinary gains (losses)	(204)	868	(1,072)
Income before income taxes	18,065	(2,190)	20,255
Income taxes-current	1,235	(108)	1,343
Income taxes-deferred	440	(669)	1,109
Total income taxes	1,675	(778)	2,453
Profit attributable to non-controlling interests	(1)	2	(3)
Profit attributable to owners of parent	16,391	(1,414)	17,805

(1)Provision for general allowance for loan losses	-	-	-
(2)Disposal of non-performing loans	3,630	27	3,603
Write-off of loans	2,158	(345)	2,503
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	1,441	364	1,077
Provision for allowance for contingent losses	29	7	22
(3) Reversal of allowance for loan losses	6,749	169	6,580
Provision for general allowance for loan losses	2,624	(15,209)	17,833
Provision for specific allowance for loan losses	4,125	15,378	(11,253)
(4)Net credit costs (1)+(2)-(3)	(3,119)	(142)	(2,977)
(5)Recoveries of written-off claims	1,286	(1,697)	2,983
(6)Actual credit costs (4)-(5)	(4,405)	1,556	(5,961)

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

(Reference)

(Millions of yen)

Consolidated net operating profit	9,236	(5,221)	14,457
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(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

(Number of consolidated subsidiaries and affiliates)

(Companies)

Consolidated subsidiaries	6	-	6
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2. Net operating profit (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Net operating profit	9,780	(3,569)	13,349
Per employee (Thousands of yen)	7,260	(2,200)	9,460

3. Interest margins (Non-consolidated)

Overall

				(%)
		Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Yield on interest earning assets	(A)	1.94	(0.14)	2.08
Yield on loans and bills discounted		2.91	(0.14)	3.05
Yield on securities		0.86	0.41	0.45
Yield on interest bearing liabilities	(B)	1.16	(0.11)	1.27
Yield on deposits		0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)		1.76	(0.02)	1.78
Net interest margin	(A) - (B)	0.78	(0.03)	0.81

Domestic

				(%)
		Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Yield on interest earning assets	(A)	1.94	(0.14)	2.08
Yield on loans and bills discounted		2.91	(0.15)	3.06
Yield on securities		1.14	0.66	0.48
Yield on interest bearing liabilities	(B)	1.12	(0.11)	1.23
Yield on deposits		0.04	0.00	0.04
Loan-deposit margin (after deduction of expenses)		1.79	(0.03)	1.82
Net interest margin	(A) - (B)	0.81	(0.03)	0.84

4. ROA and ROE (Non-consolidated)

				(%)
		Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
ROA	Net operating profit basis	0.54	(0.20)	0.74
	Net income basis	0.89	(0.09)	0.98
ROE	Net operating profit basis	7.92	(2.42)	10.34
	Net income basis	13.05	(0.58)	13.63

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

				(Millions of yen)
		Six months ended Sep. 30, 2022 (a)	(a) - (b)	Six months ended Sep. 30, 2021 (b)
Gains (losses) on bonds		(3,004)	(3,383)	379
Gains on sales		-	-	-
Gains on redemptions		94	(323)	417
Losses on sales		101	101	-
Losses on redemptions		2,997	2,960	37
Losses on devaluation		-	-	-
Gains (losses) on stocks		1,826	1,850	(24)
Gains on sales		1,829	1,826	3
Losses on sales		-	-	-
Losses on devaluation		2	(25)	27

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Sep. 30, 2022		Mar. 31, 2022
	(a)	(a) - (b)	(b)
Capital adequacy ratio	13.59%	1.24%	12.35%
Own capital (Core capital)	261,777	16,539	245,238
Core capital : instruments and reserves	284,286	15,491	268,795
Core capital : regulatory adjustments (-)	22,508	(1,049)	23,557
Risk-weighted assets	1,925,364	(58,907)	1,984,271
Total required capital	75,361	(1,497)	76,858

Consolidated

(Millions of yen)

	Sep. 30, 2022		Mar. 31, 2022
	(a)	(a) - (b)	(b)
Capital adequacy ratio	13.93%	1.25%	12.68%
Own capital (Core capital)	273,257	16,457	256,800
Core capital : instruments and reserves	300,255	15,417	284,838
Core capital : regulatory adjustments (-)	26,997	(1,041)	28,038
Risk-weighted assets	1,961,331	(63,225)	2,024,556
Total required capital	76,799	(1,671)	78,470

7. Composition of own capital (domestic standard)

(Millions of yen)

	September 30, 2022	
	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	261,955	274,764
Capital and capital surplus	48,629	32,017
Retained earnings	231,437	260,857
Treasury shares (-)	(18,110)	(18,110)
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	2,982
Remeasurements of defined benefit plans	-	2,982
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	22,331	22,489
General allowance for loan losses	22,331	22,489
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	-	19
Core capital: instruments and reserves (A)	284,286	300,255
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	10,905	12,406
Goodwill (including those equivalent)	-	1,229
Other intangible fixed assets other than goodwill and mortgage servicing rights	10,905	11,176
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	5
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	11,603	-
Net defined benefit asset	-	14,585
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)	22,508	26,997
Total capital		
Total capital (A-B) (C)	261,777	273,257
Risk-weighted assets (3)		
Credit risk-weighted assets	1,786,581	1,799,224
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	138,782	162,106
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	1,925,364	1,961,331
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	13.59	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	13.93

III. Status of loans, etc.

Status of self-assessment, non-performing loans based on the financial Reconstruction Law and Risk-monitored loans.

Non-consolidated (As of September 30, 2022)

(Millions of yen)

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law and Risk-monitored loans			
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).			
Category Credit balance	Classification				Collateral or guarantees, etc.	Allowance	Coverage ratio	
	Non- classifi- cation	Classifi- cation II	Classifi- cation III	Classifi- cation IV				
Bankrupt obligors 511 [73]	109	402	-	-	45,075	70,267	100.00%	
Effectively bankrupt obligors 114,831 [70,193]	70,594	44,236	-	-				
Potentially bankrupt obligors 46,662 [10,377]	14,591	16,553	15,516 [10,377]	-	20,768	10,377	66.74%	
Obligors requiring caution	Sub- standard obligors 80,322	122	80,199	-	19,610	16,178	56.53%	
	Other obligors requiring caution 650,119	11,955	638,164	-				
Normal obligors 1,197,959	1,197,959	-	-	-	Normal assets 1,865,094			
Total 2,090,407 [80,645]	1,295,333	779,557	15,516 [10,377]	-				Total 2,090,407

(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, 2022 were as follows:

(a) Non-consolidated: ¥3,159 million; (b) Consolidated: ¥3,159 million

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

Non-consolidated

		Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	115,342	(18,825)	1,946	134,167	113,396
	Non-accrual delinquent loans	46,662	(19,199)	(80,206)	65,861	126,868
	Loans past due 3 months or more	3,673	(78)	235	3,751	3,438
	Restructured loans	59,633	(8,467)	(23,628)	68,100	83,261
	Total	225,312	(46,568)	(101,652)	271,880	326,964
Loans and bills discounted (period-end balance)		2,090,407	(60,959)	(172,778)	2,151,366	2,263,185
% to loans and bills discounted	Loans to bankrupt obligors	5.51	(0.72)	0.50	6.23	5.01
	Non-accrual delinquent loans	2.23	(0.83)	(3.37)	3.06	5.60
	Loans past due 3 months or more	0.17	0.00	0.02	0.17	0.15
	Restructured loans	2.85	(0.31)	(0.82)	3.16	3.67
	Total	10.77	(1.86)	(3.67)	12.63	14.44

Consolidated

		Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	115,988	(18,867)	2,100	134,855	113,888
	Non-accrual delinquent loans	51,215	(19,063)	(79,990)	70,278	131,205
	Loans past due 3 months or more	3,673	(78)	235	3,751	3,438
	Restructured loans	59,633	(8,467)	(23,628)	68,100	83,261
	Total	230,511	(46,474)	(101,283)	276,985	331,794
Loans and bills discounted (period-end balance)		2,108,809	(60,728)	(172,111)	2,169,537	2,280,920
% to loans and bills discounted	Loans to bankrupt obligors	5.50	(0.71)	0.51	6.21	4.99
	Non-accrual delinquent loans	2.42	(0.81)	(3.33)	3.23	5.75
	Loans past due 3 months or more	0.17	0.00	0.02	0.17	0.15
	Restructured loans	2.82	(0.31)	(0.83)	3.13	3.65
	Total	10.93	(1.83)	(3.61)	12.76	14.54

2. Allowance ratio for risk-monitored loans

Non-Consolidated

(Millions of yen, %)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	225,312	(46,568)	(101,652)	271,880	326,964
Collateral or guarantees, etc. (B)	85,454	(18,857)	(48,010)	104,311	133,464
Allowance for loan losses (C)	96,823	(14,065)	(17,026)	110,888	113,849
Allowance ratio (C/A)	42.97	2.19	8.15	40.78	34.82
Coverage ratio (B+C)/(A)	80.89	1.74	5.26	79.15	75.63

Consolidated

(Millions of yen, %)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	230,511	(46,474)	(101,283)	276,985	331,794
Collateral or guarantees, etc. (B)	84,565	(18,875)	(48,187)	103,440	132,752
Allowance for loan losses (C)	100,699	(13,999)	(16,600)	114,698	117,299
Allowance ratio (C/A)	43.68	2.28	8.33	41.40	35.35
Coverage ratio (B+C)/(A)	80.37	1.62	5.01	78.75	75.36

3. Allowance for loan losses

Non-consolidated

(Millions of yen)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Allowance for loan losses	117,032	(16,092)	(19,082)	133,124	136,114
General allowance for loan losses	36,387	(2,582)	(3,183)	38,969	39,570
Specific allowance for loan losses	80,645	(13,509)	(15,898)	94,154	96,543

Consolidated

(Millions of yen)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Allowance for loan losses	122,707	(16,210)	(19,094)	138,917	141,801
General allowance for loan losses	38,185	(2,768)	(3,623)	40,953	41,808
Specific allowance for loan losses	84,521	(13,443)	(15,472)	97,964	99,993

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

Non-consolidated

(Millions of yen)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	115,342	(18,825)	1,946	134,167	113,396
Claims with collection risk	46,662	(19,199)	(80,206)	65,861	126,868
Claims for special attention	63,307	(8,544)	(23,392)	71,851	86,699
Total (A)	225,312	(46,568)	(101,652)	271,880	326,964

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

Non-consolidated

(Millions of yen, %)

	Sep. 30, 2022 (a)			Mar. 31, 2022 (b)	Sep. 30, 2021 (c)
		(a) - (b)	(a) - (c)		
Total coverage (B)	182,278	(32,922)	(65,036)	215,200	247,314
Allowance for loan losses	96,823	(14,065)	(17,026)	110,888	113,849
Collateral or guarantees, etc.	85,454	(18,857)	(48,010)	104,311	133,464
Coverage ratio (B/A)	80.89	1.74	5.26	79.15	75.63

6. Loan breakdown by industry, etc.

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

(Millions of yen)

	Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,078,082	(60,505)	(171,613)	2,138,587	2,249,695
Manufacturing	37,896	2,880	3,198	35,016	34,698
Agriculture and forestry	3,942	(101)	(188)	4,043	4,130
Fishery	47	(12)	(24)	59	71
Mining, quarrying and gravel	100	(100)	(100)	200	200
Construction	14,115	105	1,611	14,010	12,504
Utilities	244	6	29	238	215
Information and communication	3,434	1,596	1,860	1,838	1,574
Transportation and postal service	14,712	1,829	1,908	12,883	12,804
Wholesale and retail trade	32,530	379	2,459	32,151	30,071
Finance and insurance	22,893	8,432	(934)	14,461	23,827
Real estate, goods rental and leasing	121,595	13,966	39,000	107,629	82,595
Services	52,463	1,252	6,515	51,211	45,948
Government and municipal government	26,693	6,178	13,559	20,515	13,134
Others	1,747,411	(96,911)	(240,501)	1,844,322	1,987,912

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

(Millions of yen)

	Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	225,312	(46,568)	(101,652)	271,880	326,964
Manufacturing	9,245	(271)	(950)	9,516	10,195
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	589	(64)	(106)	653	695
Utilities	3	(1)	(1)	4	4
Information and communication	114	(2)	(4)	116	118
Transportation and postal service	328	129	122	199	206
Wholesale and retail trade	6,030	0	3	6,030	6,027
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	108	(1)	(2)	109	110
Services	701	2	(148)	699	849
Government and municipal government	-	-	-	-	-
Others	208,190	(46,361)	(100,566)	254,551	308,756

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

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	1,741,561	(97,008)	(238,848)	1,838,569	1,980,409
Secured loans	1,606,027	(87,079)	(217,577)	1,693,106	1,823,604
Housing loans	441,815	(15,850)	(33,287)	457,665	475,102
Unsecured loans	135,534	(9,929)	(21,271)	145,463	156,805
Asset management company loans for property investment	40,313	6,716	18,113	33,597	22,200
Structured finance, etc.	82,725	13,757	31,833	68,968	50,892
Total	1,864,599	(76,535)	(188,903)	1,941,134	2,053,502

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

(%)

	Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
The ratio of loans to small- and medium-sized enterprises, etc.	95.50	(0.93)	(1.02)	96.43	96.52

(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, 2022			Mar. 31, 2022	Sep. 30, 2021
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits	period-end balance	3,311,175	(1,006)	21,837	3,312,181	3,289,338
	average balance	3,346,690	55,118	62,017	3,291,572	3,284,673
Loans	period-end balance	2,078,082	(60,505)	(171,613)	2,138,587	2,249,695
	average balance	2,112,958	(131,440)	(164,910)	2,244,398	2,277,868

9. Number of branches (Non-consolidated)

(Branches)

	Sep. 30, 2022			Mar. 31, 2022	Sep. 30, 2021
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Number of branches	117	(1)	(4)	118	121

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Sep. 30, 2022				Mar. 31, 2022				Sep. 30, 2021			
	Fair value	Net unrealized gains(losses)		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	432,636	(15,832)	8,713	24,546	454,234	(1,482)	9,332	10,814	400,818	10,987	11,770	783
Stocks	16,678	8,403	8,666	263	15,862	7,587	7,901	314	17,023	8,747	9,087	339
Bonds	171,353	(1,241)	47	1,288	143,556	(353)	140	494	140,088	434	474	39
Others	244,603	(22,995)	-	22,995	294,816	(8,715)	1,290	10,005	243,706	1,805	2,208	403

(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, 2022				Mar. 31, 2022				Sep. 30, 2021			
	Fair value	Net unrealized gains (losses)		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	433,442	(15,123)	9,423	24,546	457,899	1,961	12,775	10,814	404,388	14,337	15,120	783
Stocks	17,484	9,113	9,376	263	16,605	8,233	8,548	314	17,910	9,538	9,878	339
Bonds	171,353	(1,241)	47	1,288	143,556	(353)	140	494	140,088	434	474	39
Others	244,603	(22,995)	-	22,995	297,737	(5,918)	4,087	10,005	246,389	4,364	4,767	403

(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, 2022	Six months ended Sep. 30, 2021
Service cost	205	234
Interest cost	48	50
Expected returns on plan assets	(483)	(517)
Amortization of unrecognized net actuarial gains (losses)	(490)	(794)
Others (Note)	108	109
Retirement benefit expenses	(611)	(917)

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

Consolidated

(Millions of yen)

	Six months ended Sep. 30, 2022	Six months ended Sep. 30, 2021
Service cost (Note1)	216	258
Interest cost	48	50
Expected returns on plan assets	(483)	(517)
Amortization of unrecognized net actuarial gains (losses)	(490)	(794)
Others (Note2)	121	117
Retirement benefit expenses	(586)	(884)

(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.