

SURUGA bank, Ltd.

Consolidated financial results for the fiscal year ended March 31, 2023

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)
 URL: <https://www.surugabank.co.jp>
 Representative: Kosuke Saga, President
 Dividend payment date: June 6, 2023

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

1. Consolidated financial results for the fiscal year ended March 31, 2023

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended						
March 31, 2023	92,403	0.3	13,266	25.1	10,576	32.8
March 31, 2022	92,072	(7.7)	10,596	(54.1)	7,960	(62.8)

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2023: ¥7,923 million [- %]

(b) Fiscal year ended March 31, 2022: ¥(2,673) million [- %]

	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
Fiscal year ended	yen	yen	%	%	%
March 31, 2023	56.15	-	3.9	0.3	14.3
March 31, 2022	34.72	-	2.8	0.2	11.5

(Note) Earnings per share for the fiscal year ended March 31, 2022 and 2023 are not provided because there are no potentially shares.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	3,639,910	271,040	7.4	1,438.33
March 31, 2022	3,589,982	264,229	7.3	1,402.54

(Reference) Shareholders' equity: (a) As of March 31, 2023: ¥270,939 million; (b) As of March 31, 2022: ¥264,129 million

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

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	24,492	142,311	(1,130)	1,021,498
March 31, 2022	142,156	(210,780)	(18,828)	855,818

2. Dividends on common stock

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
ended March 31, 2022	-	0.00	-	6.00	6.00	1,129	17.2	0.4
ended March 31, 2023	-	0.00	-	9.00	9.00	1,695	16.0	0.6
ending March 31, 2024 (forecast)	-	7.00	-	7.00	14.00		31.0	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2024

(% represents the change from the same period in 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
1H, FY3/2024	39,000	(25.9)	4,500	(75.3)	2,500	(84.7)	13.27
FY3/2024	77,500	(16.1)	12,000	(9.5)	8,500	(19.6)	45.12

(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 Mar. 31, 2023	232,139,248 shares	As of Mar. 31, 2022	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2023	43,768,676 shares	As of Mar. 31, 2022	43,818,103 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2023	188,350,917 shares	Fiscal year ended Mar. 31, 2022	229,201,640 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023

(1) Non-consolidated operating results

(% represents the change from the previous fiscal year)

Fiscal year ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	82,794	(1.0)	11,267	11.6	9,537	21.4
March 31, 2022	83,658	(6.2)	10,093	(49.4)	7,854	(58.5)

Fiscal year ended	Earnings per share	Earnings per share (diluted)
	Yen	Yen
March 31, 2023	50.63	-
March 31, 2022	34.26	-

(2) Non-consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	3,620,806	255,169	7.0	1,354.61
March 31, 2022	3,568,782	246,356	6.9	1,308.17

(Reference) Shareholders' equity: (a) As of March 31, 2023: ¥255,169 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, 2024

(% represents the change from the same period in 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
1H, FY3/2024	35,000	(26.4)	4,500	(73.5)	2,500	(84.4)	13.27
FY3/2024	69,000	(16.6)	11,500	2.0	8,500	(10.8)	45.12

(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 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 fiscal year ended March 31, 2023 supplementary information

1. Overview of operating results, etc.

(1) Overview of operating results

In the fiscal year ended March 31, 2023, consolidated ordinary income increased by ¥0.331 billion year-on-year to ¥92.403 billion. This was primarily due to the recording of a reversal of allowance for loan losses, despite a decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses decreased by ¥2.339 billion year-on-year to ¥79.137 billion, mainly due to a decrease in credit costs. As a result, ordinary profit increased by ¥2.670 billion year-on-year to ¥13.266 billion, and profit attributable to owners of parent increased by ¥2.616 billion year-on-year to ¥10.576 billion.

Non-consolidated operating results were as follows:

(A) Gross operating profit

Gross operating profit decreased by ¥21.880 billion year-on-year to ¥43.422 billion, mainly due to a decreased (¥17.367 billion) in gains (losses) on bonds.

(B) Expenses

Expenses decreased by ¥3.513 billion year-on-year to ¥36.209 billion.

(C) Net operating profit

Core net operating profit decreased by ¥1.001 billion year-on-year to ¥24.035 billion, mainly due to a drop in net interest income.

Net operating profit decreased by ¥28.937 billion year-on-year to ¥7.212 billion, mainly due to a change in the accounting item for provision of allowance for loan losses.

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

(D) Ordinary profit

Ordinary profit increased by ¥1.174 billion year-on-year to ¥11.267 billion, mainly due to a decrease in net credit costs.

(E) Net income

Net income increased by ¥1.683 billion year-on-year to ¥9.537 billion, mainly due to a decrease in net credit costs.

(F) Net credit costs

Provision for general allowance for loan losses increased by ¥10.569 billion year-on-year. Disposal of non-performing loans decreased by ¥25.606 billion year-on-year to ¥5.952 billion. As a result, net credit costs decreased by ¥19.084 billion year-on-year to ¥1.905 billion.

Actual credit costs decreased by ¥17.210 billion year-on-year to ¥(1.178) billion.

(Note) Net credit costs = Provision for general allowance for loan losses
+ Disposal of non-performing loans

(Note) Actual credit costs = Net credit costs - Recoveries on written-off claims

(2) Overview of financial position

As for consolidated major account balances, loans and bills discounted came in at ¥2,090.327 billion, down by ¥57.752 billion year-on-year. This was mainly due to the decrease (¥168.125 billion) in consumer loans (non-consolidated). Securities amounted to ¥297.883 billion, down by ¥165.549 billion year-on-year. Deposits amounted to ¥3,349.631 billion, up by ¥42.324 billion year-on-year.

Non-consolidated major account balances were as follows:

(A) Loans and bills discounted

Loans and bills discounted came in at ¥2,080.150 billion, down by ¥58.437 billion year-on-year. Consumer loans amounted to ¥1,670.444 billion, down by ¥168.125 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥2,085.528 billion, down by ¥158.870 billion year-on-year.

(B) Securities

Securities amounted to ¥303.504 billion, down by ¥162.739 billion year-on-year.

(C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥15.277 billion, down by 0.362 billion year-on-year.

(D) Deposits

Deposits amounted to ¥3,355.740 billion, up by ¥43.559 billion year-on-year. Individual yen deposits amounted to ¥2,676.056 billion, down by ¥8.580 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥3,339.477 billion, up by ¥47.905 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net inflow of ¥24.492 billion (compared to a net inflow of ¥142.156 billion in the previous fiscal year), this was mainly due to an increase in deposits and interest received. Cash flow from investing activities was a net inflow of ¥142.311 billion (compared to a net outflow of ¥210.780 billion in the previous fiscal year), mainly due to proceeds from redemption of securities. Cash flow from financing activities was a net outflow of ¥1.130 billion (compared to a net outflow of ¥18.828 billion in the previous fiscal year), mainly due to cash dividends paid.

As a result, cash and cash equivalents as of March 31, 2023 amounted to ¥1,021.498 billion, up by ¥165.680 billion year-on-year (compared to ¥855.818 billion as of March 31, 2022).

(3) Future outlook

Earnings forecast for the fiscal year ending March 31, 2024 is as follows:

Consolidated	(Billions of yen)	
	FY3/2024 (Forecast)	
	First half	Full year
Ordinary income	39.0	77.5
Ordinary profit	4.5	12.0
Profit attributable to owners of parent	2.5	8.5

Non-consolidated	(Billions of yen)	
	FY3/2024 (Forecast)	
	First half	Full year
Ordinary income	35.0	69.0
Core net operating profit	9.0	18.0
Net operating profit	13.0	24.5
Ordinary profit	4.5	11.5
Net income	2.5	8.5
Actual credit costs	4.5	6.5
ROE (Net income basis)	1.96%	3.35%

(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. Basic approach to the selection of accounting standards

The Suruga Bank group intends to apply Japanese accounting standards for the foreseeable future, taking into consideration the comparability of consolidated financial statements across reporting periods and companies. As for the adoption of International Financial Reporting Standards (IFRS), we will respond appropriately to the various developments in Japan and overseas.

3.Consolidated financial statements and notes

(1)Consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets		
Cash and due from banks	874,184	1,044,263
Call loans and bills bought	40,244	60,293
Monetary claims bought	59,739	131,517
Trading securities	82	85
Money held in trust	99	99
Securities	463,432	297,883
Loans and bills discounted	2,148,079	2,090,327
Foreign exchanges	2,292	4,805
Lease receivables and investment assets	5,066	4,698
Other assets	45,241	44,172
Property, plant and equipment	35,227	33,339
Buildings, net	10,741	10,700
Land	20,738	20,313
Leased assets, net	46	55
Construction in progress	806	321
Other, net	2,893	1,950
Intangible assets	18,474	16,009
Software	16,380	13,771
Goodwill	1,294	1,165
Leased assets	132	101
Software in progress	301	610
Other	365	360
Retirement benefit asset	20,509	20,126
Deferred tax assets	14,751	15,311
Customers' liabilities for acceptances and guarantees	1,474	1,271
Allowance for loan losses	(138,917)	(124,295)
Total assets	3,589,982	3,639,910
Liabilities		
Deposits	3,307,307	3,349,631
Foreign exchanges	41	41
Other liabilities	14,479	16,340
Provision for bonuses	486	461
Provision for bonuses for directors (and other officers)	41	38
Retirement benefit liability	292	293
Provision for share-based compensation	205	303
Provision for reimbursement of deposits	247	223
Provision for contingent loss	75	51
Deferred tax liabilities	1,102	211
Acceptances and guarantees	1,474	1,271
Total liabilities	3,325,753	3,368,869

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Net assets		
Share capital	30,043	30,043
Capital surplus	1,976	1,974
Retained earnings	245,595	255,042
Treasury shares	(18,131)	(18,111)
Total shareholders' equity	259,484	268,949
Valuation difference on available-for-sale securities	1,324	167
Deferred gains or losses on hedges	(3)	(0)
Remeasurements of defined benefit plans	3,324	1,823
Total accumulated other comprehensive income	4,645	1,990
Non-controlling interests	100	101
Total net assets	264,229	271,040
Total liabilities and net assets	3,589,982	3,639,910

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

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Ordinary income	92,072	92,403
Interest income	75,030	68,562
Interest on loans and discounts	71,906	65,145
Interest and dividends on securities	2,038	864
Interest on call loans and bills bought	1	13
Interest on deposits with banks	820	819
Other interest income	263	1,719
Fees and commissions	7,683	7,306
Other ordinary income	3,741	3,461
Gain on redemption of bonds	616	304
Other	3,124	3,157
Other income	5,617	13,072
Reversal of allowance for loan losses	—	4,116
Recoveries of written off receivables	5,035	3,143
Gain on sale of equity securities	5	5,100
Other	576	712
Ordinary expenses	81,476	79,137
Interest expenses	1,489	1,383
Interest on deposits	1,461	1,298
Interest expenses on cash collateral received for securities lent	—	0
Other interest expenses	27	84
Fees and commissions payments	11,620	10,827
Other ordinary expenses	2,922	20,037
Loss on sale of bonds	—	1,740
Loss on redemption of bonds	72	15,387
Other	2,850	2,909
General and administrative expenses	41,186	38,348
Other expenses	24,258	8,540
Provision of allowance for loan losses	14,250	—
Written-off of loans	5,654	4,693
Loss on devaluation of equity securities	27	120
Other	4,325	3,726
Ordinary profit	10,596	13,266

(Millions of yen)

	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Extraordinary income	76	51
Gain on disposal of non-current assets	76	51
Extraordinary losses	1,611	1,282
Loss on disposal of non-current assets	957	422
Impairment losses	653	859
Profit before income taxes	9,061	12,036
Income taxes - current	161	1,371
Income taxes - deferred	943	86
Income taxes	1,105	1,457
Profit	7,955	10,578
Profit (loss) attributable to non-controlling interests	(4)	1
Profit attributable to owners of parent	7,960	10,576

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Profit	7,955	10,578
Other comprehensive income		
Net unrealized gains(losses) on available-for-sale securities	(7,629)	(1,156)
Deferred gains(losses) on hedges	16	3
Remeasurements of defined benefit plans, net of tax	(3,016)	(1,501)
Total other comprehensive income	(10,629)	(2,655)
Comprehensive income	(2,673)	7,923
(Breakdown)		
Comprehensive income attributable to owners of parent	(2,669)	7,921
Comprehensive income attributable to non-controlling interests	(4)	1

(3) Consolidated statements of changes in net assets
For the fiscal year ended Mar.31, 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	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			7,960		7,960
Purchase of treasury shares				(17,669)	(17,669)
Disposal of treasury shares		(69)		99	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(69)	6,801	(17,570)	(10,837)
Balance at end of current period	30,043	1,976	245,595	(18,131)	259,484

	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						7,960
Purchase of treasury shares						(17,669)
Disposal of treasury shares						30
Net changes of items other than shareholders' equity	(7,629)	16	(3,016)	(10,629)	(4)	(10,633)
Total changes of items during period	(7,629)	16	(3,016)	(10,629)	(4)	(21,471)
Balance at end of current period	1,324	(3)	3,324	4,645	100	264,229

For the fiscal year ended Mar.31, 2023

(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			10,576		10,576
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)	9,446	20	9,464
Balance at end of current period	30,043	1,974	255,042	(18,111)	268,949

	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						10,576
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	(1,156)	3	(1,501)	(2,655)	1	(2,653)
Total changes of items during period	(1,156)	3	(1,501)	(2,655)	1	6,811
Balance at end of current period	167	(0)	1,823	1,990	101	271,040

(4) Consolidated statements of cash flows

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Cash flows from operating activities		
Income before income taxes	9,061	12,036
Depreciation	5,638	5,434
Impairment loss	653	859
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	(19,093)	(14,622)
Increase (decrease) in provision for bonuses	(6)	(25)
Increase (decrease) in provision for directors' bonuses	—	(2)
Increase (decrease) in net defined benefit liability	19	1
Increase (decrease) in net defined benefit asset	(798)	(786)
Increase (decrease) in provision for share-based compensation	22	98
Increase (decrease) in provision for reimbursement of deposits	(57)	(23)
Increase (decrease) in provision for contingent losses	(14)	(23)
Interest income	(75,030)	(68,562)
Interest expenses	1,489	1,383
Losses (gains) on securities	(521)	11,843
Losses (gains) on money held in trust	(0)	(0)
Losses (gains) on disposal of non-current assets	880	370
Net decrease (increase) in trading account securities	20	(3)
Net decrease (increase) in loans and bills discounted	171,480	57,752
Net increase (decrease) in deposit	61,367	42,324
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(7,697)	(4,398)
Net decrease (increase) in call loans	(21,244)	(20,048)
Net decrease (increase) in monetary claims bought	(59,739)	(71,778)
Net decrease (increase) in foreign exchanges - assets	1,031	(2,512)
Net increase (decrease) in foreign exchanges - liabilities	35	0
Net decrease (increase) in lease receivables and investment assets	441	367
Net decrease (increase) in cash collateral paid for financial instruments assets	54	(20)
Interest received	75,771	68,950
Interest paid	(1,599)	(1,694)
Other, net	(1,621)	7,734
Subtotal	140,673	24,782
Income taxes paid	1,483	(289)
Net cash provided by (used in) operating activities	142,156	24,492

(Millions of yen)

	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Cash flows from investing activities		
Purchase of securities	(211,860)	(53,290)
Proceeds from sales of securities	10	42,912
Proceeds from redemption of securities	5,972	154,816
Decrease in money held in trust	0	0
Purchase of property, plant and equipment	(3,442)	(1,148)
Proceeds from sales of property, plant and equipment	258	192
Purchase of intangible assets	(1,719)	(1,171)
Net cash provided by (used in) investing activities	(210,780)	142,311
Cash flows from financing activities		
Cash dividends paid	(1,158)	(1,129)
Purchase of treasury shares	(17,669)	(0)
Proceeds from sales of treasury shares	0	0
Net cash provided by (used in) financing activities	(18,828)	(1,130)
Effect of exchange rate change on cash and cash equivalents	6	6
Net increase (decrease) in cash and cash equivalents	(87,445)	165,680
Cash and cash equivalents at beginning of period	943,263	855,818
Cash and cash equivalents at year-end	855,818	1,021,498

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Change 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 Statement No.31, June 17, 2021) was adopted from the beginning of the current 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 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 current fiscal year. There was minimal impact on the consolidated financial statements.

(Segment information)

1. Summary of reportable segment

The reportable segments of the Suruga Bank group are components for which discrete financial information is available, and that are subject to review regularly to allocate management resources and to evaluate their results.

The group consists of Suruga Bank, which mainly engages in the banking business, and its consolidated subsidiaries that engage in businesses such as money lending, leasing, clerical agency services, credit card services and credit guarantee. “Banking” includes businesses such as deposits, loans, exchange and credit card services. “Credit card services” includes credit card services business.

The reportable segment of the Suruga Bank group was “banking” and “credit guarantee”, but from the current consolidated accounting period, “credit guarantee” was not increasing quantitative importance. And “credit card services”, which has been included in “others”, is reclassified to the reportable segment due to its increasing quantitative importance.

2. Method of calculating ordinary income, profit or loss, assets and other items by reportable segment

Segment profit is based on an ordinary profit-basis.

Inter-segment internal ordinary income is based on arm’s length prices.

3. Information on ordinary income, profit or loss, assets and other items by reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment		Others	Total	Adjustments	Amount recorded in the consolidated financial statements
	Banking	Credit card services				
Ordinary income						
Ordinary income to external customers	80,966	3,630	7,737	92,334	68	92,403
Inter-segment internal ordinary income	1,828	665	2,538	5,032	(5,032)	-
Total	82,794	4,296	10,276	97,367	(4,963)	92,403
Segment profit	11,267	3,435	2,443	17,146	(3,880)	13,266
Segment assets	3,620,806	11,622	29,390	3,661,818	(21,908)	3,639,910
Other items						
Depreciation	5,221	11	200	5,434	-	5,434
Impairment losses	857	-	2	859	-	859
Increase in tangible fixed assets and intangible fixed assets	2,122	-	198	2,321	-	2,321

(Note1) Ordinary income is equivalent to net sales reported by companies in other industries.

(Note2) “Others” consists of businesses operated by consolidated subsidiaries (such as money lending, leasing, clerical agency services and credit guarantee) which are not included in the reportable segments.

(Note3) “Adjustments” are as follows:

- (1) The positive adjustment of ¥68 million in segment profit consists of the following: reversal of allowance for loan losses (¥68 million).
- (2) The negative adjustment of ¥3,880 million in segment profit consists of the following: amortization of goodwill (¥(129) million) and deduction of inter-segment transactions (¥(3,750) million).
- (3) The negative adjustment of ¥21,908 million in segment assets consists of the following: deduction of inter-segment transactions (¥(24,520) million) and adjustment of net defined benefit assets (¥2,611 million).

(Note4) Segment profit is adjusted to ordinary profit as reported in the consolidated statements of income.

(Per share data)

		For the fiscal year ended March 31, 2023
Net assets per share	yen	1,438.33
Earnings per share	yen	56.15
Earnings per share (diluted)	yen	-

(Note) The basis for calculation is as shown in the tables below.

1. Net assets per share

		As of March 31, 2023
Total net assets	Millions of yen	271,040
Amount deducted from total net assets	Millions of yen	101
of which, Subscription rights to shares	Millions of yen	-
of which, Non-controlling interests	Millions of yen	101
Net assets attributable to common stock at the fiscal year-end	Millions of yen	270,939
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	188,370

2. Earnings per share

		For the fiscal year ended March 31, 2023
Earnings per share		
Profit attributable to owners of parent	Millions of yen	10,576
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	10,576
Average number of common stock for the fiscal year	Thousands of shares	188,350

3. Earnings per share (diluted) for the fiscal year ended March 31, 2023 is not provided because there are no potentially shares.

(Significant subsequent events)

Not applicable.

4.Non-consolidated financial statements

(1)Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets		
Cash and due from banks	873,583	1,043,476
Cash	27,216	26,276
Due from banks	846,366	1,017,200
Call loans	40,244	60,293
Monetary claims bought	59,739	131,517
Trading securities	82	85
Trading government bonds	14	16
Trading local government bonds	68	69
Money held in trust	99	99
Securities	466,243	303,504
Government bonds	—	29,763
Local government bonds	138,991	120,407
Corporate bonds	4,565	4,531
Stocks	23,981	23,694
Other securities	298,705	125,108
Loans and bills discounted	2,138,587	2,080,150
Bills discounted	1,633	1,158
Loans on bills	8,604	3,949
Loans on deeds	1,954,674	1,895,490
Overdrafts	173,674	179,552
Foreign exchanges	2,292	4,805
Due from foreign banks (our accounts)	1,129	3,983
Due from foreign banks (their accounts)	1,162	822
Other assets	36,971	34,699
Prepaid expenses	1,218	1,611
Accrued revenue	5,600	5,219
Financial derivatives	2	74
Other	30,151	27,793
Property, plant and equipment	34,418	32,520
Buildings, net	10,275	10,196
Land	20,522	20,099
Leased assets, net	134	109
Construction in progress	806	321
Other, net	2,678	1,793
Intangible assets	16,782	14,512
Software	16,151	13,548
Software in progress	270	608
Other	359	354
Prepaid pension costs	15,746	17,514
Deferred tax assets	15,639	15,277
Customers' liabilities for acceptances and guarantees	1,474	1,271
Allowance for loan losses	(133,124)	(118,920)
Total assets	3,568,782	3,620,806

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Liabilities		
Deposits	3,312,181	3,355,740
Current deposits	67,268	68,617
Ordinary deposits	1,381,613	1,480,251
Savings deposits	13,513	13,336
Deposits at notice	219	147
Time deposits	1,794,306	1,726,238
Other deposits	55,259	67,147
Foreign exchanges	41	41
Foreign bills sold	9	24
Foreign bills payable	31	17
Other liabilities	7,725	7,561
Accrued expenses	2,767	2,498
Unearned revenue	57	59
Deposits received from employees	745	734
Lease liabilities	150	115
Financial derivatives	389	9
Other	3,613	4,143
Provision for bonuses	433	404
Provision for bonuses for directors (and other officers)	41	38
Provision for share-based compensation	205	303
Provision for reimbursement of deposits	247	223
Provision for contingent loss	75	51
Acceptances and guarantees	1,474	1,271
Total liabilities	3,322,425	3,365,637
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	224,866
Legal retained earnings	30,043	30,043
Other retained earnings	186,418	194,823
Reserve for tax purpose reduction entry of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	83,326	91,731
Treasury shares	(18,131)	(18,111)
Total shareholders' equity	246,958	255,384
Valuation difference on available-for-sale securities	(598)	(214)
Deferred gains or losses on hedges	(3)	(0)
Valuation and translation adjustments	(602)	(215)
Total net assets	246,356	255,169
Total liabilities and net assets	3,568,782	3,620,806

(2)Non-consolidated statements of income

	(Millions of yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Ordinary income	83,658	82,794
Interest income	70,904	66,053
Interest on loans and discounts	67,825	60,989
Interest and dividends on securities	1,993	2,511
Interest on call loans	1	13
Interest on deposits with banks	820	819
Other interest income	263	1,719
Trust fees	0	0
Fees and commissions	6,734	6,265
Fees and commissions on domestic and foreign exchanges	1,683	1,426
Other fees and commissions	5,050	4,838
Other ordinary income	663	304
Gain on foreign exchange transactions	46	—
Net gain on trading securities transactions	—	0
Gain on redemption of bonds	616	304
Other income	5,356	10,170
Reversal of allowance for loan losses	—	4,047
Recoveries of written off receivables	4,957	3,084
Gain on sale of equity securities	5	2,541
Gain on money held in trust	0	0
Other	394	497
Ordinary expenses	73,564	71,526
Interest expenses	1,487	1,380
Interest on deposits	1,461	1,299
Interest expenses on cash collateral received for securities lent	—	0
Interest expenses on interest rate swaps	3	3
Other interest expenses	22	78
Fees and commissions payments	11,438	10,683
Fees and commissions on domestic and foreign exchanges	644	538
Other fees and commissions	10,794	10,145
Other ordinary expenses	73	17,138
Loss on foreign exchange transactions	—	9
Net loss on trading securities transactions	0	—
Loss on sale of bonds	—	1,740
Loss on redemption of bonds	72	15,387
General and administrative expenses	38,247	35,405
Other expenses	22,317	6,918
Provision of allowance for loan losses	14,223	—
Written-off of loans	5,502	4,538
Loss on devaluation of equity securities	27	120
Other	2,563	2,260
Ordinary profit	10,093	11,267

(Millions of yen)

	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Extraordinary income	20	51
Gain on disposal of non-current assets	20	51
Extraordinary losses	1,502	1,277
Loss on disposal of non-current assets	848	419
Impairment losses	653	857
Profit before income taxes	8,612	10,042
Income taxes - current	60	51
Income taxes - deferred	697	453
Income taxes	757	504
Profit	7,854	9,537

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

For the fiscal year ended Mar.31, 2022

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Retained earnings brought forward
					Reserve for advanced depreciation of non-current assets	General reserve		
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								7,854
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)	-	-	-	6,631
Balance at end of current period	30,043	18,585	-	18,585	30,043	59	103,032	83,326

	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	7,854		7,854				7,854
Purchase of treasury shares		(17,669)	(17,669)				(17,669)
Disposal of treasury shares	(65)	99	30				30
Net changes of items other than shareholders' equity				(7,809)	16	(7,793)	(7,793)
Total changes of items during period	6,631	(17,570)	(10,942)	(7,809)	16	(7,793)	(18,736)
Balance at end of current period	216,461	(18,131)	246,958	(598)	(3)	(602)	246,356

For the fiscal year ended Mar.31, 2023

(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								9,537
Purchase of treasury shares								
Disposal of treasury shares								(2)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	-	8,405
Balance at end of current period	30,043	18,585	-	18,585	30,043	59	103,032	91,731

	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	9,537		9,537				9,537
Purchase of treasury shares		(0)	(0)				(0)
Disposal of treasury shares	(2)	20	18				18
Net changes of items other than shareholders' equity				384	3	387	387
Total changes of items during period	8,405	20	8,425	384	3	387	8,813
Balance at end of current period	224,866	(18,111)	255,384	(214)	(0)	(215)	255,169

Financial Results

For the fiscal year ended March 31, 2023

- Supplementary Information -

SURUGA bank, Ltd.

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I. Financial highlights for the fiscal year ended March 31, 2023

1. Financial results (Non-consolidated)

(Millions of yen)

	FY3/2023		FY3/2022
	(a)	(a) - (b)	(b)
Gross operating profit	43,422	(21,880)	65,302
Net interest income	64,673	(4,744)	69,417
Net fees and commissions	(4,417)	287	(4,704)
Net other operating income (Note1)	(9)	(54)	45
Core gross operating profit	60,245	(4,513)	64,758
Expenses (-)	36,209	(3,513)	39,722
Core net operating profit (Note2)	24,035	(1,001)	25,036
Excluding gains (loss) on cancellation of investment trusts	24,035	(1,001)	25,036
Gains (losses) on bonds	(16,823)	(17,367)	544
Actual net operating profit (Note3)	7,212	(18,368)	25,580
Provision for general allowance for loan losses (-) (Note4)	-	10,569	(10,569)
Net operating profit	7,212	(28,937)	36,149
Disposal of non-performing loans (-)	5,952	(25,606)	31,558
Reversal of allowance for loan losses (Note4)	4,047	4,047	-
Recoveries on written-off claims	3,084	(1,873)	4,957
Gains (losses) on stocks	2,421	2,443	(22)
Ordinary profit	11,267	1,174	10,093
Gains (losses) on disposal of non-current assets	(367)	461	(828)
Impairment loss (-)	857	204	653
Net income	9,537	1,683	7,854
Net credit costs	1,905	(19,084)	20,989
Actual credit costs (Note5)	(1,178)	(17,210)	16,032

(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

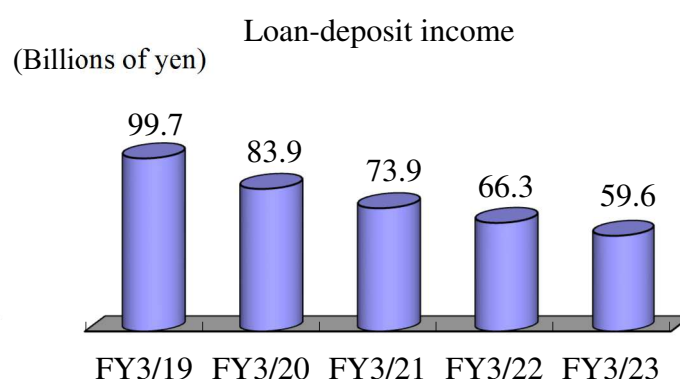
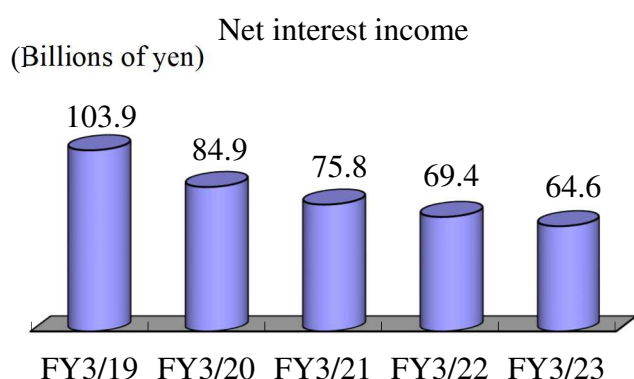
(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) For the fiscal year ended Mar. 31, 2023, 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)
- Recoveries on written-off claims

(1) Gross operating profit: ¥43.4 billion

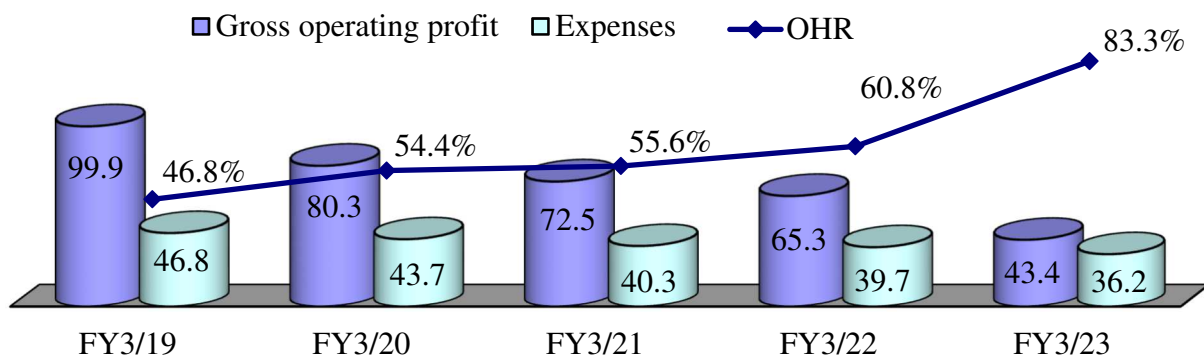
- Net interest income decreased by ¥4.7 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
- Loan-deposit income decreased by ¥6.7 billion year-on-year.
- Core gross operating profit decreased by ¥4.5 billion year-on-year, mainly due to a decrease in net interest income.
- Gross operating profit decreased by ¥21.8 billion year-on-year, mainly due to the recording of losses on redemption of bonds.



(2) Expenses; OHR: 83.3%

- Expenses decreased by ¥3.5 billion year-on-year, mainly due to a decrease in Non-personnel expenses.
 - OHR rose year-on-year to 83.3%.
- (OHR(%) = Expenses / Gross operating profit × 100)

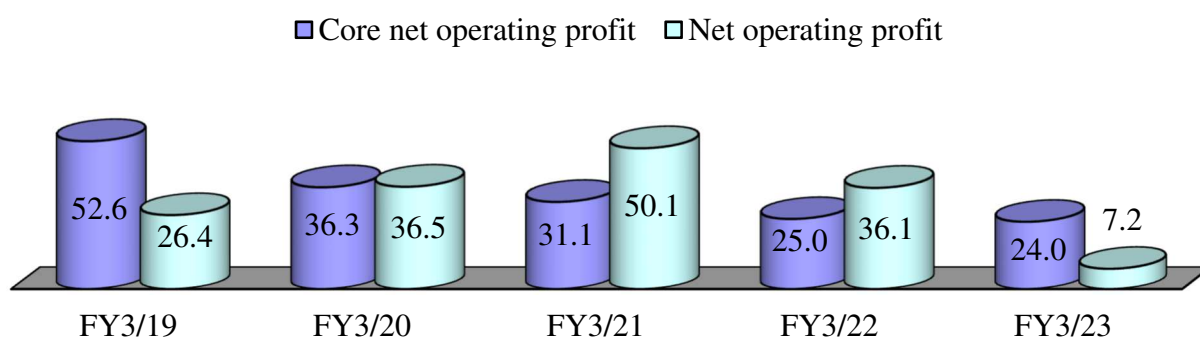
(Billions of yen)



(3) Core net operating profit: ¥24.0 billion, Net operating profit: ¥7.2 billion

- Core net operating profit decreased by ¥1.0 billion year-on-year, mainly due to a decrease in net interest income exceeded a decrease in expenses.
- Net operating profit decreased by ¥28.9 billion year-on-year, mainly due to the recording of losses on redemption of bonds.

(Billions of yen)



(4) Ordinary profit: ¥11.2 billion

- Ordinary profit increased by ¥1.1 billion year-on-year.

(5) Net income: ¥9.5 billion

- Net income increased by ¥1.6 billion year-on-year, mainly due to an increase in ordinary profit.

(6) Actual credit costs: ¥(1.1) billion

- Net credit costs decreased by ¥19.0 billion year-on-year, mainly due to a decrease in disposal of non-performing loans (¥25.6 billion) and an increase in reversal of allowance for loan losses (¥4.0 billion).
- Actual credit costs, calculated as net credit costs (¥1.9 billion) minus the amount of recoveries of written-off claims (¥3.0 billion) amounted to ¥(1.1) billion.

2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

- Loans and bills discounted decreased by ¥58.4 billion, or 2.7% year-on-year.
- Yield on loans and bills discounted dropped by 10 basis point year-on-year to 2.92%.

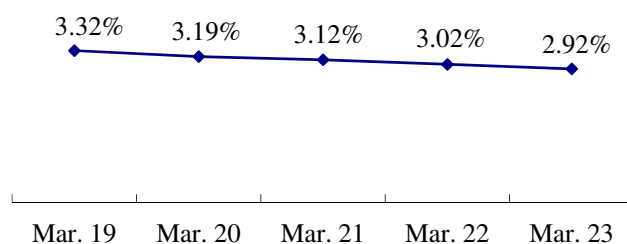
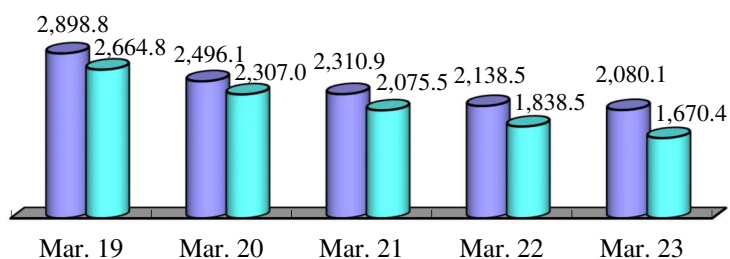
	(Billions of yen)		
	Mar. 31, 2023 (a)	(a) – (b)	Mar. 31, 2022 (b)
Loans and bills discounted (period-end balance)	2,080.1	(58.4)	2,138.5
Consumer loans	1,670.4	(168.1)	1,838.5
Asset management company loans for property investment	57.4	23.8	33.5
Structured finance	126.4	57.4	68.9
Loans and bills discounted (average balance)	2,085.5	(158.8)	2,244.3

	(Billions of yen)		
	Mar. 31, 2023 (a)	(a) – (b)	Mar. 31, 2022 (b)
New consumer loans	58.2	22.7	35.5
New asset management company loans for property investment	25.9	6.9	19.0
Subtotal	84.1	29.6	54.5
New structured finance	72.1	22.9	49.2
Total	156.2	52.4	103.8
New monetary claims bought	79.9	20.0	59.9
Grand total	236.2	72.4	163.8

■ Loans and bills discounted (period-end balance)
 ■ Consumer loans (period-end balance)

◆ Yield on loans and bills discounted

(Billions of yen)



Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Mar. 31, 2023			Dec. 31, 2022		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,542.6	3.05%	7.02%	1,571.5	3.06%	6.82%
Housing loans	430.5	2.69%	0.27%	435.0	2.73%	0.32%
Studio apartment loans	120.5	3.33%	2.97%	124.5	3.35%	2.91%
Single building apartment loans (including share house loans)	959.0	3.14%	10.79%	979.3	3.14%	10.44%
Other secured loans	32.4	4.26%	0.34%	32.5	4.33%	0.21%
Unsecured loans	127.8	10.47%	2.36%	131.0	10.46%	2.45%
Card loans	89.0	11.74%	0.88%	90.2	11.77%	0.84%
Unsecured certificate loans	38.7	7.54%	5.77%	40.7	7.56%	6.02%
Consumer loans (A)	1,670.4	3.62%	6.66%	1,702.5	3.63%	6.49%
Consumer loans (excluding organizational negotiation partners)	1,569.3	-	1.60%	1,598.6	-	1.52%
Asset management company loans for property investment (B)	57.4	1.77%	-	45.0	1.81%	-
Structured finance (C)	126.4	2.37%	-	97.3	2.24%	-
Monetary claims bought (D)	131.5	2.08%	-	94.3	2.06%	-
Total (A) + (B) + (C) + (D)	1,985.8	3.38%	5.60%	1,939.2	3.44%	5.69%

(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 original claims before securitization.

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

Actual credit costs and Allowance for loan losses

(Billions of yen)

Item	Mar. 31, 2023	
	Actual credit costs	Allowance
Share house-related loans	(3.8)	13.6
Investment property loans	2.5	91.0
Housing loans	(0.1)	2.3
Unsecured loans	0.0	2.8
Monetary claims bought	0.0	0.3
Business financing loans, etc.	0.2	8.6
Total	(1.1)	118.9

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

(2) Deposits

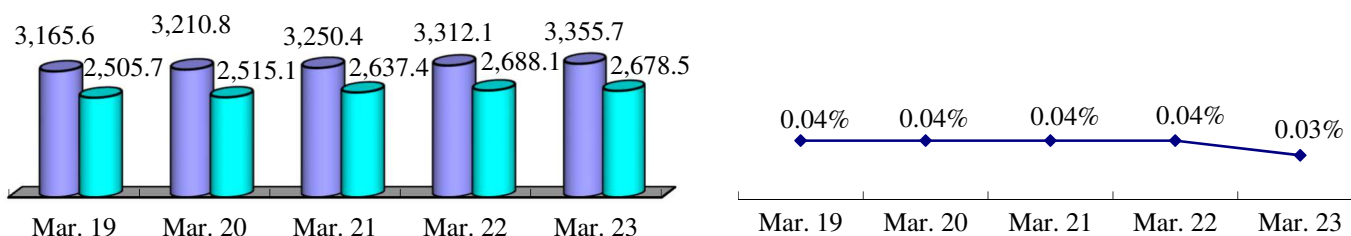
- Deposits increased by ¥43.5 billion, or 1.3% year-on-year.
- Yield on deposits dropped by 1 basis points year-on-year to 0.03%.

	(Billions of yen)		
	Mar. 31, 2023 (a)	(a) - (b)	Mar. 31, 2022 (b)
Deposits (period-end balance)	3,355.7	43.5	3,312.1
Individual deposits	2,678.5	(9.6)	2,688.1
Deposits (average balance)	3,339.4	47.9	3,291.5

- Deposits (period-end balance)
- Individual deposits (period-end balance)

◆ Yield on deposits

(Billions of yen)

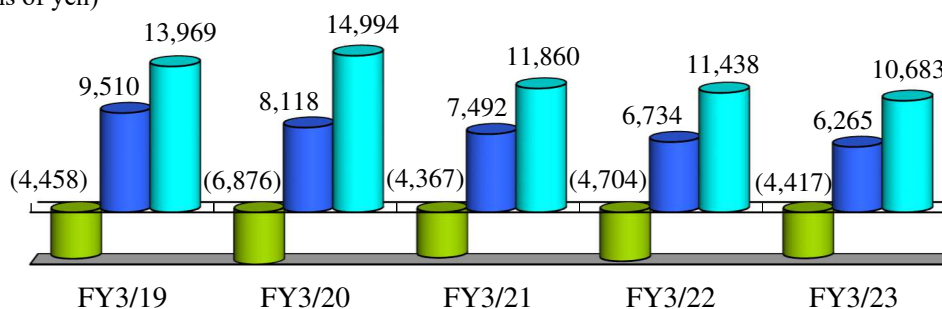


(3) Net fees and commissions

- Net fees and commissions increased by ¥0.2 billion year-on-year, mainly due to a decrease (¥0.4 billion) in fees and commissions, a decrease (¥0.7 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 decreased by ¥11.5 billion year-on-year.
- The ratio of investment products to total individual deposit assets declined by 10 basis points year-on-year to 3.6%

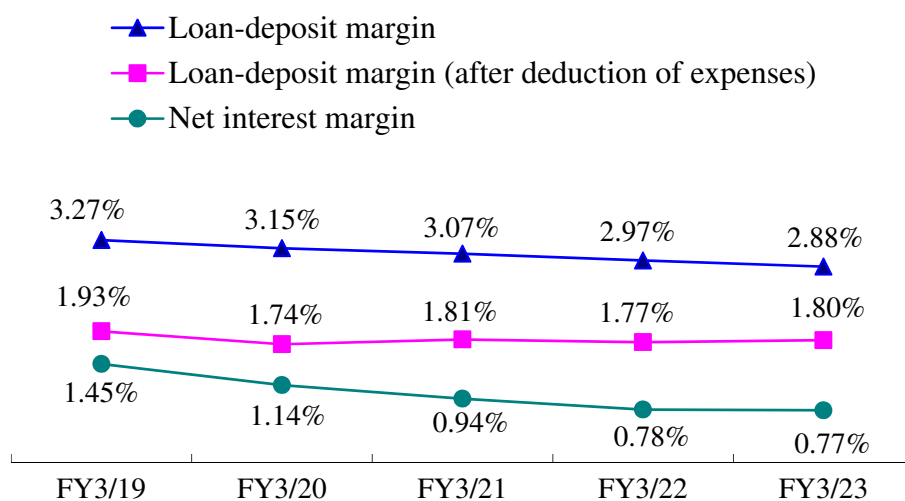
	Mar. 31, 2023 (a)	(a) - (b)	Mar. 31, 2022 (b)	(Millions of yen) Sep. 30, 2022 (c)
Individual deposit assets	2,778,039	(11,548)	2,789,587	2,793,207
Yen deposits	2,676,056	(8,580)	2,684,636	2,694,493
Investment products	101,982	(2,969)	104,951	98,714
Foreign currency deposits	2,462	(1,054)	3,516	2,862
Public bonds	3,891	(465)	4,356	3,855
Mutual funds	62,828	(5,647)	68,475	62,277
Personal pension plans	14,219	(437)	14,656	14,198
Single premium life insurance	18,581	4,636	13,945	15,520
The ratio of investment products to total individual deposit assets	3.6%	(0.1)%	3.7%	3.5%

3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin (after deduction of expenses) expanded by 3 basis points year-on-year to 1.80%.
- Net interest margin shrunk by 1 basis points year-on-year to 0.77%, mainly due to the decline in yield on interest earning assets.

	FY3/2023 (a)	(a) - (b)	FY3/2022 (b)	(%)
Loan-deposit margin	2.88	(0.09)	2.97	
Loan-deposit margin (after deduction of expenses)	1.80	0.03	1.77	
Net interest margin	0.77	(0.01)	0.78	



4. Own capital

•Capital adequacy ratio (Non-consolidated) rose by 69 basis points year-on-year to 13.04 %.

Non-consolidated

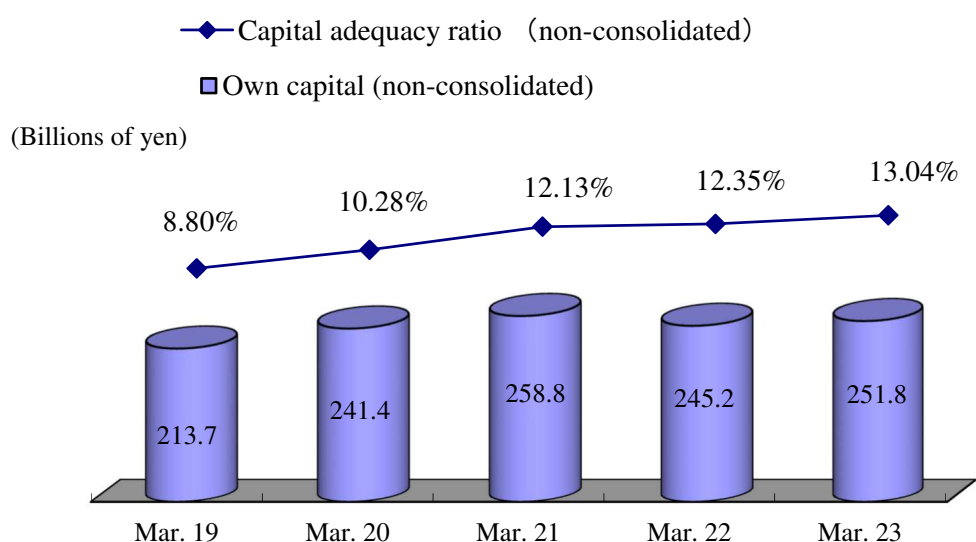
(Millions of yen)

	Mar. 31, 2023	Mar. 31, 2022
Capital adequacy ratio	13.04%	12.35%
Own capital (Core capital)	251,896	245,238
Core capital: instruments and reserves	276,161	268,795
Core capital: regulatory adjustments (-)	24,264	23,557
Risk-weighted assets	1,930,471	1,984,271
Total required capital	75,759	76,858

Consolidated

(Millions of yen)

	Mar. 31, 2023	Mar. 31, 2022
Capital adequacy ratio	13.43%	12.68%
Own capital (Core capital)	264,173	256,800
Core capital: instruments and reserves	291,739	284,838
Core capital: regulatory adjustments (-)	27,566	28,038
Risk-weighted assets	1,966,465	2,024,556
Total required capital	77,199	78,470



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

• Net unrealized gains on securities increased by ¥0.2 billion year-on-year.
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(Millions of yen)

	Mar. 31, 2023 (a)	(a) – (b)	Mar. 31, 2022 (b)
Available-for-sale securities	(1,270)	212	(1,482)
Stocks	7,741	154	7,587
Bonds	(324)	29	(353)
Others	(8,687)	28	(8,715)

6. Earnings forecast for the fiscal year ending March 31, 2024

Consolidated

(Billions of yen)

	FY3/2024 (forecast)	
	First half	Full year
Ordinary income	39.0	77.5
Ordinary profit	4.5	12.0
Profit attributable to owners of parent	2.5	8.5

Non-consolidated

(Billions of yen)

	FY3/2024 (forecast)	
	First half	Full year
Ordinary income	35.0	69.0
Core net operating profit	9.0	18.0
Net operating profit	13.0	24.5
Ordinary profit	4.5	11.5
Net income	2.5	8.5
Actual credit costs	4.5	6.5

(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.

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 ¥52.5 billion year-on-year.
Non-performing loan ratio declined by 215 basis points year-on-year to 10.48 %.

Outstanding balance

(Millions of yen, %)

	Mar. 31, 2023 (a)	Mar. 31, 2023		Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	118,845	3,503	(15,322)	115,342	134,167
Claims with collection risk	47,205	543	(18,656)	46,662	65,861
Claims for special attention	53,255	(10,052)	(18,596)	63,307	71,851
Total (A)	219,307	(6,005)	(52,573)	225,312	271,880
Total claims (B)	2,090,781	374	(60,585)	2,090,407	2,151,366
Non-performing loan ratio (A/B)	10.48	(0.29)	(2.15)	10.77	12.63

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
Covered amount (C+D) (B)	118,845	31,907	29,284	180,037	(35,163)	
Portion secured by collateral or guarantees, etc. (C)	44,881	20,838	17,106	82,826	(21,485)	
Allowance for loan losses (D)	73,964	11,068	12,178	97,211	(13,677)	
Coverage ratio (B/A)	100.00	67.59	54.98	82.09	2.94	
Unsecured portion (A-C) (E)	73,964	26,367	36,148	136,480	(31,088)	
Allowance ratio for unsecured portion (D/E)	100.00	41.97	33.68	71.22	5.05	

(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, %)

	Mar. 31, 2023 (a)	Mar. 31, 2023		Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	118,845	3,503	(15,322)	115,342	134,167
Claims with collection risk	47,205	543	(18,656)	46,662	65,861
Loans past due 3 months or more	2,049	(1,624)	(1,702)	3,673	3,751
Restructured loans	51,206	(8,427)	(16,894)	59,633	68,100
Total	219,307	(6,005)	(52,573)	225,312	271,880
Coverage ratio	82.09	1.20	2.94	80.89	79.15

8. Credit costs (Non-consolidated)

(Millions of yen, %)

	FY3/2023		FY3/2022
	(a)	(a) - (b)	(b)
Provision for general allowance for loan losses (1)	-	10,569	(10,569)
Disposal of non-performing loans (2)	5,952	(25,606)	31,558
Write-off of loans	4,538	(964)	5,502
Provision for specific allowance for loan losses	-	(24,793)	24,793
Losses on sales of delinquent loans	1,402	144	1,258
Provision for allowance for contingent losses	11	7	4
Reversal of allowance for loan losses (3)	4,047	4,047	-
Recoveries on written-off claims A	3,084	(1,873)	4,957
Net credit costs (4) (= (1) + (2) - (3))	1,905	(19,084)	20,989
Actual credit costs (4) - A	(1,178)	(17,210)	16,032
Loans and bills discounted (average balance)	2,085,528	(158,870)	2,244,398
Net credit costs ratio	0.09	(0.84)	0.93
Actual credit costs ratio	(0.05)	(0.76)	0.71

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

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

(Note3) For the fiscal year ended Mar. 31, 2023, 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

• After comprehensively taking into account business performance trends for the fiscal year ended March 31, 2023, the soundness of the capital base, and future financial condition, the Company decided to increase the year-end dividend by 3 yen to 9 yen per share.

(yen)

	FY3/2023	FY3/2022 (result)
Annual dividend per share	9.00	6.00
Interim dividend	0.00	0.00
Year-end dividend	9.00	6.00

II. Financial data for the fiscal year ended March 31, 2023

1. Details of financial results (Non-consolidated)

(Millions of yen)

	FY3/2023		FY3/2022
	(a)	(a) - (b)	(b)
Gross operating profit (excluding gains (losses) on bonds)	43,422	(21,880)	65,302
Domestic gross operating profit (excluding gains (losses) on bonds)	(60,245	(4,513)	64,758)
Net interest income	48,542	(16,318)	64,860
Net fees and commissions	(60,211	(4,105)	64,316)
Net other operating income (of which, Gains (losses) on bonds)	64,650	(4,398)	69,048
Net fees and commissions	(4,439)	292	(4,731)
Net other operating income (of which, Gains (losses) on bonds)	(11,669)	(12,212)	543
International gross operating profit (excluding gains (losses) on bonds)	(11,669	(12,213)	544)
Net interest income	(5,120)	(5,562)	442
Net fees and commissions	(34	(408)	442)
Net other operating income (of which, Gains (losses) on bonds)	22	(346)	368
Net fees and commissions	21	(5)	26
Net other operating income (of which, Gains (losses) on bonds)	(5,164)	(5,210)	46
Net other operating income (of which, Gains (losses) on bonds)	(5,154	(5,154)	-)
Expenses (excluding non-recurring losses)	36,209	(3,513)	39,722
Personnel expenses	13,657	(567)	14,224
Non-personnel expenses	19,910	(2,612)	22,522
Taxes	2,641	(334)	2,975
Actual net operating profit	7,212	(18,368)	25,580
Core net operating profit	24,035	(1,001)	25,036
Excluding gains (loss) on cancellation of investment trust	24,035	(1,001)	25,036
Provision for general allowance for loan losses	-	10,569	(10,569)
Net operating profit	7,212	(28,937)	36,149
Gains (losses) on bonds	(16,823)	(17,367)	544
Non-recurring gains (losses)	4,055	30,110	(26,055)
Reversal of allowance for loan losses	4,047	4,047	-
Recoveries on written-off claims	3,084	(1,873)	4,957
Gains (losses) on stocks	2,421	2,443	(22)
Ordinary profit	11,267	1,174	10,093
Extraordinary gains (losses)	(1,225)	256	(1,481)
Gains (losses) on disposal of non-current assets	(367)	461	(828)
Impairment loss	857	204	653
Income before income taxes	10,042	1,430	8,612
Income taxes-current	51	(9)	60
Income taxes-deferred	453	(244)	697
Total income taxes	504	(253)	757
Net income	9,537	1,683	7,854

(1)Provision for general allowance for loan losses	-	10,569	(10,569)
(2)Disposal of non-performing loans	5,952	(25,606)	31,558
Write-off of loans	4,538	(964)	5,502
Provision for specific allowance for loan losses	-	(24,793)	24,793
Losses on sales of delinquent loans	1,402	144	1,258
Provision for allowance for contingent losses	11	7	4
(3) Reversal of allowance for loan losses	4,047	4,047	-
Provision for general allowance for loan losses	4,884	4,884	-
Provision for specific allowance for loan losses	(837)	(837)	-
(4)Net credit costs (1)+(2)-(3)	1,905	(19,084)	20,989
(5)Recoveries on written-off claims	3,084	(1,873)	4,957
(6)Actual credit costs (4)-(5)	(1,178)	(17,210)	16,032

Details of financial results (Consolidated)

(Millions of yen)

	FY3/2023		FY3/2022 (b)
	(a)	(a) - (b)	
Consolidated gross profit	47,083	(23,340)	70,423
Net interest income	67,179	(6,362)	73,541
Net fees and commissions	(3,521)	415	(3,936)
Net other operating income	(16,575)	(17,393)	818
Expenses (excluding non-recurring losses)	39,153	(3,507)	42,660
Actual credit costs	310	(17,576)	17,886
Gains (losses) on stocks	4,979	5,001	(22)
Others	667	(75)	742
Ordinary profit	13,266	2,670	10,596
Extraordinary gains (losses)	(1,230)	304	(1,534)
Income before income taxes	12,036	2,975	9,061
Income taxes-current	1,371	1,210	161
Income taxes-deferred	86	(857)	943
Total income taxes	1,457	352	1,105
Profit attributable to non-controlling interests	1	5	(4)
Profit attributable to owners of parent	10,576	2,616	7,960

(1)Provision for general allowance for loan losses	-	11,318	(11,318)
(2)Disposal of non-performing loans	7,570	(26,670)	34,240
Write-off of loans	4,693	(961)	5,654
Provision for specific allowance for loan losses	-	(25,568)	25,568
Losses on sales of delinquent loans	2,865	(147)	3,012
Provision for allowance for contingent losses	11	7	4
(3) Reversal of allowance for loan losses	4,116	4,116	-
Provision for general allowance for loan losses	5,261	5,261	-
Provision for specific allowance for loan losses	(1,144)	(1,144)	-
(4)Net credit costs (1)+(2)-(3)	3,454	(19,467)	22,921
(5)Recoveries on written-off claims	3,143	(1,892)	5,035
(6)Actual credit costs (4)-(5)	310	(17,576)	17,886

(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	7,930	(31,151)	39,081

(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

2. Net operating profit (Non-consolidated)

(Millions of yen)

	FY3/2023		FY3/2022 (b)
	(a)	(a) - (b)	
Net operating profit	7,212	(28,937)	36,149
Per employee (Thousands of yen)	5,439	(20,567)	26,006

3. Interest margins (Non-consolidated)

Overall

		FY3/2023		FY3/2022
		(a)	(a) - (b)	(b)
Return on investments	(A)	1.89	(0.14)	2.03
Yield on loans and bills discounted		2.92	(0.10)	3.02
Yield on securities		0.55	0.04	0.51
Yield on interest bearing liabilities	(B)	1.12	(0.13)	1.25
Yield on deposits		0.03	(0.01)	0.04
Loan-deposit margin (after deduction of expenses)		1.80	0.03	1.77
Net interest margin	(A) - (B)	0.77	(0.01)	0.78

Domestic

		FY3/2023		FY3/2022
		(a)	(a) - (b)	(b)
Return on investments	(A)	1.89	(0.13)	2.02
Yield on loans and bills discounted		2.92	(0.10)	3.02
Yield on securities		0.72	0.23	0.49
Yield on interest bearing liabilities	(B)	1.10	(0.11)	1.21
Yield on deposits		0.03	(0.01)	0.04
Loan-deposit margin (after deduction of expenses)		1.81	0.01	1.80
Net interest margin	(A) - (B)	0.79	(0.02)	0.81

4. ROA and ROE (Non-consolidated)

		FY3/2023		FY3/2022
		(a)	(a) - (b)	(b)
ROA	Net operating profit basis	0.19	(0.82)	1.01
	Net income basis	0.26	0.04	0.22
ROE	Net operating profit basis	2.93	(11.18)	14.11
	Net income basis	3.87	0.81	3.06

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

		FY3/2023		FY3/2022
		(a)	(a) - (b)	(b)
(Millions of yen)				
Gains (losses) on bonds		(16,823)	(17,367)	544
Gains on sales		-	-	-
Gains on redemptions		304	(312)	616
Losses on sales		1,740	1,740	-
Losses on redemptions		15,387	15,315	72
Losses on devaluation		-	-	-
Gains (losses) on stocks		2,421	2,443	(22)
Gains on sales		2,541	2,536	5
Losses on sales		-	-	-
Losses on devaluation		120	93	27

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Mar. 31, 2023		Mar. 31, 2022
	(a)	(a) - (b)	(b)
Capital adequacy ratio	13.04%	0.69%	12.35%
Own capital (Core capital)	251,896	6,658	245,238
Core capital: instruments and reserves	276,161	7,366	268,795
Core capital: regulatory adjustments (-)	24,264	707	23,557
Risk-weighted assets	1,930,471	(53,800)	1,984,271
Total required capital	75,759	(1,099)	76,858

Consolidated

(Millions of yen)

	Mar. 31, 2023		Mar. 31, 2022
	(a)	(a) - (b)	(b)
Capital adequacy ratio	13.43%	0.75%	12.68%
Own capital (Core capital)	264,173	7,373	256,800
Core capital: instruments and reserves	291,739	6,901	284,838
Core capital: regulatory adjustments (-)	27,566	(472)	28,038
Risk-weighted assets	1,966,465	(58,091)	2,024,556
Total required capital	77,199	(1,271)	78,470

7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2023	
	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	253,689	267,253
Capital and capital surplus	48,629	32,017
Retained earnings	224,866	255,042
Treasury shares (-)	18,111	18,111
Earnings to be distributed (-)	1,695	1,695
Accumulated other comprehensive income included in Core capital	-	1,823
Remeasurements of defined benefit plans	-	1,823
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	22,472	22,652
General allowance for loan losses	22,472	22,652
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	-	10
Core capital: instruments and reserves (A)	276,161	291,739
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	10,129	11,526
Goodwill (including those equivalent)	-	1,165
Other intangible fixed assets other than goodwill and mortgage servicing rights	10,129	10,361
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,910	1,991
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	12,224	-
Net defined benefit asset	-	14,047
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)	24,264	27,566
Total capital		
Total capital (A-B) (C)	251,896	264,173
Risk-weighted assets (3)		
Credit risk-weighted assets	1,797,771	1,812,285
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	132,700	154,180
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	1,930,471	1,966,465
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	13.04%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	13.43%

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 March 31, 2023)

(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				Category Credit balance	Collateral or guarantees, etc.	Allowance	Coverage ratio
	Non-classification	Classification II	Classification III	Classification IV				
Bankrupt obligors 1,139 [655]	708	431	-	- [655]	Claims against bankrupt and substantially bankrupt obligors 118,845	44,881	73,964	100.00%
Effectively bankrupt obligors 117,706 [73,309]	73,447	44,258	-	- [73,309]				
Potentially bankrupt obligors 47,205 [11,068]	14,889	17,017	15,298 [11,068]	-	Claims with collection risk 47,205	20,838	11,068	67.59%
Obligors requiring caution	Sub-standard obligors 65,420	144	65,276	-	-	17,106	12,178	54.98%
Normal obligors 1,250,508	1,250,508	-	-	-	Loans past due 3 months or more 2,049	82,826	97,211	82.09%
Total 2,090,781 [85,033]	1,351,069	724,413	15,298 [11,068]	- [73,964]	Restructured loans 51,206			
					Subtotal 219,307			
					Normal assets 1,871,474			
					Total 2,090,781			

(Note1) “Total claims” includes “Loans and bills discounted”, “Customers’ liabilities for acceptances and guarantees”, “Foreign exchanges”, “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 deduction of partial direct write-off of loans.

The amounts of partial direct write-off of loans for the fiscal year ended March 31, 2023 were as follows:

(a) Non-consolidated: ¥6,069 million; (b) Consolidated: ¥6,069 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, %)

		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Claims against bankrupt and substantially bankrupt obligors	118,845	3,503	(15,322)	115,342	134,167
	Claims with collection risk	47,205	543	(18,656)	46,662	65,861
	Loans past due 3 months or more	2,049	(1,624)	(1,702)	3,673	3,751
	Restructured loans	51,206	(8,427)	(16,894)	59,633	68,100
	Total	219,307	(6,005)	(52,573)	225,312	271,880

Loans and bills discounted (period-end balance)	2,090,781	374	(60,585)	2,090,407	2,151,366
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% to loans and bills discounted	Claims against bankrupt and substantially bankrupt obligors	5.68	0.17	(0.55)	5.51	6.23
	Claims with collection risk	2.25	0.02	(0.81)	2.23	3.06
	Loans past due 3 months or more	0.09	(0.08)	(0.08)	0.17	0.17
	Restructured loans	2.44	(0.41)	(0.72)	2.85	3.16
	Total	10.48	(0.29)	(2.15)	10.77	12.63

Consolidated (Millions of yen, %)

		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Claims against bankrupt and substantially bankrupt obligors	119,468	3,480	(15,387)	115,988	134,855
	Claims with collection risk	51,860	645	(18,418)	51,215	70,278
	Loans past due 3 months or more	2,049	(1,624)	(1,702)	3,673	3,751
	Restructured loans	51,206	(8,427)	(16,894)	59,633	68,100
	Total	224,584	(5,927)	(52,401)	230,511	276,985

Loans and bills discounted (period-end balance)	2,109,907	1,098	(59,630)	2,108,809	2,169,537
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% to loans and bills discounted	Claims against bankrupt and substantially bankrupt obligors	5.66	0.16	(0.55)	5.50	6.21
	Claims with collection risk	2.45	0.03	(0.78)	2.42	3.23
	Loans past due 3 months or more	0.09	(0.08)	(0.08)	0.17	0.17
	Restructured loans	2.42	(0.40)	(0.71)	2.82	3.13
	Total	10.64	(0.29)	(2.12)	10.93	12.76

2. Allowance ratio for risk-monitored loans

Non-Consolidated		(Millions of yen, %)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	219,307	(6,005)	(52,573)	225,312	271,880
Collateral or guarantees, etc.	(B)	82,826	(2,628)	(21,485)	85,454	104,311
Allowance for loan losses	(C)	97,211	388	(13,677)	96,823	110,888
Allowance ratio	(C/A)	44.32	1.35	3.54	42.97	40.78
Coverage ratio	(B+C)/(A)	82.09	1.20	2.94	80.89	79.15

Consolidated		(Millions of yen, %)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	(A)	224,584	(5,927)	(52,401)	230,511	276,985
Collateral or guarantees, etc.	(B)	82,042	(2,523)	(21,398)	84,565	103,440
Allowance for loan losses	(C)	100,978	279	(13,720)	100,699	114,698
Allowance ratio	(C/A)	44.96	1.28	3.56	43.68	41.40
Coverage ratio	(B+C)/(A)	81.49	1.12	2.74	80.37	78.75

3. Allowance for loan losses

Non-consolidated		(Millions of yen)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		118,920	1,888	(14,204)	117,032	133,124
General allowance for loan losses		33,887	(2,500)	(5,082)	36,387	38,969
Specific allowance for loan losses		85,033	4,388	(9,121)	80,645	94,154

Consolidated		(Millions of yen)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Allowance for loan losses		124,295	1,588	(14,622)	122,707	138,917
General allowance for loan losses		35,495	(2,690)	(5,458)	38,185	40,953
Specific allowance for loan losses		88,800	4,279	(9,164)	84,521	97,964

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

Non-consolidated		(Millions of yen)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors		118,845	3,503	(15,322)	115,342	134,167
Claims with collection risk		47,205	543	(18,656)	46,662	65,861
Claims for special attention		53,255	(10,052)	(18,596)	63,307	71,851
Total	(A)	219,307	(6,005)	(52,573)	225,312	271,880

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

Non-consolidated		(Millions of yen, %)				
		Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage	(B)	180,037	(2,241)	(35,163)	182,278	215,200
Allowance for loan losses		97,211	388	(13,677)	96,823	110,888
Collateral or guarantees, etc.		82,826	(2,628)	(21,485)	85,454	104,311
Coverage ratio	(B/A)	82.09	1.20	2.94	80.89	79.15

6. Loan breakdown by industry, etc.

(1) Loan breakdown by industry (Non-consolidated) (Millions of yen)

	Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,080,150	2,068	(58,437)	2,078,082	2,138,587
Manufacturing	36,863	(1,033)	1,847	37,896	35,016
Agriculture and forestry	3,854	(88)	(189)	3,942	4,043
Fishery	35	(12)	(24)	47	59
Mining, quarrying and gravel	50	(50)	(150)	100	200
Construction	16,167	2,052	2,157	14,115	14,010
Utilities	836	592	598	244	238
Information and communication	3,603	169	1,765	3,434	1,838
Transportation and postal service	14,597	(115)	1,714	14,712	12,883
Wholesale and retail trade	33,761	1,231	1,610	32,530	32,151
Finance and insurance	33,288	10,395	18,827	22,893	14,461
Real estate, goods rental and leasing	159,357	37,762	51,728	121,595	107,629
Services	75,171	22,708	23,960	52,463	51,211
Government and municipal government	26,424	(269)	5,909	26,693	20,515
Others	1,676,137	(71,274)	(168,185)	1,747,411	1,844,322

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

	Mar. 31, 2023			Sep. 30, 2022	Mar. 31, 2022
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	219,307	(6,005)	(52,573)	225,312	271,880
Manufacturing	7,750	(1,495)	(1,766)	9,245	9,516
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	589	0	(64)	589	653
Utilities	3	0	(1)	3	4
Information and communication	112	(2)	(4)	114	116
Transportation and postal service	219	(109)	20	328	199
Wholesale and retail trade	5,891	(139)	(139)	6,030	6,030
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	305	197	196	108	109
Services	716	15	17	701	699
Government and municipal government	-	-	-	-	-
Others (Note)	203,718	(4,472)	(50,833)	208,190	254,551

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

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2023			Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	1,670,444	(71,117)	(168,125)	1,741,561	1,838,569
Secured loans	1,542,644	(63,383)	(150,462)	1,606,027	1,693,106
Housing loans	430,593	(11,222)	(27,072)	441,815	457,665
Unsecured loans	127,800	(7,734)	(17,663)	135,534	145,463
Asset management company loans for property investment	57,474	17,161	23,877	40,313	33,597
Structured finance	126,458	43,733	57,490	82,725	68,968
Total	1,854,376	(10,223)	(86,758)	1,864,599	1,941,134

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

(%)

	Mar. 31, 2023			Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	94.71	(0.79)	(1.72)	95.50	96.43

(Note) "Loans to small- and medium-sized enterprises" includes consumer loans which comprise 80.30% 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)

		Mar. 31, 2023			Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	3,355,740	44,565	43,559	3,311,175	3,312,181
	average balance	3,339,477	(7,213)	47,905	3,346,690	3,291,572
Loans	period-end balance	2,080,150	2,068	(58,437)	2,078,082	2,138,587
	average balance	2,085,528	(27,430)	(158,870)	2,112,958	2,244,398

9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2023			Sep. 30, 2022 (b)	Mar. 31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	113	(4)	(5)	117	118

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2023				Sep. 30, 2022				Mar. 31, 2022			
	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	292,026	(1,270)	8,239	9,509	432,636	(15,832)	8,713	24,546	454,234	(1,482)	9,332	10,814
Stocks	15,598	7,741	7,841	100	16,678	8,403	8,666	263	15,862	7,587	7,901	314
Bonds	154,701	(324)	397	721	171,353	(1,241)	47	1,288	143,556	(353)	140	494
Others	121,726	(8,687)	-	8,687	244,603	(22,995)	-	22,995	294,816	(8,715)	1,290	10,005

(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)

	Mar. 31, 2023				Sep. 30, 2022				Mar. 31, 2022			
	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	292,880	(511)	8,997	9,509	433,442	(15,123)	9,423	24,546	457,899	1,961	12,775	10,814
Stocks	16,453	8,499	8,600	100	17,484	9,113	9,376	263	16,605	8,233	8,548	314
Bonds	154,701	(324)	397	721	171,353	(1,241)	47	1,288	143,556	(353)	140	494
Others	121,726	(8,687)	-	8,687	244,603	(22,995)	-	22,995	297,737	(5,918)	4,087	10,005

(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)

	FY3/2023	FY3/2022
Service cost	406	470
Interest cost	97	101
Expected returns on plan assets	(966)	(1,034)
Amortization of unrecognized net actuarial gains (losses)	(981)	(1,589)
Others (non-recurring extra retirement payments, etc.) (Note1)	216	218
Retirement benefit expenses	(1,227)	(1,833)

(Note1) "Others" includes contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	FY3/2023	FY3/2022
Service cost (Note1)	429	505
Interest cost	97	101
Expected returns on plan assets	(966)	(1,034)
Amortization of unrecognized net actuarial gains (losses)	(981)	(1,589)
Others (non-recurring extra retirement payments, etc.) (Note2)	242	240
Retirement benefit expenses	(1,179)	(1,775)

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

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