



Summary of the Financial Statements for the First Six Months of FY2024 [JGAAP] (Consolidated)

November 15, 2024

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304	URL	https://www.aozorabank.co.jp/
Representative	Hideto Oomi, President and CEO		
Contact person	Yukie Tajima, Joint General Manager of Financial Control Division		
Scheduled filing date of securities report	November 27, 2024	Dividend payable date	December 16, 2024
Reference material	Affirmative	Trading accounts	Affirmative
Investor meeting	Affirmative	TEL	(03)6752-1111

(Unit: JPY millions, rounded down)

1. Business highlights for the first six months of FY2024

(1) Consolidated business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
September 30, 2024	115,128	(15.1)	9,994	(30.5)	11,919	(1.1)
September 30, 2023	135,662	42.1	14,384	(29.5)	12,048	(21.7)

(Note) Comprehensive income JPY 17,123 million —% (Six months ended September 30, 2024)
JPY (3,327) million —% (Six months ended September 30, 2023)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
Six months ended		
September 30, 2024	93.37	93.21
September 30, 2023	103.15	102.96

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
September 30, 2024	7,688,637	460,506	5.9	3,263.17
March 31, 2024	7,603,002	391,078	5.0	3,285.94

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 451,561 million (September 30, 2024)
JPY 383,871 million (March 31, 2024)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights - Non-controlling interests) / Total assets

The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

2. Dividend

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023 (common share)	38.00	38.00	0.00	0.00	76.00
FY2024 (common share)	19.00	19.00			
FY2024 (common share) (Forecast)			-	-	76.00

(Note) Revision of dividends forecast to the latest announcement None

Aozora will continue to pay dividends on a quarterly basis, although dividend payment forecast was announced only on an annual basis.

3. Consolidated earnings forecast for the year ending March 31, 2025 (FY2024)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Millions of yen	%	Millions of yen	%	Yen
FY2024 (Full Year)	24,000	—	18,000	—	135.31

(Note) Revision of consolidated earnings forecast to the latest announcement None

*Notes

(1) Significant changes in the scope of consolidation during the first six months Affirmative
Excluded: 1 company (Aozora Asia Pacific Finance Limited)

(2) Changes in accounting policy, accounting estimates, or retrospective restatements

(a) Changes with revisions of accounting standards	None
(b) Changes other than (a) above	None
(c) Changes in accounting estimates	None
(d) Retrospective restatements	None

(3) The number of common shares issued

	September 30, 2024	March 31, 2024
(a) The number of common shares issued (including treasury shares)	139,789,418	118,289,418
(b) The number of treasury shares	1,408,249	1,467,109

	Six months ended September 30, 2024	Six months ended September 30, 2023
(c) The average number of common shares outstanding (6 months)	127,660,419	116,802,477

(Summary of non-consolidated financial statements)

1. Business highlights for the first six months of FY2024

(1) Business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	102,804	(17.4)	8,147	(28.5)	7,708	(9.4)
September 30, 2023	124,430	43.1	11,401	(40.2)	8,509	148.5

	Net income per common share (basic)
Six months ended September 30, 2024	60.38
September 30, 2023	72.85

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
September 30, 2024	6,829,953	408,693	6.0	2,949.76
March 31, 2024	6,942,657	344,004	4.9	2,940.12

(Reference) Total net assets (less Share acquisition rights): JPY 408,192 million (September 30, 2024)
JPY 343,472 million (March 31, 2024)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights) / Total assets

The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

2. Non-consolidated earnings forecast for the year ending March 31, 2025 (FY2024)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit		Net income per common share
	Millions of yen	%	Millions of yen	%	Yen
FY2024(Full Year)	21,000	—	15,000	—	112.76

※Summary of the Financial Statements for the First Six Months is out of scope of interim audit (by CPAs or audit firms) .

※Notes and remarks for the proper use of earnings projection

The above earnings forecast involves certain risks and uncertainties since the calculations are based on management's assumptions and beliefs in light of information currently available. This should not be interpreted as a promise or guarantee that the forecast will be achieved. Please be aware that actual results may be materially different from the forecast presented herein due to various factors.

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1. Overview of operating results

For more details, please refer to 'FY2024 Interim Financial Results Overview and Update on the Capital and Business Alliance with Daiwa Securities Group Inc.' that was announced today (November 15, 2024) on TDnet or the Bank's website (<https://www.aozorabank.co.jp/english/ir/library/results/>).

2. Interim consolidated financial statements and main notes

(1) Interim consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	1,579,781	1,769,305
Call loans and bills bought	17,269	—
Monetary claims bought	68,093	62,751
Trading account assets	173,713	217,811
Money held in trust	12,963	10,955
Securities	1,186,561	1,220,877
Loans and bills discounted	4,071,295	3,967,523
Foreign exchanges	51,267	47,894
Other assets	420,921	353,058
Tangible fixed assets	23,159	22,368
Intangible fixed assets	18,962	18,867
Retirement benefit asset	8,741	8,982
Deferred tax assets	44,580	48,475
Customers' liabilities for acceptances and guarantees	18,084	20,486
Allowance for loan losses	(87,929)	(77,057)
Allowance for investment loss	(4,463)	(3,663)
Total assets	7,603,002	7,688,637
Liabilities		
Deposits	5,634,992	5,663,064
Negotiable certificates of deposit	141,380	59,000
Securities sold under repurchase agreements	29,903	29,028
Cash collateral received for securities lent	260,689	283,954
Trading account liabilities	165,078	138,374
Borrowed money	563,300	697,300
Bonds payable	181,397	119,932
Other liabilities	199,472	202,078
Provision for bonuses	4,646	2,986
Provision for bonuses for directors (and other officers)	76	33
Retirement benefit liability	10,912	10,723
Provision for credit losses on off-balance-sheet instruments	1,960	1,137
Reserves under special laws	8	8
Deferred tax liabilities	21	22
Acceptances and guarantees	18,084	20,486
Total liabilities	7,211,924	7,228,131
Net assets		
Share capital	100,000	125,966
Capital surplus	87,498	113,483
Retained earnings	228,444	238,145
Treasury shares	(3,015)	(2,894)
Total shareholders' equity	412,928	474,700
Valuation difference on available-for-sale securities	(45,803)	(32,826)
Deferred gains or losses on hedges	4,332	(1,494)
Foreign currency translation adjustment	10,137	9,089
Remeasurements of defined benefit plans	2,277	2,091
Total accumulated other comprehensive income	(29,056)	(23,139)
Share acquisition rights	532	501
Non-controlling interests	6,673	8,444
Total net assets	391,078	460,506
Total liabilities and net assets	7,603,002	7,688,637

(2) Interim consolidated statement of income and Interim consolidated statement of comprehensive income
(Interim consolidated statement of income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Ordinary income	135,662	115,128
Interest income	84,901	81,728
Interest on loans and discounts	64,833	66,362
Interest and dividends on securities	16,251	10,407
Trust fees	166	190
Fees and commissions	12,849	13,409
Gain on trading account transactions	8,964	1,981
Other ordinary income	16,697	13,139
Other income	12,084	4,679
Ordinary expenses	121,277	105,133
Interest expenses	59,710	56,995
Interest on deposits	7,080	6,282
Fees and commissions payments	2,675	3,177
Loss on trading account transactions	8,859	581
Other ordinary expenses	7,736	8,242
General and administrative expenses	30,731	30,117
Other expenses	11,565	6,018
Ordinary profit	14,384	9,994
Extraordinary income	0	3,408
Gain on disposal of non-current assets	0	—
Reversal of foreign currency translation adjustment	—	3,408
Extraordinary losses	3	260
Loss on disposal of non-current assets	3	—
Impairment losses	—	260
Profit before income taxes	14,381	13,143
Income taxes - current	5,750	691
Income taxes - deferred	(2,328)	1,236
Total income taxes	3,422	1,927
Profit	10,959	11,215
Loss attributable to non-controlling interests	(1,089)	(704)
Profit attributable to owners of parent	12,048	11,919

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	10,959	11,215
Other comprehensive income	(14,286)	5,908
Valuation difference on available-for-sale securities	(30,940)	12,967
Deferred gains or losses on hedges	9,945	(5,826)
Foreign currency translation adjustment	3,435	(3,737)
Remeasurements of defined benefit plans, net of tax	179	(185)
Share of other comprehensive income of entities accounted for using equity method	3,092	2,689
Comprehensive income	(3,327)	17,123
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,215)	17,836
Comprehensive income attributable to non-controlling interests	(1,111)	(712)

(3) Interim consolidated statement of changes in net assets
For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,481	291,898	(3,099)	476,280
Changes during period					
Dividends of surplus			(9,109)		(9,109)
Profit attributable to owners of parent			12,048		12,048
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		84	101
Net changes in items other than shareholders' equity					
Total changes during period	—	17	2,938	84	3,040
Balance at end of period	100,000	87,498	294,837	(3,015)	479,320

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(45,449)	972	7,683	(1,328)	(38,122)	503	(7,541)	431,119
Changes during period								
Dividends of surplus								(9,109)
Profit attributable to owners of parent								12,048
Purchase of treasury shares								(0)
Disposal of treasury shares								101
Net changes in items other than shareholders' equity	(30,917)	9,945	6,528	179	(14,264)	29	14,967	732
Total changes during period	(30,917)	9,945	6,528	179	(14,264)	29	14,967	3,773
Balance at end of period	(76,367)	10,917	14,211	(1,148)	(52,386)	532	7,426	434,892

For the six months ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,498	228,444	(3,015)	412,928
Changes during period					
Issuance of new shares	25,966	25,966			51,933
Dividends of surplus			(2,219)		(2,219)
Profit attributable to owners of parent			11,919		11,919
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		18		121	139
Net changes in items other than shareholders' equity					
Total changes during period	25,966	25,984	9,700	120	61,772
Balance at end of period	125,966	113,483	238,145	(2,894)	474,700

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(45,803)	4,332	10,137	2,277	(29,056)	532	6,673	391,078
Changes during period								
Issuance of new shares								51,933
Dividends of surplus								(2,219)
Profit attributable to owners of parent								11,919
Purchase of treasury shares								(0)
Disposal of treasury shares								139
Net changes in items other than shareholders' equity	12,976	(5,826)	(1,047)	(185)	5,916	(31)	1,770	7,656
Total changes during period	12,976	(5,826)	(1,047)	(185)	5,916	(31)	1,770	69,428
Balance at end of period	(32,826)	(1,494)	9,089	2,091	(23,139)	501	8,444	460,506

(4) Notes to interim consolidated financial statements

(Information on going concern assumption)

None

(Additional information)

(Allowance for Loan Losses for Overseas Real Estate Non-Recourse Loans)

For overseas real estate non-recourse loans, the Bank assumes a decrease in market liquidity mainly due to the deteriorating environment of the U.S. real estate market, and particularly U.S office market will stabilize during the FY2025, considering the market trends.

In line with this, for all borrowers of overseas real estate non-recourse loans that require careful monitoring in the future, the loan loss amount mainly estimated by the DCF method is reflected as an addition to the allowance for loan losses determined based on the estimated loan loss ratio.

In addition, for non-recourse loans backed by underperforming office properties in the U.S. due to the changes in working styles in the post-COVID-19 period, in order to prepare for the disposal of these properties, for cases where there is a possibility of debt recovery in the future, the Bank evaluates the property considering the risk of price decline during the FY2025 and determines individual borrower category considering the possibility of the debt recovery through the disposal of properties. The allowance for loan losses is made based on the estimated disposal price assuming the price decline risk.

The above assumptions, which are the basis for the estimates, have a high degree of uncertainty, and depending on the situation, future profits and losses may fluctuate.

3. Interim non-consolidated financial statements

(1) Interim non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	1,201,608	1,189,813
Call loans	17,269	—
Monetary claims bought	43,069	35,819
Trading account assets	173,713	217,811
Money held in trust	5,367	2,819
Securities	1,194,907	1,230,483
Loans and bills discounted	3,880,684	3,779,076
Foreign exchanges	51,267	47,894
Other assets	359,723	293,938
Other	359,723	293,938
Tangible fixed assets	22,459	21,515
Intangible fixed assets	9,892	9,342
Prepaid pension costs	5,663	6,159
Deferred tax assets	44,783	48,718
Customers' liabilities for acceptances and guarantees	24,084	26,486
Allowance for loan losses	(87,371)	(76,262)
Allowance for investment loss	(4,463)	(3,663)
Total assets	6,942,657	6,829,953
Liabilities		
Deposits	5,043,062	4,875,300
Negotiable certificates of deposit	141,380	59,000
Securities sold under repurchase agreements	29,903	29,028
Cash collateral received for securities lent	260,689	283,954
Trading account liabilities	165,078	138,374
Borrowed money	563,300	697,300
Bonds payable	181,397	119,932
Other liabilities	173,446	178,081
Income taxes payable	370	560
Lease liabilities	1,444	1,271
Asset retirement obligations	1,886	2,018
Other	169,744	174,230
Provision for bonuses	3,955	2,547
Provision for bonuses for directors (and other officers)	70	33
Provision for retirement benefits	10,491	10,244
Provision for credit losses on off-balance-sheet instruments	1,794	975
Acceptances and guarantees	24,084	26,486
Total liabilities	6,598,653	6,421,260

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Share capital	100,000	125,966
Capital surplus	87,498	113,483
Legal capital surplus	87,313	113,280
Other capital surplus	185	203
Retained earnings	200,411	205,899
Legal retained earnings	12,686	12,686
Other retained earnings	187,724	193,212
Retained earnings brought forward	187,724	193,212
Treasury shares	(3,015)	(2,894)
Total shareholders' equity	384,894	442,455
Valuation difference on available-for-sale securities	(45,754)	(32,769)
Deferred gains or losses on hedges	4,332	(1,494)
Total valuation and translation adjustments	(41,422)	(34,263)
Share acquisition rights	532	501
Total net assets	344,004	408,693
Total liabilities and net assets	6,942,657	6,829,953

(2) Interim non-consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Ordinary income	124,430	102,804
Interest income	79,888	77,351
Interest on loans and discounts	59,795	61,905
Interest and dividends on securities	16,285	10,946
Trust fees	166	190
Fees and commissions	8,971	7,822
Gain on trading account transactions	8,964	1,914
Other ordinary income	16,333	12,544
Other income	10,107	2,981
Ordinary expenses	113,029	94,657
Interest expenses	60,128	57,198
Interest on deposits	7,498	6,485
Fees and commissions payments	1,130	968
Loss on trading account transactions	8,955	581
Other ordinary expenses	8,386	8,934
General and administrative expenses	23,486	22,246
Other expenses	10,941	4,728
Ordinary profit	11,401	8,147
Extraordinary losses	3	260
Loss on disposal of non-current assets	3	—
Impairment losses	—	260
Profit before income taxes	11,398	7,886
Income taxes - current	5,413	80
Income taxes - deferred	(2,525)	98
Total income taxes	2,888	178
Profit	8,509	7,708

(3) Interim non-consolidated statement of changes in net assets

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	100,000	87,313	167	87,481	12,686	252,065	264,752	(3,099)	449,134
Changes during period									
Dividends of surplus						(9,109)	(9,109)		(9,109)
Profit						8,509	8,509		8,509
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			17	17				84	101
Net changes in items other than shareholders' equity									
Total changes during period	—	—	17	17	—	(600)	(600)	84	(498)
Balance at end of period	100,000	87,313	185	87,498	12,686	251,465	264,152	(3,015)	448,636

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(45,432)	972	(44,460)	503	405,177
Changes during period					
Dividends of surplus					(9,109)
Profit					8,509
Purchase of treasury shares					(0)
Disposal of treasury shares					101
Net changes in items other than shareholders' equity	(30,895)	9,945	(20,949)	29	(20,920)
Total changes during period	(30,895)	9,945	(20,949)	29	(21,419)
Balance at end of period	(76,327)	10,917	(65,410)	532	383,758

For the six months ended September 30, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	100,000	87,313	185	87,498	12,686	187,724	200,411	(3,015)	384,894
Changes during period									
Issuance of new shares	25,966	25,966		25,966					51,933
Dividends of surplus						(2,219)	(2,219)		(2,219)
Profit						7,708	7,708		7,708
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			18	18				121	139
Net changes in items other than shareholders' equity									
Total changes during period	25,966	25,966	18	25,984	—	5,488	5,488	120	57,560
Balance at end of period	125,966	113,280	203	113,483	12,686	193,212	205,899	(2,894)	442,455

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(45,754)	4,332	(41,422)	532	344,004
Changes during period					
Issuance of new shares					51,933
Dividends of surplus					(2,219)
Profit					7,708
Purchase of treasury shares					(0)
Disposal of treasury shares					139
Net changes in items other than shareholders' equity	12,985	(5,826)	7,158	(31)	7,127
Total changes during period	12,985	(5,826)	7,158	(31)	64,688
Balance at end of period	(32,769)	(1,494)	(34,263)	501	408,693

**Financial Results
for the First Six Months
of FY 2024**



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* NPLs : Non-performing loans

* FRA : Financial Reconstruction Act

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I. Overviews of the Financial Results for the Six Months Ended September 30, 2024

1. Summary of Revenue and Expenses

[Consolidated]

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	41,451	(3,145)	44,596
Net interest income	24,733	(458)	25,191
Net fees and commissions	10,422	81	10,340
Net gains on trading account transactions	1,399	1,295	104
Net other ordinary income	4,896	(4,064)	8,961
General and administrative expenses	(30,344)	82	(30,426)
Gains (losses) on equity method investments	1,211	(240)	1,451
Business profit ※2	12,318	(3,303)	15,622
Credit-related expenses	(3,605)	6,371	(9,976)
Write-off of loans	(78)	(23)	(54)
Provision of specific allowance for loan losses	(3,494)	4,085	(7,579)
Provision of general allowance for loan losses	(761)	1,438	(2,199)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(183)	256	(439)
Recoveries of written-off receivables	87	(299)	387
Provision of allowance for credit losses on off-balance-sheet instruments	823	915	(91)
Gains (losses) on stock transactions	1,878	(7,538)	9,416
Other	(597)	80	(677)
Ordinary profit	9,994	(4,390)	14,384
Extraordinary profit (loss)	3,148	3,151	(3)
Profit before income taxes	13,143	(1,238)	14,381
Income taxes-current	(691)	5,059	(5,750)
Income taxes-deferred	(1,236)	(3,564)	2,328
Profit	11,215	256	10,959
Loss attributable to non-controlling interests	704	(384)	1,089
Profit attributable to owners of parent	11,919	(128)	12,048

※1 Consolidated net revenue = (Interest income - Interest expenses)
+ (Trust fees + Fees and commissions - Fees and commissions payments)
+ (Gain on trading account transactions - Loss on trading account transactions)
+ (Other ordinary income - Other ordinary expenses)

※2 Business profit = Consolidated net revenue - General and administrative expenses + Gains (losses) on equity method investments
(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	24	(1)	25
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Net revenue	32,145	(3,579)	35,725
(Excluding gains (losses) on bond transactions)	29,759	463	29,296
Net interest income	20,158	395	19,762
Net fees and commissions ※1	7,045	(961)	8,006
Net gains on trading account transactions	1,332	1,323	8
Net other ordinary income	3,610	(4,337)	7,947
(Gains (losses) on bond transactions)	2,386	(4,042)	6,429
General and administrative expenses	(22,473)	708	(23,181)
Personnel	(11,510)	420	(11,931)
Property and equipment	(9,968)	269	(10,238)
Taxes	(993)	17	(1,011)
Business profit before provision of general allowance for loan losses	9,672	(2,871)	12,543
Core business profit ※2	7,285	1,171	6,114
Core business profit excluding cancellation on investment trusts	7,242	5,301	1,940
Credit-related expenses	(3,146)	6,712	(9,858)
Write-off of loans	(45)	411	(457)
Provision of specific allowance for loan losses	(3,279)	4,204	(7,483)
Provision of general allowance for loan losses	(654)	1,508	(2,162)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(64)	(43)	(21)
Recoveries of written-off receivables	78	(221)	300
Provision of allowance for credit losses on off-balance-sheet instruments	818	852	(34)
Gains (losses) on stock transactions	1,878	(7,543)	9,421
Other	(257)	447	(705)
Ordinary profit	8,147	(3,254)	11,401
Extraordinary profit (loss)	(260)	(256)	(3)
Profit before income taxes	7,886	(3,511)	11,398
Income taxes-current	(80)	5,332	(5,413)
Income taxes-deferred	(98)	(2,623)	2,525
Profit	7,708	(801)	8,509
Business profit	9,018	(1,329)	10,347

※1 Trust fees are included.

※2 Core business profit = Business profit before provision of general allowance for loan losses - Gains (losses) on bond transactions

(Note) The amounts are rounded down to the nearest million yen.

2. Profit Margins [Non-consolidated]

(Total)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	2.79%	(0.02%)	2.81%
Yield on loans (B)	3.22%	0.08%	3.14%
Yield on securities	1.69%	(0.53%)	2.22%
(2) Rate of funding cost (including general and administrative expenses) (C)	2.56%	(0.09%)	2.65%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.14%	(0.03%)	1.17%
Yield on deposits & certificates of deposit (E)	0.25%	(0.03%)	0.28%
Yield on borrowings	0.36%	0.06%	0.30%
(3) Profit margins (A) - (C)	0.23%	0.07%	0.16%
(4) Loan margin (B) - (D)	2.08%	0.11%	1.97%
(5) Yield spread (B) - (E)	2.97%	0.11%	2.86%

(Note) The figures are calculated in the method specified in 'Kessan Jokyohyo.'

(Domestic operations)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	0.73%	(0.00%)	0.73%
Yield on loans (B)	1.11%	0.17%	0.94%
Yield on securities	0.87%	(1.14%)	2.01%
(2) Rate of funding cost (including general and administrative expenses) (C)	0.97%	0.02%	0.95%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.04%	0.03%	1.01%
Yield on deposits & certificates of deposit (E)	0.21%	0.05%	0.16%
Yield on borrowings	0.36%	0.12%	0.24%
(3) Profit margins (A) - (C)	(0.24%)	(0.02%)	(0.22%)
(4) Loan margin (B) - (D)	0.07%	0.14%	(0.07%)
(5) Yield spread (B) - (E)	0.90%	0.12%	0.78%

(Note) The figures are calculated in the method specified in 'Kessan Jokyohyo.'

3. Business Profit [Non-consolidated]

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Core net business profit	9,672	(2,871)	12,543
per employee (thousand yen)	4,875	(1,356)	6,231

4. ROE [Non-consolidated]

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Core net business profit basis	5.13%	(1.22%)	6.35%
Profit basis	4.09%	(0.21%)	4.30%

$$\text{ROE} = \frac{\text{Profit} \times 365 \div \text{number of days elapsed}}{\{(\text{Total net assets at beginning of term} - \text{Share acquisition rights}) + (\text{Total net assets at end of term} - \text{Share acquisition rights})\} \div 2}$$

5. Gains (losses) on Securities Transactions [Non-consolidated]

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Gains (losses) on bond transactions	2,386	(4,042)	6,429
Gain on sale of bonds	2,615	(5,015)	7,631
Gain on redemption of bonds	-	-	-
Loss on sale of bonds	(192)	861	(1,054)
Loss on redemption of bonds	(36)	111	(147)
Loss on devaluation of bonds	-	-	-
Gains (losses) on stock transactions	1,878	(7,543)	9,421
Gain on sale of equity securities	1,878	(7,686)	9,564
Loss on sale of equity securities	-	101	(101)
Loss on devaluation of equity securities	-	41	(41)

6. Investments and Funding

【Consolidated】

(Total)

(Millions of yen)

	For the six months ended September 30, 2024				For the six months ended September 30, 2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,665,274	2.83%	(313,340)	0.00%	5,978,615	2.83%
Due from banks	64,240	1.99%	6,209	(0.45%)	58,031	2.44%
Call loans and bills bought	44,695	0.75%	(170,035)	0.43%	214,730	0.32%
Securities purchased under resale agreements	9	0.00%	(0)	0.10%	9	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,265,014	1.64%	(148,468)	(0.65%)	1,413,483	2.29%
Loans and bills discounted	4,022,934	3.29%	(12,233)	0.09%	4,035,168	3.20%
Total funding	6,871,920	1.65%	190,017	(0.13%)	6,681,902	1.78%
Deposits	5,635,863	0.22%	33,755	(0.03%)	5,602,107	0.25%
Negotiable certificates of deposit	98,437	0.12%	71,639	0.11%	26,797	0.01%
Call money and bills sold	1,320	0.16%	(14,423)	(2.01%)	15,744	2.17%
Securities sold under repurchase agreements	29,856	5.47%	(30,640)	0.04%	60,496	5.43%
Cash collateral received for securities lent	281,556	5.26%	8,320	0.10%	273,236	5.16%
Borrowed money	617,165	0.36%	83,272	0.11%	533,892	0.25%
Bonds payable	177,558	3.44%	13,831	0.89%	163,727	2.55%

【Non-consolidated】

(Total)

(Millions of yen)

	For the six months ended September 30, 2024				For the six months ended September 30, 2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,466,115	2.79%	(187,629)	(0.02%)	5,653,745	2.81%
Due from banks	21,683	5.21%	(3,607)	0.30%	25,291	4.91%
Call loans	43,165	0.77%	(53,390)	(0.02%)	96,556	0.79%
Securities purchased under resale agreements	9	0.00%	(0)	0.10%	9	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,284,672	1.69%	(174,019)	(0.53%)	1,458,691	2.22%
Loans and bills discounted	3,873,780	3.18%	34,254	0.08%	3,839,526	3.10%
Total funding	6,178,774	1.84%	(61,033)	(0.08%)	6,239,807	1.92%
Deposits	4,942,718	0.26%	(217,299)	(0.02%)	5,160,018	0.28%
Negotiable certificates of deposit	98,437	0.12%	71,639	0.11%	26,797	0.01%
Call money	1,320	0.16%	(14,423)	(2.01%)	15,744	2.17%
Securities sold under repurchase agreements	29,856	5.47%	(30,640)	0.04%	60,496	5.43%
Cash collateral received for securities lent	281,556	5.26%	8,320	0.10%	273,236	5.16%
Borrowed money	617,165	0.36%	83,277	0.11%	533,888	0.25%
Bonds payable	177,558	3.44%	13,831	0.89%	163,727	2.55%

(Domestic operations)

(Millions of yen)

	For the six months ended September 30, 2024				For the six months ended September 30, 2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,872,323	0.73%	(161,314)	(0.00%)	5,033,638	0.73%
Due from banks	390	0.03%	(1,075)	0.03%	1,465	0.00%
Call loans	37,595	0.18%	(43,114)	0.21%	80,710	(0.03%)
Securities purchased under resale agreements	9	0.00%	(0)	0.10%	9	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	416,621	0.87%	(91,848)	(1.14%)	508,470	2.01%
Loans and bills discounted	2,365,772	1.11%	14,951	0.17%	2,350,820	0.94%
Total funding	5,639,001	0.24%	(13,213)	0.05%	5,652,215	0.19%
Deposits	4,885,176	0.21%	(144,351)	0.05%	5,029,528	0.16%
Negotiable certificates of deposit	98,437	0.12%	71,639	0.11%	26,797	0.01%
Call money	1,320	0.16%	(8,679)	0.15%	10,000	0.01%
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	-	-	-	-	-	-
Borrowed money	617,159	0.36%	83,277	0.11%	533,882	0.25%
Bonds payable	28,852	0.30%	(19,584)	0.08%	48,437	0.22%

7. Unrealized Gains and Losses on Securities

【Consolidated】

(Millions of yen)

	September 30, 2024				March 31, 2024		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(47,262)	11,508	24,174	71,437	(58,770)	26,077	84,847
Japanese stocks	14,278	(507)	14,870	591	14,786	15,202	415
Japanese debt securities	(3,396)	(549)	375	3,771	(2,847)	300	3,147
Other	(58,144)	12,565	8,929	67,073	(70,710)	10,574	81,284

(Note) A portion of beneficial interests in investment trust within 'Monetary claims bought' is included in the table above.

【Non-consolidated】

(Millions of yen)

	September 30, 2024				March 31, 2024		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(47,144)	11,523	24,169	71,313	(58,667)	26,077	84,745
Japanese stocks	14,278	(507)	14,870	591	14,786	15,202	415
Japanese debt securities	(3,278)	(533)	370	3,648	(2,744)	300	3,045
Other	(58,144)	12,565	8,929	67,073	(70,710)	10,574	81,284

(Note) A portion of beneficial interests in investment trust within 'Monetary claims bought' is included in the table above.

8. Sales of investment trusts and annuity insurance to retail customers 【Non-consolidated】

(Sales Total)

(Billions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A)-(B)	(B)
Investment trusts	64.9	(0.9)	65.9
Annuity insurance	9.6	6.2	3.4

9. Employees' Retirement Benefits

① Provision for retirement benefits

【Consolidated】

(Millions of yen)

		September 30, 2024		March 31, 2024
		(A)	(A) - (B)	(B)
Defined retirement benefit obligation	(A)	(37,639)	471	(38,110)
Fair value of plan assets	(B)	35,897	(40)	35,938
Unfunded retirement benefit obligation	(C)=(A)+(B)	(1,741)	430	(2,171)
Retirement benefit asset	(D)	8,982	241	8,741
Retirement benefit liability	(C)-(D)	(10,723)	189	(10,912)
Unrecognized actuarial losses	(E)	3,015	(267)	3,282
Unrecognized prior-service cost	(F)	-	-	-
Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	3,015	(267)	3,282

【Non-consolidated】

(Millions of yen)

		September 30, 2024		March 31, 2024
		(A)	(A) - (B)	(B)
Defined retirement benefit obligation	(A)	(36,967)	516	(37,483)
Fair value of plan assets	(B)	35,897	(40)	35,938
Unfunded retirement benefit obligation	(C)=(A)+(B)	(1,069)	475	(1,544)
Unrecognized actuarial losses	(D)	(3,015)	267	(3,282)
Unrecognized prior-service cost	(E)	-	-	-
Net liability recognized	(F)=(C)+(D)+(E)	(4,084)	743	(4,827)
Prepaid pension costs	(G)	6,159	495	5,663
Provision for retirement benefits	(F)-(G)	(10,244)	247	(10,491)

② Net periodic retirement benefit costs

【Consolidated】

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A) - (B)	(B)
Net periodic retirement benefit costs regarding defined benefit pension plans	235	(526)	761

【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2023
	(A)	(A) - (B)	(B)
Net periodic retirement benefit costs	149	(537)	687
Service cost	645	(132)	778
Interest cost	221	139	81
Expected return on plan assets	(449)	(17)	(431)
Amortization of prior-service cost	-	-	-
Recognized actuarial losses	(267)	(527)	259
Other	-	-	-

10. Capital Adequacy Ratio (under Japanese domestic standards)

■Basel III

【Consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024 (B)	September 30, 2023 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.84%	1.61%	1.21%	9.23%	9.63%
(2) Core capital: instruments and reserves	527,273	59,687	(2,124)	467,585	529,397
(3) Core capital: regulatory adjustments	40,248	1,676	17,451	38,572	22,796
(4) Regulatory capital (2)-(3)	487,024	58,011	(19,576)	429,013	506,601
(5) Risk-weighted assets	4,488,790	(156,845)	(766,900)	4,645,636	5,255,691
(6) Total required capital (5)*4%	179,551	(6,273)	(30,676)	185,825	210,227

【Non-consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024 (B)	September 30, 2023 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.26%	1.58%	1.24%	8.68%	9.02%
(2) Core capital: instruments and reserves	478,878	55,655	(2,171)	423,223	481,050
(3) Core capital: regulatory adjustments	25,982	1,394	14,269	24,587	11,713
(4) Regulatory capital (2)-(3)	452,895	54,260	(16,441)	398,635	469,337
(5) Risk-weighted assets	4,410,107	(180,066)	(792,511)	4,590,174	5,202,619
(6) Total required capital (5)*4%	176,404	(7,202)	(31,700)	183,606	208,104

The 'Composition of Capital Disclosure' is available on our website at
<https://www.aozorabank.co.jp/english/ir/library/results/>

II. Status of Loans, etc.

- * NPLs : Non-performing loans
- * FRA : Financial Reconstruction Act

1. NPLs based on the Banking Act and the FRA, and coverage

After partial and direct write-off

【Consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	6	(12)	(1)	18	7
Doubtful credit	94,677	(23,895)	49,337	118,572	45,339
Special attention credit	18,882	6,367	12,117	12,514	6,765
Loans overdue for three months or more	5,998	(362)	5,615	6,361	382
Restructured loans	12,883	6,730	6,501	6,153	6,382
Subtotal (a)	113,565	(17,540)	61,453	131,105	52,111
Normal credit	3,913,760	(82,427)	(202,565)	3,996,188	4,116,326
Total credit (b)	4,027,326	(99,967)	(141,111)	4,127,294	4,168,438
NPL ratio (a/b)	2.8%	(0.4%)	1.5%	3.2%	1.3%

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	104,474	(18,419)	56,149	122,894	48,325
Allowance for loan losses (d)	48,612	(6,141)	27,789	54,753	20,822
Collateral / guarantee coverage (e)	55,862	(12,277)	28,360	68,140	27,502
Coverage ratio (c/a)	92.0%	(1.7%)	(0.7%)	93.7%	92.7%
Allowance ratio (d/(a-e))	84.2%	(2.8%)	(0.4%)	87.0%	84.6%

(Note) Allowance for loan losses (d) is the sum of specific allowance and general allowance for NPL credit (a).

After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	6	(12)	(1)	18	7
Doubtful credit	94,275	(24,017)	49,883	118,292	44,391
Special attention credit	18,842	6,692	12,251	12,149	6,590
Loans overdue for three months or more	5,998	(362)	5,615	6,361	382
Restructured loans	12,843	7,055	6,636	5,788	6,207
Subtotal (a)	113,123	(17,336)	62,134	130,459	50,988
Normal credit	3,738,678	(79,956)	(189,660)	3,818,635	3,928,339
Total credit (b)	3,851,801	(97,293)	(127,526)	3,949,094	3,979,328
NPL ratio (a/b)	2.9%	(0.4%)	1.6%	3.3%	1.3%

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	104,054	(18,471)	56,699	122,526	47,355
Allowance for loan losses (d)	48,204	(6,205)	28,335	54,410	19,869
Collateral / guarantee coverage (e)	55,849	(12,265)	28,363	68,115	27,485
Coverage ratio (c/a)	92.0%	(1.9%)	(0.9%)	93.9%	92.9%
Allowance ratio (d/(a-e))	84.2%	(3.1%)	(0.3%)	87.3%	84.5%

(Note) Allowance for loan losses (d) is the sum of specific allowance and general allowance for NPL credit (a).

2. Allowance for Loan Losses After partial and direct write-off

【Consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	77,057	(10,872)	23,314	87,929	53,742
General allowance	38,237	761	2,341	37,475	35,896
Specific allowance	38,820	(11,633)	20,973	50,453	17,846
Allowance for loans to restructuring countries	-	-	-	-	-

 After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	September 30, 2024			March 31, 2024	September 30, 2023
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	76,262	(11,109)	23,576	87,371	52,685
General allowance	37,831	654	2,058	37,177	35,773
Specific allowance	38,431	(11,763)	21,518	50,194	16,912
Allowance for loans to restructuring countries	-	-	-	-	-

3. Coverage for NPLs based on the FRA by Borrowers' Category

After partial and direct write-off

[Consolidated]

(Billions of yen)

Borrower categories for self-assessment	NPLs based on the FRA		Allowance & Coverage	Allowance ratio	Coverage ratio
	Loans	other			
Bankrupt borrowers	Bankrupt and similar credit		Collateral / Guarantee coverage 0.0	100.0%	100.0%
De facto bankrupt borrowers	0.0				
In Danger of Bankruptcy borrowers	Doubtful credit		Collateral / Guarantee coverage 55.8 Allowance 38.8 Estimated collections -	100.0%	100.0%
	94.6				
Need Attention borrowers	Special attention credit		Collateral / Guarantee coverage - Allowance 9.7 Estimated collections 9.0	51.9%	51.9%
	18.8				
Normal borrowers	(Normal credit) (3,913.7)				

NPL credit	Collateral / Guarantee coverage 55.8 Allowance 48.6 Estimated collections 9.0	NPLs based on the FRA Allowance ratio	NPLs based on the FRA Coverage ratio
113.5		84.2%	92.0%

Total credit	Total allowance	Allowance ratio = Allowance / (NPL credit – Collateral, Guarantees, etc.)
4,027.3	77.0	Coverage ratio = (Collateral, Guarantees + Allowance) / NPL credit

Allowance ratio for the unsecured portion of special attention credit	51.8%
Allowance ratio for the need attention credit	6.2%
Allowance ratio for the normal credit	0.4%

(Note) Japanese yen figures of less than 100 million yen are truncated.

4. Off-Balancing of NPLs based on the FRA [Non-consolidated]

① Balance of doubtful credit, and bankrupt and similar credit

(Billions of yen)

Newly added within:		As of	As of	As of	As of	As of	As of	As of	As of	
		Mar. 31, 2021	Sep. 30, 2021	Mar. 31, 2022	Sep. 30, 2022	Mar. 31, 2023	Sep. 30, 2023	Mar. 31, 2024 (B)	increase (decrease) (A)-(B)	Sep. 30, 2024 (A)
-Mar. 31, 2021	Bankrupt and similar credit	2.1	-	2.8	1.8	3.0	0.0	0.0	(0.0)	0.0
	Doubtful credit	20.7	16.4	10.0	6.5	4.0	3.2	3.2	(3.0)	0.2
subtotal		22.8	16.4	12.9	8.3	7.1	3.2	3.2	(3.0)	0.2
Apr. 1, 2021 -Sep. 30, 2021	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	-	-
subtotal		-	-	-	-	-	-	-	-	-
Oct. 1, 2021 -Mar. 31, 2022	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	5.3	-	-	-	-	-	-
subtotal		-	-	5.3	-	-	-	-	-	-
Apr. 1, 2022 -Sep. 30, 2022	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	4.7	1.5	1.7	1.7	(0.1)	1.6
subtotal		-	-	-	4.7	1.5	1.7	1.7	(0.1)	1.6
Oct. 1, 2022 -Mar. 31, 2023	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	24.1	21.3	21.6	(4.0)	17.5
subtotal		-	-	-	-	24.1	21.3	21.6	(4.0)	17.5
Apr. 1, 2023 -Sep. 30, 2023	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	18.0	18.2	(11.6)	6.5
subtotal		-	-	-	-	-	18.0	18.2	(11.6)	6.5
Oct. 1, 2023 -Mar. 31, 2024	Bankrupt and similar credit	-	-	-	-	-	-	0.0	(0.0)	-
	Doubtful credit	-	-	-	-	-	-	73.4	(16.0)	57.3
subtotal		-	-	-	-	-	-	73.4	(16.0)	57.3
Apr. 1, 2024 -Sep. 30, 2024	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	10.9	10.9
subtotal		-	-	-	-	-	-	-	10.9	10.9

(Note1) Japanese yen figures of less than 100 million yen are truncated.

(Note2) Balance as of September 30, 2024 includes those borrowers (0.0 billion yen) for whom measures are undertaken which will lead to eventual off-balancing.

② Off-balancing of doubtful credit, and bankrupt and similar credit

(Billions of yen)

Newly added within:	-Mar. 31, 2021	Apr. 1, 2021 -Sep. 30, 2021	Oct. 1, 2021 -Mar. 31, 2022	Apr. 1, 2022 -Sep. 30, 2022	Oct. 1, 2022 -Mar. 31, 2023	Apr. 1, 2023 -Sep. 30, 2023	Oct. 1, 2023 -Mar. 31, 2024
Liquidation-type disposition	-	-	-	-	-	-	-
Restructuring-type disposition	-	-	-	-	(1.1)	-	-
Loan liquidations	(2.7)	-	-	-	-	(10.6)	(11.1)
Direct write-off	0.2	-	-	-	-	-	(0.6)
Other	(0.6)	-	-	(0.1)	(2.8)	(1.0)	(4.1)
Total	(3.0)	-	-	(0.1)	(4.0)	(11.6)	(16.0)

(Note1) Japanese yen figures of less than 100 million yen are truncated.

(Note2) Liquidation-type disposition : debt waiver in event of bankruptcy or special liquidation

Restructuring-type disposition : debt waiver in event of restructuring-type proceedings, such as corporate reorganization, civil rehabilitation, composition and winding-up; or debt forgiveness

Other : collection by disposition of collateral, business improvement of debtor, etc.

(Note3) If legal proceedings such as debt waiver, forgiveness, collection and so on, occur after direct write-off of book cost, relevant amounts are reentered in 'Liquidation-type disposition', 'Restructuring-type disposition' or 'Other' where appropriate and subtracted from 'Direct write-off.'

5. Breakdown of Loans and Bills Discounted Classified by Industry [Consolidated]

□ After partial and direct write-off

① Loans and Bills Discounted Classified by Industry

(Millions of yen)

	September 30, 2024	March 31, 2024
Loans by domestic offices (excluding Japan offshore market accounts)	3,108,613	3,098,275
Manufacturing	335,066	300,950
Agriculture, forestry and fisheries	159	152
Mining, quarry and gravel extraction	-	-
Construction	21,798	16,668
Electricity, gas, heat supply and water	163,852	126,090
Information and communications	119,143	128,199
Transport and postal service	44,406	42,792
Wholesale and retail trade	68,035	85,987
Finance and insurance	359,562	363,825
Real estate	736,996	758,169
Leasing	194,524	183,255
Various services	197,240	162,957
Local government	792	813
Others	867,034	928,411
Loans by overseas offices (including Japan offshore market accounts)	858,909	973,019
Government	-	-
Financial institutions	-	-
Others	858,909	973,019
Total	3,967,523	4,071,295

② NPLs based on the FRA Classified by Industry

(Millions of yen)

	September 30, 2024	March 31, 2024
NPL credit by domestic offices (excluding Japan offshore market accounts)	111,947	129,357
Manufacturing	13,056	6,806
Agriculture, forestry and fisheries	0	108
Mining, quarry and gravel extraction	-	-
Construction	67	111
Electricity, gas, heat supply and water	0	8
Information and communications	51	63
Transport and postal service	5	16
Wholesale and retail trade	262	212
Finance and insurance	0	1
Real estate	11	33
Leasing	-	-
Various services	319	417
Local government	-	-
Others	98,171	121,577
NPL credit by overseas offices (including Japan offshore market accounts)	1,617	1,748
Government	-	-
Financial institutions	-	-
Others	1,617	1,748
Total	113,565	131,105

(Note) NPL credit includes accrued interest and suspense payments in other assets and customers' liabilities for acceptances and guarantees.

III. Deferred Tax Assets

1. Decision on Recoverability of Deferred Tax Asset

We have categorized the Bank under Category 3 in accordance with Paragraph 29 of 'Guidance on Recoverability of Deferred Tax Assets' (ASBJ Guidance on Corporate Accounting Standard No.26) and have calculated recoverable deferred tax assets based on a scheduling of the reversals of temporary differences and the estimation of future taxable income for the next 5 years.

Reference) Past Taxable income

(Billions of yen)

	FY 2021	FY 2022	FY 2023
Taxable income (before offsetting of tax loss carryforwards)	36.6	(2.7)	(*) (59.5)

(*) The tax-losses were recognized mainly due to the liquidation of an overseas subsidiary. For accounting purposes, the impairment losses have already been recorded in the past profit and loss statements.

2. Temporary Differences and Loss Carryforwards [Non-consolidated]

(Billions of yen)

	September 30, 2024		March 31, 2024
	(A)	(A) - (B)	(B)
Deferred tax assets	51.3	2.1	49.1
Provision of allowance for loan losses	23.6	(3.1)	26.8
Provision for retirement benefits	3.1	(0.0)	3.2
Write-offs for securities	4.1	(0.0)	4.2
Valuation difference on available-for-sale securities	14.9	(3.6)	18.5
Tax loss carryforwards	20.3	1.5	18.8
Other	12.6	0.1	12.5
Subtotal	79.0	(5.2)	84.2
Less valuation allowance	(27.7)	7.3	(35.0)
Deferred tax liabilities	2.5	(1.7)	4.3
Valuation difference on available-for-sale securities	0.2	(0.0)	0.2
Net deferred tax assets	48.7	3.9	44.7