

SURUGA bank, Ltd.

Consolidated financial results for the six months ended September 30, 2023

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)
 URL: <https://www.surugabank.co.jp>
 Representative: Kosuke Kato, President
 Dividend payment date: December 12, 2023

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

1. Consolidated financial results for the six months ended September 30, 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	%
Six months ended September 30, 2023	43,994	(16.5)	12,855	(29.6)	9,589	(41.4)
September 30, 2022	52,695	(2.6)	18,270	(14.3)	16,391	(7.9)

(Note) Comprehensive income: (a) Six months ended Sep. 30, 2023: ¥10,816 million [-%]

(b) Six months ended Sep. 30, 2022: ¥166 million [(99.1)%]

	Earnings per share	Earnings per share (diluted)
	yen	Yen
Six months ended September 30, 2023	46.80	-
September 30, 2022	87.03	-

(Note) Earnings per share (diluted) for the six months ended September 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
	Millions of yen	Millions of yen	%
As of September 30, 2023	3,567,956	294,344	8.2
March 31, 2023	3,639,910	271,040	7.4

(Reference) Shareholders' equity: (a) As of September 30, 2023: ¥294,241 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	-	7.00			
ending March 31, 2024 (forecast)			-	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
Fiscal year ending March 31, 2024	81,000	(12.3)	14,500	9.2	10,000	(5.4)	49.62

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

* Notes

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

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

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

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

(C) Changes in accounting estimates: No

(D) Restatements: No

(3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Sep. 30, 2023	232,139,248 shares	As of Mar. 31, 2023	232,139,248 shares
(B) Number of treasury shares:	As of Sep. 30, 2023	13,517,151 shares	As of Mar. 31, 2023	43,768,676 shares
(C) Average number of shares:	Six months ended Sep. 30, 2023	204,865,343 shares	Six months ended Sep. 30, 2022	188,331,191 shares

(Note) The number of treasury shares at the end of the period includes the Company's shares held by the employee stock ownership plan trust (hereinafter "ESOP Trust") (As of Sep. 30, 2023: 257,900 shares, As of Mar. 31, 2023: - shares).

The average number of the Company's shares held by the ESOP Trust is included in the number of treasury stock that are deducted in calculation of the average number of shares during the period (As of Sep. 30, 2023: 57,780 shares, As of Sep. 30, 2022: - shares).

(Summary of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2023

(1) Non-consolidated operating results

(% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	40,134	(15.7)	12,571	(26.1)	9,317	(42.1)
September 30, 2022	47,609	(4.1)	17,012	(18.5)	16,108	(8.4)

Earnings per share	
Six months ended	Yen
September 30, 2023	45.47
September 30, 2022	85.53

(2) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	3,547,866	278,266	7.8
March 31, 2023	3,620,806	255,169	7.0

(Reference) Shareholders' equity: (a) As of September 30, 2023: ¥278,266 million

(b) As of March 31, 2023: ¥255,169 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 previous fiscal year)

	Ordinary income		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending March 31, 2024	73,000	(11.8)	14,000	24.2	10,000	4.8	49.62

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

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

- The company is a "Specified business company" under the Article 17-15-2 of the "Cabinet Office Ordinance regarding Disclosure of Corporate Information, etc." and prepares its interim consolidated and interim non-consolidated financial statements for the six months ended September 30, 2023.
- The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

(Appendix)

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* Financial results for the six months ended September 30, 2023 supplementary information

1. Qualitative information on financial results

(1) Details of operating results

As for the consolidated operating results for the six months ended September 30, 2023, ordinary income decreased by ¥8.701 billion year-on-year to ¥43.994 billion. This was mainly due to the decline in a reversal of allowance for loan losses. Meanwhile, ordinary expenses decreased by ¥3.285 billion year-on-year to ¥31.139 billion, mainly due to a decrease in the losses on redemptions of bonds.

As a result, ordinary profit decreased by ¥5.415 billion year-on-year to ¥12.855 billion.

Profit attributable to owners of parent decreased by ¥6.802 billion year-on-year to ¥9.589 billion.

(2) Details of financial position

As for the consolidated major account balances as of September 30, 2023, loans and bills discounted came in at ¥2,044.001 billion, down by ¥46.326 billion from March 31, 2023. This was primarily due to the decrease (¥75.986 billion) in consumer loans (non-consolidated).

Securities amounted to ¥352.399 billion, up by ¥54.516 billion from March 31, 2023.

Deposits amounted to ¥3,254.700 billion, down by ¥94.931 billion from March 31, 2023, despite a decrease (¥27.501 billion) in individual deposits.

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

The earnings forecast for the fiscal year ending March 31, 2024 remains unchanged from that announced on November 6, 2023.

Consolidated

(Billions of yen)

	Fiscal year ending March 31, 2024
Ordinary profit	14.5
Profit attributable to owners of parent	10.0

Non-consolidated

(Billions of yen)

	Fiscal year ending March 31, 2024
Core gross operating profit	56.0
Net operating profit	20.0
Ordinary profit	14.0
Net income	10.0
Actual credit costs	4.0

(Note) Core gross operating profit: The forecast for the full fiscal year ending March 31, 2024, does not anticipate the recording of gains/losses from the redemption of investment trusts.

(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 Sep. 30, 2023
Assets		
Cash and due from banks	1,044,263	966,091
Call loans and bills bought	60,293	55,747
Monetary claims bought	131,517	134,294
Trading securities	85	62
Money held in trust	99	99
Securities	297,883	352,399
Loans and bills discounted	2,090,327	2,044,001
Foreign exchanges	4,805	4,546
Lease receivables and investment assets	4,698	4,830
Other assets	44,172	40,266
Property, plant and equipment	33,339	32,487
Intangible assets	16,009	14,762
Retirement benefit asset	20,126	20,562
Deferred tax assets	15,311	13,520
Customers' liabilities for acceptances and guarantees	1,271	1,300
Allowance for loan losses	(124,295)	(117,017)
Total assets	3,639,910	3,567,956
Liabilities		
Deposits	3,349,631	3,254,700
Foreign exchanges	41	82
Other liabilities	16,340	15,872
Provision for bonuses	461	433
Provision for bonuses for directors (and other officers)	38	—
Retirement benefit liability	293	275
Provision for share-based compensation	303	454
Provision for reimbursement of deposits	223	180
Provision for contingent loss	51	49
Deferred tax liabilities	211	262
Acceptances and guarantees	1,271	1,300
Total liabilities	3,368,869	3,273,611
Net assets		
Share capital	30,043	30,043
Capital surplus	1,974	4,579
Retained earnings	255,042	262,936
Treasury shares	(18,111)	(6,534)
Total shareholders' equity	268,949	291,025
Valuation difference on available-for-sale securities	167	1,574
Deferred gains or losses on hedges	(0)	6
Remeasurements of defined benefit plans	1,823	1,635
Total accumulated other comprehensive income	1,990	3,215
Non-controlling interests	101	103
Total net assets	271,040	294,344
Total liabilities and net assets	3,639,910	3,567,956

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

Consolidated statements of income

	(Millions of yen)	
	For the six months ended Sep. 30, 2022	For the six months ended Sep. 30, 2023
Ordinary income	52,695	43,994
Interest income	34,574	33,659
Interest on loans and discounts	33,024	31,188
Interest and dividends on securities	413	599
Fees and commissions	3,604	3,543
Other ordinary income	1,679	1,527
Other income	12,836	5,264
Ordinary expenses	34,424	31,139
Interest expenses	729	594
Interest on deposits	678	582
Fees and commissions payments	5,023	4,795
Other ordinary expenses	4,574	1,380
General and administrative expenses	19,868	19,628
Other expenses	4,228	4,740
Ordinary profit	18,270	12,855
Extraordinary income	48	45
Gain on disposal of non-current assets	48	45
Extraordinary losses	252	729
Loss on disposal of non-current assets	247	263
Impairment losses	5	466
Profit before income taxes	18,065	12,171
Income taxes - current	1,235	1,176
Income taxes - deferred	440	1,404
Income taxes	1,675	2,580
Profit	16,390	9,590
Profit attributable to non-controlling interests	(1)	1
Profit attributable to owners of parent	16,391	9,589

Consolidated statements of comprehensive income

(Millions of yen)

	For the six months ended Sep. 30, 2022	For the six months ended Sep. 30, 2023
Profit	16,390	9,590
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,882)	1,406
Deferred gains(losses) on hedges	1	7
Remeasurements of defined benefit plans, net of tax	(342)	(187)
Total other comprehensive income	(16,223)	1,225
Comprehensive income	166	10,816
(Breakdown)		
Comprehensive income attributable to owners of parent	168	10,814
Comprehensive income attributable to non-controlling interests	(1)	1

(3) Consolidated statements of changes in net assets

For the six months ended September 30, 2022

(Millions of yen)

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

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,324	(3)	3,324	4,645	100	264,229
Changes of items during period						
Dividends of surplus						(1,129)
Net income						16,391
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	(15,882)	1	(342)	(16,223)	(1)	(16,224)
Total changes of items during period	(15,882)	1	(342)	(16,223)	(1)	(944)
Balance at end of current period	(14,557)	(2)	2,982	(11,578)	98	263,284

For the six months ended September 30, 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	1,974	255,042	(18,111)	268,949
Changes of items during period					
Dividends of surplus			(1,695)		(1,695)
Net income			9,589		9,589
Purchase of treasury shares				(2,948)	(2,948)
Disposal of treasury shares		2,605		14,525	17,130
Net changes of items other than shareholders' equity					
Total changes of items during period	-	2,605	7,893	11,576	22,076
Balance at end of current period	30,043	4,579	262,936	(6,534)	291,025

	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	167	(0)	1,823	1,990	101	271,040
Changes of items during period						
Dividends of surplus						(1,695)
Net income						9,589
Purchase of treasury shares						(2,948)
Disposal of treasury shares						17,130
Net changes of items other than shareholders' equity	1,406	7	(187)	1,225	1	1,227
Total changes of items during period	1,406	7	(187)	1,225	1	23,303
Balance at end of current period	1,574	6	1,635	3,215	103	294,344

(4) Notes regarding consolidated financial statements
(Notes on going-concern assumption)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

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 half of the current consolidated fiscal year, and assumptions that were used for these estimates, there have been no material changes from the information listed in the (Additional information) section of the securities report of the previous consolidated fiscal year.

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

(Stock compensation plan for executives)

Effective from the current interim consolidated accounting period, the Company has introduced a stock compensation plan based on a stock-granting ESOP trust (hereinafter referred to as the “Plan”) for executive employees consisting of the heads of the Bank’s branches and each division among other executives (excluding non-residents in Japan; hereinafter referred to as “executive employees”). The purpose of this Plan is to increase engagement and share interests with shareholders to raise awareness of the need to contribute to improving corporate value from a long-term perspective while extracting value from our human resources.

Regarding the accounting treatment related to the trust agreement, the Company has applied the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF No. 30, March 26, 2015).

(1) Transaction summary

Under this Plan, the Company’s shares acquired by the ESOP Trust with money contributed by the Company will be delivered and paid to executives who fulfill certain requirements at the time of their retirement in accordance with the predetermined share delivery rules, in an amount equivalent to the Company’s shares and the cash proceeds from the conversion of the Company’s shares.

(2) Company shares remaining in Trust

The Company’s shares remaining in the Trust are recorded as treasury stock under net assets at the book value in the Trust (excluding the amount of incidental expenses). The book value and number of shares remaining in the Trust at the end of the current interim consolidated accounting period were 148 million yen and 257 thousand shares, respectively.

3. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
Assets		
Cash and due from banks	1,043,476	964,912
Call loans	60,293	55,747
Monetary claims bought	131,517	134,294
Trading securities	85	62
Money held in trust	99	99
Securities	303,504	357,848
Loans and bills discounted	2,080,150	2,034,014
Foreign exchanges	4,805	4,546
Other assets	34,699	30,180
Other	34,699	30,180
Property, plant and equipment	32,520	31,738
Intangible assets	14,512	13,379
Prepaid pension costs	17,514	18,219
Deferred tax assets	15,277	13,378
Customers' liabilities for acceptances and guarantees	1,271	1,300
Allowance for loan losses	(118,920)	(111,857)
Total assets	3,620,806	3,547,866
Liabilities		
Deposits	3,355,740	3,259,560
Foreign exchanges	41	82
Other liabilities	7,561	7,591
Lease liabilities	115	114
Other	7,445	7,477
Provision for bonuses	404	381
Provision for bonuses for directors (and other officers)	38	—
Provision for share-based compensation	303	454
Provision for reimbursement of deposits	223	180
Provision for contingent loss	51	49
Acceptances and guarantees	1,271	1,300
Total liabilities	3,365,637	3,269,599

(Millions of yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
Net assets		
Share capital	30,043	30,043
Capital surplus	18,585	21,191
Legal capital surplus	18,585	18,585
Other capital surplus	—	2,605
Retained earnings	224,866	232,488
Legal retained earnings	30,043	30,043
Other retained earnings	194,823	202,445
Reserve for tax purpose reduction entry of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	91,731	99,353
Treasury shares	(18,111)	(6,534)
Total shareholders' equity	255,384	277,188
Valuation difference on available-for-sale securities	(214)	1,071
Deferred gains or losses on hedges	△0	6
Valuation and translation adjustments	(0)	1,077
Total net assets	255,169	278,266
Total liabilities and net assets	3,620,806	3,547,866

(2) Non-consolidated statements of income

(Millions of yen)

	For the six months ended Sep. 30, 2022	For the six months ended Sep. 30, 2023
Ordinary income	47,609	40,134
Interest income	34,135	31,795
Interest on loans and discounts	30,927	29,353
Interest and dividends on securities	2,071	570
Fees and commissions	3,098	3,028
Other ordinary income	97	62
Other income	10,279	5,247
Ordinary expenses	30,597	27,563
Interest expenses	727	593
Interest on deposits	678	582
Fees and commissions payments	4,951	4,693
Other ordinary expenses	3,099	50
General and administrative expenses	18,345	18,132
Other expenses	3,473	4,092
Ordinary profit	17,012	12,571
Extraordinary income	48	44
Gain on disposal of non-current assets	48	44
Extraordinary losses	251	728
Loss on disposal of non-current assets	245	261
Impairment losses	5	466
Profit before income taxes	16,809	11,888
Income taxes - current	26	1,140
Income taxes - deferred	675	1,431
Income taxes	701	2,571
Profit	16,108	9,317

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

For the six months ended September 30, 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		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	30,043	18,585	—	18,585	30,043	59	103,032	83,326
Changes of items during period								
Dividends of surplus								(1,129)
Net income								16,108
Purchase of treasury shares								
Disposal of treasury shares								(2)
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	—	—	—	14,975
Balance at end of current period	30,043	18,585	—	18,585	30,043	59	103,032	98,302

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains(losses) on available-for-sale securities	Deferred gains(losses) on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at beginning of current period	216,461	(18,131)	246,958	(598)	(3)	(602)	246,356
Changes of items during period							
Dividends of surplus	(1,129)		(1,129)				(1,129)
Net income	16,108		16,108				16,108
Purchase of treasury shares		(0)	(0)				(0)
Disposal of treasury shares	(2)	20	18				18
Net changes of items other than shareholders' equity				(14,307)	1	(14,305)	(14,305)
Total changes of items during period	14,975	20	14,996	(14,307)	1	(14,305)	690
Balance at end of current period	231,437	(18,110)	261,955	(14,905)	(2)	(14,908)	247,047

For the six months ended September 30, 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	91,731
Changes of items during period								
Dividends of surplus								(1,695)
Net income								9,317
Purchase of treasury shares								
Disposal of treasury shares			2,605	2,605				
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	2,605	2,605	—	—	—	7,621
Balance at end of current period	30,043	18,585	2,605	21,191	30,043	59	103,032	99,353

	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	224,866	(18,111)	255,384	(214)	(0)	(215)	255,169
Changes of items during period							
Dividends of surplus	(1,695)		(1,695)				(1,695)
Net income	9,317		9,317				9,317
Purchase of treasury shares		(2,948)	(2,948)				(2,948)
Disposal of treasury shares	—	14,525	17,130				17,130
Net changes of items other than shareholders' equity				1,285	7	1,293	1,293
Total changes of items during period	7,621	11,576	21,803	1,285	7	1,293	23,096
Balance at end of current period	232,488	(6,534)	277,188	1,071	6	1,077	278,266

Financial Results

For the six months ended September 30, 2023

- Supplementary Information -

SURUGA bank, Ltd.

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I. Financial highlights for the six months ended September 30, 2023

1. Financial results (Non-consolidated)

(Millions of yen)

	Six months ended	(a) - (b)	Six months ended
	Sep. 30, 2023		Sep. 30, 2022
	(a)		(b)
Gross operating profit	29,549	998	28,551
Net interest income	31,201	(2,206)	33,407
Net fees and commissions	(1,665)	188	(1,853)
Net other operating income (Note1)	5	3	2
Core gross operating profit	29,542	(2,014)	31,556
Expenses (-)	18,227	(544)	18,771
Core net operating profit (Note2)	11,315	(1,469)	12,784
Excluding gains (loss) on cancellation of investment trusts	11,315	(1,469)	12,784
Gains (losses) on bonds	6	3,010	(3,004)
Actual net operating profit (Note3)	11,322	1,542	9,780
Provision for general allowance for loan losses (-)(Note4)	-	-	-
Net operating profit	11,322	1,542	9,780
Disposal of non-performing loans (-)	3,533	658	2,875
Reversal of allowance for loan losses(Note4)	2,098	(4,792)	6,890
Recoveries of written-off claims	2,710	1,458	1,252
Gains (losses) on stocks	(0)	(1,826)	1,826
Ordinary profit	12,571	(4,441)	17,012
Gains (losses) on disposal of non-current assets	(216)	(19)	(197)
Impairment loss (-)	466	461	5
Net income	9,317	(6,791)	16,108
Net credit costs	1,434	5,449	(4,015)
Actual credit costs (Note5)	(1,275)	3,993	(5,268)

(Note1) Excludes gains (losses) on bonds.

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

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

(Note4) The net amount of provision for general allowance for loan losses and provision for specific allowance for loan losses is recorded in reversal of allowance for loan losses.

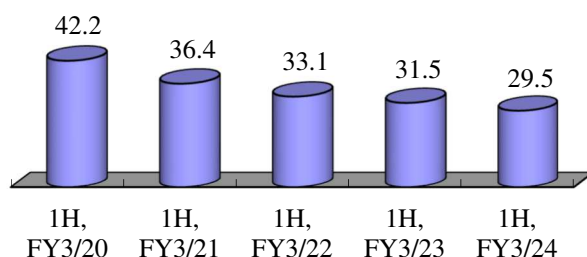
(Note5) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans - Reversal of allowance for loan losses) - Recoveries of written-off claims

(1) Core gross operating profit: ¥29.5 billion

- Core gross operating profit decreased by ¥2.0 billion year-on-year, mainly due to a decrease in net interest income.
- Net interest income decreased by ¥2.2 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.

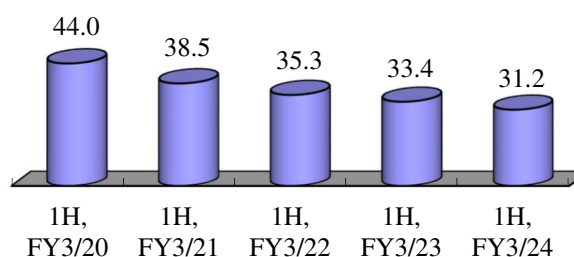
Core gross operating profit

(Billions of yen)



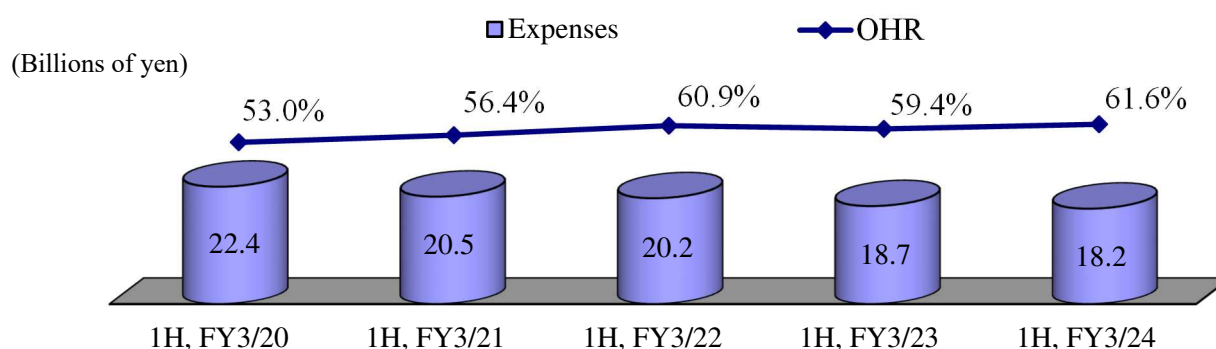
Net interest income

(Billions of yen)



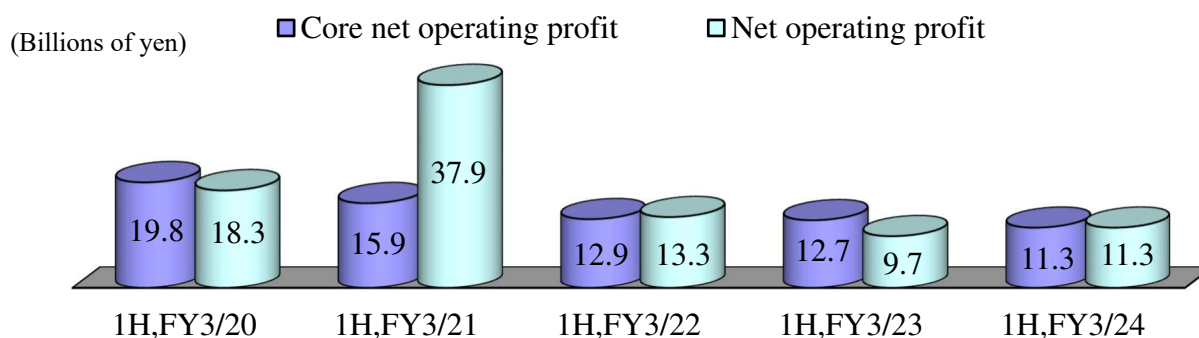
(2) Expenses; OHR (Based on core gross operating profit (excluding gains (losses) on cancellation of investment trusts): 61.6%

- Expenses decreased by ¥0.5 billion year-on-year.
 - OHR rose year-on-year to 61.6%.
- (OHR(%) = Expenses / Core gross operating profit (excluding gains (losses) on cancellation of investment trusts) × 100)



(3) Core net operating profit: ¥11.3 billion, Net operating profit: ¥11.3 billion

- Core net operating profit decreased by ¥1.4 billion year-on-year, mainly due to a decrease in net interest income exceeded a decrease in expenses.
- Net operating profit increased by ¥1.5 billion year-on-year, mainly due to an increase in gains (losses) on bonds



(4) Ordinary profit: ¥12.5 billion

- Ordinary profit decreased by ¥4.4 billion year-on-year.

(5) Net income: ¥9.3 billion

- Net income decreased by ¥6.7 billion year-on-year, mainly due to a decrease in ordinary profit.

(6) Actual credit costs: ¥(1.2) billion

- Net credit costs increased by ¥5.4 billion year-on-year, mainly due to an increase (¥0.6 billion) in disposal of non-performing loans and a decrease (¥4.7 billion) in reversal of allowance for loan losses.
- Actual credit costs, calculated as net credit costs (¥1.4 billion) minus the amount of recoveries of written-off claims (¥2.7 billion) amounted to ¥(1.2) billion.

2. Major accounts (Non-consolidated)

(A) Loans and bills discounted

- Loans and bills discounted decreased by ¥44.0 billion, or 2.1% year-on-year.
- Yield on loans and bills discounted dropped by 7 basis points year-on-year to 2.84%.

(Billions of yen)

	Sep. 30, 2023 (a)	(a) – (b)	Sep. 30, 2022 (b)	Mar. 31, 2023
Loans and bills discounted (period-end balance)	2,034.0	(44.0)	2,078.0	2,080.1
Consumer loans	1,594.4	(147.1)	1,741.5	1,670.4
Corporate investment real estate loans	76.8	36.5	40.3	57.4
Structured finance	141.1	58.4	82.7	126.4
Loans and bills discounted (average balance)	2,058.1	(54.8)	2,112.9	2,085.5

(Results of new loans)

(Billions of yen)

	Sep. 30, 2023 (a)	(a) – (b)	Sep. 30, 2022 (b)
New consumer loans	37.0	12.9	24.1
New corporate investment real estate loans	20.2	12.4	7.8
Subtotal	57.3	25.4	31.9
New structured finance	35.1	14.7	20.4
New collaboration loans, etc.	10.0	(29.9)	39.9
Grand total	102.5	10.1	92.4

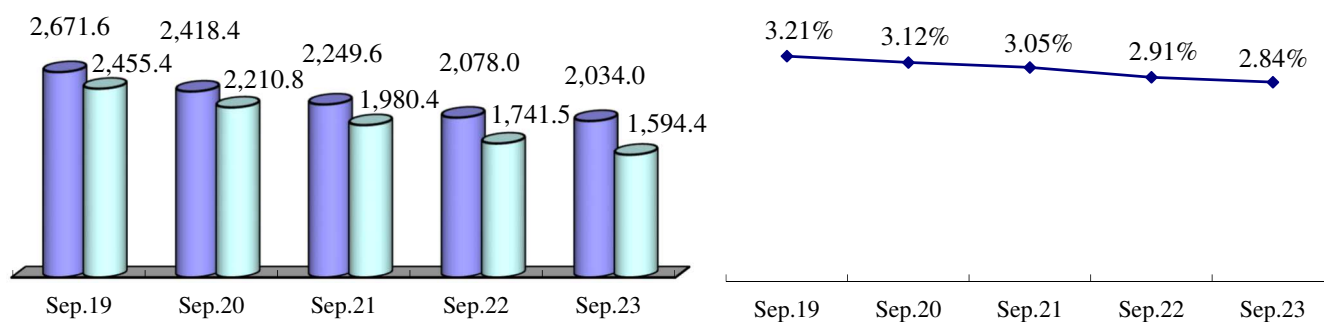
(Note) New loans of the areas to be promoted under the “Re:Start 2025” Mid-term Business Plan and thereafter.

Structured finance includes specified bonds, etc. and collaboration loans, etc. includes monetary claims bought.

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

—◆— Yield on loans and bills discounted

(Billions of yen)



Consumer loans

Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Sep. 30, 2023			Sep. 30, 2022		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,474.3	3.00%	7.12%	1,606.0	3.08%	6.68%
Housing loans	422.1	2.64%	0.36%	441.8	2.75%	0.28%
Investment property loans	1,020.2	3.12%	10.14%	1,131.3	3.18%	9.41%
Other secured loans	32.0	4.15%	0.27%	32.8	4.41%	0.46%
Unsecured loans	120.0	10.49%	2.07%	135.5	10.46%	2.51%
Card loans	85.6	11.69%	0.85%	92.8	11.78%	0.94%
Unsecured certificate loans	34.4	7.51%	5.11%	42.6	7.59%	5.94%
Consumer loans (A)	1,594.4	3.57%	6.74%	1,741.5	3.65%	6.36%
Consumer loans (excluding organizational negotiation partners)	1,496.5	-	1.48%	1,636.2	-	1.50%
Corporate investment real estate loans (B)	76.8	1.74%	-	40.3	1.82%	-
Structured finance (C)	145.8	2.31%	-	82.7	2.24%	-
Collaboration loans, etc. (D)	134.2	2.20%	0.02%	97.0	1.95%	-
Total (A)+(B)+(C)+(D)	1,951.4	3.31%	5.51%	1,961.6	3.47%	5.65%

(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.

Collaboration loans, etc. are loans made jointly or in partnership with other companies (loan participations, purchases of corporate loans, etc.)

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

Actual credit costs and Allowance for loan losses

Sep. 30, 2023

(Billions of yen)

Item	Actual credit costs	Allowance
Investment property loans	(0.1)	99.1
Housing loans	(0.1)	2.0
Unsecured loans	0.0	2.7
Collaboration loans, etc.	(0.0)	0.2
Business financing loans, etc.	(1.0)	7.5
Total	(1.2)	111.8

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

(B) Deposits

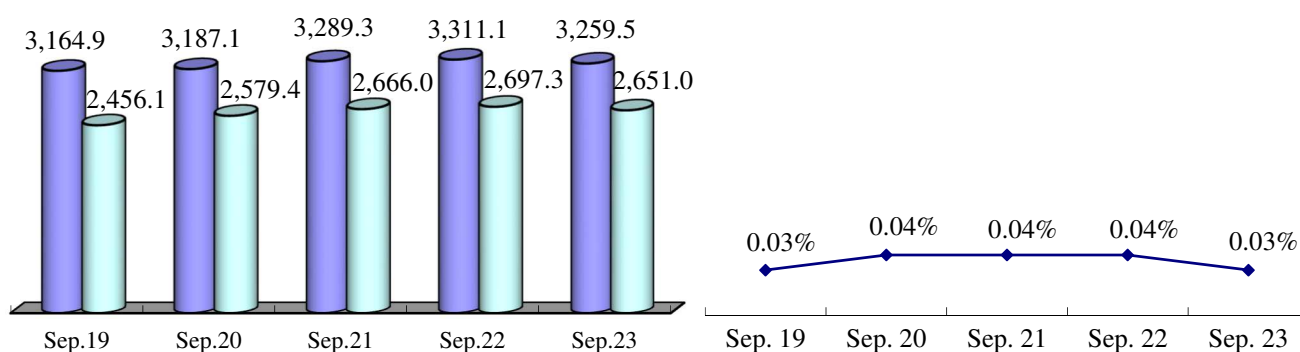
- Deposits decreased by ¥51.6 billion, or 1.5% year-on-year.
- Yield on deposits dropped by 1 basis year-on-year to 0.03%.

(Billions of yen)

	Sep. 30, 2023 (a)	(a) – (b)	Sep. 30, 2022 (b)	Mar. 31, 2023
Deposits (period-end balance)	3,259.5	(51.6)	3,311.1	3,355.7
Individual deposits	2,651.0	(46.3)	2,697.3	2,678.5
Deposits (average balance)	3,322.8	(23.8)	3,346.6	3,339.4

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

(Billions of yen)

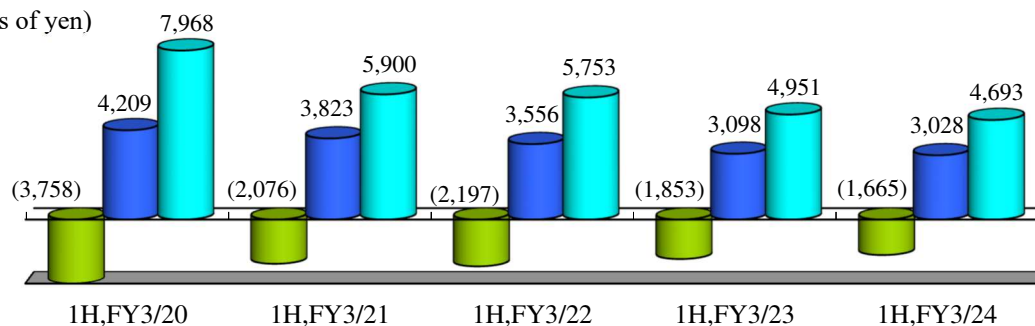


(3) Net fees and commissions

- Net fees and commissions increased by ¥0.1 billion year-on-year, mainly due to a decrease (¥0.2 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 ¥32.4 billion year-on-year.
- The ratio of investment products to total individual deposit assets rose by 50 basis points year-on-year to 4.0%.

(Millions of yen)

	Sep. 30, 2023 (a)	(a) - (b)	Sep. 30, 2022 (b)	Mar. 31, 2023
Individual deposit assets	2,760,731	(32,476)	2,793,207	2,778,039
Yen deposits	2,648,666	(45,827)	2,694,493	2,676,056
Investment products	112,064	13,350	98,714	101,982
Foreign currency deposits	2,350	(512)	2,862	2,462
Public bonds	4,046	191	3,855	3,891
Mutual funds	65,605	3,328	62,277	62,828
Personal pension plans	19,242	5,044	14,198	14,219
Single premium life insurance	20,819	5,299	15,520	18,581
The ratio of investment products to total individual deposit assets	4.0%	0.5%	3.5%	3.6%

3. Management indices (Non-consolidated)

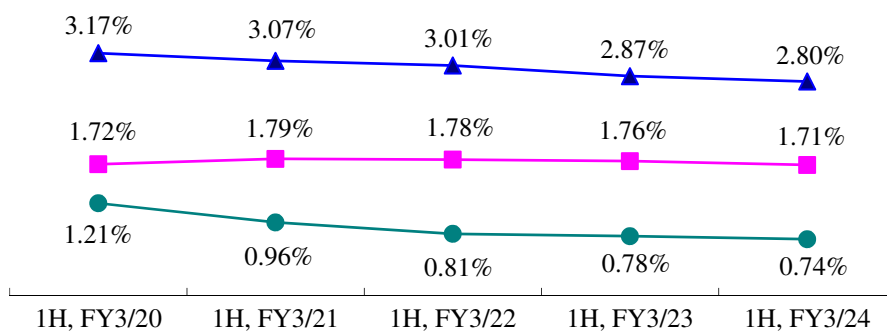
(1) Interest margins

- Loan-deposit margin (after deduction of expenses) shrunk by 5 basis points year-on-year to 1.71%.
- Net interest margin shrunk by 4 basis points year-on-year to 0.74%, mainly due to the decline in yield on interest earning assets.

(%)

	Six months ended Sep. 30, 2023 (a)	(a) - (b)	Six months ended Sep. 30, 2022 (b)	FY3/2023
Loan-deposit margin	2.80	(0.07)	2.87	2.88
Loan-deposit margin (after deduction of expenses)	1.71	(0.05)	1.76	1.80
Net interest margin	0.74	(0.04)	0.78	0.77

▲ Loan-deposit margin
■ Loan-deposit margin (after deduction of expenses)
● Net interest margin



4. Own capital (Non-consolidated)

•Capital adequacy ratio rose by 132 basis points year-on-year to 14.91%.
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Non-consolidated

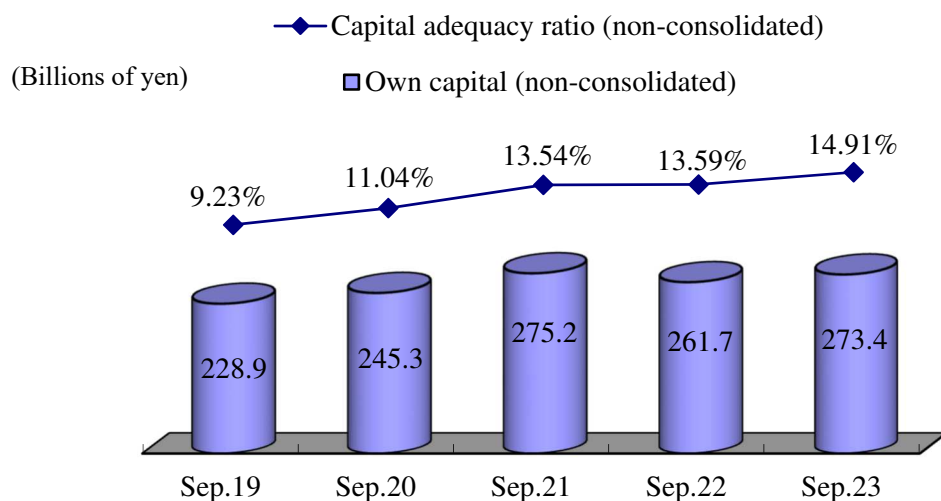
(Millions of yen)

	Sep 30, 2023	Sep 30, 2022
Capital adequacy ratio	14.91%	13.59%
Own capital (Core capital)	273,437	261,777
Core capital: instruments and reserves	296,967	284,286
Core capital: regulatory adjustments (-)	23,529	22,508
Risk-weighted assets	1,833,167	1,925,364
Total required capital	73,326	75,361

Consolidated

(Millions of yen)

	Sep 30, 2023	Sep 30, 2022
Capital adequacy ratio	15.31%	13.93%
Own capital (Core capital)	286,082	273,257
Core capital: instruments and reserves	312,641	300,255
Core capital: regulatory adjustments (-)	26,559	26,997
Risk-weighted assets	1,868,486	1,961,331
Total required capital	74,739	76,799



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

•Net unrealized gains on securities increased by ¥16.5 billion year-on-year.
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	Sep. 30, 2023 (a)	(a) - (b)	Sep. 30, 2022 (b)	(Millions of yen) Mar. 31, 2023
Available-for-sale securities	700	16,532	(15,832)	(1,270)
Stocks	15,688	7,285	8,403	7,741
Bonds	(3,177)	(1,936)	(1,241)	(324)
Others	(11,809)	11,186	(22,995)	(8,687)

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

Consolidated

(Millions of yen)

	Fiscal year ending Mar. 31, 2024 (forecast)
Ordinary income	81,000
Ordinary profit	14,500
Profit attributable to owners of parent	10,000

Non-consolidated

(Millions of yen)

	Fiscal year ending Mar. 31, 2024 (forecast)
Ordinary income	73,000
Core gross operating profit (Note1)	56,000
Core net operating profit	20,000
Ordinary profit	14,000
Net income	10,000

Actual credit costs	4,000
Normal credit costs	(3,000)
Preventive allowance (Note2)	7,000
(a)	500
(b)	6,500

(Note1) Core gross operating profit: The forecast for the full fiscal year ending March 31, 2024, does not anticipate the recording of gains/losses from the redemption of investment trusts.

(Note2) Preventive allowances: Allowance for (a) suspension of repayments by some investment real estate loan customers triggered by organized negotiations, and for (b) restructured loans for which normalization of recovery is unlikely in the future

(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 ¥11.6 billion year-on-year.
Non-performing loan ratio declined by 32 basis points year-on-year to 10.16%.

Outstanding balance

(Millions of yen, %)

		Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
		(a)	(a) - (b)	(a) - (c)		
	Claims against bankrupt and substantially bankrupt obligors	117,608	(1,237)	2,266	118,845	115,342
	Claims with collection risk	41,042	(6,163)	(5,620)	47,205	46,662
	Claims for special attention	49,047	(4,208)	(14,260)	53,255	63,307
Total	(A)	207,698	(11,609)	(17,614)	219,307	225,312
Total claims	(B)	2,043,740	(47,041)	(46,667)	2,090,781	2,090,407
Non-performing loan ratio	(A/B)	10.16	(0.32)	(0.61)	10.48	10.77

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, 2023	
							Non-performing loans
Covered amount (C+D)	(B)	117,608	28,298	27,626	173,533	(6,504)	
	Portion secured by collateral or guarantees, etc.	(C)	45,339	18,437	15,976	79,754	(3,072)
	Allowance for loan losses	(D)	72,268	9,861	11,649	93,779	(3,432)
Coverage ratio (B/A)		100.00	68.95	56.32	83.55	1.46	
Unsecured portion (A-C)	(E)	72,268	22,605	33,070	127,944	(8,536)	
	Allowance ratio for unsecured portion (D/E)	100.00	43.62	35.22	73.29	2.07	

(Reference) As of Mar. 31, 2023

Unsecured portion	73,964	26,367	36,148	136,480
Allowance ratio for unsecured portion	100.00	41.97	33.68	71.22

(2) Risk-monitored loans

(Millions of yen, %)

	Sep.30,2023			Mar.31,2023 (b)	Sep.30,2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Loans to bankrupt obligors	117,608	(1,237)	2,266	118,845	115,342
Non-accrual delinquent loans	41,042	(6,163)	(5,620)	47,205	46,662
Loans past due 3 months or more	2,136	87	(1,537)	2,049	3,673
Restructured loans	46,910	(4,296)	(12,723)	51,206	59,633
Total	207,698	(11,609)	(17,614)	219,307	225,312
Coverage ratio	83.55	1.46	2.66	82.09	80.89

8. Credit costs (Non-consolidated)

(Millions of yen, %)

	Six months ended		Six months ended
	Sep. 30, 2023 (a)	(a) - (b)	Sep. 30, 2022 (b)
Provision for general allowance for loan losses (1)	-	-	-
Disposal of non-performing loans (2)	3,533	658	2,875
Write-off of loans	3,427	1,332	2,095
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	58	(691)	749
Provision for allowance for contingent losses	46	17	29
Reversal of allowance for loan losses (3)	2,098	(4,792)	6,890
Recoveries of written-off claims A	2,710	1,458	1,252
Net credit costs (4) (=1)+(2)-(3))	1,434	5,449	(4,015)
Actual credit costs (4)- A	(1,275)	3,993	(5,268)
Loans and bills discounted (average balance)	2,058,120	(54,838)	2,112,958
Net credit costs ratio	0.13	0.50	(0.37)
Actual credit costs ratio	(0.12)	0.37	(0.49)

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

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

(Note3) The net amount of reversal of general allowance for loan losses and provision for specific allowance for loan losses are recorded in reversal of allowance for loan losses.

9. Dividends

<ul style="list-style-type: none"> • The company has decided to pay an interim dividend of ¥7.0 per share. • For the fiscal year ending March 31, 2024, the company is forecasting an annual dividend of ¥14.0 per share.

(yen)

	Fiscal year ending Mar. 31, 2024	Fiscal year ended Mar. 31, 2023 (result)
Annual dividend per share	14.00	9.00
Interim dividend	7.00	0.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2024 is a forecast.

II. Financial data for the six months ended September 30, 2023

1. Details of financial results (Non-consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2023 (a)	(a) - (b)	Six months ended Sep. 30, 2022 (b)
Gross operating profit (excluding gains (losses) on bonds)	29,549 (29,542	998 (2,014)	28,551 (31,556)
Domestic gross operating profit (excluding gains (losses) on bonds)	29,515 (29,509	891 (2,018)	28,624 (31,527)
Net interest income	31,185	(2,206)	33,391
Net fees and commissions	(1,675)	189	(1,864)
Net other operating income (of which, Gains (losses) on bonds)	6 (6	2,909 (2,909)	(2,903) (2,903)
International gross operating profit (excluding gains (losses) on bonds)	33 (33	105 (5	(72) (28)
Net interest income	16	1	15
Net fees and commissions	10	(0)	10
Net other operating income (of which, Gains (losses) on bonds)	6 (-	104 (101)	(98) (101)
Expenses (excluding non-recurring losses)	18,227	(544)	18,771
Personnel expenses	6,723	(228)	6,951
Non-personnel expenses	9,919	(346)	10,265
Taxes	1,584	30	1,554
Actual net operating profit	11,322	1,542	9,780
Core net operating profit	11,315	(1,469)	12,784
Excluding gains (loss) on cancellation of investment trust	11,315	(1,469)	12,784
Provision for general allowance for loan losses	-	-	-
Net operating profit	11,322	1,542	9,780
Gains (losses) on bonds	6	3,010	(3,004)
Non-recurring gains (losses)	1,249	(5,982)	7,231
Reversal of allowance for loan losses	2,098	(4,792)	6,890
Recoveries of written-off claims	2,710	1,458	1,252
Gains (losses) on stocks	(0)	(1,826)	1,826
Ordinary profit	12,571	(4,441)	17,012
Extraordinary gains (losses)	(683)	(481)	(202)
Gains (losses) on disposal of non-current assets	(216)	(19)	(197)
Impairment loss (-)	466	461	5
Income before income taxes	11,888	(4,921)	16,809
Income taxes-current	1,140	1,114	26
Income taxes-deferred	1,431	756	675
Total income taxes	2,571	1,870	701
Net income	9,317	(6,791)	16,108
(1)Provision for general allowance for loan losses	-	-	-
(2)Disposal of non-performing loans	3,533	658	2,875
Write-off of loans	3,427	1,332	2,095
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	58	(691)	749
Provision for allowance for contingent losses	46	17	29
(3) Reversal of allowance for loan losses	2,098	(4,792)	6,890
Provision for general allowance for loan losses	4,120	1,681	2,439
Provision for specific allowance for loan losses	(2,022)	(6,472)	4,450
(4)Net credit costs (1)+(2)-(3)	1,434	5,449	(4,015)
(5)Recoveries of written-off claims	2,710	1,458	1,252
(6)Actual credit costs (4)-(5)	(1,275)	3,993	(5,268)

Details of financial results (Consolidated)

(Millions of yen)

	Six months ended Sep. 30, 2023		Six months ended Sep. 30, 2022
	(a)	(a) - (b)	(b)
Consolidated gross profit	31,959	2,428	29,531
Net interest income	33,064	(781)	33,845
Net fees and commissions	(1,252)	167	(1,419)
Net other operating income	147	3,041	(2,894)
Expenses (excluding non-recurring losses)	19,722	(572)	20,294
Actual credit costs	(553)	3,852	(4,405)
Gains (losses) on stocks	(0)	(4,385)	4,385
Others	66	(176)	242
Ordinary profit	12,855	(5,415)	18,270
Extraordinary gains (losses)	(684)	(480)	(204)
Income before income taxes	12,171	(5,894)	18,065
Income taxes-current	1,176	(59)	1,235
Income taxes-deferred	1,404	964	440
Total income taxes	2,580	905	1,675
Profit attributable to non-controlling interests	1	2	(1)
Profit attributable to owners of parent	9,589	(6,802)	16,391

(1)Provision for general allowance for loan losses	-	-	-
(2)Disposal of non-performing loans	4,181	551	3,630
Write-off of loans	3,497	1,339	2,158
Provision for specific allowance for loan losses	-	-	-
Losses on sales of delinquent loans	637	(804)	1,441
Provision for allowance for contingent losses	46	17	29
(3) Reversal of allowance for loan losses	1,996	(4,753)	6,749
Provision for general allowance for loan losses	4,247	1,623	2,624
Provision for specific allowance for loan losses	(2,250)	(6,375)	4,125
(4)Net credit costs (1)+(2)-(3)	2,184	5,303	(3,119)
(5)Recoveries of written-off claims	2,737	1,451	1,286
(6)Actual credit costs (4)-(5)	(553)	3,852	(4,405)

(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	12,236	3,000	9,236
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(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

(Number of consolidated subsidiaries and affiliates)

(Companies)

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

(Millions of yen)

	Six months ended Sep. 30, 2023		Six months ended Sep. 30, 2022
	(a)	(a) - (b)	(b)
Net operating profit	11,322	1,542	9,780
Per employee (Thousands of yen)	8,943	1,683	7,260

3. Interest margins (Non-consolidated)

Overall

		Six months ended Sep. 30, 2023 (a)		(a) - (b)	Six months ended Sep. 30, 2022 (b)
					(%)
Yield on interest earning assets	(A)	1.87	(0.07)	1.94	
Yield on loans and bills discounted		2.84	(0.07)	2.91	
Yield on securities		0.34	(0.52)	0.86	
Yield on interest bearing liabilities	(B)	1.12	(0.04)	1.16	
Yield on deposits		0.03	(0.01)	0.04	
Loan-deposit margin (after deduction of expenses)		1.71	(0.05)	1.76	
Net interest margin	(A) - (B)	0.74	(0.04)	0.78	

Domestic

		Six months ended Sep. 30, 2023 (a)		(a) - (b)	Six months ended Sep. 30, 2022 (b)
					(%)
Yield on interest earning assets	(A)	1.87	(0.07)	1.94	
Yield on loans and bills discounted		2.84	(0.07)	2.91	
Yield on securities		0.42	(0.72)	1.14	
Yield on interest bearing liabilities	(B)	1.12	0.00	1.12	
Yield on deposits		0.03	(0.01)	0.04	
Loan-deposit margin (after deduction of expenses)		1.71	(0.08)	1.79	
Net interest margin	(A) - (B)	0.74	(0.07)	0.81	

4. ROA and ROE (Non-consolidated)

		Six months ended Sep. 30, 2023 (a)		(a) - (b)	Six months ended Sep. 30, 2022 (b)
					(%)
ROA	Net operating profit basis	0.62	0.08	0.54	
	Net income basis	0.51	(0.38)	0.89	
ROE	Net operating profit basis	8.60	0.68	7.92	
	Net income basis	7.07	(5.98)	13.05	

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

		Six months ended Sep. 30, 2023 (a)		(a) - (b)	Six months ended Sep. 30, 2022 (b)
					(Millions of yen)
Gains (losses) on bonds		6	3,010	(3,004)	
	Gains on sales	-	-	-	
	Gains on redemptions	56	(38)	94	
	Losses on sales	-	(101)	101	
	Losses on redemptions	49	(2,948)	2,997	
	Losses on devaluation	-	-	-	
Gains (losses) on stocks		(0)	(1,826)	1,826	
	Gains on sales	-	(1,829)	1,829	
	Losses on sales	-	-	-	
	Losses on devaluation	0	(2)	2	

6. Capital adequacy ratio (domestic standard)

Non-consolidated

(Millions of yen)

	Sep. 30, 2023		Mar. 31, 2023
	(a)	(a) - (b)	(b)
Capital adequacy ratio	14.91%	1.87%	13.04%
Own capital (Core capital)	273,437	21,541	251,896
Core capital : instruments and reserves	296,967	20,806	276,161
Core capital : regulatory adjustments (-)	23,529	(735)	24,264
Risk-weighted assets	1,833,167	(97,304)	1,930,471
Total required capital	73,326	(2,433)	75,759

Consolidated

(Millions of yen)

	Sep. 30, 2023		Mar. 31, 2023
	(a)	(a) - (b)	(b)
Capital adequacy ratio	15.31%	1.88%	13.43%
Own capital (Core capital)	286,082	21,909	264,173
Core capital : instruments and reserves	312,641	20,902	291,739
Core capital : regulatory adjustments (-)	26,559	(1,007)	27,566
Risk-weighted assets	1,868,486	(97,979)	1,966,465
Total required capital	74,739	(2,460)	77,199

7. Composition of own capital (domestic standard)

(Millions of yen)

	September 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	275,656	289,493
Capital and capital surplus	51,234	34,622
Retained earnings	232,488	262,936
Treasury shares (-)	6,534	6,534
Earnings to be distributed (-)	1,532	1,532
Accumulated other comprehensive income included in Core capital	-	1,635
Remeasurements of defined benefit plans	-	1,635
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	21,311	21,502
General allowance for loan losses	21,311	21,502
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)	296,967	312,641
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	9,338	10,636
Goodwill (including those equivalent)	-	1,100
Other intangible fixed assets other than goodwill and mortgage servicing rights	9,338	9,535
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,473	1,570
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	12,717	-
Net defined benefit asset	-	14,352
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)	23,529	26,559
Total capital		
Total capital (A-B) (C)	273,437	286,082
Risk-weighted assets (3)		
Credit risk-weighted assets	1,704,917	1,720,235
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	128,249	148,250
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	1,833,167	1,868,486
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	14.91%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	15.31%

III. Status of loans, etc.

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

Non-consolidated (As of September 30, 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				Collateral or guarantees, etc.	Allowance	Coverage ratio	
	Non- classifi- cation	Classifi- cation II	Classifi- cation III	Classifi- cation IV				
Bankrupt obligors 792 [391]	443	348	-	-	45,339	72,268	100.00%	
Effectively bankrupt obligors 116,815 [71,876]	72,340	44,475	-	-				
Potentially bankrupt obligors 41,042 [9,861]	13,219	15,079	12,743 [9,861]	-				
Obligors requiring caution	Sub- standard obligors 61,074	124	60,950	-	15,976	11,649	56.32%	
	Other obligors requiring caution 565,397	10,837	554,560	-				
Normal obligors 1,258,617	1,258,617	-	-	-	Subtotal 207,698	79,754	93,779	83.55%
Total 2,043,740 [82,130]	1,355,581	675,415	12,743 [9,861]	-	Normal assets 1,836,041			Total 2,043,740

(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 partial direct write-off of loans.

The amounts of partial direct write-off of loans for the six months ended September 30, 2023 were as follows:

(a) Non-consolidated: ¥7,161 million; (b) Consolidated: ¥7,161 million

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

Non-consolidated

		(Millions of yen, %)				
		Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	117,608	(1,237)	2,266	118,845	115,342
	Non-accrual delinquent loans	41,042	(6,163)	(5,620)	47,205	46,662
	Loans past due 3 months or more	2,136	87	(1,537)	2,049	3,673
	Restructured loans	46,910	(4,296)	(12,723)	51,206	59,633
	Total	207,698	(11,609)	(17,614)	219,307	225,312
Loans and bills discounted (period-end balance)		2,043,740	(47,041)	(46,667)	2,090,781	2,090,407
% to loans and bills discounted	Loans to bankrupt obligors	5.75	0.07	0.24	5.68	5.51
	Non-accrual delinquent loans	2.00	(0.25)	(0.23)	2.25	2.23
	Loans past due 3 months or more	0.10	0.01	(0.07)	0.09	0.17
	Restructured loans	2.29	(0.15)	(0.56)	2.44	2.85
	Total	10.16	(0.32)	(0.61)	10.48	10.77

Consolidated

		(Millions of yen, %)				
		Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	118,128	(1,340)	2,140	119,468	115,988
	Non-accrual delinquent loans	45,806	(6,054)	(5,409)	51,860	51,215
	Loans past due 3 months or more	2,136	87	(1,537)	2,049	3,673
	Restructured loans	46,910	(4,296)	(12,723)	51,206	59,633
	Total	212,983	(11,601)	(17,528)	224,584	230,511
Loans and bills discounted (period-end balance)		2,062,750	(47,157)	(46,059)	2,109,907	2,108,809
% to loans and bills discounted	Loans to bankrupt obligors	5.72	0.06	0.22	5.66	5.50
	Non-accrual delinquent loans	2.22	(0.23)	(0.20)	2.45	2.42
	Loans past due 3 months or more	0.10	0.01	(0.07)	0.09	0.17
	Restructured loans	2.27	(0.15)	(0.55)	2.42	2.82
	Total	10.32	(0.32)	(0.61)	10.64	10.93

2. Allowance ratio for risk-monitored loans

Non-Consolidated

(Millions of yen, %)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	207,698	(11,609)	(17,614)	219,307	225,312
Collateral or guarantees (B)	79,754	(3,072)	(5,700)	82,826	85,454
Allowance for loan losses (C)	93,779	(3,432)	(3,044)	97,211	96,823
Allowance ratio (C/A)	45.15	0.83	2.18	44.32	42.97
Coverage ratio (B+C)/(A)	83.55	1.46	2.66	82.09	80.89

Consolidated

(Millions of yen, %)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	212,983	(11,601)	(17,528)	224,584	230,511
Collateral or guarantees (B)	79,019	(3,023)	(5,546)	82,042	84,565
Allowance for loan losses (C)	97,457	(3,521)	(3,242)	100,978	100,699
Allowance ratio (C/A)	45.75	0.79	2.07	44.96	43.68
Coverage ratio (B+C)/(A)	82.85	1.36	2.48	81.49	80.37

3. Allowance for loan losses

Non-consolidated

(Millions of yen)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Allowance for loan losses	111,857	(7,063)	(5,175)	118,920	117,032
General allowance for loan losses	29,714	(4,173)	(6,673)	33,887	36,387
Specific allowance for loan losses	82,143	(2,890)	1,498	85,033	80,645

Consolidated

(Millions of yen)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Allowance for loan losses	117,017	(7,278)	(5,690)	124,295	122,707
General allowance for loan losses	31,195	(4,300)	(6,990)	35,495	38,185
Specific allowance for loan losses	85,822	(2,978)	1,301	88,800	84,521

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

Non-consolidated

(Millions of yen)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	117,608	(1,237)	2,266	118,845	115,342
Claims with collection risk	41,042	(6,163)	(5,620)	47,205	46,662
Claims for special attention	49,047	(4,208)	(14,260)	53,255	63,307
Total (A)	207,698	(11,609)	(17,614)	219,307	225,312

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

Non-consolidated

(Millions of yen, %)

	Sep. 30, 2023			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (B)	173,533	(6,504)	(8,745)	180,037	182,278
Allowance for loan losses	93,779	(3,432)	(3,044)	97,211	96,823
Collateral or guarantees	79,754	(3,072)	(5,700)	82,826	85,454
Coverage ratio (B/A)	83.55	1.46	2.66	82.09	80.89

6. Loan breakdown by industry, etc.

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

	(Millions of yen)			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	Sep. 30, 2023 (a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	2,034,014	(46,136)	(44,068)	2,080,150	2,078,082
Manufacturing	38,759	1,896	863	36,863	37,896
Agriculture and forestry	3,770	(84)	(172)	3,854	3,942
Fishery	21	(14)	(26)	35	47
Mining, quarrying and gravel	50	0	(50)	50	100
Construction	15,955	(212)	1,840	16,167	14,115
Utilities	807	(29)	563	836	244
Information and communication	1,906	(1,697)	(1,528)	3,603	3,434
Transportation and postal service	15,450	853	738	14,597	14,712
Wholesale and retail trade	32,412	(1,349)	(118)	33,761	32,530
Finance and insurance	31,528	(1,760)	8,635	33,288	22,893
Real estate, goods rental and leasing	194,367	35,010	72,772	159,357	121,595
Services	72,701	(2,470)	20,238	75,171	52,463
Government and municipal government	26,443	19	(250)	26,424	26,693
Others	1,599,835	(76,302)	(147,576)	1,676,137	1,747,411

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

	(Millions of yen)			Mar. 31, 2023 (b)	Sep. 30, 2022 (c)
	Sep. 30, 2023 (a)	(a) - (b)	(a) - (c)		
Domestic offices (excluding Japan offshore banking accounts)	207,699	(11,608)	(17,613)	219,307	225,312
Manufacturing	7,635	(115)	(1,610)	7,750	9,245
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel	-	-	-	-	-
Construction	580	(9)	(9)	589	589
Utilities	2	(1)	(1)	3	3
Information and communication	112	0	(2)	112	114
Transportation and postal service	224	5	(104)	219	328
Wholesale and retail trade	5,762	(129)	(268)	5,891	6,030
Finance and insurance	-	-	-	-	-
Real estate, goods rental and leasing	302	(3)	194	305	108
Services	1,194	478	493	716	701
Government and municipal government	-	-	-	-	-
Others	191,883	(11,835)	(16,307)	203,718	208,190

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

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Consumer loans	1,594,458	(75,986)	(147,103)	1,670,444	1,741,561
Secured loans	1,474,397	(68,247)	(131,630)	1,542,644	1,606,027
Housing loans	422,168	(8,425)	(19,647)	430,593	441,815
Unsecured loans	120,060	(7,740)	(15,474)	127,800	135,534
Corporate investment real estate loans	76,831	19,357	36,518	57,474	40,313
Structured finance	141,185	14,727	58,460	126,458	82,725
Total	1,812,474	(41,902)	(52,125)	1,854,376	1,864,599

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

(%)

	Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
The ratio of loans to small- and medium-sized enterprises, etc.	94.65	(0.06)	(0.85)	94.71	95.50

(Note) "Loans to small- and medium-sized enterprises" includes consumer loans which comprise 78.38% of this total.

7. Loan breakdown by country

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

Not applicable.

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

Not applicable.

8. Deposits and loans (Non-consolidated)

(Millions of yen)

		Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Deposits	period-end balance	3,259,560	(96,180)	(51,615)	3,355,740	3,311,175
	average balance	3,322,813	(16,664)	(23,877)	3,339,477	3,346,690
Loans	period-end balance	2,034,014	(46,136)	(44,068)	2,080,150	2,078,082
	average balance	2,058,120	(27,408)	(54,838)	2,085,528	2,112,958

9. Number of branches (Non-consolidated)

(Branches)

	Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Number of branches	111	(2)	(6)	113	117

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Sep. 30, 2023				Mar. 31, 2023				Sep. 30, 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	347,242	700	15,750	15,049	292,026	(1,270)	8,239	9,509	432,636	(15,832)	8,713	24,546
Stocks	39,041	15,688	15,718	29	15,598	7,741	7,841	100	16,678	8,403	8,666	263
Bonds	187,977	(3,177)	27	3,204	154,701	(324)	397	721	171,353	(1,241)	47	1,288
Others	120,224	(11,809)	5	11,815	121,726	(8,687)	-	8,687	244,603	(22,995)	-	22,995

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

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

Consolidated

(Millions of yen)

	Sep. 30, 2023				Mar. 31, 2023				Sep. 30, 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	348,269	1,631	16,680	15,049	292,880	(511)	8,997	9,509	433,442	(15,123)	9,423	24,546
Stocks	40,067	16,618	16,648	29	16,453	8,499	8,600	100	17,484	9,113	9,376	263
Bonds	187,977	(3,177)	27	3,204	154,701	(324)	397	721	171,353	(1,241)	47	1,288
Others	120,224	(11,809)	5	11,815	121,726	(8,687)	-	8,687	244,603	(22,995)	-	22,995

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

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

V. Retirement benefits

1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	Six months ended Sep. 30, 2023	Six months ended Sep. 30, 2022
Service cost	208	205
Interest cost	48	48
Expected returns on plan assets	(478)	(483)
Amortization of unrecognized net actuarial gains (losses)	(269)	(490)
Others (Note)	104	108
Retirement benefit expenses	(386)	(611)

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

Consolidated

(Millions of yen)

	Six months ended Sep. 30, 2023	Six months ended Sep. 30, 2022
Service cost (Note1)	219	216
Interest cost	48	48
Expected returns on plan assets	(478)	(483)
Amortization of unrecognized net actuarial gains (losses)	(269)	(490)
Others (Note2)	116	121
Retirement benefit expenses	(362)	(586)

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

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