

SURUGA bank, Ltd.

Consolidated financial results for the three months ended June 30, 2023

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)
 URL: <https://www.surugabank.co.jp>
 Representative: Kosuke Kato, President

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

1. Consolidated financial results for the three months ended June 30, 2023

(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	%
Three months ended						
June 30, 2023	20,963	1.3	4,780	11.1	3,510	(13.5)
June 30, 2022	20,681	(11.7)	4,302	24.3	4,060	59.2

(Note) Comprehensive income: (a) Three months ended June 30, 2023: ¥ 4,902 million [-%]

(b) Three months ended June 30, 2022: ¥ (9,270) million [-%]

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended		
June 30, 2023	18.63	-
June 30, 2022	21.56	-

(Note) Earnings per share (diluted) for the three months ended June 30, 2022 and 2023 are not provided because there are no potentially shares.

(2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	3,641,912	274,250	7.5
March 31, 2023	3,639,910	271,040	7.4

(Reference) Shareholders' equity: (a) As of June 30, 2023: ¥ 274,150 million; (b) As of March 31, 2023: ¥ 270,939 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	yen	yen	yen	yen	yen
ended March 31, 2023	—	0.00	—	9.00	9.00
ending March 31, 2024	—				
ending March 31, 2024 (forecast)		7.00	—	7.00	14.00

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

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

(% 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
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

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

*Notes

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

(2) Adoption of any particular accounting methods for quarterly consolidated financial statements: Yes

(Note) For details, please refer to page 6 of the appendix “2. Consolidated financial statements and notes, (3) Notes regarding consolidated financial statements, (Adoption of any particular accounting methods for quarterly consolidated financial statements)”.

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

(A) Changes in accounting policies due to revision of accounting standards: No

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

(C) Changes in accounting estimates: No

(D) Restatements: No

(4) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of June 30, 2023	232,139,248 shares	As of March 31, 2023	232,139,248 shares
(B) Number of treasury shares:	As of June 30, 2023	43,764,018 shares	As of March 31, 2023	43,768,676 shares
(C) Average number of shares:	Three months ended June 30, 2023	188,372,270 shares	Three months ended June 30, 2022	188,321,128 shares

(Note1) This report is outside the scope of the external auditor’s quarterly review procedure.

(Note2) 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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1. Qualitative information on financial results

(1) Details of operating results

As for the consolidated operating results for the three months ended June 30, 2023, ordinary income increased by ¥0.282 billion year-on-year to ¥20.963 billion. This was primarily due to an increase in recoveries of written-off claims, despite a decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses decreased by ¥0.196 billion year-on-year to ¥16.183 billion, mainly due to the decline in provision of general allowance for loan losses.

As a result, ordinary profit increased by ¥0.478 billion year-on-year to ¥4.780 billion.

Profit attributable to owners of parent decreased by ¥0.550 billion year-on-year to ¥3.510 billion.

(2) Details of financial position

As for the consolidated major account balances as of June 30, 2023, deposits amounted to ¥3,351.362 billion, rose by ¥1.731 billion from March 31, 2023, mainly due to an increase of ¥5.140 billion in individual deposits.

Loans and bills discounted came in at ¥2,069.550 billion, down by ¥20.777 billion from March 31, 2023, mainly due to a decrease of ¥37.549 billion in consumer loans (non-consolidated).

Securities amounted to ¥322.190 billion, rose by ¥24.307 billion from March 31, 2023.

(3) Details of forecast information, including earnings forecast

The earnings forecast for the fiscal year ending March 31, 2024 remains unchanged from that announced on May 12, 2023.

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.

2. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2023	As of Jun. 30, 2023
Assets		
Cash and due from banks	1,044,263	1,061,611
Call loans and bills bought	60,293	50,318
Monetary claims bought	131,517	127,696
Trading securities	85	70
Money held in trust	99	99
Securities	297,883	322,190
Loans and bills discounted	2,090,327	2,069,550
Foreign exchanges	4,805	4,459
Lease receivables and investment assets	4,698	4,754
Other assets	44,172	39,804
Property, plant and equipment	33,339	32,995
Intangible assets	16,009	15,484
Net defined benefit asset	20,126	20,344
Deferred tax assets	15,311	14,823
Customers' liabilities for acceptances and guarantees	1,271	1,497
Allowance for loan losses	(124,295)	(123,790)
Total assets	3,639,910	3,641,912
Liabilities		
Deposits	3,349,631	3,351,362
Foreign exchanges	41	40
Other liabilities	16,340	13,532
Provision for bonuses	461	16
Provision for bonuses for directors (and other officers)	38	—
Net defined benefit liability	293	285
Provision for share-based compensation	303	399
Provision for reimbursement of deposits	223	196
Provision for contingent loss	51	75
Deferred tax liabilities	211	255
Acceptances and guarantees	1,271	1,497
Total liabilities	3,368,869	3,367,661
Net assets		
Share capital	30,043	30,043
Capital surplus	1,974	1,974
Retained earnings	255,042	256,857
Treasury shares	(18,111)	(18,109)
Total shareholders' equity	268,949	270,766
Valuation difference on available-for-sale securities	167	1,658
Deferred gains or losses on hedges	(0)	(3)
Remeasurements of defined benefit plans	1,823	1,729
Total accumulated other comprehensive income	1,990	3,383
Non-controlling interests	101	99
Total net assets	271,040	274,250
Total liabilities and net assets	3,639,910	3,641,912

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

Consolidated statements of income

(Millions of yen)

	For the three months ended Jun. 30, 2022	For the three months ended Jun. 30, 2023
Ordinary income	20,681	20,963
Interest income	17,432	17,013
Interest on loans and discounts	16,635	15,727
Interest and dividends on securities	300	362
Fees and commissions	1,756	1,799
Other ordinary income	776	723
Other income	716	1,427
Ordinary expenses	16,379	16,183
Interest expenses	359	299
Interest on deposits	342	293
Fees and commissions payments	2,408	2,373
Other ordinary expenses	727	666
General and administrative expenses	10,055	10,330
Other expenses	2,828	2,514
Ordinary profit	4,302	4,780
Extraordinary income	48	—
Gain on disposal of non-current assets	48	—
Extraordinary losses	56	431
Loss on disposal of non-current assets	56	88
Impairment losses	—	342
Profit before income taxes	4,294	4,348
Income taxes	236	840
Profit	4,057	3,508
Profit attributable to non-controlling interests	(2)	(2)
Profit attributable to owners of parent	4,060	3,510

Consolidated statements of comprehensive income

(Millions of yen)

	For the three months ended Jun. 30, 2022	For the three months ended Jun. 30, 2023
Profit	4,057	3,508
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,161)	1,490
Deferred gains(losses) on hedges	4	(2)
Remeasurements of defined benefit plans, net of tax	(171)	(93)
Total other comprehensive income	(13,328)	1,393
Comprehensive income	(9,270)	4,902
(Breakdown)		
Comprehensive income attributable to owners of parent	(9,268)	4,904
Comprehensive income attributable to non-controlling interests	(2)	(2)

(3) Notes regarding consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Notes for material changes in shareholders' equity)

Not applicable.

(Adoption of any particular accounting methods for quarterly consolidated financial statements)

(Calculation of income taxes)

Income taxes reported by the company and its subsidiaries are calculated by multiplying income before income taxes for the three months ended June 30, 2023 with the reasonably estimated effective tax rate after applying tax effect accounting to income before income taxes for the fiscal year ending March 31, 2024, including the current first quarter.

In addition, in the case that calculating income taxes using the estimated effective tax rate significantly lacks rationality, income taxes are calculated by using the statutory effective tax rate.

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

Not applicable.

(Additional information)

(Accounting estimates for coronavirus impact)

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

As such assumptions have a high level of uncertainty, if circumstances concerning the spread of the coronavirus pandemic and its impact on the economy vary from the original assumptions, financial results could be impacted from the second quarter of the fiscal year ending March, 2024.

(Disposal of treasury shares through third-party allotment based on the capital and business alliance with Credit Saison Co.)

Credit Saison Co., Ltd. has completed payment for the disposal of treasury shares through third party allotment resolved at the Board of Directors meeting of Suruga Bank Ltd. held on May 18, 2023

Overview of the Disposal of Treasury Shares

1. Disposal date	July 3, 2023
2. Type and number of shares disposed	35,089,000 shares of common stock
3. Disposal value	488 yen per share
4. Total disposal value	17,123,432,000 yen
5. Disposal method	Third-party allotment
6. Allotted to	Credit Saison Co., Ltd.
7. Number of treasury shares after disposal	8,675,018

Financial Results for the three months ended June 30, 2023 - Supplementary Information -

(1) Operating results for the three months ended June 30, 2023 (Non-consolidated)

	Three months ended Jun. 30, 2023 (a)	Three months ended Jun. 30, 2022 (b)	Change (a) - (b)	(Millions of yen) FY3/2023
Gross operating profit	14,978	15,100	(122)	43,422
Net interest income	15,766	15,970	(204)	64,673
Net fees and commissions	(782)	(871)	89	(4,417)
Net other operating income	(5)	1	(6)	(16,833)
(Gains (losses) on bonds)	((12)	(9)	(3)	(16,823))
Core gross operating profit (Note1)	14,990	15,110	(120)	60,245
Expenses	9,610	9,503	107	36,209
Personnel expenses	3,406	3,504	(98)	13,657
Non-personnel expenses	5,209	5,072	137	19,910
Core net operating profit (Note2)	5,380	5,606	(226)	24,035
Excluding gains (losses) on cancellation of investment trusts	5,380	5,606	(226)	24,035
Actual net operating profit (Note3)	5,367	5,596	(229)	7,212
Provision of general allowance for loan losses (Note4)	(1,438)	(561)	(877)	-
Net operating profit	6,805	6,158	647	7,212
Non-recurring gains (losses)	(2,189)	(2,011)	(178)	4,055
Gains (losses) on stocks	(0)	(2)	2	2,421
Ordinary profit	4,616	4,147	469	11,267
Extraordinary gains (losses)	(431)	(7)	(424)	(1,225)
Income before income taxes	4,184	4,139	45	10,042
Income taxes (Note5)	790	186	604	504
Net income	3,393	3,953	(560)	9,537

				(Millions of yen)
Net credit costs (Note6)	1,864	1,882	(18)	1,905
Provision of general allowance for loan losses (Note4)	(1,438)	(561)	(877)	-
Disposal of non-performing loans	3,303	2,444	859	5,952
Reversal of allowance for loan losses (Note4)	-	-	-	4,047
Recoveries of written-off claims	1,235	554	681	3,084
Actual credit costs (Note7)	629	1,328	(699)	(1,178)

(Note1) Core gross operating profit = Gross operating profit - Gains (losses) on bonds

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

(Note3) Actual net operating profit = Net operating profit + Provision of 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) The amount of Income taxes for the fiscal year ended March 31, 2023 is that of Total income taxes.

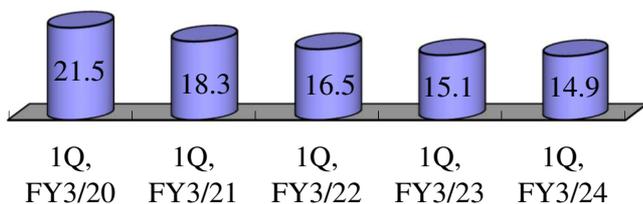
(Note6) Net credit costs = Provision of general allowance for loan losses + Disposal of non-performing loans - Reversal of allowance for loan losses

(Note7) Actual credit costs = Net credit costs - Recoveries of written-off claims.

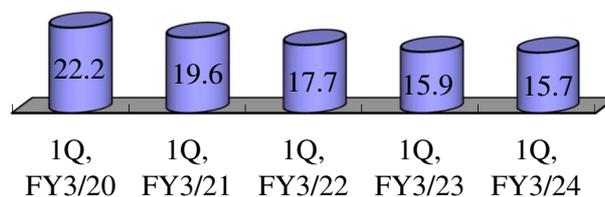
(A) Gross operating profit: ¥14.9 billion

- Net interest income decreased by ¥0.2 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
- Gross operating profit decreased by ¥0.1 billion year-on-year.

Core gross operating profit
(Billions of yen)



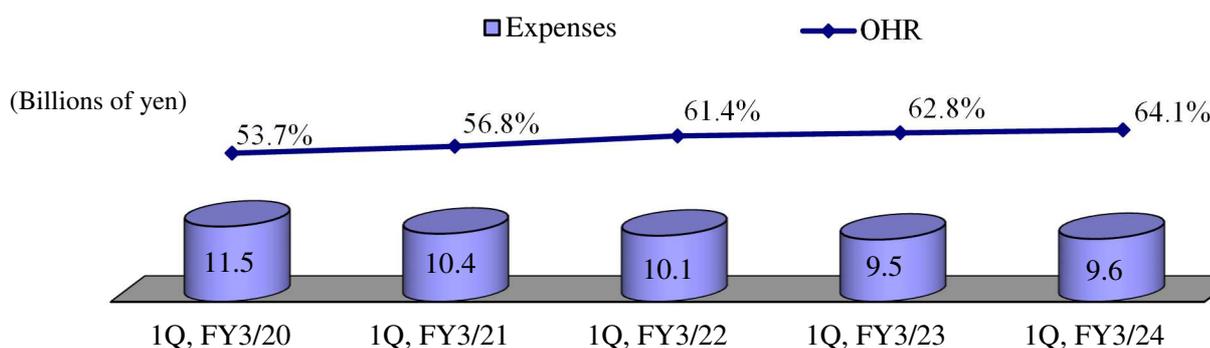
Net interest income
(Billions of yen)



(B) Expenses: OHR (Based on core gross profit (excluding gains (losses) on cancellation of investment trusts): 64.1%

- Expenses increased by ¥0.1 billion year-on-year.
- OHR rose to 64.1% year-on-year.

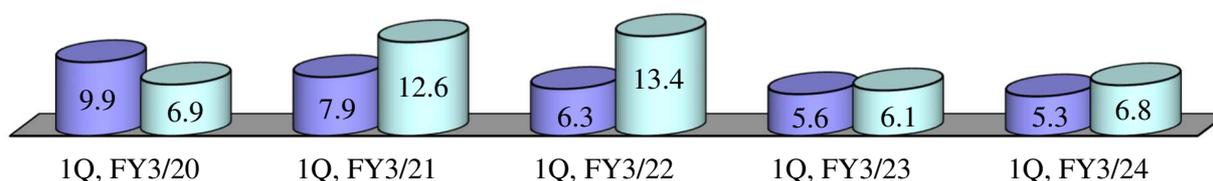
(OHR (%)) = Expenses / Core gross operating profit (excluding gains (losses) on cancellation of investment trusts) × 100



(C) Core net operating profit: ¥5.3 billion, Net operating profit: ¥6.8 billion

- Core net operating profit decreased by ¥0.2 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥0.6 billion year-on-year, mainly due to a decrease in provision of general allowance for loan losses.

(Billions of yen)



(D) Ordinary profit: ¥4.6 billion, Net income: ¥3.3 billion

- Ordinary profit increased by ¥0.4 billion year-on-year.
- Net income decreased by ¥0.5 billion year-on-year, mainly due to an increase in income taxes.

(E) Actual credit costs: ¥0.6 billion

- Net credit costs levelled off year-on-year, mainly due to a decrease (¥0.8 billion) in provision of general allowance for loan losses and an increase (¥0.8 billion) in disposal of non-performing loans.
- Actual credit costs, calculated as net credit costs (¥1.8 billion) minus the amount of recoveries of written-off claims (¥1.2 billion) amounted to ¥0.6 billion.

(2) Loans and deposits (Non-consolidated)

(A) Loans and bills discounted

- Loans and bills discounted (period-end balance) decreased by ¥69.7 billion year-on-year.
- Yield on loans and bills discounted dropped by 7 basis points year-on-year to 2.86%.

	Jun. 30, 2023 (a)	(a) – (b)	Jun. 30, 2022 (b)	(Billions of yen) Mar. 31, 2023
Loans and bills discounted (period-end balance)	2,059.3	(69.7)	2,129.0	2,080.1
Consumer loans	1,632.8	(166.3)	1,799.1	1,670.4
Corporate investment real estate loans	65.7	30.4	35.3	57.4
Structured finance	138.7	62.7	76.0	126.4
Loans and bills discounted (average balance)	2,074.1	(51.2)	2,125.3	2,085.5

Results of new loans

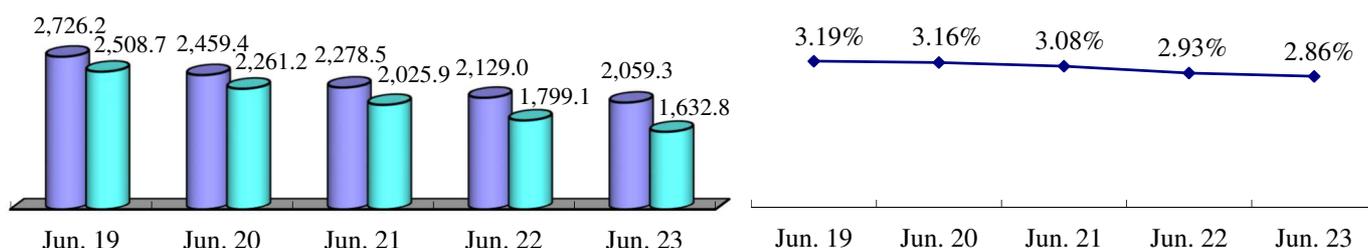
	Three months ended Jun. 30, 2023 (a)	(a) - (b)	Three months ended Jun. 30, 2022 (b)
New consumer loans	16.4	6.6	9.8
New corporate investment real estate loans	8.7	6.0	2.7
Subtotal	25.1	12.6	12.5
New structured finance	20.7	11.1	9.6
Total	45.8	23.7	22.1
New monetary claims bought	-	-	-
Grand total	45.8	23.7	22.1

(Note) New loans of the areas to be promoted under the “Re:Start 2025” Mid-term Business Plan and thereafter (structured finance includes specified bonds, etc.).

- 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	Jun. 30, 2023			Mar. 31, 2023		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,509.0	3.04%	7.15%	1,542.6	3.05%	7.02%
Housing loans	426.0	2.67%	0.35%	430.5	2.69%	0.27%
Studio apartment loans	112.5	3.32%	2.94%	120.5	3.33%	2.97%
Single building apartment loans (including share house loans)	938.1	3.13%	10.98%	959.0	3.14%	10.79%
Other secured loans	32.2	4.19%	0.23%	32.4	4.26%	0.34%
Unsecured loans	123.8	10.47%	2.41%	127.8	10.47%	2.36%
Card loans	87.1	11.71%	0.90%	89.0	11.74%	0.88%
Unsecured certificate loans	36.7	7.52%	6.01%	38.7	7.54%	5.77%
Consumer loans (A)	1,632.8	3.60%	6.79%	1,670.4	3.62%	6.66%
Consumer loans (excluding organizational negotiation partners)	1,533.7	-	1.61%	1,569.3	-	1.60%
Corporate investment real estate loans (B)	65.7	1.76%	-	57.4	1.77%	-
Structured finance (C)	143.3	2.36%	-	126.4	2.37%	-
Monetary claims bought (D)	127.6	2.23%	-	131.5	2.08%	-
Total (A)+(B)+(C)+(D)	1,969.6	3.36%	5.62%	1,985.8	3.38%	5.60%

(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) Classified by the areas to be promoted under the "Re:Start 2025" Mid-term Business Plan and thereafter. Corporate investment real estate loans include investment real estate loans for asset management companies, etc. Structured finance includes specified bonds, etc.

(Note4) Yield and delinquency rate of Studio apartment loans, secured loans and consumer loans are calculated based on originals claims before securitization on Mar. 31, 2023.

(Note5) 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	Jun. 30, 2023	
	Actual credit costs	Allowance
Investment property loans	0.3	103.6
Housing loans	0.1	2.4
Unsecured loans	0.0	3.3
Monetary claims bought	(0.0)	0.2
Business financing loans, etc.	0.0	8.7
Total	0.6	118.4

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

(B) Deposits

- Deposits (period-end balance) decreased by ¥39.7 billion year-on-year.
- Yield on deposits dropped by 1 basis point year-on-year to 0.03%.

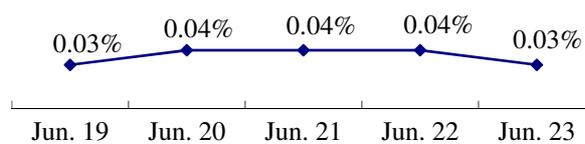
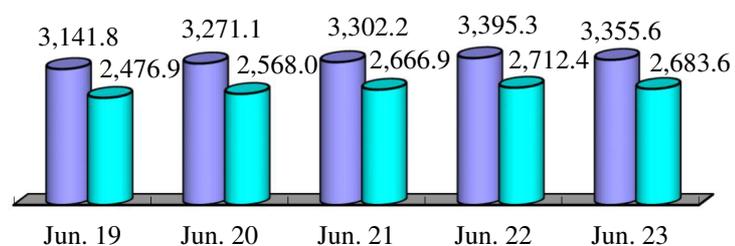
	Jun. 30, 2023 (a)	(a) – (b)	Jun. 30, 2022 (b)	(Billions of yen) Mar. 31, 2023
Deposits (period-end balance)	3,355.6	(39.7)	3,395.3	3,355.7
Individual deposits	2,683.6	(28.8)	2,712.4	2,678.5
Deposits (average balance)	3,350.1	24.2	3,325.9	3,339.4

■ Deposits (period-end balance)

■ Individual deposits (period-end balance)

◆ Yield on deposits

(Billions of yen)



(3) Interest margins (Non-consolidated)

· Loan-deposit margin (after deduction of expenses, overall) shrunk by 7 basis points year-on-year to 1.67%, mainly due to the decline in the yield on loans and bills discounted.

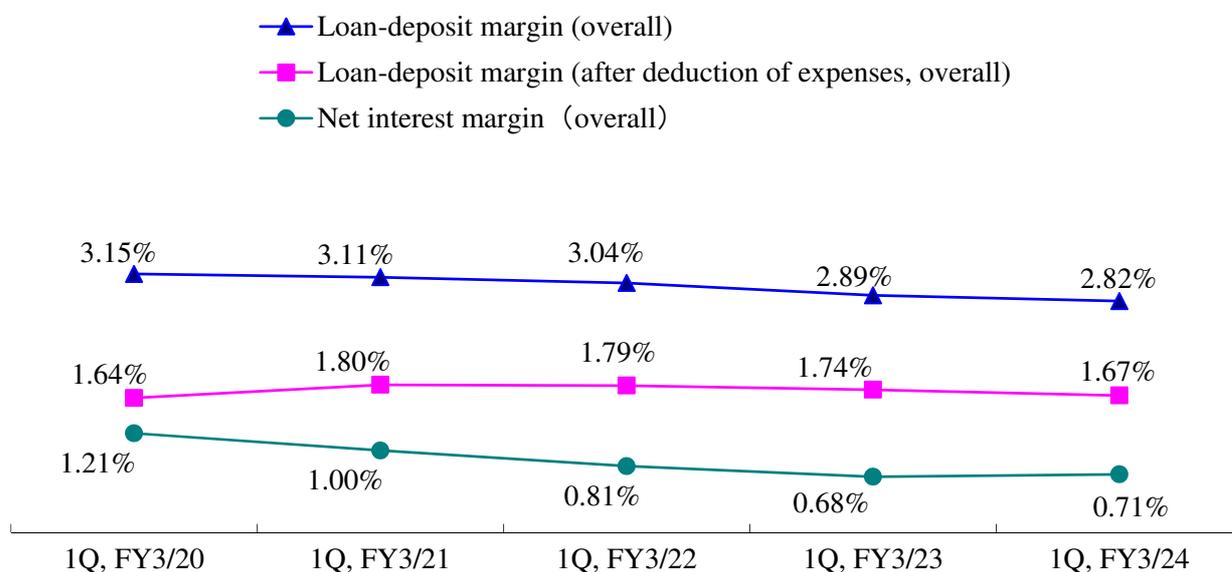
· Net interest margin (overall) expanded by 3 basis points year-on-year to 0.71%, mainly due to the rising in the yield on interest earning assets.

Overall

	Three months ended Jun. 30, 2023 (a)	(a) - (b)	Three months ended Jun. 30, 2022 (b)	FY3/2023
Yield on loans and bills discounted	2.86	(0.07)	2.93	2.92
Yield on deposits	0.03	(0.01)	0.04	0.03
Loan-deposit margin (after deduction of expenses)	1.67	(0.07)	1.74	1.80
Net interest margin	0.71	0.03	0.68	0.77

Domestic

	Three months ended Jun. 30, 2023 (a)	(a) - (b)	Three months ended Jun. 30, 2022 (b)	FY3/2023
Yield on loans and bills discounted	2.86	(0.07)	2.93	2.92
Yield on deposits	0.03	(0.01)	0.04	0.03
Loan-deposit margin (after deduction of expenses)	1.68	(0.10)	1.78	1.81
Net interest margin	0.72	0.01	0.71	0.79



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

- Non-performing loans based on the Financial Reconstruction Law decreased by ¥ 51.7 billion year-on-year.
- Non-performing loan ratio dropped by 207 basis points year-on-year to 10.28%.

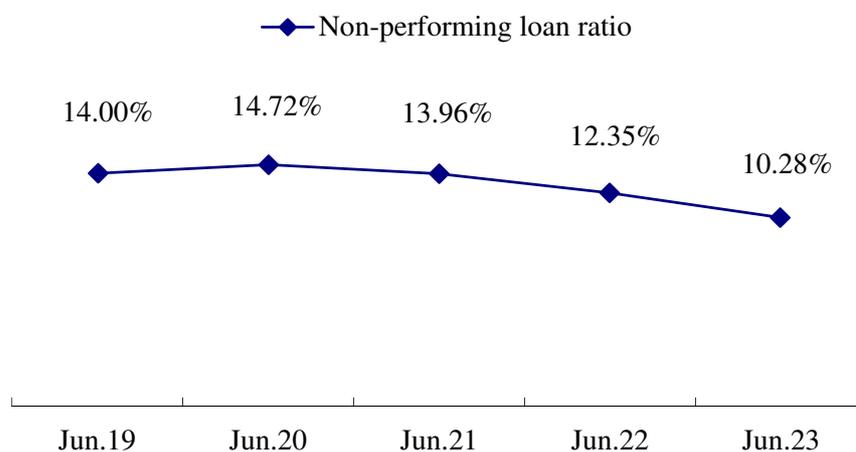
	Jun. 30, 2023	Jun. 30, 2022	(Millions of yen) Mar. 31, 2023
Claims against bankrupt and substantially bankrupt obligors	120,400	135,288	118,845
Claims with collection risk	43,909	63,707	47,205
Claims for special attention	48,512	65,545	53,255
Total (Non-performing loans based on the Financial Reconstruction Law)	212,822	264,541	219,307
Non-performing loan ratio	10.28%	12.35%	10.48%
Total coverage	177,738	210,861	180,037
Coverage ratio	83.51%	79.70%	82.09%

(Note1) Total claims = Loans and bills discounted + Foreign exchanges + Accrued interest + Customers' liabilities for acceptances and guarantees + Suspense payment ("Claims for special attention" include only "Loans and bills discounted")

(Note2) The figures above are based on the claim classification as defined in the Article 4 of the "Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions".

(Note3) The correspondence between classifications of obligors, etc.

- (a) "Claims against bankrupt and substantially bankrupt obligors" correspond to the claims against "Effectively bankrupt obligors" or "Bankrupt obligors" under self-assessment.
- (b) "Claims with collection risk" correspond to the claims against "Potentially bankrupt obligors" under self-assessment.
- (c) "Claims for special attention" correspond to the claims which are against "Obligors requiring caution" under self-assessment and classified as "Loans past due 3 months or more" or "Restructured loans".



(5) Capital adequacy ratio (domestic standard)

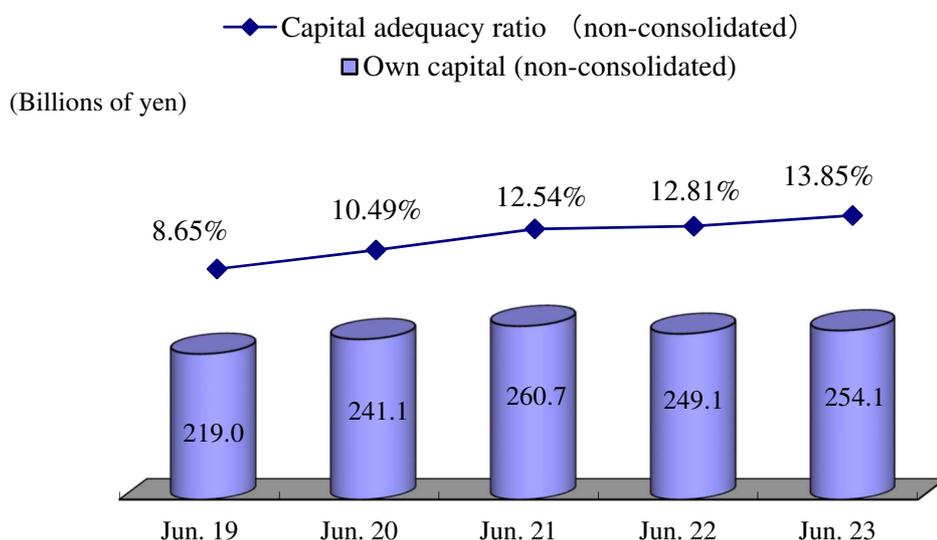
· Capital adequacy ratio (non-consolidated) rose by 104 basis points year-on-year to 13.85%.
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Non-consolidated

	Jun. 30, 2023	Jun. 30, 2022	(Millions of yen) Mar. 31, 2023
Capital adequacy ratio	13.85%	12.81%	13.04%
Own capital (Core capital)	254,182	249,104	251,896
Core capital: instruments and reserves	278,364	272,244	276,161
Core capital: regulatory adjustments (-)	24,181	23,140	24,264
Risk-weighted assets	1,834,997	1,943,948	1,930,471
Total required capital	73,399	75,753	75,759

Consolidated

	Jun. 30, 2023	Jun. 30, 2022	(Millions of yen) Mar. 31, 2023
Capital adequacy ratio	14.25%	13.16%	13.43%
Own capital (Core capital)	266,620	260,789	264,173
Core capital: instruments and reserves	293,962	288,188	291,739
Core capital: regulatory adjustments (-)	27,342	27,399	27,566
Risk-weighted assets	1,870,713	1,981,493	1,966,465
Total required capital	74,828	77,255	77,199



(6) Composition of own capital (domestic standard)

(Millions of yen)

	Jun. 30, 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	257,085	270,766
Capital and capital surplus	48,629	32,018
Retained earnings	226,565	256,857
Treasury shares (-)	18,109	18,109
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	1,729
Remeasurements of defined benefit plans	-	1,729
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	21,278	21,456
General allowance for loan losses	21,278	21,456
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	-	9
Core capital: instruments and reserves (A)	278,364	293,962
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	9,799	11,150
Goodwill (including those equivalent)	-	1,132
Other intangible fixed assets other than goodwill and mortgage servicing rights	9,799	10,017
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	12,471	-
Net defined benefit asset	-	14,200
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)	24,181	27,342
Total capital (A-B) (C)		
Total capital (A-B) (C)	254,182	266,620
Risk-weighted assets (3)		
Credit risk-weighted assets	1,702,297	1,716,533
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)	1,834,997	1,870,713
Capital adequacy ratio (non-consolidated) (C/D)		
Capital adequacy ratio (non-consolidated) (C/D)	13.85%	-
Capital adequacy ratio (consolidated) (C/D)		
Capital adequacy ratio (consolidated) (C/D)	-	14.25%

(7) Unrealized gains (losses) on securities (Non-consolidated)

• Net unrealized gains (losses) on securities increased by ¥ 15.2 billion year-on-year.

(Millions of yen)

	Jun. 30, 2023				Jun. 30, 2022				Mar. 31, 2023			
	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	316,235	640	10,569	9,929	460,760	(14,640)	9,707	24,348	292,026	(1,270)	8,239	9,509
Stocks	17,681	9,824	9,890	66	16,372	8,096	8,348	251	15,598	7,741	7,841	100
Bonds	176,351	49	678	628	162,585	(776)	93	870	154,701	(324)	397	721
Others	122,202	(9,234)	-	9,234	281,802	(21,961)	1,265	23,226	121,726	(8,687)	-	8,687

(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.

(8) Individual deposit assets (Non-consolidated)

• Individual deposit assets decreased by ¥ 20.9 billion year-on-year.

• The ratio of investment products to total individual deposit assets rose by 20 basis points year-on-year to 3.8%.

(Millions of yen)

	Jun. 30, 2023 (a)	(a) - (b)	Jun. 30, 2022 (b)	Mar. 31, 2023
Individual deposit assets	2,789,623	(20,973)	2,810,596	2,778,039
Yen deposits	2,681,191	(28,167)	2,709,358	2,676,056
Investment products	108,431	7,193	101,238	101,982
Foreign currency deposits	2,467	(614)	3,081	2,462
Public bonds	4,014	(15)	4,029	3,891
Mutual funds	66,418	1,181	65,237	62,828
Personal pension plans	15,802	1,507	14,295	14,219
Single premium life insurance	19,728	5,134	14,594	18,581
The ratio of investment products to total individual deposit assets	3.8%	0.2%	3.6%	3.6%