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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 10, 2024

Company name: THE TOCHIGI BANK, LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8550
 URL: <https://www.tochigibank.co.jp>
 Representative: Junnosuke Kuromoto, President
 Contact: Takashi Ogiwara, Director, General Manager of Corporate Planning Division
 Phone: +81-28-633-1241
 Scheduled date of annual general shareholders' meeting: June 27, 2024
 Scheduled date of commencing dividend payments: June 28, 2024
 Scheduled date of filing securities report: June 27, 2024
 Establishment of specific transaction accounts: None
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	45,276	0.1	4,234	(16.3)	2,101	(20.8)
March 31, 2023	45,222	8.6	5,062	(9.2)	2,652	(26.9)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥(2,480) million [-%]
 Fiscal year ended March 31, 2023: ¥(6,776) million [-%]

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of ordinary profit to ordinary income
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	20.29	–	1.4	0.1	9.4
March 31, 2023	25.59	25.53	1.7	0.1	11.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	3,314,542	151,761	4.5	1,450.18
As of March 31, 2023	3,279,153	154,878	4.7	1,481.70

(Reference) Equity: As of March 31, 2024: ¥150,198 million
 As of March 31, 2023: ¥153,413 million

(Note) “Equity ratio” is calculated by dividing (Total net assets at end of period – Non-controlling interests at end of period) by Total assets at end of period. This “Equity ratio” is not the equity ratio provided for in the regulatory notices pertaining to capital adequacy ratio.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	14,558	(4,918)	(636)	572,358
March 31, 2023	(290,895)	(32,437)	(904)	563,356

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	3.00	–	3.00	6.00	630	23.7	0.4
Fiscal year ended March 31, 2024	–	3.00	–	3.00	6.00	630	30.0	0.4
Fiscal year ending March 31, 2025 (Forecast)	–	3.50	–	3.50	7.00		20.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	21,000	(0.4)	2,900	(16.1)	1,800	(2.3)	17.38
Full year	43,000	(5.0)	5,900	39.3	3,600	71.3	34.76

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review

(Changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

March 31, 2024: 109,608,000 shares

March 31, 2023: 109,608,000 shares

2) Total number of treasury shares at the end of the year:

March 31, 2024: 6,035,589 shares

March 31, 2023: 6,068,966 shares

3) Average number of shares during the year:

Year ended March 31, 2024: 103,561,970 shares

Year ended March 31, 2023: 103,675,225 shares

(Note) The Bank has introduced board benefit trust (BBT). The total number of treasury shares at the end of the year includes shares of the Bank (1,550,000 shares as of March 31, 2023, 1,521,400 shares as of March 31, 2024) held by BBT. The average number of shares during the year includes the average number of shares (975,602 shares during the year ended March 31, 2023, 1,531,957 shares during the year ended March 31, 2024) held by BBT as the treasury shares to be deducted.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	40,265	(1.1)	3,462	(20.6)	1,756	(21.0)
March 31, 2023	40,703	11.0	4,362	(1.1)	2,223	(28.2)

	Profit per share	Diluted profit per share
Year ended	Yen	Yen
March 31, 2024	16.96	—
March 31, 2023	21.45	21.40

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	3,293,396	140,105	4.3	1,352.73
As of March 31, 2023	3,262,940	147,207	4.5	1,421.76

(Reference) Equity: As of March 31, 2024: ¥140,105 million

As of March 31, 2023: ¥147,207 million

(Note) “Equity ratio” is calculated by dividing Total net assets at end of period by Total assets at end of period. This “Equity ratio” is not the equity ratio provided for in the regulatory notices pertaining to capital adequacy ratio.

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Profit		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,000	(3.4)	2,700	(11.2)	1,700	1.4	16.41
Full year	37,000	(8.1)	5,300	53.1	3,300	87.9	31.86

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.* Explanation of the appropriate use of financial results forecast and other notes

The financial results forecast and other forward-looking statements herein are based on information currently available to the Bank and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to various factors.

Table of Contents - Attachments

1. Operating Results	
(1) Analysis of Operating Results	2
(2) Analysis of Financial Position	2
(3) Basic Policy on Distribution of Profit and Dividends for the Fiscal Year under Review and the Following Fiscal Year	3
2. Basic Policy on Selection of Accounting Standards	3
3. Consolidated Financial Statements and Principal Notes	
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income	6
(3) Consolidated Statements of Changes in Equity	8
(4) Consolidated Statements of Cash Flows	10
(5) Notes to Consolidated Financial Statements	
(Notes on going concern assumption)	12
(Significant accounting policies for preparation of consolidated financial statements)	12
(Changes in accounting policies)	12
(Additional information)	12
(Segment information, etc.)	13
(Per share information)	16
(Significant subsequent events)	16
4. Non-consolidated Financial Statements	
(1) Non-consolidated Balance Sheets	17
(2) Non-consolidated Statements of Income	19
(3) Non-consolidated Statements of Changes in Equity	21
Financial Results Presentation Material	
I Overview of Financial Results for Fiscal Year Ended March 31, 2024	
1. Status of Profit and Loss [Non-consolidated] [Consolidated]	23
2. Main Accounts [Non-consolidated]	26
3. Margin [Non-consolidated]	27
4. Securities-Related Profit and Loss [Non-consolidated]	27
5. Valuation Gain and Loss on Securities with Market Value [Non-consolidated] [Consolidated]	28
6. Capital Adequacy Ratio (domestic standard) [Non-consolidated] [Consolidated]	29
II Status of Loans and Bills Discounted, Etc. [Non-consolidated]	
1. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Non-consolidated]...	30
2. Status of Preservation of Loans Based on the Financial Reconstruction Act [Non-consolidated]	30
3. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Consolidated]	31
4. Loans and Bills Discounted by Business Type	32
5. Consumer Loan Balance	32

1. Operating Results

(1) Analysis of Operating Results

• Operating Results for the Fiscal Year Under Review

The financial results for the fiscal year under review were as follows:

Ordinary income increased by 54 million yen from the previous fiscal year to 45,276 million yen due in part to increases in interest on loans and discounts and in fees and commissions, despite a decrease in interest and dividends on securities.

Ordinary expenses increased by 881 million yen from the previous fiscal year to 41,041 million yen due in part to an increase in costs for loans written-off.

As a result, ordinary profit decreased by 827 million yen from the previous fiscal year to 4,234 million yen and profit attributable to owners of parent decreased by 551 million yen from the previous fiscal year to 2,101 million yen.

As for the status of the segments by business type, in the Banking Business, ordinary income decreased by 440 million yen from the previous fiscal year to 40,254 million yen and segment profit decreased by 895 million yen from the previous fiscal year to 3,472 million yen. In the Financial Instruments Business, ordinary income increased by 232 million yen from the previous fiscal year to 2,473 million yen and segment profit increased by 164 million yen from the previous fiscal year to 477 million yen.

• Outlook for the following fiscal year

As for the consolidated financial results forecast for the fiscal year ending March 31, 2025, the Bank expects ordinary income of 43,000 million yen, ordinary profit of 5,900 million yen, and profit attributable to owners of parent of 3,600 million yen.

While the above financial results forecast is based on currently available information, actual business performance may vary due in part to changes in the business environment in the future. Should any matter requiring disclosure arise, the Bank will make a prompt announcement.

(2) Analysis of Financial Position

(i) Status of assets, liabilities, and net assets

Assets at the end of the fiscal year under review increased by 35.3 billion yen from the end of the previous fiscal year to 3,314.5 billion yen due in part to an increase in loans and bills discounted. Liabilities increased by 38.5 billion yen from the end of the previous fiscal year to 3,162.7 billion yen due in part to an increase in deposits. Net assets decreased by 3.1 billion yen from the end of the previous fiscal year to 151.7 billion yen due in part to a decrease in valuation difference on available-for-sale securities.

The status of main accounts is as follows:

• Deposits

The balance of deposits increased by 53.6 billion yen from the end of the previous fiscal year to 3,110.1 billion yen due in part to an increase in personal deposits.

• Loans and bills discounted

The balance of loans and bills discounted increased by 27.6 billion yen from the end of the previous fiscal year to 2,060.0 billion yen due to an increase in loans to individuals and small and medium-sized businesses.

• Securities

Investment has been made with a close attention to market trends. As a result, the balance of securities decreased by 11.1 billion yen from the end of the previous fiscal year to 606.7 billion yen.

(ii) Status of cash flows

The status of cash flows is as follows:

Net cash provided by operating activities was 14,558 million yen due in part to an increase in deposits (an increase of 305,453 million yen from the previous fiscal year).

Net cash used in investing activities was 4,918 million yen due in part to purchase of tangible fixed assets (an increase of 27,518 million yen from the previous fiscal year).

Net cash used in financing activities was 636 million yen due in part to dividends paid (an increase of 267 million yen from the previous fiscal year).

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year under review increased by 9,002 million yen from the end of the previous fiscal year to 572,358 million yen.

(3) Basic Policy on Distribution of Profit and Dividends for the Fiscal Year under Review and the Following Fiscal Year

In light of its public nature as a bank, it is the basic policy of the Bank to strive for sound management and greater internal reserves and maintain stable dividend distribution to secure the trust of customers and local communities.

The Bank intends to pay 3.00 yen per share as the year-end dividend for the fiscal year ended March 31, 2024. As a result, combining the interim dividend of 3.00 yen, the annual dividend per share will be 6.00 yen.

Under its shareholder returns policy, the Bank has set the total return ratio to profit attributable to owners of parent, combining dividend payment and purchase of treasury shares, to be around 30% to 35%. In line with this policy, the Bank plans to pay an annual dividend of 7.00 yen per share for the dividends for the following fiscal year, consisting of an interim dividend of 3.50 yen per share and a year-end dividend of 3.50 yen per share. In addition, taking into account market conditions and the total return ratio, the Bank will consider purchasing treasury shares as appropriate.

The Bank intends to make effective use of the internal reserves by continuing investment in branches and IT to improve services for customers as well as to enhance the management base and strengthen the management structure.

2. Basic Policy on Selection of Accounting Standards

The Group's business is currently limited to operations in Japan, without activities in overseas countries. Accordingly, the Group intends to apply the Japanese accounting standards for the time being. It is the Group's policy to consider the application of the International Financial Reporting Standards (IFRS) taking into consideration the future trends in the application of the IFRS by other Japanese companies in the same industry.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	572,443	585,706
Call loans and bills bought	1,339	1,098
Trading securities	7	4
Money held in trust	703	600
Securities	617,844	606,717
Loans and bills discounted	2,032,386	2,060,027
Foreign exchanges	740	678
Other assets	29,357	29,217
Tangible fixed assets	19,660	20,350
Buildings, net	5,765	5,629
Land	12,105	12,147
Construction in progress	437	640
Other tangible fixed assets	1,351	1,932
Intangible fixed assets	694	1,169
Software	543	1,019
Other intangible fixed assets	150	150
Retirement benefit asset	4,005	10,232
Deferred tax assets	9,964	8,180
Customers' liabilities for acceptances and guarantees	2,291	2,265
Allowance for loan losses	(12,284)	(11,704)
Total assets	3,279,153	3,314,542
Liabilities		
Deposits	3,056,435	3,110,102
Negotiable certificates of deposit	985	-
Borrowed money	41,748	34,125
Foreign exchanges	7	5
Other liabilities	20,126	13,402
Provision for bonuses	845	875
Provision for bonuses for directors (and other officers)	26	26
Retirement benefit liability	277	335
Provision for retirement benefits for directors (and other officers)	6	10
Provision for management board benefit trust	130	164
Provision for reimbursement of deposits	254	266
Provision for contingent loss	258	357
Reserves under special laws	8	12
Deferred tax liabilities for land revaluation	871	833
Acceptances and guarantees	2,291	2,265
Total liabilities	3,124,274	3,162,781

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Share capital	27,408	27,408
Capital surplus	30,036	30,036
Retained earnings	118,085	119,431
Treasury shares	(2,324)	(2,314)
Total shareholders' equity	173,205	174,561
Valuation difference on available-for-sale securities	(19,493)	(27,715)
Revaluation reserve for land	(761)	(637)
Remeasurements of defined benefit plans	462	3,989
Total accumulated other comprehensive income	(19,792)	(24,363)
Non-controlling interests	1,465	1,562
Total net assets	154,878	151,761
Total liabilities and net assets	3,279,153	3,314,542

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Ordinary income	45,222	45,276
Interest income	29,156	28,484
Interest on loans and discounts	20,387	20,883
Interest and dividends on securities	7,862	6,746
Interest on call loans and bills bought	37	59
Interest on deposits with banks	867	790
Other interest income	1	4
Fees and commissions	9,308	9,905
Other ordinary income	1,795	1,080
Other income	4,961	5,804
Recoveries of written off receivables	220	322
Other	4,740	5,482
Ordinary expenses	40,160	41,041
Interest expenses	148	115
Interest on deposits	116	74
Interest on negotiable certificates of deposit	0	0
Interest on call money and bills sold	–	(0)
Interest expenses on cash collateral received for securities lent	–	0
Interest on borrowings and rediscounts	31	40
Other interest expenses	0	0
Fees and commissions payments	3,666	3,910
Other ordinary expenses	7,400	4,744
General and administrative expenses	23,168	23,861
Other expenses	5,775	8,410
Provision of allowance for loan losses	1,002	2,040
Other	4,772	6,369
Ordinary profit	5,062	4,234
Extraordinary income	107	11
Gain on disposal of non-current assets	8	11
Gain on reversal of share acquisition rights	98	–
Extraordinary losses	993	888
Loss on disposal of non-current assets	30	81
Provision of reserve for financial instruments transaction liabilities	–	3
Impairment losses	831	803
Provision for share-based remuneration for directors (and other officers)	130	–
Profit before income taxes	4,176	3,357
Income taxes - current	917	1,770
Income taxes - deferred	505	(627)
Total income taxes	1,422	1,142
Profit	2,753	2,214
Profit attributable to non-controlling interests	100	113
Profit attributable to owners of parent	2,652	2,101

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	2,753	2,214
Other comprehensive income	(9,529)	(4,695)
Valuation difference on available-for-sale securities	(8,817)	(8,221)
Remeasurements of defined benefit plans, net of tax	(712)	3,526
Comprehensive income	(6,776)	(2,480)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,877)	(2,594)
Comprehensive income attributable to non-controlling interests	100	113

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	27,408	30,036	116,366	(2,311)	171,500
Changes during period					
Dividends of surplus			(628)		(628)
Profit attributable to owners of parent			2,652		2,652
Purchase of treasury shares				(722)	(722)
Disposal of treasury shares		(222)		709	486
Transfer of loss on disposal of treasury shares		222	(222)		–
Reversal of revaluation reserve for land			(82)		(82)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,718	(13)	1,705
Balance at end of period	27,408	30,036	118,085	(2,324)	173,205

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(10,676)	(843)	1,175	(10,344)	137	1,365	162,657
Changes during period							
Dividends of surplus							(628)
Profit attributable to owners of parent							2,652
Purchase of treasury shares							(722)
Disposal of treasury shares							486
Transfer of loss on disposal of treasury shares							–
Reversal of revaluation reserve for land							(82)
Net changes in items other than shareholders' equity	(8,817)	82	(712)	(9,447)	(137)	99	(9,484)
Total changes during period	(8,817)	82	(712)	(9,447)	(137)	99	(7,779)
Balance at end of period	(19,493)	(761)	462	(19,792)	–	1,465	154,878

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	27,408	30,036	118,085	(2,324)	173,205
Changes during period					
Dividends of surplus			(630)		(630)
Profit attributable to owners of parent			2,101		2,101
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Reversal of revaluation reserve for land			(124)		(124)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,346	9	1,355
Balance at end of period	27,408	30,036	119,431	(2,314)	174,561

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(19,493)	(761)	462	(19,792)	1,465	154,878
Changes during period						
Dividends of surplus						(630)
Profit attributable to owners of parent						2,101
Purchase of treasury shares						(0)
Disposal of treasury shares						9
Reversal of revaluation reserve for land						(124)
Net changes in items other than shareholders' equity	(8,221)	124	3,526	(4,570)	97	(4,473)
Total changes during period	(8,221)	124	3,526	(4,570)	97	(3,117)
Balance at end of period	(27,715)	(637)	3,989	(24,363)	1,562	151,761

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,176	3,357
Depreciation	1,112	1,078
Impairment losses	831	803
Increase (decrease) in allowance for loan losses	407	(579)
Increase (decrease) in provision for bonuses	(87)	30
Increase (decrease) in provision for bonuses for directors (and other officers)	5	–
Decrease (increase) in retirement benefit asset	(1,251)	(1,110)
Increase (decrease) in retirement benefit liability	8	15
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5	3
Increase (decrease) in provision for share awards for directors (and other officers)	130	33
Increase (decrease) in provision for reimbursement of deposits	(4)	12
Increase (decrease) in provision for contingent loss	36	99
Interest income	(29,156)	(28,484)
Interest expenses	148	115
Loss (gain) related to securities	6,272	4,928
Loss (gain) on money held in trust	(3)	(2)
Foreign exchange losses (gains)	8	–
Loss (gain) on disposal of non-current assets	21	70
Net decrease (increase) in loans and bills discounted	(77,653)	(27,641)
Net increase (decrease) in deposits	40,595	52,675
Net increase (decrease) in negotiable certificates of deposit	(4)	(985)
Net increase (decrease) in borrowed money	(272,051)	(7,622)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(176)	(3,269)
Net decrease (increase) in call loans	1,294	240
Net decrease (increase) in foreign exchanges - assets	188	62
Net increase (decrease) in foreign exchanges - liabilities	(3)	(1)
Interest received	29,962	29,316
Interest paid	(184)	(147)
Other, net	4,724	(7,786)
Subtotal	(290,644)	15,210
Income taxes paid	(973)	(1,501)
Income taxes refund	723	850
Net cash provided by (used in) operating activities	(290,895)	14,558

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of securities	(280,764)	(225,334)
Proceeds from sale of securities	237,824	204,494
Proceeds from redemption of securities	11,459	18,931
Decrease in money held in trust	134	106
Purchase of tangible fixed assets	(1,068)	(2,454)
Proceeds from sale of tangible fixed assets	186	30
Purchase of intangible fixed assets	(235)	(752)
Payments of leasehold and guarantee deposits	(0)	(0)
Proceeds from refund of leasehold and guarantee deposits	26	59
Net cash provided by (used in) investing activities	(32,437)	(4,918)
Cash flows from financing activities		
Dividends paid	(628)	(630)
Dividends paid to non-controlling interests	(15)	(15)
Proceeds from share issuance to non-controlling shareholders	14	–
Purchase of treasury shares	(722)	(0)
Proceeds from sale of treasury shares	447	9
Net cash provided by (used in) financing activities	(904)	(636)
Effect of exchange rate change on cash and cash equivalents	(8)	–
Net increase (decrease) in cash and cash equivalents	(324,246)	9,002
Cash and cash equivalents at beginning of period	887,602	563,356
Cash and cash equivalents at end of period	563,356	572,358

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant accounting policies for preparation of consolidated financial statements)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Additional information)

(Assumptions in estimating allowance for loan losses)

With regard to the impact of COVID-19 on the economic activity, as the legal status of COVID-19 was downgraded to Class 5 in May 2023, the economic activity has entered a recovery phase.

Since the impact of COVID-19 on the economic activity is already in the recovery phase, the financial position of certain borrowers, which deteriorated as a result of the infection, has yet to recover. For these borrowers, the Bank has decided the borrower classification in consideration of the prospects for business improvement. At the same time, in view of uncertainties as to whether borrowers will be able to continuously secure profits and cash flows necessary to improve the financial position, the Bank has estimated such effects for borrowers where the uncertainties still exist, and made necessary adjustments to its projected loss ratio and posted an allowance for loan losses of 1,701 million yen as of the end of the fiscal year under review (1,911 million yen as of the end of the previous fiscal year).

The Bank has made necessary adjustments to the above projected loss ratio since the fiscal year ended March 31, 2021, and there were no new borrowers subject to the necessary adjustments as of the end of the fiscal year under review.

The amount of allowance for loan losses may increase or decrease at the end of the next financial year if the underlying assumptions for these estimates change.

Given the absence of precedent or standardized view to serve as a reference on the possibility of recovery of the financial position of borrowers, which has deteriorated due to the impact of the infection, the Bank has made its best possible estimates based on external and internal information currently available, and under certain assumptions.

(Performance-linked share-based remuneration plan using board benefit trust)

The Bank has introduced a board benefit trust (hereinafter, the “BBT”) as a performance-linked share-based remuneration plan. The objective of the BBT is to further clarify the link between remuneration provided to Directors of the Bank (excluding Outside Directors) and the Bank’s business performance and share value and thereby increase Directors’ motivation to contribute to improving the Bank’s medium- to long-term business performance and increasing its corporate value by sharing with shareholders not only benefits of share price increases but also risks associated with share price declines.

(i) Overview of the BBT

The BBT is a performance-linked share-based remuneration plan under which shares of the Bank are acquired through a trust (hereinafter, the trust established under the BBT is referred to as the “Trust”) using money contributed by the Bank as the funds, and shares of the Bank and money equivalent to the amount of shares of the Bank converted based on fair value (hereinafter, “Shares of the Bank, etc.”) are delivered to Directors through the Trust in accordance with the Regulations on Share Delivery to Officers stipulated by the Bank. In principle, Directors receive delivery of Shares of the Bank, etc. when they retire from office as Director.

(ii) Shares of the Bank remaining in the Trust

Shares of the Bank remaining in the Trust are recorded as treasury shares under shareholders' equity, and the book value and number of said treasury shares as of the end of the fiscal year under review were 438 million yen and 1,521 thousand shares, respectively.

(Segment information, etc.)

1. Overview of reportable segments

The Group engages in businesses related to financial service including not only the core banking business but also the leasing business, the credit card business, the financial instruments business and the renewable energy generation and sales business. The reportable segments consist of "Banking Business" and "Financial Instruments Business," and the "Others" segment includes leasing business, credit card business, renewable energy generation and sales business, etc.

"Banking Business" engages in deposit operations, lending operations, domestic/foreign exchange operations, etc., and includes the Bank and two consolidated subsidiaries which mainly engage in operations entrusted by the Bank. "Financial Instruments Business" is comprised of Tochigin Tokai Tokyo Securities Co., Ltd., a consolidated subsidiary which engages in securities brokerage, etc.

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

The accounting method for the reported business segments is the same as the accounting method used in preparing the consolidated financial statements. Profit figures for reportable segments are based on ordinary profit, and the inter-segment transactions are based on third-party prices.

3. Information concerning amount of ordinary income, profit or loss, assets and other items by reportable segment
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Others	Total	Adjustments	Amount recorded in Consolidated Financial Statements
	Banking Business	Financial Instruments Business	Total				
Ordinary income							
Ordinary income from outside customers	40,220	2,239	42,460	2,761	45,222	–	45,222
Inter-segment ordinary income	473	1	475	644	1,119	(1,119)	–
Total	40,694	2,241	42,935	3,406	46,342	(1,119)	45,222
Segment profit	4,368	312	4,680	410	5,091	(29)	5,062
Segment assets	3,262,946	9,691	3,272,637	13,042	3,285,680	(6,527)	3,279,153
Other items							
Depreciation	929	62	992	31	1,023	89	1,112
Interest income	29,175	33	29,208	5	29,213	(56)	29,156
Interest expenses	116	24	141	35	176	(28)	148
Provision (reversal) of allowance for loan losses	1,113	–	1,113	(111)	1,002	0	1,002
Increases in tangible fixed assets and intangible fixed assets	1,140	58	1,198	27	1,226	77	1,304

- (Notes) 1. Ordinary income is stated for each segment in lieu of net sales of general companies.
2. “Others” is a business segment that is not included in the reportable segments, which is comprised of the leasing business, the credit card business, etc.
3. Adjustments represent eliminations for inter-segment transactions.
4. Segment profit is adjusted with ordinary profit in the Consolidated Statements of Income.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Others	Total	Adjustments	Amount recorded in Consolidated Financial Statements
	Banking Business	Financial Instruments Business	Total				
Ordinary income							
Ordinary income from outside customers	39,789	2,472	42,262	3,013	45,276	–	45,276
Inter-segment ordinary income	464	0	465	626	1,091	(1,091)	–
Total	40,254	2,473	42,727	3,640	46,368	(1,091)	45,276
Segment profit	3,472	477	3,949	313	4,263	(28)	4,234
Segment assets	3,293,390	10,559	3,303,950	14,066	3,318,016	(3,473)	3,314,542
Other items							
Depreciation	966	53	1,020	48	1,068	9	1,078
Interest income	28,491	43	28,534	5	28,540	(55)	28,484
Interest expenses	74	32	107	33	141	(26)	115
Provision (reversal) of allowance for loan losses	2,089	–	2,089	(48)	2,040	(0)	2,040
Increases in tangible fixed assets and intangible fixed assets	2,693	4	2,698	402	3,101	210	3,312

- (Notes)
1. Ordinary income is stated for each segment in lieu of net sales of general companies.
 2. “Others” is a business segment that is not included in the reportable segments, which is comprised of the leasing business, the credit card business, etc.
 3. Adjustments represent eliminations for inter-segment transactions.
 4. Segment profit is adjusted with ordinary profit in the Consolidated Statements of Income.

(Per share information)

1. Net assets per share and the basis for calculation

		As of March 31, 2024
Net assets per share	Yen	1,450.18
(Basis for calculation)		
Total net assets	Million yen	151,761
Amount deducted from total net assets	Million yen	1,562
(Share acquisition rights)	Million yen	—
(Non-controlling interests)	Million yen	1,562
Net assets relating to common shares at end of period	Million yen	150,198
Number of shares of common shares at end of period used to calculate net assets per share	Thousand shares	103,572

(Note) The Bank has introduced board benefit trust (BBT). The shares of the Bank remaining in BBT is included in the treasury shares to be deducted from the number of shares of common shares at end of period used to calculate net assets per share. The number of such shares included in the treasury shares to be deducted is 1,521 thousand shares as of March 31, 2024.

2. The basis for calculation of profit per share and diluted profit per share

		For the fiscal year ended March 31, 2024
(1) Profit per share	Yen	20.29
(Basis for calculation)		
Profit attributable to owners of parent	Million yen	2,101
Amount not attributable to common shareholders	Million yen	—
Profit attributable to owners of parent relating to common shares	Million yen	2,101
Average number of common shares during period	Thousand shares	103,561
(2) Diluted profit per share	Yen	—
(Basis for calculation)		
Adjustment for profit attributable to owners of parent relating to common shares	Million yen	—
Increase in number of shares of common shares	Thousand shares	—
Share acquisition rights	Thousand shares	—
Overview of potentially dilutive shares not included in the calculation of diluted profit per share due to their non-dilutive effect		—

(Note) The Bank has introduced board benefit trust (BBT). The shares of the Bank remaining in BBT is included in the treasury shares to be deducted in calculating the average number of common shares during the period when calculating the profit per share and diluted profit per share. The average number of such shares during the period included in the treasury shares to be deducted is 1,531 thousand shares for the fiscal year ended March 31, 2024.

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	570,410	582,223
Cash	48,333	40,606
Due from banks	522,077	541,617
Call loans	1,339	1,098
Trading securities	7	4
Trading government bonds	7	4
Money held in trust	703	600
Securities	620,626	609,475
Government bonds	192,205	148,226
Local government bonds	71,419	69,707
Corporate bonds	118,100	112,206
Stocks	14,430	14,661
Other securities	224,471	264,674
Loans and bills discounted	2,031,741	2,060,553
Bills discounted	4,738	4,658
Loans on bills	75,996	78,046
Loans on deeds	1,833,093	1,842,765
Overdrafts	117,913	135,082
Foreign exchanges	740	678
Due from foreign banks (our accounts)	740	678
Other assets	13,641	13,019
Accrued revenue	2,239	2,072
Other	11,401	10,946
Tangible fixed assets	19,221	19,359
Buildings, net	5,683	5,548
Land	12,053	12,095
Leased assets, net	241	276
Construction in progress	437	570
Other tangible fixed assets	805	867
Intangible fixed assets	576	1,085
Software	430	940
Leased assets	21	16
Other intangible fixed assets	123	128
Prepaid pension costs	3,340	4,450
Deferred tax assets	10,117	9,873
Customers' liabilities for acceptances and guarantees	2,291	2,265
Allowance for loan losses	(11,818)	(11,290)
Total assets	3,262,940	3,293,396

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Deposits	3,058,485	3,111,935
Current deposits	70,062	71,671
Ordinary deposits	2,031,794	2,142,218
Savings deposits	37,234	37,027
Deposits at notice	313	218
Time deposits	901,555	843,977
Installment savings	9,951	8,402
Other deposits	7,573	8,420
Negotiable certificates of deposit	985	–
Borrowed money	38,600	31,100
Borrowings from other banks	38,600	31,100
Foreign exchanges	7	5
Foreign bills payable	7	5
Other liabilities	13,050	5,548
Income taxes payable	461	641
Accrued expenses	628	545
Unearned revenue	1,020	1,031
Reserve for interest on installment savings	0	0
Financial derivatives	154	196
Lease liabilities	272	300
Other	10,511	2,831
Provision for bonuses	739	759
Provision for bonuses for directors (and other officers)	17	17
Provision for retirement benefits	41	37
Provision for management board benefit trust	130	164
Provision for reimbursement of deposits	254	266
Provision for contingent loss	258	357
Deferred tax liabilities for land revaluation	871	833
Acceptances and guarantees	2,291	2,265
Total liabilities	3,115,733	3,153,291
Net assets		
Share capital	27,408	27,408
Capital surplus	26,150	26,150
Legal capital surplus	26,150	26,150
Retained earnings	116,226	117,228
Legal retained earnings	1,745	1,745
Other retained earnings	114,481	115,483
General reserve	106,987	106,987
Retained earnings brought forward	7,494	8,496
Treasury shares	(2,324)	(2,314)
Total shareholders' equity	167,461	168,472
Valuation difference on available-for-sale securities	(19,492)	(27,730)
Revaluation reserve for land	(761)	(637)
Total valuation and translation adjustments	(20,254)	(28,367)
Total net assets	147,207	140,105
Total liabilities and net assets	3,262,940	3,293,396

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Ordinary income	40,703	40,265
Interest income	29,175	28,491
Interest on loans and discounts	20,382	20,866
Interest and dividends on securities	7,885	6,769
Interest on call loans	37	59
Interest on deposits with banks	867	790
Other interest income	1	4
Fees and commissions	8,339	8,632
Fees and commissions on domestic and foreign exchanges	1,424	1,439
Other fees and commissions	6,915	7,193
Other ordinary income	968	323
Gain on foreign exchange transactions	17	6
Net gain on trading securities transactions	–	0
Gain on sale of bonds	627	23
Gain on redemption of bonds	1	–
Other	321	293
Other income	2,220	2,817
Recoveries of written off receivables	220	321
Gain on sale of equity securities	1,261	1,987
Gain on money held in trust	3	2
Other	734	505
Ordinary expenses	36,341	36,802
Interest expenses	116	74
Interest on deposits	116	74
Interest on negotiable certificates of deposit	0	0
Interest on call money	–	(0)
Interest expenses on cash collateral received for securities lent	–	0
Interest on borrowings and rediscounts	0	0
Fees and commissions payments	3,912	4,138
Fees and commissions on domestic and foreign exchanges	145	145
Other fees and commissions	3,766	3,993
Other ordinary expenses	7,400	4,744
Net loss on trading securities transactions	0	–
Loss on sale of bonds	6,985	4,390
Loss on devaluation of bonds	32	150
Loss on financial derivatives	67	110
Other	314	93
General and administrative expenses	21,059	21,688
Other expenses	3,852	6,156
Provision of allowance for loan losses	1,104	2,092
Write-off of loans	1,330	1,347
Loss on sale of equity securities	1,086	2,399
Loss on devaluation of equity securities	9	0
Other	320	317
Ordinary profit	4,362	3,462

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Extraordinary income	98	–
Gain on reversal of share acquisition rights	98	–
Extraordinary losses	982	884
Loss on disposal of non-current assets	20	81
Impairment losses	831	803
Provision for share-based remuneration for directors (and other officers)	130	–
Profit before income taxes	3,478	2,577
Income taxes - current	775	1,432
Income taxes - deferred	478	(611)
Total income taxes	1,254	821
Profit	2,223	1,756

(3) Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	
					General reserve			
Balance at beginning of period	27,408	26,150	–	26,150	1,745	106,987	6,204	114,937
Changes during period								
Dividends of surplus							(628)	(628)
Profit							2,223	2,223
Purchase of treasury shares								
Disposal of treasury shares			(222)	(222)				
Transfer of loss on disposal of treasury shares			222	222			(222)	(222)
Reversal of revaluation reserve for land							(82)	(82)
Net changes in items other than shareholders' equity								
Total changes during period	–	–	–	–	–	–	1,289	1,289
Balance at end of period	27,408	26,150	–	26,150	1,745	106,987	7,494	116,226

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(2,311)	166,184	(10,680)	(843)	(11,523)	137	154,798
Changes during period							
Dividends of surplus		(628)					(628)
Profit		2,223					2,223
Purchase of treasury shares	(722)	(722)					(722)
Disposal of treasury shares	709	486					486
Transfer of loss on disposal of treasury shares		–					–
Reversal of revaluation reserve for land		(82)					(82)
Net changes in items other than shareholders' equity			(8,812)	82	(8,730)	(137)	(8,867)
Total changes during period	(13)	1,276	(8,812)	82	(8,730)	(137)	(7,591)
Balance at end of period	(2,324)	167,461	(19,492)	(761)	(20,254)	–	147,207

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	27,408	26,150	26,150	1,745	106,987	7,494	116,226
Changes during period							
Dividends of surplus						(630)	(630)
Profit						1,756	1,756
Purchase of treasury shares							
Disposal of treasury shares							
Reversal of revaluation reserve for land						(124)	(124)
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	1,001	1,001
Balance at end of period	27,408	26,150	26,150	1,745	106,987	8,496	117,228

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(2,324)	167,461	(19,492)	(761)	(20,254)	147,207
Changes during period						
Dividends of surplus		(630)				(630)
Profit		1,756				1,756
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	9	9				9
Reversal of revaluation reserve for land		(124)				(124)
Net changes in items other than shareholders' equity			(8,237)	124	(8,113)	(8,113)
Total changes during period	9	1,011	(8,237)	124	(8,113)	(7,101)
Balance at end of period	(2,314)	168,472	(27,730)	(637)	(28,367)	140,105

Financial Results Presentation Material

I Overview of Financial Results for Fiscal Year Ended March 31, 2024

1. Status of Profit and Loss

[Non-consolidated]

(Million yen)

	Fiscal year ended March 2024	Change from fiscal year ended March 2023	Fiscal year ended March 2023
Gross operating profit	28,489	1,435	27,054
(Excluding gains (losses) on government bonds and other securities)	33,006	(435)	33,442
Domestic gross profit	28,326	1,400	26,926
(Excluding gains (losses) on government bonds and other securities)	32,842	(471)	33,314
Net interest income	28,258	(688)	28,946
Fees and commissions income	4,495	66	4,428
Other operating income	(4,426)	2,022	(6,449)
International gross profit	163	35	127
(Excluding gains (losses) on government bonds and other securities)	163	35	127
Net interest income	157	46	111
Fees and commissions income	(1)	0	(1)
Other operating income	6	(10)	17
Expenses (excluding extraordinary adjustments)	21,825	431	21,394
Personnel expenses	12,035	(73)	12,108
Non-personnel expenses	8,283	385	7,897
Taxes	1,506	118	1,387
Substantial net business profit (Note 1)	6,664	1,004	5,659
Core net business profit (Note 2)	11,181	(866)	12,047
Core net business profit (excluding gains (losses) from cancellation of investment trust)	7,461	(507)	7,968
Provision of general allowance for loan losses (1)	(27)	727	(755)
Net business profit	6,692	276	6,415
Of which, gains (losses) on government bonds and other securities	(4,516)	1,871	(6,388)
Unusual profits and losses	(3,230)	(1,177)	(2,053)
Bad loans disposed (2)	3,683	223	3,460
Written-off of loans	1,347	16	1,330
Provision of individual allowance for loan losses	2,120	260	1,860
Loss on sale of receivables	–	(67)	67
Provision for contingent loss	99	62	36
Cost borne under joint responsibility system of credit guarantee corporations	116	(48)	165
(Costs for loans written-off (1) + (2))	3,655	951	2,704
Reversal of allowance for loan losses (3)	–	–	–

Reversal of provision for contingent loss (4)	–	–	–
Recoveries of written off receivables	321	101	220
Gains (losses) related to equity securities	(412)	(577)	164
Gain on sale of equity securities	1,987	725	1,261
Loss on sale of equity securities	2,399	1,312	1,086
Loss on devaluation of equity securities	0	(9)	9
Other unusual profits and losses	544	(478)	1,022
Ordinary profit	3,462	(900)	4,362
Extraordinary income and losses	(884)	(0)	(884)
Of which, loss (gain) on disposal of non-current assets	(81)	(60)	(20)
Gain on disposal of non-current assets	–	–	–
Loss on disposal of non-current assets	81	60	20
Of which, gain on reversal of share acquisition rights	–	(98)	98
Of which, impairment losses	803	(28)	831
Of which, provision for share-based remuneration for directors (and other officers)	–	(130)	130
Profit before income taxes	2,577	(900)	3,478
Income taxes - current	1,432	656	775
Income taxes - deferred	(611)	(1,090)	478
Total income taxes	821	(433)	1,254
Profit	1,756	(467)	2,223

Costs for loans written-off (1) + (2) – (3) – (4)	3,655	951	2,704
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(Note 1) Substantial net business profit = Net business profit (before transfer to general allowance for loan losses)

(Note 2) Core net business profit = Substantial net business profit – Gain (loss) on bonds

[Consolidated]

(Million yen)

	Fiscal year ended March 2024	Change from fiscal year ended March 2023	Fiscal year ended March 2023
Consolidated gross profit	30,701	1,656	29,045
Net interest income	28,369	(638)	29,008
Fees and commissions income	5,995	353	5,641
Other operating income	(3,663)	1,941	(5,604)
General and administrative expenses	23,861	692	23,168
Costs for loans written-off (1)	3,635	987	2,648
Written-off of loans	1,379	3	1,376
Provision of individual allowance for loan losses	2,119	350	1,769
Provision of general allowance for loan losses	(79)	687	(766)
Loss on sale of receivables	–	(67)	67
Provision for contingent loss	99	62	36
Cost borne under joint responsibility system of credit guarantee corporations	116	(48)	165
Reversal of allowance for loan losses (2)	–	–	–
Recoveries of written off receivables	322	101	220
Gains (losses) related to equity securities	(412)	(577)	164
Others	1,120	(328)	1,448
Ordinary profit	4,234	(827)	5,062
Extraordinary income and losses	(877)	8	(885)
Profit before income taxes	3,357	(818)	4,176
Income taxes - current	1,770	853	917
Income taxes - deferred	(627)	(1,133)	505
Total income taxes	1,142	(280)	1,422
Profit attributable to non-controlling interests	113	12	100
Profit attributable to owners of parent	2,101	(551)	2,652

Costs for loans written-off ((1) - (2))	3,635	987	2,648
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(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other ordinary income - Other ordinary expenses)

(Number of companies in the scope of consolidation)

(No. of companies)

	Fiscal year ended March 2024	Change from fiscal year ended March 2023	Fiscal year ended March 2023
Number of consolidated subsidiaries	6	–	6
Number of equity-method affiliated companies	–	–	–

2. Main Accounts [Non-consolidated]

Balance of deposits

(Million yen)

	March 31,	Change from		September 30,	March 31, 2023
	2024	September 30,	Change from		
		2023	March 31, 2023	2023	
Deposits	3,111,935	(3,042)	53,449	3,114,978	3,058,485
Time deposits	853,811	(33,236)	(59,452)	887,048	913,263
Liquid deposits	2,258,124	30,194	112,902	2,227,929	2,145,222

*Excluding negotiable certificates of deposit.

Balance of loans and bills discounted

(Million yen, %)

	March 31,	Change from		September 30,	March 31, 2023
	2024	September 30,	Change from		
		2023	March 31, 2023	2023	
Loans and bills discounted	2,060,553	63,429	28,811	1,997,123	2,031,741
Loans and bills discounted for individuals, SMEs, etc.	1,555,512	27,119	38,344	1,528,392	1,517,168
Liquid deposits	75.49	(1.03)	0.82	76.52	74.67

Balance of securities

(Million yen)

	March 31,	Change from		September 30,	March 31, 2023
	2024	September 30,	Change from		
		2023	March 31, 2023	2023	
Securities	609,475	(935)	(11,151)	610,410	620,626
Government bonds	148,226	(14,586)	(43,979)	162,812	192,205

Balance of deposit assets

(Million yen)

	March 31,	Change from		September 30,	March 31, 2023
	2024	September 30,	Change from		
		2023	March 31, 2023	2023	
Deposit assets	445,915	15,780	31,498	430,135	414,417
Public bonds	27,257	(568)	1,601	27,825	25,655
Investment trusts	175,226	17,937	29,039	157,289	146,187
Individual pension, etc.	243,431	(1,588)	857	245,019	242,573

3. Margin [Non-consolidated]

(%)

	Fiscal year ended March 2024	Fiscal year ended March 2023	
		Change from fiscal year ended March 2023	Fiscal year ended March 2023
(1) Yield on assets (A)	0.95	0.01	0.94
(A) Yield on loans and bills discounted	1.04	0.03	1.01
(B) Yield on securities	1.05	(0.11)	1.16
(2) Funding costs (B)	0.69	0.02	0.67
(A) Yield on deposits, etc.	0.00	–	0.00
(B) Yield on external liabilities	(0.00)	(0.00)	0.00
(3) Total interest margin (A) - (B)	0.26	(0.01)	0.27
(Reference) Deposit and loan margin (domestic)	0.34	0.02	0.32
(Reference) Total interest margin (domestic)	0.25	(0.01)	0.26

4. Securities-Related Profit and Loss [Non-consolidated]

(Million yen)

	Fiscal year ended March 2024	Fiscal year ended March 2023	
		Change from fiscal year ended March 2023	Fiscal year ended March 2023
Gains (losses) on government bonds and other securities	(4,516)	1,871	(6,388)
Gains on sales	23	(604)	627
Gains on redemption	–	(1)	1
Losses on sales	4,390	(2,594)	6,985
Losses on redemption	–	–	–
Write-offs	150	117	32
Gains (losses) on equity securities	(412)	(577)	164
Gains on sales	1,987	725	1,261
Losses on sales	2,399	1,312	1,086
Write-offs	0	(9)	9

5. Valuation Gain and Loss on Securities with Market Value

[Non-consolidated]

(Million yen)

	March 31, 2024				March 31, 2023		
	Valuation gain and loss	YoY change	Evaluation gain	Evaluation loss	Valuation gain and loss	Evaluation gain	Evaluation loss
Held to maturity	-	-	-	-	-	-	-
Stocks of subsidiaries and affiliates	-	-	-	-	-	-	-
Other securities	(33,766)	(7,419)	5,075	38,841	(26,346)	2,599	28,946
Stocks	4,209	2,636	4,361	151	1,573	2,167	593
Bonds	(14,180)	(3,123)	17	14,198	(11,056)	52	11,108
Others	(23,795)	(6,931)	696	24,491	(16,863)	380	17,243
Total	(33,766)	(7,419)	5,075	38,841	(26,346)	2,599	28,946
Stocks	4,209	2,636	4,361	151	1,573	2,167	593
Bonds	(14,180)	(3,123)	17	14,198	(11,056)	52	11,108
Others	(23,795)	(6,931)	696	24,491	(16,863)	380	17,243

[Consolidated]

(Million yen)

	March 31, 2024				March 31, 2023		
	Valuation gain and loss	YoY change	Evaluation gain	Evaluation loss	Valuation gain and loss	Evaluation gain	Evaluation loss
Held to maturity	-	-	-	-	-	-	-
Stocks of subsidiaries and affiliates	-	-	-	-	-	-	-
Other securities	(33,737)	(7,395)	5,112	38,849	(26,341)	2,612	28,954
Stocks	4,209	2,636	4,361	151	1,573	2,167	593
Bonds	(14,180)	(3,123)	17	14,198	(11,056)	52	11,108
Others	(23,766)	(6,908)	732	24,499	(16,858)	393	17,252
Total	(33,737)	(7,395)	5,112	38,849	(26,341)	2,612	28,954
Stocks	4,209	2,636	4,361	151	1,573	2,167	593
Bonds	(14,180)	(3,123)	17	14,198	(11,056)	52	11,108
Others	(23,766)	(6,908)	732	24,499	(16,858)	393	17,252

6. Capital Adequacy Ratio (domestic standard)

[Non-consolidated]

(Million yen, %)

	March 31, 2024	Change from		September 30, 2023	March 31, 2023
		September 30, 2023	March 31, 2023		
(1) Capital adequacy ratio (2) / (3)	11.13	(0.41)	(0.46)	11.54	11.59
(2) Non-consolidated equity capital	168,781	(651)	(147)	169,433	168,929
(3) Risk assets	1,515,747	48,318	58,715	1,467,429	1,457,032
(4) Total non-consolidated equity capital requirements (3) × 4%	60,629	1,932	2,348	58,697	58,281

[Consolidated]

(Million yen, %)

	March 31, 2024	Change from		September 30, 2023	March 31, 2023
		September 30, 2023	March 31, 2023		
(1) Capital adequacy ratio (2) / (3)	11.43	(0.41)	(0.42)	11.84	11.85
(2) Consolidated equity capital	174,914	(713)	(5)	175,627	174,919
(3) Risk assets	1,529,271	46,078	54,366	1,483,193	1,474,905
(4) Total consolidated equity capital requirements (3) × 4%	61,170	1,843	2,174	59,327	58,996

II Status of Loans and Bills Discounted, Etc. [Non-consolidated]

1. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Non-consolidated]

(Million yen)

	March 31, 2024	Change from September 30, 2023	Change from March 31, 2023	September 30, 2023	March 31, 2023
	Bankrupt and quasi-bankrupt loans	1,848	290	(109)	1,558
Doubtful loans	40,178	(883)	(511)	41,061	40,690
Special attention loans	956	357	250	598	706
Accruing loans contractually past due 3 months or more	44	44	28	0	15
Restructured loans	912	313	221	598	690
Subtotal (A)	42,983	(235)	(370)	43,218	43,354
Normal assets	2,047,180	62,071	30,067	1,985,109	2,017,112
Total (total claims) (B)	2,090,164	61,836	29,697	2,028,327	2,060,467
Ratio to total claims (A) / (B)	2.05%	(0.08)%	(0.05)%	2.13%	2.10%

2. Status of Preservation of Loans Based on the Financial Reconstruction Act [Non-consolidated]

(Million yen)

	March 31, 2024	Change from September 30, 2023	Change from March 31, 2023	September 30, 2023	March 31, 2023
	Amount preserved (C)	30,543	682	1,112	29,861
Allowance for loan losses	6,794	(320)	(494)	7,115	7,289
Provision for possible loss on specific borrowers	—	—	—	—	—
Collateral and guarantees, etc.	23,748	1,002	1,607	22,746	22,141
Preservation rate (C) / (A)	71.05%	1.96%	3.17%	69.09%	67.88%

3. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Consolidated]

(Million yen)

	March 31, 2024	Change from September 30, 2023	Change from March 31, 2023	September 30, 2023	March 31, 2023
	Bankrupt and quasi- bankrupt loans	1,987	254	(143)	1,732
Doubtful loans	40,285	(884)	(519)	41,169	40,804
Special attention loans	956	357	250	598	706
Accruing loans contractually past due 3 months or more	44	44	28	0	15
Restructured loans	912	313	221	598	690
Subtotal (A)	43,228	(272)	(412)	43,500	43,640
Normal assets	2,046,411	61,511	28,936	1,984,900	2,017,475
Total (total claims) (B)	2,089,640	61,239	28,523	2,028,401	2,061,116
Ratio to total claims (A) / (B)	2.06%	(0.08)%	(0.05)%	2.14%	2.11%

4. Loans and Bills Discounted by Business Type

(Million yen)

	March 31, 2024	Change from		September 30, 2023	March 31, 2023
		September 30, 2023	March 31, 2023		
Total loans and bills discounted	2,060,553	63,429	28,811	1,997,123	2,031,741
Manufacturing	169,285	17,079	14,910	152,206	154,375
Agriculture and forestry	10,434	637	714	9,796	9,719
Fishery	2,120	770	770	1,350	1,350
Mining, quarrying, and gravel	860	(1,659)	(1,737)	2,519	2,598
Construction	112,272	8,440	9,447	103,832	102,825
Utilities	29,572	780	424	28,792	29,147
Communication and information services	8,642	1,746	2,695	6,895	5,946
Transport and postal activities	76,091	(1,017)	1,417	77,108	74,673
Wholesale and retail	151,477	1,693	2,758	149,784	148,719
Finance and insurance	75,806	14,170	18,058	61,635	57,748
Real estate and goods rental and leasing	317,271	6,816	12,527	310,455	304,744
Services	198,418	5,958	5,422	192,459	192,996
Municipal government	248,490	5,168	(43,466)	243,321	291,957
Other (individuals)	659,808	2,843	4,868	656,965	654,939

5. Consumer Loan Balance

(Million yen)

	March 31, 2024	Change from		September 30, 2023	March 31, 2023
		September 30, 2023	March 31, 2023		
Balance of housing loans	604,236	2,928	5,677	601,307	598,558
Balance of other loans	42,889	97	(185)	42,791	43,074
Total	647,126	3,026	5,492	644,099	641,633