

Summary of the Financial Statements for FY2025 [JGAAP] (Consolidated)



May 14, 2026

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304		
Representative	Hideto Oomi, President and CEO		
Contact person	Norihide Tate, Joint General Manager of Financial Management Division		
Date of ordinary shareholders' meeting	June 23, 2026	URL	https://www.aozorabank.co.jp/
Dividend payable date	June 12, 2026	TEL	(03)6752-1111
Scheduled filing date of securities report	June 17, 2026	Trading accounts	Affirmative
Reference material	Affirmative		
Investor meeting	Affirmative		

(Unit: JPY millions, rounded down)

1. Business highlights for the fiscal year ended March 31, 2026 (FY2025)

(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	%
FY2025	242,314	4.7	27,183	54.8	25,705	25.3
FY2024	231,460	(6.0)	17,561	—	20,518	—

(Note) Comprehensive income JPY 41,523 million 92.6% (FY2025) JPY 21,561 million —% (FY2024)

	Net income per common share (basic)	Net income per common share (diluted)	ROE	Ordinary profit per total assets	Ordinary profit per ordinary income
	Yen	Yen	%	%	%
FY2025	185.75	185.41	5.5	0.3	11.2
FY2024	154.26	154.02	4.9	0.2	7.6

(Reference) Gains (losses) on equity method investments JPY 2,926 million (FY2025) JPY 2,265 million (FY2024)

(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
March 31, 2026	8,601,673	491,611	5.6	3,463.73
March 31, 2025	7,762,434	459,685	5.8	3,258.51

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 479,315 million (March 31, 2026)
JPY 450,916 million (March 31, 2025)

(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.

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2025	132,619	(14,281)	(9,947)	1,449,989
FY2024	(56,900)	(147,849)	46,592	1,341,599

2. Dividend

	Annual dividend					Total dividends (Annual) Millions of yen	Dividend ratio (Consolidated) %	Dividends to net assets ratio (Consolidated) %
	1Q end	2Q end	3Q end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen			
FY2024(common share)	19.00	19.00	19.00	22.00	79.00	10,522	51.2	2.4
FY2025(common share)	22.00	22.00	22.00	25.00	91.00	12,592	49.0	2.7
FY2026(common share) (Forecast)	—	—	—	—	100.00		51.3	

(Note) 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, 2027 (FY2026)

(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
FY2026 (Full Year)	37,000	36.1	27,000	5.0	195.11

* Notes

(1) Significant changes in the scope of consolidation during the term Affirmative
Excluded: 1 company (Aozora Asia Pacific 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

	March 31, 2026	March 31, 2025
(a) The number of common shares issued (including treasury shares)	139,789,418	139,789,418
(b) The number of treasury shares	1,408,342	1,408,328

	FY2025	FY2024
(c) The average number of common shares outstanding	138,381,112	133,006,083

(Summary of non-consolidated financial statements)

1. Business highlights for the fiscal year ended March 31, 2026 (FY2025)

(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	%
FY2025	207,531	1.6	21,814	58.4	22,254	41.8
FY2024	204,228	(7.9)	13,769	—	15,698	—

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
FY2025	160.81	160.51
FY2024	118.02	117.83

(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
March 31, 2026	7,329,934	430,391	5.9	3,105.65
March 31, 2025	6,779,341	406,726	6.0	2,935.55

(Reference) Total net assets (less Share acquisition rights): JPY 429,764 million (March 31, 2026) JPY 406,225 million (March 31, 2025)

(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.

* Summary of financial statements is out of scope of 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.

[Attachment]

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1. Overview of operating results

(1) Overview of operating results for FY2025

① Consolidated results of operations

(Billions of yen)

	FY2024	FY2025	Change
Net revenue ※1	85.6	98.5	12.9
Net interest income	48.7	52.3	3.6
Net fees and commissions	24.6	31.8	7.1
Net gains on trading account transactions	3.1	4.3	1.1
Gains (losses) on bond transactions	2.0	(10.3)	(12.3)
Net other ordinary income excluding gains (losses) on bond transactions	7.0	20.4	13.3
General and administrative expenses	(62.8)	(66.9)	(4.0)
Gains (losses) on equity method investments	2.2	2.9	0.6
Business profit (excluding gains/losses on stock transactions, etc.) ※2	25.0	34.5	9.5
Credit-related expenses	(9.4)	(8.4)	0.9
Gains (losses) on stock transactions	3.2	1.1	(2.1)
Other	(1.2)	(0.0)	1.2
Ordinary profit	17.5	27.1	9.6
Extraordinary profit (loss)	1.8	(0.0)	(1.8)
Profit before income taxes	19.3	27.1	7.7
Total income taxes	0.2	(0.5)	(0.8)
Profit	19.6	26.5	6.9
Loss (Profit) attributable to non-controlling interests	0.8	(0.8)	(1.7)
Profit attributable to owners of parent	20.5	25.7	5.1

Reference

Business profit (including gains/losses on stock transactions, etc.)	27.1	35.2	8.1
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※1 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 (excluding gains/losses on stock transactions, etc.)

= Net revenue - General and administrative expenses

+ Gains (losses) on equity method investments

※3 Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Net provision of allowance for investment losses + Gains/losses on equity derivatives

※4 Regardless of nature of accounts, income or profits are shown as positive and expenses or losses are shown as negative amount on the table above.

For FY2025, net revenue was 98.5 billion yen, an increase of 12.9 billion yen from the previous year, and business profit (excluding gains/losses on stock transactions, etc.) was 34.5 billion yen, an increase of 9.5 billion yen. Profit attributable to owners of parent was 25.7 billion yen, an increase of 5.1 billion yen.

Net interest income was 52.3 billion yen, an increase of 3.6 billion yen from the previous year. Non-interest income was 46.2 billion yen, an increase of 9.3 billion yen from the previous year. General and administrative expenses were 66.9 billion yen, an increase of 4.0 billion yen from the previous year.

Gains (losses) on equity method investments were a net gain of 2.9 billion yen.

From the above, business profit (excluding gains/losses on stock transactions, etc.) was 34.5 billion yen, an increase of 9.5 billion yen.

Credit-related expenses were a net expense of 8.4 billion yen, as compared to a net expense of 9.4 billion yen in FY2024. Gains (losses) on stock transactions were a net gain of 1.1 billion yen. Ordinary profit was 27.1 billion yen, an increase of 9.6 billion yen, and profit before income taxes was 27.1 billion yen, an increase of 7.7 billion yen from the previous year.

Total income taxes (corporation tax, resident tax, business tax and deferred income taxes) were a net expense of 0.5 billion yen.

As a result of the above factors, profit attributable to owners of parent was 25.7 billion yen, an increase of 5.1 billion yen year-on-year. Net income per share (basic) was 185.75 yen, as compared to 154.26 yen per share (basic) in FY2024.

Business profit (including gains/losses on stock transactions, etc.) by reportable segments

※1

(Billions of yen)

	FY2024	FY2025	Change
Strategic Investments Unit	27.7	38.6	10.8
Market & International Business Unit	7.5	3.9	(3.6)
Customer Relations Unit	1.4	1.1	(0.3)
GMO Aozora Net Bank	(0.4)	1.9	2.3

※1 Business profit (including gains/losses on stock transactions, etc.)

= Business profit (excluding gains/losses on stock transactions, etc.)

+ Gains/losses on stock transactions, etc.

The Bank has designated Strategic Investments Unit, Market & International Business Unit, Customer Relations Unit, and GMO Aozora Net Bank as reportable segments for the purpose of the disclosures contained herein.

As of March 31, 2026, each reportable segment consists of the following business groups.

Strategic Investments Unit

: Corporate Banking Group, M&A Advisory Group, Acquisition & Structured Finance Group, Environment Business Group, Special Situations Group and Real Estate Finance Group

Market & International Business Unit

: Financial Markets Group, International Business Group and Real Estate Finance Group

Customer Relations Unit

: Allied Banking Group and Retail Banking Group

GMO Aozora Net Bank

: GMO Aozora Net Bank

② Outlook for the next term

The consolidated earnings forecast for the year ending March 2027 is 111.0 billion yen for net revenue, 44.0 billion yen for business profit (including gains/losses on stock transactions, etc.), 37.0 billion yen for ordinary profit and 27.0 billion yen for profit attributable to owners of parent.

(2) Overview of financial condition for FY2025

① Assets, liabilities, and net assets

Total assets were 8,601.6 billion yen as of March 31, 2026, an increase of 839.2 billion yen, compared to March 31, 2025.

Loans and bills discounted were 4,486.3 billion yen, an increase of 279.8 billion yen from March 31, 2025. Domestic loans increased by 261.4 billion yen and overseas loans increased by 18.3 billion yen. Securities increased by 79.3 billion yen from March 31, 2025, to 1,434.8 billion yen.

Total liabilities were 8,110.0 billion yen, an increase of 807.3 billion yen compared to March 31, 2025. Total core funding (deposits, negotiable certificates of deposit and bonds payable) was 6,152.4 billion yen, an increase of 354.8 billion yen from March 31, 2025.

Total net assets were 491.6 billion yen, an increase of 31.9 billion yen from March 31, 2025. Net assets per common share were 3,463.73 yen, as compared to 3,258.51 yen per common share as of March 31, 2025.

② Cash flow

Cash flow from operating activities was a positive 132.6 billion yen mainly due to increase in deposits. From investing activities, cash flow was a negative 14.2 billion yen mainly as a result of expenditures for the acquisition of securities exceeding income from the sale and redemption of securities. Cash flow from financing activities was a negative 9.9 billion yen mainly due to dividend payment. As a result, cash and cash equivalents as of March 31, 2026 were 1,449.9 billion yen, an increase of 108.3 billion yen compared to the previous fiscal year end.

(3) Policy for appropriation of earnings and dividend for the year and next year

As announced in mid-term plan for 2025-2027, entitled 'Aozora 2027' in May 2025, the Bank will provide stable returns to shareholders in the form of dividend payment based on the result of net

earnings in principle, while maintaining financial strength.

For this fiscal year, the Bank will pay a cash dividend of 25.00 yen for the fourth quarter (91.00 yen for the entire year) per common share.

The entire year dividend forecast for the next fiscal year is 100.00 yen per common share.

(Note) Figures are rounded down to the nearest unit specified.

2. Basic view on selection of Accounting Standards

The Bank's consolidated financial statements are prepared in accordance with accounting principals generally accepted in Japan ("J GAAP"), in order to ensure the comparability with other domestic banks.

In terms of the application of IFRS, the Bank will take appropriate actions in consideration of the Group's business operations, based on internal and external situations, etc.

3. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Cash and due from banks	1,409,371	1,508,492
Call loans and bills bought	31,782	81,283
Monetary claims bought	58,530	55,280
Trading account assets	262,803	501,566
Money held in trust	12,728	11,053
Securities	1,355,458	1,434,823
Loans and bills discounted	4,206,564	4,486,392
Foreign exchanges	46,420	46,837
Other assets	331,054	411,740
Tangible fixed assets	22,385	22,874
Buildings, net	9,695	10,114
Land	9,235	9,235
Leased assets, net	999	786
Construction in progress	46	262
Other tangible fixed assets	2,407	2,476
Intangible fixed assets	19,075	18,091
Software	19,008	18,024
Other intangible fixed assets	67	67
Retirement benefit asset	9,430	12,319
Deferred tax assets	51,583	49,790
Customers' liabilities for acceptances and guarantees	18,711	16,218
Allowance for loan losses	(71,025)	(52,974)
Allowance for investment loss	(2,439)	(2,119)
Total assets	7,762,434	8,601,673
Liabilities		
Deposits	5,598,301	6,030,775
Negotiable certificates of deposit	74,600	63,700
Call money and bills sold	5,000	50,993
Securities sold under repurchase agreements	27,924	38,123
Cash collateral received for securities lent	345,719	375,943
Trading account liabilities	209,155	482,295
Borrowed money	726,300	784,400
Bonds payable	124,640	57,962
Other liabilities	155,993	192,791
Provision for bonuses	4,756	5,515
Provision for bonuses for directors (and other officers)	67	110
Retirement benefit liability	10,353	9,875
Provision for credit losses on off-balance-sheet instruments	1,218	1,348
Reserves under special laws	8	8
Acceptances and guarantees	18,711	16,218
Total liabilities	7,302,748	8,110,061

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Share capital	125,966	125,966
Capital surplus	113,483	113,483
Retained earnings	241,485	254,992
Treasury shares	(2,894)	(2,894)
Total shareholders' equity	478,040	491,547
Valuation difference on available-for-sale securities	(39,532)	(24,972)
Deferred gains or losses on hedges	517	(545)
Foreign currency translation adjustment	9,604	9,674
Remeasurements of defined benefit plans	2,286	3,611
Total accumulated other comprehensive income	(27,123)	(12,232)
Share acquisition rights	501	626
Non-controlling interests	8,267	11,669
Total net assets	459,685	491,611
Total liabilities and net assets	7,762,434	8,601,673

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Ordinary income	231,460	242,314
Interest income	161,104	160,334
Interest on loans and discounts	127,971	119,804
Interest and dividends on securities	22,499	26,328
Interest on call loans and bills bought	325	330
Interest income on securities purchased under resale agreements	0	0
Interest on deposits with banks	1,103	598
Other interest income	9,204	13,272
Trust fees	373	465
Fees and commissions	31,137	39,387
Gain on trading account transactions	3,706	4,827
Other ordinary income	24,417	29,382
Other income	10,721	7,917
Reversal of allowance for loan losses	—	1,864
Recoveries of written off receivables	2,490	269
Reversal of provision for credit losses on off-balance-sheet instruments	742	—
Other	7,489	5,783
Ordinary expenses	213,899	215,130
Interest expenses	112,393	107,973
Interest on deposits	15,511	30,048
Interest on negotiable certificates of deposit	146	406
Interest on call money and bills sold	41	405
Interest expenses on securities sold under repurchase agreements	1,518	1,367
Interest expenses on cash collateral received for securities lent	15,318	14,691
Interest on borrowings and rediscounts	2,820	5,364
Interest expenses on bonds	6,067	5,839
Interest expenses on interest rate swaps	35,011	23,969
Other interest expenses	35,958	25,880
Fees and commissions payments	6,859	8,038
Loss on trading account transactions	560	509
Other ordinary expenses	15,286	19,283
General and administrative expenses	62,384	65,999
Other expenses	16,413	13,325
Provision of allowance for loan losses	6,105	—
Provision of allowance for credit losses on off-balance-sheet instruments	—	130
Other	10,308	13,195
Ordinary profit	17,561	27,183
Extraordinary income	3,408	0
Gain on disposal of non-current assets	0	0
Reversal of foreign currency translation adjustment	3,408	—
Extraordinary losses	1,584	12
Loss on disposal of non-current assets	2	7
Impairment losses	263	4
Other	1,318	—
Profit before income taxes	19,386	27,171
Income taxes - current	2,059	2,213
Income taxes - deferred	(2,307)	(1,639)
Total income taxes	(248)	574
Profit	19,634	26,597
Profit (loss) attributable to non-controlling interests	(884)	891
Profit attributable to owners of parent	20,518	25,705

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	19,634	26,597
Other comprehensive income	1,927	14,925
Valuation difference on available-for-sale securities	6,265	14,594
Deferred gains or losses on hedges	(3,814)	(1,063)
Foreign currency translation adjustment	(2,748)	1,790
Remeasurements of defined benefit plans, net of tax	8	1,325
Share of other comprehensive income of entities accounted for using equity method	2,215	(1,720)
Comprehensive income	21,561	41,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,451	40,597
Comprehensive income attributable to non-controlling interests	(889)	926

(3) Consolidated statement of changes in net assets

For the fiscal year ended March 31, 2025

(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			(7,478)		(7,478)
Profit attributable to owners of parent			20,518		20,518
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	13,040	120	65,112
Balance at end of period	125,966	113,483	241,485	(2,894)	478,040

	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								(7,478)
Profit attributable to owners of parent								20,518
Purchase of treasury shares								(0)
Disposal of treasury shares								139
Net changes in items other than shareholders' equity	6,270	(3,814)	(532)	8	1,932	(31)	1,593	3,494
Total changes during period	6,270	(3,814)	(532)	8	1,932	(31)	1,593	68,607
Balance at end of period	(39,532)	517	9,604	2,286	(27,123)	501	8,267	459,685

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	125,966	113,483	241,485	(2,894)	478,040
Changes during period					
Dividends of surplus			(12,177)		(12,177)
Change in scope of consolidation			(20)		(20)
Profit attributable to owners of parent			25,705		25,705
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	—	13,506	(0)	13,506
Balance at end of period	125,966	113,483	254,992	(2,894)	491,547

	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	(39,532)	517	9,604	2,286	(27,123)	501	8,267	459,685
Changes during period								
Dividends of surplus								(12,177)
Change in scope of consolidation								(20)
Profit attributable to owners of parent								25,705
Purchase of treasury shares								(0)
Disposal of treasury shares								0
Net changes in items other than shareholders' equity	14,560	(1,063)	69	1,325	14,891	125	3,402	18,419
Total changes during period	14,560	(1,063)	69	1,325	14,891	125	3,402	31,926
Balance at end of period	(24,972)	(545)	9,674	3,611	(12,232)	626	11,669	491,611

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	19,386	27,171
Depreciation	7,252	7,368
Impairment losses	263	4
Share of loss (profit) of entities accounted for using equity method	(2,265)	(2,926)
Increase (decrease) in allowance for loan losses	(16,903)	(18,051)
Increase (decrease) in allowance for investment loss	(2,023)	(320)
Increase (decrease) in provision for bonuses	110	740
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	43
Decrease (increase) in retirement benefit asset	(987)	(1,242)
Increase (decrease) in retirement benefit liability	(205)	(188)
Net change in provision for credit losses on off-balance-sheet instruments	(742)	130
Interest income	(161,104)	(160,334)
Interest expenses	112,393	107,973
Loss (gain) related to securities	(5,314)	9,185
Loss (gain) on money held in trust	(323)	(333)
Foreign exchange losses (gains)	20,106	(128,946)
Loss (gain) on disposal of non-current assets	2	7
Net decrease (increase) in trading account assets	(89,090)	(238,763)
Net increase (decrease) in trading account liabilities	44,076	273,140
Net decrease (increase) in loans and bills discounted	(146,171)	(209,395)
Net increase (decrease) in deposits	(36,691)	432,474
Net increase (decrease) in negotiable certificates of deposit	(66,780)	(10,900)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	163,000	58,100
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	11,928	11,023
Net decrease (increase) in call loans	(4,950)	(46,252)
Net increase (decrease) in call money	3,020	56,192
Net increase (decrease) in cash collateral received for securities lent	85,029	30,224
Net decrease (increase) in foreign exchanges - assets	11,830	(2,234)
Increase (decrease) in straight bonds - issuance and redemption	(56,756)	(66,678)
Interest received	159,242	157,017
Interest paid	(110,567)	(102,114)
Other, net	8,061	(48,273)
Subtotal	(55,182)	133,842
Income taxes refund (paid)	(1,717)	(1,223)
Net cash provided by (used in) operating activities	(56,900)	132,619

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of securities	(596,135)	(666,292)
Proceeds from sale of securities	315,934	444,384
Proceeds from redemption of securities	137,881	214,638
Increase in money held in trust	(24,095)	(22,568)
Decrease in money held in trust	24,641	22,929
Purchase of tangible fixed assets	(1,447)	(2,311)
Purchase of intangible assets	(4,628)	(4,946)
Proceeds from sale of tangible fixed assets	0	0
Payments for asset retirement obligations	—	(115)
Net cash provided by (used in) investing activities	(147,849)	(14,281)
Cash flows from financing activities		
Repayments of lease liabilities	(345)	(245)
Proceeds from issuance of shares	51,933	—
Proceeds from share issuance to non-controlling shareholders	2,500	2,500
Dividends paid	(7,478)	(12,177)
Dividends paid to non-controlling interests	(16)	(23)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	—	0
Net cash provided by (used in) financing activities	46,592	(9,947)
Net increase (decrease) in cash and cash equivalents	(158,156)	108,390
Cash and cash equivalents at beginning of period	1,499,756	1,341,599
Cash and cash equivalents at end of period	1,341,599	1,449,989

(5) Notes to consolidated financial statements
(Information on going concern assumption)
None

(Segment information)

1. Description of reportable segments

(1) Identification of operating segments

The Bank has classified its Group's business operations into business groups and business units based upon the nature of the customers served and products offered: Strategic Investments Unit, Market & International Business Unit, Customer Relations Unit and GMO Aozora Net Bank. The Bank has designated these business units as operating segments and reportable segments for the purpose of the disclosures contained herein.

Financial information for these units is regularly reported to the Management Committee, which comprises members from amongst the Executive Officers who are approved and appointed by the Board of Directors, and is utilized for management decisions on the allocation of resources, an evaluation of the performance of each business units, etc.

(2) Services provided by each reportable segment

Strategic Investments Unit consists of Corporate Banking Group, M&A Advisory Group, Acquisition & Structured Finance Group, Environment Business Group, Special Situations Group and Real Estate Finance Group. Strategic Investments Unit offers financial services to corporate customers. Major services offered by Strategic Investments Unit are loans and deposits, sale of financial products, private equity operations, M&A advisory, acquisition finance, environmental project finance, corporate restructuring finance, domestic real estate finance and other financial services.

Market & International Business Unit consists of Financial Markets Group, International Business Group and Real Estate Finance Group. Market & International Business Unit offers derivatives and foreign exchange products to customers, trading derivatives and foreign exchange products, ALM operations overseas loans and investments, overseas real estate finance and other financial services.

Customer Relations Unit consists of Allied Banking Group and Retail Banking Group. Customer Relations Unit offers financial services to financial institutions, public sector customers and retail customers. Major services offered by Customer Relations Unit are loans and deposits, sale of financial products (for financial institutions and public sector customers) and the sale of investment products, including deposits, investment trusts and insurance (for retail customers), and other financial services.

GMO Aozora Net Bank is a consolidated subsidiary of the Bank. GMO Aozora Net Bank offers deposits, foreign exchange and loans (for corporate customers, mainly startups and small and medium-sized enterprises) and deposits (for retail customers), and other financial services.

2. Methods of measurement for the amounts of Business revenue, profit (loss), assets and liabilities by reportable segments

Business revenue, profit (loss), assets and liabilities of reportable segments are recognized and measured mainly in accordance with accounting policies applied to consolidated financial statements.

Business revenue includes 'Consolidated net revenue', 'Gains (losses) on equity method investments', and 'Gains (losses) on stock transactions, etc.'

The Bank calculates its net interest income from funding and investing across reportable segments based on i) the internal transfer rates determined by the average rate of funding by the currency and by contractual term, and ii) an expense allocation ratio for funding activities. In addition, the expenses related to the operations of the Bank's Head Office, which is not directly related to its business activities, is excluded from each reportable segment.

Fixed assets are not allocated to reportable segments, while the associated expenses are allocated to specific reportable segments and included in the segments' expenses.

3. Changes in reportable segments

(1) Changes in the method for classifying reportable segments

The Bank made an organizational change to better align our management structure with the Mid-term Plan spanning fiscal years 2025 to 2027 from the beginning of the year ended March 31, 2026. As a result, the method of classifying reportable segments has been changed.

More specifically, the former classification of six reportable segments (Institutional Banking Group, Structured Finance Group, International Business Group, Market Group, Customer Relations Group, and GMO Aozora Net Bank) has been changed to four segments: Strategic Investments Unit, Market & International Business Unit, Customer Relations Unit and GMO Aozora Net Bank.

(2) Changes in the method of measurement for the amount of revenues, profit (loss) by reportable segments

The Bank revised the method for evaluating its funding activity, which is a growth base in the Mid-term Plan, to include the amount of earnings commensurate with the degree of contribution related to funding activity in Consolidated net revenue of each unit from the beginning of the year ended March 31, 2026.

The information regarding reportable segments for the year ended March 31, 2025 has been updated to reflect these new reportable segments and revenue management methods.

4. Business revenue, profit (loss), assets and liabilities by reportable segment

FY2024 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Strategic Investment Unit	Market & International Business Unit	Customer Relations Unit	GMO Aozora Net Bank	Total
Consolidated net revenue	50,320	19,969	11,308	9,210	90,808
Gains (losses) on equity method investment	—	2,265	—	—	2,265
Gains (losses) on stock transactions, etc.	(564)	2	659	—	96
Business Revenue	49,756	22,236	11,967	9,210	93,170
General and administrative expenses	21,994	14,665	10,479	9,611	56,750
Business profit (loss)	27,761	7,571	1,488	(400)	36,420
Segment assets	2,594,148	3,684,487	189,784	941,563	7,409,983
Segment liabilities	367,525	1,034,804	4,835,857	946,549	7,184,737

Notes

(1) Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income recorded in the consolidated statement of income as well as the amount of earnings commensurate with the degree of contribution related to funding activity. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.

(2) Depreciation expenses are included in the general and administrative expenses of each reportable segment, but are not disclosed as a separate item, because in the calculation process of the business profit

(loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 7,252 million yen.

(3) Segment assets of Market & International Business Unit include investments in entities applying equity methods of 35,508 million yen.

FY2025 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Strategic Investment Unit	Market & International Business Unit	Customer Relations Unit	GMO Aozora Net Bank	Total
Consolidated net revenue	61,178	15,324	11,055	14,266	101,825
Gains (losses) on equity method investment	—	2,926	—	—	2,926
Gains (losses) on stock transactions, etc.	575	(142)	249	—	682
Business Revenue	61,754	18,108	11,305	14,266	105,434
General and administrative expenses	23,116	14,184	10,141	12,291	59,733
Business profit (loss)	38,637	3,923	1,164	1,974	45,700
Segment assets	2,940,409	3,848,407	114,054	1,254,286	8,157,157
Segment liabilities	393,056	1,399,736	4,979,671	1,225,126	7,997,590

Notes

(1) Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income recorded in the consolidated statement of income as well as the amount of earnings commensurate with the degree of contribution related to funding activity. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.

(2) Depreciation expenses are included in the general and administrative expenses of each reportable segment, but are not disclosed as a separate item, because in the calculation process of the business profit (loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 7,368 million yen.

(3) Segment assets of Market & International Business Unit include investments in entities applying equity methods of 35,238 million yen.

5. Reconciliation between total segment amounts and the consolidated financial statements

(1) Reconciliation between total business revenue of reportable segments and business revenue derived from the consolidated financial statement of income

(Millions of yen)

Items	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Total business revenue of reportable segments	93,170	105,434
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	(3,147)	(3,233)
Business revenue derived from the consolidated statement of income	90,023	102,200

(2) Reconciliation between total business profit and ordinary profit in the consolidated statement of income

(Millions of yen)

Items	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Total business profit	36,420	45,700
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	(9,276)	(10,444)
Amortization of actuarial differences on retirement benefit plans, etc.	494	944
Credit-related expenses, etc.	(9,445)	(8,465)
Others	(631)	(551)
Ordinary profit in the consolidated statement of income	17,561	27,183

Notes

- (1) Credit-related expenses, etc., represent the total of write-off of loans, provision of allowance for loan losses and losses on disposition of non-performing loans.
- (2) 'Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement' include the amount of earnings commensurate with the degree of contribution related to funding activity of negative 3,620 million yen for the year ended March 31, 2025 and negative 3,764 million yen for the year ended March 31, 2026.

(3) Reconciliation between total segment assets and total assets in the consolidated balance sheet

(Millions of yen)

Items	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Total segment assets	7,409,983	8,157,157
Allowance for loan losses	(37,809)	(33,552)
Assets not allocated to reportable segments	390,260	478,069
Total assets in the consolidated balance sheet	7,762,434	8,601,673

(Note)

As of March 31, 2025, assets not allocated to reportable segments include foreign exchange of 46,420 million yen, other assets of 246,738 million yen, fixed assets of 41,460 million yen and deferred tax assets of 51,583 million yen. As of March 31, 2026, assets not allocated to reportable segments include foreign exchange of 46,837 million yen, other assets of 333,060 million yen, fixed assets of 40,966 million yen and deferred tax assets of 49,790 million yen.

(4) Reconciliation between total segment liabilities and total liabilities in the consolidated balance sheet

(Millions of yen)

Items	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Total segment liabilities	7,184,737	7,997,590
Liabilities not allocated to reportable segments	118,011	112,471
Total liabilities in the consolidated balance sheet	7,302,748	8,110,061

(Note)

As of March 31, 2025, liabilities not allocated to reportable segments include other liabilities of 81,350 million yen and retirement benefit liability of 10,353 million yen. As of March 31, 2026, liabilities not allocated to reportable segments include other liabilities of 89,516 million yen and retirement benefit liability of 9,875 million yen.

(Per share information)

	FY 2024 (From April 1, 2024 to March 31, 2025)	FY 2025 (From April 1, 2025 to March 31, 2026)
Net assets per common share	3,258.51 yen	3,463.73 yen
Net income per common share	154.26 yen	185.75 yen
Diluted net income per common share	154.02 yen	185.41 yen

(Note 1) Basis of calculation for Net assets per common share is shown below.

		FY 2024 (As of March 31, 2025)	FY 2025 (As of March 31, 2026)
Net assets	Millions of yen	459,685	491,611
Deductions from net assets	Millions of yen	8,768	12,296
Share acquisition rights	Millions of yen	501	626
Non-controlling interests	Millions of yen	8,267	11,669
Net assets available to common stock	Millions of yen	450,916	479,315
Number of common stock at the end of fiscal year for calculation of Net assets per share	Thousand shares	138,381	138,381

(Note 2) Basis of calculation of Net income per common share and Diluted net income per common share is shown

		FY 2024 (From April 1, 2024 to March 31, 2025)	FY 2025 (From April 1, 2025 to March 31, 2026)
Net income per common share			
Profit attributable to owners of parent	Millions of yen	20,518	25,705
Not available to common stockholders	Millions of yen	—	—
Profit attributable to owners of parent available to common stock	Millions of yen	20,518	25,705
Average number of common stock	Thousand shares	133,006	138,381
Diluted net income per common share			
Adjustments for profit attributable to owners of parent	Millions of yen	—	—
Number of common stock to increase	Thousand shares	213	257
Share acquisition rights	Thousand shares	213	257

(Material subsequent event)

None

4. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Cash and due from banks	879,959	742,046
Cash	3,092	3,252
Due from banks	876,866	738,794
Call loans	31,782	81,283
Monetary claims bought	31,379	26,609
Trading account assets	262,803	501,566
Trading account securities derivatives for hedging	1,323	2,934
Trading account financial derivatives	261,480	498,632
Money held in trust	5,216	5,610
Securities	1,324,991	1,388,150
Government bonds	74,670	66,915
Local government bonds	17,068	82,485
Corporate bonds	103,147	93,737
Stocks	47,272	57,524
Other securities	1,082,832	1,087,488
Loans and bills discounted	3,852,978	4,084,018
Bills discounted	3,353	96
Loans on bills	1,932	956
Loans on deeds	3,678,644	3,897,518
Overdrafts	169,047	185,447
Foreign exchanges	46,420	46,837
Due from foreign banks (our accounts)	46,420	46,837
Other assets	302,413	398,147
Prepaid expenses	2,138	3,003
Accrued revenue	20,828	20,381
Margin deposits for futures transactions	962	962
Variation margins of futures markets	82	3
Financial derivatives	84,057	78,425
Cash collateral paid for financial instruments	115,437	188,781
Bond issuance costs	177	26
Other	78,729	106,563
Tangible fixed assets	21,278	21,949
Buildings, net	9,475	9,794
Land	9,235	9,235
Leased assets, net	999	786
Construction in progress	1	262
Other tangible fixed assets	1,566	1,870
Intangible fixed assets	9,004	7,500
Software	8,938	7,434
Other intangible fixed assets	66	66
Prepaid pension costs	6,651	7,894
Deferred tax assets	52,039	49,535
Customers' liabilities for acceptances and guarantees	24,711	22,218
Allowance for loan losses	(69,850)	(51,316)
Allowance for investment loss	(2,439)	(2,119)
Total assets	6,779,341	7,329,934

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Deposits	4,681,677	4,842,262
Current deposits	38,031	41,211
Ordinary deposits	1,955,800	1,851,115
Savings deposits	47,071	44,995
Deposits at notice	385	370
Time deposits	2,567,238	2,800,381
Other deposits	73,150	104,187
Negotiable certificates of deposit	74,600	63,700
Call money	5,000	50,993
Securities sold under repurchase agreements	27,924	38,123
Cash collateral received for securities lent	345,719	375,943
Trading account liabilities	209,155	482,295
Trading account securities derivatives for hedging	250	59
Trading account financial derivatives	208,904	482,235
Borrowed money	726,300	784,400
Borrowings from other banks	726,300	784,400
Bonds payable	124,640	57,962
Other liabilities	137,532	165,951
Income taxes payable	1,184	407
Accrued expenses	8,221	13,396
Unearned revenue	239	279
Variation margins of futures markets	5	173
Financial derivatives	74,643	103,274
Cash collateral received for financial instruments	27,311	14,067
Lease liabilities	1,099	865
Asset retirement obligations	2,033	2,590
Other	22,793	30,896
Provision for bonuses	4,018	4,445
Provision for bonuses for directors (and other officers)	67	106
Provision for retirement benefits	10,187	9,816
Provision for credit losses on off-balance-sheet instruments	1,080	1,324
Acceptances and guarantees	24,711	22,218
Total liabilities	6,372,614	6,899,543
Net assets		
Share capital	125,966	125,966
Capital surplus	113,483	113,483
Legal capital surplus	113,280	113,280
Other capital surplus	203	203
Retained earnings	208,631	218,707
Legal retained earnings	12,686	12,686
Other retained earnings	195,944	206,020
Retained earnings brought forward	195,944	206,020
Treasury shares	(2,894)	(2,894)
Total shareholders' equity	445,186	455,263
Valuation difference on available-for-sale securities	(39,478)	(24,953)
Deferred gains or losses on hedges	517	(545)
Total valuation and translation adjustments	(38,961)	(25,498)
Share acquisition rights	501	626
Total net assets	406,726	430,391
Total liabilities and net assets	6,779,341	7,329,934

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Ordinary income	204,228	207,531
Interest income	152,628	149,044
Interest on loans and discounts	120,465	109,479
Interest and dividends on securities	23,007	29,586
Interest on call loans	324	330
Interest income on securities purchased under resale agreements	0	0
Interest on deposits with banks	974	520
Interest income on interest rate swaps	3,977	2,685
Other interest income	3,878	6,441
Trust fees	374	466
Fees and commissions	17,950	21,365
Fees and commissions on domestic and foreign exchanges	130	152
Other fees and commissions	17,820	21,213
Gain on trading account transactions	3,621	4,824
Net gain on trading account financial derivatives	3,621	4,824
Other ordinary income	22,265	27,502
Gain on foreign exchange transactions	—	1,114
Gain on sale of bonds	3,353	3,147
Gain on redemption of bonds	79	—
Gain on financial derivatives	951	676
Other	17,880	22,564
Other income	7,387	4,326
Reversal of allowance for loan losses	—	2,460
Recoveries of written off receivables	2,432	88
Reversal of provision for credit losses on off-balance-sheet instruments	713	—
Gain on sale of equity securities	3,833	1,238
Gain on money held in trust	70	87
Other	337	451
Ordinary expenses	190,458	185,716
Interest expenses	112,343	105,727
Interest on deposits	15,461	27,803
Interest on negotiable certificates of deposit	146	406
Interest on call money	41	405
Interest expenses on securities sold under repurchase agreements	1,518	1,367
Interest expenses on cash collateral received for securities lent	15,318	14,691
Interest on borrowings and rediscounts	2,820	5,364
Interest expenses on bonds	6,067	5,839
Interest expenses on interest rate swaps	35,011	23,969
Other interest expenses	35,958	25,880
Fees and commissions payments	2,124	1,843
Fees and commissions on domestic and foreign exchanges	125	205
Other fees and commissions	1,998	1,637
Loss on trading account transactions	560	509
Net loss on trading account securities	560	509
Other ordinary expenses	16,956	21,021
Loss on foreign exchange transactions	8,401	—
Loss on sale of bonds	1,068	11,075
Loss on redemption of bonds	137	2,323
Loss on devaluation of bonds	142	73
Amortization of bond issuance costs	188	152
Other	7,018	7,396

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
General and administrative expenses	45,908	47,307
Other expenses	12,565	9,306
Provision of allowance for loan losses	5,388	—
Write-off of loans	4,610	7,322
Provision of allowance for investment loss	1,138	403
Provision of allowance for credit losses on off-balance-sheet instruments	—	244
Loss on sale of equity securities	289	34
Loss on devaluation of equity securities	288	64
Other	850	1,237
Ordinary profit	13,769	21,814
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	263	6
Loss on disposal of non-current assets	2	6
Impairment losses	260	—
Profit before income taxes	13,506	21,807
Income taxes - current	1,351	(93)
Income taxes - deferred	(3,543)	(353)
Total income taxes	(2,191)	(446)
Profit	15,698	22,254

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

For the fiscal year ended March 31, 2025

(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 Retained earnings brought forward	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						(7,478)	(7,478)		(7,478)
Profit						15,698	15,698		15,698
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	—	8,219	8,219	120	60,292
Balance at end of period	125,966	113,280	203	113,483	12,686	195,944	208,631	(2,894)	445,186

	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					(7,478)
Profit					15,698
Purchase of treasury shares					(0)
Disposal of treasury shares					139
Net changes in items other than shareholders' equity	6,275	(3,814)	2,461	(31)	2,430
Total changes during period	6,275	(3,814)	2,461	(31)	62,722
Balance at end of period	(39,478)	517	(38,961)	501	406,726

For the fiscal year ended March 31, 2026

(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		
						Retained earnings brought forward			
Balance at beginning of period	125,966	113,280	203	113,483	12,686	195,944	208,631	(2,894)	445,186
Changes during period									
Dividends of surplus						(12,177)	(12,177)		(12,177)
Profit						22,254	22,254		22,254
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								0	0
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	10,076	10,076	(0)	10,076
Balance at end of period	125,966	113,280	203	113,483	12,686	206,020	218,707	(2,894)	455,263

	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	(39,478)	517	(38,961)	501	406,726
Changes during period					
Dividends of surplus					(12,177)
Profit					22,254
Purchase of treasury shares					(0)
Disposal of treasury shares					0
Net changes in items other than shareholders' equity	14,525	(1,063)	13,462	125	13,588
Total changes during period	14,525	(1,063)	13,462	125	23,664
Balance at end of period	(24,953)	(545)	(25,498)	626	430,391

Financial Results for FY2025

 AOZORA BANK, LTD.

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II . Status of Loans, etc.

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* NPLs : Non-performing loans

* FRA : Financial Reconstruction Act

III . Deferred Tax Assets	1 3
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I. Overviews of the Financial Results for the Year Ended March 31, 2026 (Fiscal Year 2025)

1. Summary of Revenue and Expenses

[Consolidated]

(Millions of yen)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	98,591	12,953	85,638
Net interest income	52,361	3,650	48,710
Net fees and commissions	31,813	7,162	24,651
Net gains on trading account transactions	4,318	1,172	3,145
Net other ordinary income	10,098	968	9,130
General and administrative expenses	(66,944)	(4,065)	(62,878)
Gains (losses) on equity method investments	2,926	660	2,265
Business profit (excluding gains/losses on stock transactions, etc.) ※2	34,573	9,549	25,024
Credit-related expenses	(8,465)	980	(9,445)
Write-off of loans	(8,198)	(1,982)	(6,215)
Net provision of specific allowance for loan losses	(2,391)	3,380	(5,771)
Net provision of general allowance for loan losses	4,256	4,589	(333)
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(2,269)	(1,912)	(357)
Recoveries of written-off receivables	269	(2,220)	2,490
Net provision of allowance for credit losses on off-balance-sheet instruments	(130)	(872)	742
Gains (losses) on stock transactions	1,139	(2,116)	3,256
Other	(64)	1,208	(1,273)
Ordinary profit	27,183	9,621	17,561
Extraordinary profit (loss)	(12)	(1,836)	1,824
Profit before income taxes	27,171	7,785	19,386
Income taxes-current	(2,213)	(154)	(2,059)
Income taxes-deferred	1,639	(667)	2,307
Profit	26,597	6,963	19,634
(Profit) loss attributable to non-controlling interests	(891)	(1,776)	884
Profit attributable to owners of parent	25,705	5,186	20,518

Reference

Business profit (including gains/losses on stock transactions, etc.)	35,256	8,112	27,144
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※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 (excluding gains/losses on stock transactions, etc.) = Consolidated net revenue - General and administrative expenses
+ Gains (losses) on equity method investments

※3 Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Net provision of allowance for investment losses
+ Gains/losses on equity derivatives

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

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	23	(1)	24
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Net revenue	74,126	9,259	64,866
(Excluding gains (losses) on bond transactions)	84,451	21,670	62,781
Net interest income	43,340	3,044	40,296
Net fees and commissions ※1	19,988	3,787	16,201
Net gains on trading account transactions	4,315	1,254	3,060
Net other ordinary income	6,481	1,173	5,308
(Gains (losses) on bond transactions)	(10,325)	(12,410)	2,085
General and administrative expenses	(48,252)	(1,849)	(46,402)
Personnel	(24,476)	(1,124)	(23,351)
Property and equipment	(21,736)	(783)	(20,953)
Taxes	(2,038)	59	(2,098)
Business profit before provision of general allowance for loan losses	25,874	7,410	18,463
Core business profit ※2	36,199	19,821	16,378
Core business profit excluding cancellation on investment trusts	35,181	19,125	16,056
Credit-related expenses	(5,395)	1,522	(6,917)
Write-off of loans	(7,322)	(2,711)	(4,610)
Net provision of specific allowance for loan losses	(2,048)	3,256	(5,304)
Net provision of general allowance for loan losses	4,509	4,593	(84)
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(377)	(312)	(64)
Recoveries of written-off receivables	88	(2,344)	2,432
Net provision of allowance for credit losses on off-balance-sheet instruments	(244)	(957)	713
Gains (losses) on stock transactions	1,139	(2,116)	3,256
Other	195	1,229	(1,033)
Ordinary profit	21,814	8,045	13,769
Extraordinary profit (loss)	(6)	256	(262)
Profit before income taxes	21,807	8,301	13,506
Income taxes-current	93	1,444	(1,351)
Income taxes-deferred	353	(3,190)	3,543
Profit	22,254	6,555	15,698
Business profit ※3	25,630	7,250	18,379

※1 Trust fees are included.

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

※3 Business profit = Net revenue - (Provision of general allowance for loan losses + Provision of allowance for credit losses on off-balance-sheet instruments + General and administrative expenses)

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

2. Profit Margins [Non-consolidated]

(Total)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	2.52%	(0.19%)	2.71%
Yield on loans (B)	2.79%	(0.33%)	3.12%
Yield on securities	2.10%	0.37%	1.73%
(2) Rate of funding cost (including general and administrative expenses) (C)	2.51%	(0.08%)	2.59%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.58%	0.33%	1.25%
Yield on deposits & certificates of deposit (E)	0.58%	0.27%	0.31%
Yield on borrowings	0.74%	0.31%	0.43%
(3) Profit margins (A) - (C)	0.01%	(0.11%)	0.12%
(4) Loan margin (B) - (D)	1.21%	(0.66%)	1.87%
(5) Yield spread (B) - (E)	2.21%	(0.60%)	2.81%

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

(Domestic operations)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	1.18%	0.37%	0.81%
Yield on loans (B)	1.58%	0.38%	1.20%
Yield on securities	1.25%	0.36%	0.89%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.37%	0.31%	1.06%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.48%	0.33%	1.15%
Yield on deposits & certificates of deposit (E)	0.52%	0.26%	0.26%
Yield on borrowings	0.71%	0.29%	0.42%
(3) Profit margins (A) - (C)	(0.19%)	0.06%	(0.25%)
(4) Loan margin (B) - (D)	0.10%	0.05%	0.05%
(5) Yield spread (B) - (E)	1.06%	0.12%	0.94%

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

3. Business Profit [Non-consolidated]

(Millions of yen)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Core net business profit	25,874	7,410	18,463
per employee (thousand yen)	13,282	3,895	9,386

4. ROE [Non-consolidated]

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Core net business profit basis	6.19%	1.27%	4.92%
Profit basis	5.32%	1.14%	4.18%

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

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

(Millions of yen)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
Gains (losses) on bond transactions	(10,325)	(12,410)	2,085
Gain on sale of bonds	3,147	(206)	3,353
Gain on redemption of bonds	-	(79)	79
Loss on sale of bonds	(11,075)	(10,007)	(1,068)
Loss on redemption of bonds	(2,323)	(2,185)	(137)
Loss on devaluation of bonds	(73)	68	(142)
Gains (losses) on stock transactions	1,139	(2,116)	3,256
Gain on sale of equity securities	1,238	(2,594)	3,833
Loss on sale of equity securities	(34)	254	(289)
Loss on devaluation of equity securities	(64)	223	(288)

6. Investments and Funding

【Consolidated】

(Total)

(Millions of yen)

	FY2025				FY2024	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	6,103,917	2.48%	272,685	(0.22%)	5,831,231	2.70%
Due from banks	24,500	2.44%	(35,328)	0.60%	59,828	1.84%
Call loans and bills bought	46,705	0.70%	(6,938)	0.10%	53,644	0.60%
Securities purchased under resale agreements	8	0.58%	(0)	0.48%	9	0.10%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,433,411	1.83%	124,564	0.12%	1,308,846	1.71%
Loans and bills discounted	4,292,611	2.79%	167,281	(0.31%)	4,125,329	3.10%
Total funding	7,187,329	1.50%	287,186	(0.12%)	6,900,143	1.62%
Deposits	5,826,780	0.51%	175,948	0.24%	5,650,831	0.27%
Negotiable certificates of deposit	64,500	0.63%	(6,260)	0.43%	70,760	0.20%
Call money and bills sold	36,979	1.09%	35,115	(1.11%)	1,863	2.20%
Securities sold under repurchase agreements	31,823	4.29%	2,529	(0.89%)	29,293	5.18%
Cash collateral received for securities lent	356,865	4.11%	46,623	(0.82%)	310,241	4.93%
Borrowed money	742,086	0.72%	79,940	0.30%	662,146	0.42%
Bonds payable	115,479	5.05%	(36,343)	1.06%	151,822	3.99%

【Non-consolidated】

(Total)

(Millions of yen)

	FY2025				FY2024	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,715,615	2.52%	165,684	(0.19%)	5,549,931	2.71%
Due from banks	12,775	4.07%	(7,032)	(0.85%)	19,808	4.92%
Call loans	46,705	0.70%	(6,171)	0.09%	52,877	0.61%
Securities purchased under resale agreements	8	0.58%	(0)	0.48%	9	0.10%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,402,746	2.10%	78,569	0.37%	1,324,177	1.73%
Loans and bills discounted	3,972,632	2.75%	77,048	(0.34%)	3,895,584	3.09%
Total funding	6,096,874	1.73%	(17,583)	(0.10%)	6,114,458	1.83%
Deposits	4,736,325	0.58%	(128,821)	0.27%	4,865,146	0.31%
Negotiable certificates of deposit	64,500	0.63%	(6,260)	0.43%	70,760	0.20%
Call money	36,979	1.09%	35,115	(1.11%)	1,863	2.20%
Securities sold under repurchase agreements	31,823	4.29%	2,529	(0.89%)	29,293	5.18%
Cash collateral received for securities lent	356,865	4.11%	46,623	(0.82%)	310,241	4.93%
Borrowed money	742,086	0.72%	79,940	0.30%	662,146	0.42%
Bonds payable	115,479	5.05%	(36,343)	1.06%	151,822	3.99%

(Domestic operations)

(Millions of yen)

	FY2025				FY2024	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,084,660	1.18%	138,688	0.37%	4,945,972	0.81%
Due from banks	219	0.44%	(0)	0.41%	219	0.03%
Call loans	45,076	0.64%	(3,608)	0.34%	48,684	0.30%
Securities purchased under resale agreements	8	0.58%	(0)	0.48%	9	0.10%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	460,467	1.25%	38,506	0.36%	421,960	0.89%
Loans and bills discounted	2,645,923	1.58%	210,866	0.38%	2,435,057	1.20%
Total funding	5,507,573	0.55%	(57,285)	0.27%	5,564,858	0.28%
Deposits	4,653,897	0.52%	(147,584)	0.26%	4,801,481	0.26%
Negotiable certificates of deposit	64,500	0.63%	(6,260)	0.43%	70,760	0.20%
Call money	32,426	0.63%	31,339	0.39%	1,086	0.24%
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	-	-	-	-	-	-
Borrowed money	742,081	0.72%	79,941	0.30%	662,140	0.42%
Bonds payable	15,452	0.40%	(8,986)	0.07%	24,438	0.33%

7. Unrealized Gains and Losses on Securities

【Consolidated】

(Millions of yen)

	March 31, 2026				March 31, 2025		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(36,623)	17,974	32,037	68,661	(54,598)	22,874	77,473
Japanese stocks	18,599	6,022	18,720	120	12,576	13,044	468
Japanese debt securities	(8,669)	(2,019)	150	8,819	(6,649)	205	6,855
Other	(46,554)	13,971	13,166	59,720	(60,525)	9,624	70,149

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

【Non-consolidated】

(Millions of yen)

	March 31, 2026				March 31, 2025		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(36,559)	17,909	32,036	68,596	(54,468)	22,871	77,340
Japanese stocks	18,599	6,022	18,720	120	12,576	13,044	468
Japanese debt securities	(8,604)	(2,084)	150	8,754	(6,519)	202	6,721
Other	(46,554)	13,971	13,166	59,720	(60,525)	9,624	70,149

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

8. Sales of Investment Trusts, etc. to Retail Customers and Related Assets under Management 【Non-consolidated】

(Billions of yen)

	FY2025		FY2024
	(A)	(A)-(B)	(B)
	Sales of investment trusts ,etc.	169.8	63.7

(Note) The sales amount of financial instruments brokerage consigned by Daiwa Securities Co., Ltd. based on the business alliance with Daiwa Securities Group is included.

Assets under management of investment trusts ,etc.	349.7	60.6	289.0
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(Note) The balance of brokerage accounts for financial instruments intermediation services consigned by Daiwa Securities Co., Ltd. based on the business alliance with Daiwa Securities Group is included.

9. Employees' Retirement Benefits

① Provision for retirement benefits

【Consolidated】

(Millions of yen)

		March 31, 2026		March 31, 2025
		(A)	(A) - (B)	(B)
Defined retirement benefit obligation	(A)	(32,069)	3,180	(35,250)
Fair value of plan assets	(B)	34,513	185	34,327
Unfunded retirement benefit obligation	(C)=(A)+(B)	2,443	3,366	(922)
Retirement benefit asset	(D)	12,319	2,889	9,430
Retirement benefit liability	(C)-(D)	(9,875)	477	(10,353)
Unrecognized actuarial losses	(E)	5,274	1,935	3,338
Unrecognized prior-service cost	(F)	-	-	-
Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	5,274	1,935	3,338

【Non-consolidated】

(Millions of yen)

		March 31, 2026		March 31, 2025
		(A)	(A) - (B)	(B)
Defined retirement benefit obligation	(A)	(31,161)	3,362	(34,524)
Fair value of plan assets	(B)	34,513	185	34,327
Unfunded retirement benefit obligation	(C)=(A)+(B)	3,351	3,548	(196)
Unrecognized actuarial losses	(D)	(5,274)	(1,935)	(3,338)
Unrecognized prior-service cost	(E)	-	-	-
Net liability recognized	(F)=(C)+(D)+(E)	(1,922)	1,613	(3,535)
Prepaid pension costs	(G)	7,894	1,242	6,651
Provision for retirement benefits	(F)-(G)	(9,816)	370	(10,187)

② Net periodic retirement benefit costs

【Consolidated】

(Millions of yen)

		FY2025		FY2024
		(A)	(A) - (B)	(B)
Net periodic retirement benefit costs regarding defined benefit pension plans		185	(287)	473

【Non-consolidated】

(Millions of yen)

		FY2025		FY2024
		(A)	(A) - (B)	(B)
Net periodic retirement benefit costs		0	(294)	295
Service cost		1,180	(105)	1,285
Interest cost		646	202	443
Expected return on plan assets		(858)	40	(898)
Amortization of prior-service cost		-	-	-
Recognized actuarial losses		(990)	(454)	(535)
Other		22	22	-

10. Capital Adequacy Ratio (under Japanese domestic standards)

■Basel III

【Consolidated】

(Millions of yen)

	March 31, 2026			March 31, 2025 (B)	September 30, 2025 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.87%	0.15%	0.43%	10.72%	10.44%
(2) Core capital: instruments and reserves	529,256	(480)	(1,539)	529,736	530,795
(3) Core capital: regulatory adjustments	45,230	3,747	2,234	41,483	42,995
(4) Regulatory capital (2)-(3)	484,026	(4,227)	(3,773)	488,253	487,800
(5) Risk-weighted assets	4,450,951	(102,863)	(221,233)	4,553,814	4,672,184
(6) Total required capital (5)*4%	178,038	(4,114)	(8,849)	182,152	186,887

【Non-consolidated】

(Millions of yen)

	March 31, 2026			March 31, 2025 (B)	September 30, 2025 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.17%	0.03%	0.26%	10.14%	9.91%
(2) Core capital: instruments and reserves	475,016	(5,701)	(9,933)	480,717	484,949
(3) Core capital: regulatory adjustments	29,453	2,383	267	27,070	29,186
(4) Regulatory capital (2)-(3)	445,562	(8,084)	(10,201)	453,646	455,763
(5) Risk-weighted assets	4,379,607	(91,194)	(215,084)	4,470,802	4,594,692
(6) Total required capital (5)*4%	175,184	(3,647)	(8,603)	178,832	183,787

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)

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	437	437	43	-	393
Doubtful credit	45,702	(30,538)	(4,355)	76,241	50,057
Special attention credit	9,058	(6,413)	(6,645)	15,472	15,703
Loans overdue for three months or more	-	(6,088)	(3,474)	6,088	3,474
Restructured loans	9,058	(325)	(3,170)	9,383	12,228
Subtotal (a)	55,197	(36,515)	(10,957)	91,713	66,155
Normal credit	4,495,823	319,628	331,290	4,176,195	4,164,532
Total credit (b)	4,551,021	283,113	320,333	4,267,908	4,230,688
NPL ratio (a/b)	1.2%	(0.9%)	(0.4%)	2.1%	1.6%

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	50,249	(33,796)	(6,458)	84,045	56,708
Allowance for loan losses (d)	23,531	(18,117)	(4,925)	41,648	28,457
Collateral / guarantee coverage (e)	26,718	(15,679)	(1,532)	42,397	28,250
Coverage ratio (c/a)	91.0%	(0.6%)	5.3%	91.6%	85.7%
Allowance ratio (d/(a-e))	82.6%	(1.9%)	7.5%	84.5%	75.1%

(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)

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	437	437	43	-	393
Doubtful credit	44,779	(30,779)	(4,455)	75,558	49,234
Special attention credit	8,926	(6,487)	(6,703)	15,413	15,630
Loans overdue for three months or more	-	(6,088)	(3,474)	6,088	3,474
Restructured loans	8,926	(398)	(3,228)	9,325	12,155
Subtotal (a)	54,142	(36,829)	(11,115)	90,972	65,258
Normal credit	4,103,621	269,016	159,447	3,834,605	3,944,174
Total credit (b)	4,157,764	232,186	148,331	3,925,578	4,009,433
NPL ratio (a/b)	1.3%	(1.0%)	(0.3%)	2.3%	1.6%

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	49,265	(34,068)	(6,582)	83,333	55,847
Allowance for loan losses (d)	22,613	(18,378)	(4,983)	40,991	27,597
Collateral / guarantee coverage (e)	26,652	(15,689)	(1,598)	42,341	28,250
Coverage ratio (c/a)	91.0%	(0.6%)	5.4%	91.6%	85.6%
Allowance ratio (d/(a-e))	82.3%	(2.0%)	7.7%	84.3%	74.6%

(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)

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	52,974	(18,051)	(4,351)	71,025	57,326
General allowance	33,552	(4,256)	(1,572)	37,809	35,125
Specific allowance	19,421	(13,795)	(2,779)	33,216	22,200
Allowance for loans to restructuring countries	-	-	-	-	-

 After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	March 31, 2026			March 31, 2025	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	51,316	(18,533)	(4,566)	69,850	55,882
General allowance	32,752	(4,509)	(1,753)	37,261	34,505
Specific allowance	18,564	(14,024)	(2,813)	32,589	21,377
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 0.4	-	-
De facto bankrupt borrowers	0.4				
In Danger of Bankruptcy borrowers	Doubtful credit		Collateral / Guarantee coverage 26.2 Allowance 19.4 Estimated collections -	-	-
	45.7				
Need Attention borrowers	Special attention credit		Collateral / Guarantee coverage - Allowance 4.1 Estimated collections 4.9	45.4%	45.4%
	9.0				
Normal borrowers	(Normal credit) (4,495.8)				

NPL credit	Collateral / Guarantee coverage 26.7 Allowance 23.5 Estimated collections 4.9	NPLs based on the FRA Allowance ratio	NPLs based on the FRA Coverage ratio
55.1		82.6%	91.0%

Total credit	Total allowance	Allowance ratio = Allowance / (NPL credit – Collateral, Guarantees, etc.)
4,551.0	52.9	Coverage ratio = (Collateral, Guarantees + Allowance) / NPL credit

Allowance ratio for the unsecured portion of special attention credit	45.3%
Allowance ratio for the need attention credit	7.9%
Allowance ratio for the normal credit	0.3%

(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)

	As of	As of	As of	As of	
	March 31, 2023	March 31, 2024	March 31, 2025 (B)	increase (decrease) (A)-(B)	March 31, 2026 (A)
Amount Categorized as above up to FY2022	32.8	26.6	5.9	(4.0)	1.8
Amount Newly Categorized as above for FY2023		91.6	55.3	(22.1)	33.1
Amount Newly Categorized as above for FY2024			14.3	(7.2)	7.0
Amount Newly Categorized as above for FY2025				3.1	3.1

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

(Note2) Balance as of March 31, 2026 includes those borrowers (0.4 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)

		FY2025
Total		(27.8)
	Liquidation-type disposition	-
	Restructuring-type disposition	(5.9)
	Loan sales	(14.5)
	Direct write-off	(3.7)
	Other	(3.5)

(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)

	March 31, 2026	March 31, 2025
Loans by domestic offices (excluding Japan offshore market accounts)	3,473,238	3,298,786
Manufacturing	417,717	369,666
Agriculture, forestry and fisheries	781	883
Mining, quarry and gravel extraction	-	-
Construction	24,929	25,765
Electricity, gas, heat supply and water	176,833	140,184
Information and communications	126,853	117,077
Transport and postal service	79,214	58,669
Wholesale and retail trade	133,078	75,646
Finance and insurance	417,242	411,033
Real estate	814,864	748,573
Leasing	207,534	208,079
Various services	213,468	168,009
Local government	6,982	4,931
Others	853,737	970,263
Loans by overseas offices (including Japan offshore market accounts)	1,013,154	907,777
Government	-	-
Financial institutions	-	-
Others	1,013,154	907,777
Total	4,486,392	4,206,564

② NPLs based on the FRA Classified by Industry

(Millions of yen)

	March 31, 2026	March 31, 2025
NPL credit by domestic offices (excluding Japan offshore market accounts)	53,470	90,039
Manufacturing	6,362	12,556
Agriculture, forestry and fisheries	0	0
Mining, quarry and gravel extraction	-	-
Construction	130	119
Electricity, gas, heat supply and water	0	0
Information and communications	120	80
Transport and postal service	36	59
Wholesale and retail trade	656	404
Finance and insurance	4	0
Real estate	54	39
Leasing	-	-
Various services	487	354
Local government	-	-
Others	45,617	76,423
NPL credit by overseas offices (including Japan offshore market accounts)	1,727	1,674
Government	-	-
Financial institutions	-	-
Others	1,727	1,674
Total	55,197	91,713

(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 2023	FY 2024	FY 2025
Taxable income (before offsetting of tax loss carryforwards)	(*) (59.5)	10.4	(9.2)

(*) 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)

	March 31, 2026		March 31, 2025
	(A)	(A) - (B)	(B)
Deferred tax assets	53.4	(2.2)	55.6
Provision of allowance for loan losses	18.6	(3.4)	22.1
Provision for retirement benefits	3.0	(0.1)	3.2
Write-offs for securities	4.2	(0.1)	4.4
Valuation difference on available-for-sale securities	11.8	(6.2)	18.1
Tax loss carryforwards	19.5	1.8	17.7
Other	14.4	(2.7)	17.2
Subtotal	71.9	(10.8)	82.8
Less valuation allowance	(18.5)	8.6	(27.1)
Deferred tax liabilities	3.8	0.2	3.6
Valuation difference on available-for-sale securities	0.2	(0.5)	0.7
Net deferred tax assets	49.5	(2.5)	52.0