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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



January 30, 2025

Company name: SBI Sumishin Net Bank, Ltd.

Listing: Tokyo Stock Exchange

Securities code: 7163

URL: <https://www.netbk.co.jp/contents/company/en/>

Representative: Noriaki Maruyama, President and Chief Executive Officer

Contact: Tomokazu Yokoi, Director, Deputy President, and Executive Officer General Manager of Corporate Division

Phone: +81-3-6779-5496

Scheduled date of commencing dividend payments: –

Specified transaction account: None

Supplementary briefing material on financial results: Available

Financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

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

	Ordinary income		Ordinary profit (loss)		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	103,598	21.4	26,725	6.5	19,538	7.0
December 31, 2023	85,319	19.9	25,097	15.1	18,254	25.5

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥15,504 million [(4.6)%]

Nine months ended December 31, 2023: ¥16,256 million [162.8%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2024	129.58	–
December 31, 2023	121.06	–

(Note) Diluted net income per share is not presented since there has been no potential dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2024	11,563,192	164,396	1.4
March 31, 2024	10,676,416	151,608	1.4

(Reference) Capital amount: As of December 31, 2024: ¥164,396 million

As of March 31, 2024: ¥151,608 million

(Note) “Capital adequacy ratio” is calculated by dividing net assets at the end of the period by assets at the end of the period.

The “capital adequacy ratio” is not the capital adequacy ratio defined in the Capital Adequacy Ratio Notification.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 7.50	Yen —	Yen 9.00	Yen 16.50
Fiscal year ending March 31, 2025	—	9.00	—		
Fiscal year ending March 31, 2025 (Forecast)				9.50	18.50

(Note) Revision of latest announced estimates for cash dividends per share of common stock: None

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

(% indicates changes from the previous corresponding period.)

	Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	28,000	12.7	185.68

(Note) Revision of latest announced forecast of consolidated earnings: None

* Notes:

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: Yes
 Newly included: 2 companies (Company name) NEOBANK TECHNOLOGIES Co., Ltd., Profit Cube Inc.
 Excluded: 1 company (Company name) NetMove Corporation

- (2) Specific accounting treatments for the preparation of the quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

- (4) Number of issued shares (common shares)

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

As of December 31, 2024: 150,793,800

As of March 31, 2024: 150,793,800

- 2) Total number of treasury shares at the end of the period:

As of December 31, 2024: 11,091

As of March 31, 2024: 1,639

- 3) Average number of outstanding shares during the period:

Nine months ended December 31, 2024: 150,777,853

Nine months ended December 31, 2023: 150,779,517

* Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm:
None

* Explanation of the proper use of financial results forecasts and other notes

The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to SBI Sumishin Net Bank, Ltd. (the “Bank”) and certain assumptions deemed to be reasonable, and the Bank does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

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(Supplement) Explanatory Material for the Nine Months Ended December 31, 2024

1. Overview of Business Results for the Nine Months Ended December 31, 2024

(1) Overview of Business Results for the Nine Months Ended December 31, 2024

Regarding the status of profit and loss for the nine months ended December 31, 2024, ordinary profit was 26.7 billion yen (a year-on-year increase of 6.5%) primarily due to an increase in interest income attributable to an increase in the loan balance and a rise in the investment yield. Net income attributable to owners of the parent amounted to 19.5 billion yen (a year-on-year increase of 7.0%) because gain on sale of shares of subsidiaries was recognized.

Regarding the status of reportable segments for the nine months ended December 31, 2024, for the digital banking business, in addition to an increase in interest income, an increase in fees and commissions including lending administration fees on the origination of mortgage loans, the main business of the Bank, and payment-related fees such as wire transfer and debit card, contributed to gross profit of 50.3 billion yen (a year-on-year increase of 6.1%). As a result of increases in expenses such as system related expenses and outsourcing expenses related to office work, expenses were 27.0 billion yen (a year-on-year increase of 8.3 %) and ordinary profit was 23.3 billion yen (a year-on-year increase of 3.6%). For the BaaS business, in addition to the factors including an increase in account fee owing to an increase in bank accounts, owing to an increase in lending administration fees on mortgage loans and loans for asset formation, gross profit was 9.2 billion yen (a year-on-year increase of 48.3%), expenses were 5.5 billion yen (a year-on-year increase of 57.5%) due to advertising and other related expenses incurred for the “NEOBANK®” service in addition to continuous system investments, and ordinary profit was 3.6 billion yen (a year-on-year increase of 36.2%). As for the THEMIX business, as the business is in the start-up phase in which upfront expenses are incurred, ordinary loss of 163 million yen was recorded.

Profit per share was 129.58 yen.

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

Regarding the status of assets and liabilities for the nine months ended December 31, 2024, total assets were 11,563.1 billion yen, an increase of 886.7 billion yen from the fiscal year ended March 31, 2024. Loans amounted to 8,570.2 billion yen, an increase of 597.4 billion yen from the fiscal year ended March 31, 2024, due to active efforts for mortgage loans and loans for asset formation. Securities amounted to 638.3 billion yen, an increase of 75.8 billion yen from the fiscal year ended March 31, 2024. Meanwhile, liabilities amounted to 11,398.7 billion yen, an increase of 873.9 billion yen from the fiscal year ended March 31, 2024. Deposits amounted to 10,192.4 billion yen, an increase of 729.2 billion yen from the fiscal year ended March 31, 2024, primarily attributable to Japanese yen liquid deposits. In addition, borrowed money amounted to 1,000.0 billion yen, an increase of 200.0 billion yen from the fiscal year ended March 31, 2024. Net assets amounted to 164.3 billion yen, an increase of 12.7 billion yen from the fiscal year ended March 31, 2024, due to changes in net unrealized losses on available-for-sale securities and net deferred gains on hedges, while recording 19.5 billion yen of net income attributable to owners of the parent.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Cash and due from banks	1,665,582	1,951,696
Monetary claims bought	207,986	202,592
Money held in trust	13,148	12,148
Securities	562,510	638,395
Loans	7,972,760	8,570,227
Foreign exchanges	8,341	11,732
Other assets	208,561	136,764
Tangible fixed assets	3,210	4,365
Intangible fixed assets	28,299	27,839
Assets for retirement benefits	-	57
Deferred tax assets	8,883	10,663
Reserve for possible loan losses	(2,867)	(3,290)
Total assets	10,676,416	11,563,192
Liabilities		
Deposits	9,463,139	10,192,403
Payables under securities-lending transactions	145,284	85,724
Borrowed money	800,000	1,000,000
Foreign exchanges	6,363	7,511
Other liabilities	106,975	110,820
Reserve for bonuses	920	418
Liabilities for retirement benefits	16	64
Reserve for point program	1,180	979
Reserve for reimbursement of deposits in dormant accounts	56	58
Reserve under special laws	9	-
Deferred tax liabilities	861	816
Total liabilities	10,524,807	11,398,796
Net assets		
Capital stock	31,000	31,000
Capital surplus	13,633	13,648
Retained earnings	122,430	139,254
Treasury stock	(2)	(20)
Total shareholders' equity	167,061	183,882
Net unrealized gains (losses) on available-for-sale securities	(15,614)	(23,189)
Net deferred gains (losses) on hedges	161	3,702
Total accumulated other comprehensive income	(15,452)	(19,486)
Total net assets	151,608	164,396
Total liabilities and net assets	10,676,416	11,563,192

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Nine Months Ended December 31, 2024

(2) Consolidated Statement of Income and Comprehensive Income
Consolidated Statement of Income
(Nine months ended December 31)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Ordinary income	85,319	103,598
Interest income	40,058	49,905
Interest on loans	30,773	36,893
Interest and dividends on securities	7,813	9,776
Fees and commission income	37,887	47,094
Other operating income	7,247	6,205
Other income	126	392
Ordinary expenses	60,222	76,873
Interest expenses	7,943	13,020
Interest on deposits	7,980	13,751
Fees and commission expenses	24,217	32,773
Other operating expenses	447	563
General and administrative expenses	27,242	29,879
Other expenses	371	637
Ordinary profit	25,097	26,725
Extraordinary income	1,537	2,836
Gain on disposal of fixed assets	7	-
Reversal of reserve for financial instruments transaction liabilities	-	9
Gain on business transfer	1,529	40
Gain on sale of shares of subsidiaries	-	2,779
Gain on change in equity	-	6
Extraordinary losses	328	85
Losses on disposal of fixed assets	0	14
Impairment losses	187	60
Provision of reserve for financial instruments transaction liabilities	0	-
Other	140	10
Income before income taxes	26,306	29,476
Income taxes-current	7,284	10,068
Income taxes-deferred	776	(130)
Total income taxes	8,060	9,938
Net income	18,246	19,538
Loss attributable to non-controlling interests	(7)	-
Net income attributable to owners of the parent	18,254	19,538

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Nine Months Ended December 31, 2024

Consolidated Statement of Comprehensive Income
(Nine months ended December 31)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	18,246	19,538
Other comprehensive income	(1,989)	(4,033)
Net unrealized gains (losses) on available-for-sale securities	(1,624)	(7,575)
Net deferred gains (losses) on hedges	(364)	3,541
Comprehensive income	16,256	15,504
Comprehensive income (loss) attributable to		
Owners of the parent	16,264	15,504
Non-controlling interests	(7)	-

(3) Notes to the Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Notes on significant changes in total shareholders' equity)

Not applicable.

(Notes on segment information)

1. General information about reportable segments

The Group's reportable segments are components of the Group for which separate financial information can be provided and is used by management periodically to determine the allocation of resources and assess performance.

Digital banking business:

This segment principally provides the banking services, such as deposit services and lending services provided primarily through the mobile application and internet channels, and the financial services including the debit card service. A subsidiary relating to this segment is Yuryo Loan, Co. Ltd.

BaaS (Banking as a Service) business:

This segment provides the banking function to business partners. By utilizing the banking function provided by the Bank, business partners can operate their banking services and the customers of the business partners can access the same products and services as those offered in the digital banking business. Subsidiaries and affiliates relating to this segment are Dayta Consulting Co., Ltd., JAL Payment Port Co., Ltd., NeoBank Services Co., Ltd., NEOBANK TECHNOLOGIES Co., Ltd., and Profit Cube Inc.

THEMIX business:

This segment operates the non-financial services. Such services primarily include the business related to data marketing and advertising that utilize data, which customers have agreed to be used (financial data platform business), forestry and forestry administration DX (DX Platform Business), and support business related to carbon credit (carbon credit platform business). Subsidiaries and affiliates relating to this segment are THEMIX Data, Inc., THEMIX Green, Inc., and Mapry Corporation.

2. Information about gross operating profit and profit or loss by reportable segment

(Nine months ended December 31, 2023)

(Millions of yen)

	Reportable segment			Adjustments	Total
	Digital banking business	BaaS business	THEMIX business		
Gross operating profit	47,462	6,226	110	(1,210)	52,588
Expenses	(24,973)	(3,550)	(205)	1,238	(27,491)
Ordinary profit (loss)	22,488	2,675	(94)	27	25,097

(Notes) 1. "Gross operating profit" is presented instead of sales of companies in other industries.

2. "Gross operating profit" includes net interest income (expenses), net fees and commission income (expenses), and net other operating income (expenses).

3. Amounts in parentheses represent losses or expenses.

4. "Expenses" include general and administrative expenses in the consolidated financial statements, as well as credit-related expenses of 308 million yen. Credit related expenses are included in "Digital banking business."

5. Adjustments include elimination of intersegment transactions and others.

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Nine Months Ended December 31, 2024

(Nine months ended December 31, 2024)

(Millions of yen)

	Reportable segment			Adjustments	Total
	Digital banking business	BaaS business	THEMIX business		
Gross operating profit	50,350	9,235	293	(3,022)	56,856
Expenses	(27,040)	(5,590)	(457)	2,957	(30,131)
Ordinary profit (loss)	23,309	3,644	(163)	(64)	26,725

- (Notes)
1. “Gross operating profit” is presented instead of sales of companies in other industries.
 2. “Gross operating profit” includes net interest income (expenses), net fees and commission income (expenses), and net other operating income (expenses).
 3. Amounts in parentheses represent losses or expenses.
 4. “Expenses” include general and administrative expenses in the consolidated financial statements, as well as credit-related expenses of 533 million yen and net gains (losses) on stocks and other securities of 90 million yen. Credit related expenses and net gains (losses) on stocks and other securities are included in “Digital banking business.”
 5. Adjustments include elimination of intersegment transactions and others.

3. Matters concerning changes in reportable segments

The Bank has changed the measurement method to enhance the allocation criteria for mortgage loan origination fees earned from January 2024 in order to reflect business results by reportable segment more appropriately. As a result of this change, as compared to the previous method, gross operating profit and ordinary profit of the digital banking business increased by 953 million yen, respectively, and for the BaaS business, expenses increased and ordinary profit decreased by the same amount, respectively.

Segment information for the nine months ended December 31, 2023 is disclosed based on the information prepared using the previous measurement method.

In the nine months ended December 31, 2024, the Bank acquired shares of Profit Cube Inc. on December 2, 2024. As a result, Profit Cube Inc. is newly included in the scope of consolidation and added to the “BaaS business” segment.

In addition, the Bank transferred the solution and innovation businesses, except the payment business, of NetMove Corporation, which was a consolidated subsidiary of the Bank, to a newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) through an incorporation-type company split and transferred all of its shares. As a result, NetMove Corporation is excluded from the scope of consolidation. NEOBANK TECHNOLOGIES Co., Ltd., which is a newly incorporated company, is included in the scope of consolidation and added to the “BaaS business” segment.

(Notes on the Statement of Cash Flows)

The consolidated statement of cash flows is not prepared for the nine months ended December 31, 2024. The following shows depreciation (including amortization related to intangible fixed assets (excluding goodwill)) and amortization of goodwill for the nine months ended December 31, 2023 and 2024.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	5,406 million yen	6,119 million yen
Amortization of goodwill	270 million yen	240 million yen

(Notes on business combination)

(Transfer of shares of consolidated subsidiary)

NetMove Corporation, which is a consolidated subsidiary of the Bank, operates three businesses comprising of the payment, solution and innovation businesses.

At the Board of Directors meeting held on September 30, 2024, the Bank resolved to transfer NetMove Corporation's solution and innovation businesses, except the payment business, to a newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) through an incorporation-type company split and to transfer all shares of NetMove Corporation, which is the splitting company. On December 2, 2024, the Bank transferred all shares of NetMove Corporation.

1. Outline of business divestiture

- (1) Name of the company to which the business is divested

U-NEXT HOLDINGS Co., Ltd.

- (2) Name of the subsidiary which divested its business and nature of divested business

Name: NetMove Corporation

Nature of divested business: Payment business

- (3) Reason of business divestiture

While the Bank has pursued synergies within the group, and sought to expand the businesses of respective group companies, it has determined that the option to divest and sell the payment business and concentrate its management resources in other businesses is a better choice than the option to scale the payment business within the group.

- (4) Date of share transfer

December 2, 2024

- (5) Other matters related to the transaction including the legal form

Company split: Incorporation-type company split in which NetMove Corporation is the splitting company and the newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) is the successor company

Share transfer: Share transfer in which consideration received is only assets including cash

2. Outline of accounting treatment

- (1) Amount of gain on sale

2,779 million yen

- (2) Appropriate carrying amount of the transferred subsidiary and its breakdown

Amount of assets

Total assets	1,742 million yen
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Of which, cash and due from banks	941 million yen
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Amount of liabilities

Total liabilities	738 million yen
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Of which, deposits received	493 million yen
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- (3) Accounting treatment

The difference between the sales proceeds of the shares transferred and their carrying amount is recognized as "Gain on sale of shares of subsidiaries" in extraordinary income.

3. Name of reportable segment in which the subsidiary was included

BaaS business

4. Approximate amount of profit or loss recognized by the transferred business included in the Consolidated Statement of Income for the nine months ended December 31, 2024

Ordinary income	741 million yen
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Ordinary loss	(149) million yen	(This amount includes the amortization of goodwill of 240 million yen.)
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Explanatory Material

For the Nine Months Ended December 31, 2024



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1. Profits and Losses

[Consolidated]

(Millions of yen)

		Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Consolidated gross operating profit		56,856	4,267	52,588
Net interest income		36,892	4,774	32,118
Net fees and commission income		14,320	650	13,670
Net other operating income		5,642	(1,157)	6,799
Net gains (losses) on bonds		1,042	61	981
General and administrative expenses (-)		29,879	2,636	27,242
Credit related expenses (-)		533	224	308
Net gains (losses) on stocks and other securities		90	90	—
Equity in gains (losses) of affiliates		(38)	(83)	45
Others		229	214	15
Ordinary profit (loss)		26,725	1,627	25,097
Extraordinary income (losses)		2,751	1,541	1,209
Income before income taxes		29,476	3,169	26,306
Income taxes - current (-)		10,068	2,784	7,284
Income taxes - deferred (-)		(130)	(906)	776
Total income taxes (-)		9,938	1,877	8,060
Net income		19,538	1,292	18,246
Net income attributable to owners of the parent		19,538	1,284	18,254
Consolidated net operating profit before provision of reserve for possible loan losses		26,977	1,631	25,345

Note 1: Consolidated gross operating profit = (Interest income - (Interest expenses - Expenses incurred for money held in trust))

+ (Fees and commission income - Fees and commission expenses)

+ (Other operating income - Other operating expenses)

Note 2: Consolidated net operating profit before provision of reserve for possible loan losses = Non-consolidated net operating profit before provision of reserve for possible loan losses + Subsidiary gross profit - Subsidiary general and administrative expenses - Internal transactions

Gross Operating Profit and Profit or Loss by Segment

Digital Banking Business

(Millions of yen)

		Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Gross operating profit		50,350	2,887	47,462
Expenses (-)		27,040	2,067	24,973
Ordinary profit		23,309	820	22,488

Banking as a Service (BaaS) Business

(Millions of yen)

		Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Gross operating profit		9,235	3,008	6,226
Expenses (-)		5,590	2,040	3,550
Ordinary profit		3,644	968	2,675

THEMIX Business

(Millions of yen)

		Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Gross operating profit		293	182	110
Expenses (-)		457	251	205
Ordinary profit		(163)	(69)	(94)

Note: Expenses include credit related expenses and net gains (losses) on stocks and other securities, which are reported under the Digital Banking Business.

[Non-consolidated]

(Millions of yen)

		Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Gross operating profit		55,700	6,603	49,097
	Net interest income	37,934	5,906	32,027
	Net fees and commission income	12,429	602	11,826
	Net other operating income	5,336	94	5,242
	Net gains (losses) on bonds	1,042	61	981
Expenses (excluding non-recurring losses) (-)		28,605	3,219	25,385
	Personnel expenses (-)	4,780	458	4,322
	Non-personnel expenses (-)	21,773	2,249	19,523
	Taxes (-)	2,051	511	1,539
Net operating profit before provision of reserve for possible loan losses		27,095	3,384	23,711
Provisions of reserve for possible loan losses (1) (-)		341	265	76
Net operating profit		26,753	3,118	23,635
Non-recurring gains (losses)		113	754	(641)
	Credit costs (2) (-)	188	55	133
	Net gains (losses) on stocks and other securities	90	577	(486)
	Other non-recurring gains (losses)	211	232	(21)
Ordinary profit (loss)		26,867	3,873	22,994
Extraordinary income (losses)		2,316	2,333	(17)
Income before income taxes		29,183	6,206	22,976
	Income taxes - current (-)	9,617	3,015	6,602
	Income taxes - deferred (-)	(95)	(422)	327
Total income taxes (-)		9,522	2,592	6,929
Net income		19,661	3,613	16,047
Total credit related expenses ((1) + (2)) (-)		530	320	209

2. Domestic Interest Spread

[Non-consolidated]

(%)

		Nine Months Ended December 31, 2024 (A)		Nine Months Ended December 31, 2023 (B)
			(A) - (B)	
Investment yield	(A)	0.54	0.01	0.52
Interest earned on loans	(C)	0.58	0.01	0.57
Interest earned on securities		1.07	0.60	0.46
Total cost of funding (including expenses)	(B)	0.43	0.02	0.40
Funding yield		0.07	0.04	0.03
Interest paid on deposits, etc.	(D)	0.08	0.05	0.02
Expense ratio		0.39	0.00	0.38
Net interest margin	(A) - (B)	0.11	(0.00)	0.12
Interest spread	(C) - (D)	0.50	(0.04)	0.55

3. Net Gains (Losses) on securities

[Consolidated]

(Millions of yen)

	Nine Months Ended December 31, 2024 (A)		Nine Months Ended December 31, 2023 (B)
		(A) - (B)	
Net gains (losses) on bonds	1,042	61	981
Net gains (losses) on stocks and other securities	90	90	—

[Non-consolidated]

(Millions of yen)

	Nine Months Ended December 31, 2024 (A)		Nine Months Ended December 31, 2023 (B)
		(A) - (B)	
Net gains (losses) on bonds	1,042	61	981
Net gains (losses) on stocks and other securities	90	577	(486)

4. Capital Adequacy Ratios (domestic standard)

[Consolidated]

(Billions of yen, %)

	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
(1) Capital adequacy ratio (2) / (3)	7.37	(0.40)	7.77
(2) Amount of capital	166.0	18.8	147.1
(3) Amount of risk-weighted assets	2,251.7	359.3	1,892.4
(4) Total regulatory required capital	90.0	14.3	75.6

[Non-consolidated]

(Billions of yen, %)

	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
(1) Capital adequacy ratio (2) / (3)	7.30	(0.44)	7.74
(2) Amount of capital	165.1	17.4	147.6
(3) Amount of risk-weighted assets	2,259.0	352.4	1,906.5
(4) Total regulatory required capital	90.3	14.0	76.2

5. Key Performance Indicators

(1) Origination of Mortgages

[Consolidated]		(Billions of yen)	
	Nine Months Ended December 31, 2024 (A)	(A) - (B)	Nine Months Ended December 31, 2023 (B)
Origination of mortgages	1,384.7	173.4	1,211.2
Original	1,343.3	191.0	1,152.2
Flat 35	41.3	(17.6)	58.9

Note: Original: Original represents the total origination of mortgages sold by the Bank, mortgages sold by bank agencies with the Bank as the affiliated bank, and mortgages originated by Yuryo Loan, Ltd.
The nine months ended December 31, 2023 includes mortgages sold by the Bank as a bank agency of Sumitomo Mitsui Trust Bank Limited

Flat35: Flat 35 is sold by the Bank and Yuryo Loan, Ltd.

(2) Number of Accounts

[Non-consolidated]		(Ten thousands of accounts)	
	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
Number of accounts	797	71	726
Digital Banking Business	588	20	567
BaaS Business	208	50	158

(3) Number of BaaS Business Partners

[Non-consolidated]		(Number of companies)	
	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
Number of BaaS business partners	21	5	16

Note: Number of BaaS Business partners includes only BaaS business partners which have the account-fee model and dedicated branches.

6. Deposits and Loans

(1) Deposits and Loans

[Non-consolidated]

(Billions of yen)

	As of December 31, 2024 (A)		As of March 31, 2024 (B)
		(A) - (B)	
Deposits (Ending balance)	10,193.1	727.3	9,465.8
Deposits (Average balance)	9,612.6	768.6	8,844.0
Loans (Ending balance)	8,572.1	593.4	7,978.7
Loans (Average balance)	8,301.5	1,056.9	7,244.5

(2) Breakdown of Domestic Loans and Ratio of Loans of Small and Mid-Sized Enterprises

[Non-consolidated]

(Billions of yen)

		As of December 31, 2024 (A)		As of March 31, 2024 (B)
		(A) - (B)		
Domestic loans (excluding governments)	(A)	8,381.8	1,156.3	7,225.5
Large enterprises		135.9	33.8	102.0
Mid-sized enterprises		—	—	—
Small and mid-sized enterprises	(B)	8,245.9	1,122.5	7,123.4
Small and mid-sized enterprises		10.5	(4.8)	15.3
Individuals		8,235.4	1,127.3	7,108.0
Ratio of loans to small and mid-sized enterprises	(B) / (A)	98.3%	(0.2)%	98.5%

(3) Loans to Individual

[Non-consolidated]

(Billions of yen)

		As of December 31, 2024 (A)		As of March 31, 2024 (B)	
		(A) - (B)			
Total		8,235.4	1,127.3		7,108.0
Mortgage loans		7,708.8	1,070.5		6,638.3
Others		526.5	56.8		469.7

7. Disclosure of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

	As of December 31, 2024		As of March 31, 2024
	(A)	(A) - (B)	(B)
Bankrupt and practically bankrupt	2,962	423	2,539
Doubtful	857	(25)	882
Restructured	603	(53)	656
Total	4,422	345	4,077

Total normal claims	8,568,644	598,130	7,970,514
Total balance of claims, including normal claims	8,573,067	598,475	7,974,591
NPL ratio	0.05%	0.00%	0.05%

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

8. Coverage Ratio of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

		As of December 31, 2024		As of March 31, 2024
		(A)	(A) - (B)	(B)
Coverage amount	(A)	4,183	337	3,846
	Reserve for possible loan losses	739	74	664
	Collateral and guarantees	3,444	262	3,181
Claims classified under the Financial Revitalization Act	(B)	4,422	345	4,077

Coverage ratio	(A) / (B)	94.59%	0.27%	94.31%
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(Reference) Self-assessment (Borrower classification)

[Consolidated]

(Millions of yen)

		As of December 31, 2024		As of March 31, 2024
		(A)	(A) - (B)	(B)
Bankrupt borrowers	(A)	500	74	425
Substantially bankrupt borrowers	(B)	2,461	348	2,113
Potentially bankrupt borrowers	(C)	857	(25)	882
Borrowers requiring caution	(D)	3,105	(590)	3,696
	Borrowers under requirement of control	603	(53)	657
	Other borrowers requiring caution	2,501	(537)	3,039
Normal borrowers	(E)	8,566,141	598,668	7,967,473
Total balance of claims, including normal claims	(A) + (B) + (C) + (D) + (E)	8,573,067	598,475	7,974,591

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

9. Reserve for Possible Loan Losses

[Consolidated]

(Millions of yen)

	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
Reserve for possible loan losses	3,290	423	2,867
General reserve for possible loan losses	2,542	345	2,197
Specific reserves for possible loan losses	747	78	669

[Non-consolidated]

(Millions of yen)

	As of December 31, 2024 (A)	(A) - (B)	As of March 31, 2024 (B)
Reserve for possible loan losses	3,286	427	2,858
General reserve for possible loan losses	2,549	341	2,207
Specific reserves for possible loan losses	737	85	651

10. Loans by Industry Sector

[Non-consolidated]

(Millions of yen, %)

	As of December 31, 2024		As of March 31, 2024	
	Amount	Composition	Amount	Composition
Individuals	8,235,406	96.07	7,108,063	89.09
Financial	144,721	1.69	115,190	1.44
Government of Japan	190,314	2.22	753,262	9.44
Others	1,739	0.02	2,246	0.03
Total	8,572,181	100.00	7,978,762	100.00

11. Unrealized Gains (Losses) on Securities

[Consolidated]

(Billions of yen)

	As of December 31, 2024			As of March 31, 2024	
	Amount on the consolidated balance sheet	Unrealized gains (losses) (A)	(A) - (B)	Amount on the consolidated balance sheet	Unrealized gains (losses) (B)
Securities	701.0	(33.4)	(10.9)	627.4	(22.5)
Held-to-maturity debt securities	—	—	—	—	—
Available-for-sale securities	701.0	(33.4)	(10.9)	627.4	(22.5)
Stocks	0.7	—	—	0.0	—
Bonds	311.1	(23.8)	(10.5)	264.1	(13.3)
Japanese government bonds	233.4	(18.7)	(9.0)	180.8	(9.6)
Others	389.0	(9.5)	(0.3)	363.3	(9.1)
Foreign bonds	322.6	(7.9)	(0.0)	295.9	(7.8)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

[Non-consolidated]

(Billions of yen)

	As of December 31, 2024			As of March 31, 2024	
	Amount on the non-consolidated balance sheet	Unrealized gains (losses) (A)	(A) - (B)	Amount on the non-consolidated balance sheet	Unrealized gains (losses) (B)
Securities	708.9	(33.4)	(10.9)	638.2	(22.5)
Held-to-maturity debt securities	—	—	—	—	—
Investment in the shares of subsidiaries and affiliates	7.8	—	—	10.7	—
Available-for-sale securities	701.0	(33.4)	(10.9)	627.4	(22.5)
Stocks	0.7	—	—	0.0	—
Bonds	311.1	(23.8)	(10.5)	264.1	(13.3)
Japanese government bonds	233.4	(18.7)	(9.0)	180.8	(9.6)
Others	389.0	(9.5)	(0.3)	363.3	(9.1)
Foreign bonds	322.6	(7.9)	(0.0)	295.9	(7.8)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

12. Derivatives

(1) Derivatives for which hedge accounting is not applied

[Non-consolidated]

(Billions of yen)

			As of December 31, 2024			As of March 31, 2024		
			Contract amount, etc.	Fair value	Unrealized gains (losses)	Contract amount, etc.	Fair value	Unrealized gains (losses)
Interest rate-related derivatives			—	(0.0)	5.9	—	(0.0)	5.5
Interest rate options	sold		416.1	(12.1)	(6.1)	387.9	(8.4)	(2.9)
	bought		414.4	12.1	12.1	386.8	8.4	8.4
Currency-related derivatives			—	1.7	1.7	—	0.0	0.0
Foreign exchange forward contracts	sold		556.2	(1.3)	(1.3)	625.1	(0.1)	(0.1)
	bought		652.5	3.0	3.0	732.8	0.2	0.2
Currency options	sold		0.2	(0.0)	0.0	1.1	(0.0)	0.0
	bought		0.2	0.0	(0.0)	1.1	0.0	(0.0)

Note: The above transactions are measured at fair value, and unrealized gains (losses) are recorded in the non-consolidated statement of income.

(2) Derivatives for which hedge accounting is applied

[Non-consolidated]

(Billions of yen)

		As of December 31, 2024			As of March 31, 2024		
		Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value	Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value
Interest rate-related derivatives		—	—	5.4	—	—	0.2
Interest rate swap transactions (Receive floating rate, pay fixed rate)	Loans, available-for-sale securities (bonds)	164.0	132.2	5.8	151.1	141.3	0.2
Interest rate swaps transactions (Receive fixed rate, pay floating rate)	Borrowed money	300.0	150.0	(0.4)	—	—	—
Interest rate swaps transactions to which exceptional treatment is applied (Receive fixed rate, pay floating rate)	Borrowed money	700.0	500.0	(Note 2)	500.0	500.0	(Note 2)

Note 1: The deferral method is applied in accordance with "Treatment of Accounting and Auditing Concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 24).

Note 2: Interest rate swaps to which exceptional treatment is applied are not stated at fair value since such swaps are accounted for as one unit with hedged borrowed money.

13. Deferred Tax Assets and Liabilities

[Consolidated]

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Net deferred tax assets	9,847	8,021

[Non-consolidated]

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Unrealized losses on available-for-sale securities	10,348	7,050
Deferred losses on hedges	570	989
Reserve for possible loan losses	720	604
Reserve for point program	299	361
Accrued enterprise tax	267	307
Reserve for bonuses	115	255
Loss on devaluation of stocks of subsidiaries and associates	247	247
Other	811	416
Subtotal deferred tax assets (A)	13,380	10,232
Subtotal valuation allowance (B)	(247)	(247)
Total deferred tax assets (A) + (B) (C)	13,133	9,985
Unrealized gains on available-for-sale securities	(114)	(159)
Deferred gains on hedges	(2,204)	(1,060)
Other	(173)	—
Total deferred tax liabilities (D)	(2,491)	(1,219)
Net deferred tax assets (C) + (D)	10,641	8,765