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Consolidated Summary Report (Under Japanese GAAP)

for the Six Months Ended September 30, 2023

November 13, 2023

Company name: Kyoto Financial Group, Inc. (The Bank of Kyoto, Ltd.)
Stock exchange listing: Tokyo Stock Exchange
Code number: 5844
URL: https://www.kyoto-fg.co.jp/
Representative: Nobuhiro Doi Director and President
Contact: Hideki Onishi General Manager, Corporate Planning Division

Scheduled date of filing quarterly securities report: November 29, 2023
Scheduled date of commencing dividend payments: December 01, 2023
Trading Accounts: None
Supplement information for quarterly financial statements: Yes
Quarterly investor meeting presentation: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
For the six months ended	Million yen	%	Million yen	%	Million yen	%
September 30, 2023	69,982	6.4	26,834	20.7	19,217	20.4
September 30, 2022	65,771	11.6	22,218	15.2	15,959	15.9

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 62,029 million [- %]
Six months ended September 30, 2022: ¥ (69,500) million [- %]

	Basic earnings per share	Diluted earnings per share
For the six months ended	Yen	Yen
September 30, 2023	258.46	258.28
September 30, 2022	212.26	212.08

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity-to-asset ratio
As of	Million yen	Million yen	%
September 30, 2023	11,501,418	1,048,451	9.0
March 31, 2023	11,037,611	992,377	8.9

(Reference) Equity: As of September 30, 2023: ¥ 1,045,336 million
As of March 31, 2023: ¥ 989,365 million

(Note) The Equity-to-asset ratio is computed by the formula shown below.
(Total net assets - Subscription rights to shares - Non-controlling interests) / Total assets
The figures for the equity-to-asset ratio in the above table were not based on the regulations on the equity-to-asset ratio.

2. Dividends on Common Stock

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
For the fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2023	-	60.00	-	80.00	140.00
Ending March 31, 2024	-	80.00			
Ending March 31, 2024(Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Regarding Kyoto Financial Group, Inc.'s dividend payment forecasts for the year ending March 31, 2024, please refer to the "Notice Regarding Stock Split and Partial Amendment of Articles of Incorporation" and the "Consolidated Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2024," which Kyoto Financial Group, Inc. issued on November 13, 2023.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

For Kyoto Financial Group, Inc.'s consolidated financial results forecasts for the fiscal year ending March 31, 2024, please refer to the "Notice Regarding Stock Split and Partial Amendment of Articles of Incorporation" and the "Consolidated Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2024," which Kyoto Financial Group, Inc. issued on November 13, 2023.

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
(A) Changes in accounting policies due to the revision of accounting standards: None
(B) Changes in accounting policies other than (A) above: None
(C) Changes in accounting estimates: None
(D) Retrospective restatement: None

(3) Total number of issued shares (common shares)
(A) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2023: 75,840,688 shares
March 31, 2023: 75,840,688 shares
(B) Number of treasury shares at the end of the period:
September 30, 2023: 1,482,971 shares
March 31, 2023: 1,495,313 shares
(C) Average number of shares outstanding during the period:
Six months ended September 30, 2023: 74,351,555 shares
Six months ended September 30, 2022: 75,186,292 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Ordinary income		Ordinary profit		Net income	
For the six months ended	Million yen	%	Million yen	%	Million yen	%
September 30, 2023	64,804	6.9	25,680	23.7	18,595	23.3
September 30, 2022	60,570	12.4	20,758	16.7	15,073	17.6

	Basic earnings per share
For the six months ended	Yen
September 30, 2023	250.10
September 30, 2022	200.48

(2) Non-consolidated Financial Position

	Total assets	Total net assets	Equity-to-asset ratio
As of	Million yen	Million yen	%
September 30, 2023	11,481,205	1,025,343	8.9
March 31, 2023	11,017,656	970,448	8.8

(Reference) Equity: As of September 30, 2023: ¥ 1,025,135 million
As of March 31, 2023: ¥ 970,184 million

(Note) The Equity-to-asset ratio is computed by the formula shown below.
(Total net assets - Subscription rights to shares) / Total assets
The figures for the equity-to-asset ratio in the above table were not based on the regulations on the equity-to-asset ratio.

* This Consolidated Summary Report is outside the scope of the external auditor's quarterly review procedure.

* Notes to using forecasted information, etc.
The Bank of Kyoto, Ltd. falls under the category of "Specified Business Corporation" under Article 17-15-2 of the Cabinet Office Ordinance Concerning Disclosure of Public Companies; accordingly, it has prepared its interim consolidated financial statements and interim non-consolidated financial statements for the six months ended September 30, 2023.

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1.Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheet

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,201,115	1,142,774
Call loans and bills bought	416,033	488,151
Monetary claims bought	15,342	15,205
Trading securities	222	221
Money held in trust	13,305	6,060
Securities	2,940,949	3,232,379
Loans and bills discounted	6,298,081	6,457,980
Foreign exchanges	7,758	7,276
Lease receivables and investments in leases	12,641	12,586
Other assets	72,893	74,637
Tangible fixed assets	75,753	75,788
Intangible fixed assets	2,701	2,525
Deferred tax assets	1,006	1,002
Customers' liabilities for acceptances and guarantees	17,174	19,995
Allowance for loan losses	(37,368)	(35,165)
Total assets	11,037,611	11,501,418
Liabilities		
Deposits	8,367,943	8,584,976
Negotiable certificates of deposit	706,227	672,708
Call money and bills sold	-	200,000
Payables under securities lending transactions	392,501	493,548
Borrowed money	254,090	175,870
Foreign exchanges	233	311
Borrowed money from trust account	4,174	4,260
Other liabilities	76,925	56,117
Retirement benefit liability	27,683	27,089
Provision for reimbursement of deposits	219	219
Provision for contingent loss	578	716
Reserves under special laws	0	0
Deferred tax liabilities	197,273	216,956
Deferred tax liabilities for land revaluation	208	199
Acceptances and guarantees	17,174	19,995
Total liabilities	10,045,233	10,452,967
Net assets		
Share capital	42,103	42,103
Capital surplus	34,158	34,140
Retained earnings	421,490	434,781
Treasury shares	(8,521)	(8,451)
Total shareholders' equity	489,231	502,573
Valuation difference on available-for-sale securities	501,966	544,079
Deferred gains or losses on hedges	227	462
Revaluation reserve for land	473	451
Remeasurements of defined benefit plans	(2,533)	(2,229)
Total accumulated other comprehensive income	500,134	542,763
Share acquisition rights	264	208
Non-controlling interests	2,747	2,906
Total net assets	992,377	1,048,451
Total liabilities and net assets	11,037,611	11,501,418

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	65,771	69,982
Interest income	44,285	48,668
Interest on loans and discounts	22,928	25,774
Interest and dividends on securities	19,627	19,516
Trust fees	3	2
Fees and commissions	10,719	12,007
Other ordinary income	8,348	4,370
Other income	2,413	4,933
Ordinary expenses	43,552	43,148
Interest expenses	2,138	7,573
Interest on deposits	1,596	6,174
Fees and commissions payments	3,011	3,206
Other ordinary expenses	8,802	2,708
General and administrative expenses	28,230	28,364
Other expenses	1,370	1,295
Ordinary profit	22,218	26,834
Extraordinary income	146	1
Gain on disposal of non-current assets	146	1
Extraordinary losses	256	221
Loss on disposal of non-current assets	179	147
Impairment losses	76	73
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	22,108	26,614
Income taxes - current	5,846	6,435
Income taxes - deferred	231	895
Total income taxes	6,078	7,331
Profit	16,030	19,283
Profit attributable to non-controlling interests	70	66
Profit attributable to owners of parent	15,959	19,217

Interim Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	16,030	19,283
Other comprehensive income	(85,530)	42,746
Valuation difference on available-for-sale securities	(86,249)	42,208
Deferred gains or losses on hedges	493	235
Remeasurements of defined benefit plans, net of tax	224	303
Comprehensive income	(69,500)	62,029
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(69,635)	61,867
Comprehensive income attributable to non-controlling interests	135	161

(3) Interim Consolidated Statements of Changes in Equity

For the six months ended September 30, 2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	42,103	34,171	404,044	(3,645)	476,674
Changes during period					
Dividends of surplus			(4,886)		(4,886)
Profit attributable to owners of parent			15,959		15,959
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(12)		127	114
Reversal of revaluation reserve for land			(168)		(168)
Net changes in items other than shareholders' equity					
Total changes during period	-	(12)	10,904	125	11,017
Balance at end of period	42,103	34,158	414,948	(3,519)	487,691

	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	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	613,274	(367)	104	(2,191)	610,819	316	2,506	1,090,316
Changes during period								
Dividends of surplus								(4,886)
Profit attributable to owners of parent								15,959
Purchase of treasury shares								(1)
Disposal of treasury shares								114
Reversal of revaluation reserve for land								(168)
Net changes in items other than shareholders' equity	(86,313)	493	168	224	(85,426)	(52)	132	(85,347)
Total changes during period	(86,313)	493	168	224	(85,426)	(52)	132	(74,329)
Balance at end of period	526,960	126	272	(1,967)	525,392	264	2,638	1,015,987

For the six months ended September 30, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	42,103	34,158	421,490	(8,521)	489,231
Changes during period					
Dividends of surplus			(5,947)		(5,947)
Profit attributable to owners of parent			19,217		19,217
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(17)		73	55
Reversal of revaluation reserve for land			21		21
Net changes in items other than shareholders' equity					
Total changes during period	-	(17)	13,291	69	13,342
Balance at end of period	42,103	34,140	434,781	(8,451)	502,573

	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	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	501,966	227	473	(2,533)	500,134	264	2,747	992,377
Changes during period								
Dividends of surplus								(5,947)
Profit attributable to owners of parent								19,217
Purchase of treasury shares								(4)
Disposal of treasury shares								55
Reversal of revaluation reserve for land								21
Net changes in items other than shareholders' equity	42,112	235	(21)	303	42,628	(55)	158	42,731
Total changes during period	42,112	235	(21)	303	42,628	(55)	158	56,074
Balance at end of period	544,079	462	451	(2,229)	542,763	208	2,906	1,048,451

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Notes on Significant Events After Reporting Period)

(Transition to a Holding Company Structure Through a Sole-Share Transfer)

The Bank of Kyoto, Ltd.(the "Bank"), at the Board of Directors meeting held May 12,2023 that, subject to the approval of the Ordinary General Meeting of Shareholders scheduled on June 29, 2023 and the necessary approval, etc. from the relevant authorities, the Bank will incorporate a holding company (wholly owning parent company), "Kyoto Financial Group, Inc." (the "Holding company"), through a sole-share transfer (the "Share Transfer") by the Bank, and transition to a holding company structure effective as of October 2, 2023.

In addition, the share transfer plan was approved at the Bank's annual general meeting of shareholders held on June 29, 2023 and the "Holding company" was established at October 2, 2023.

1. Purpose of transition to a holding company structure through a sole-share transfer

Guided by the management principle "Serving the Prosperity of the Community," the Bank's fundamental mission is to contribute to the greater prosperity of the local communities and the development of local industries. To that end, we have worked to revitalize the region and solve problems through the provision of high-quality financial services and solutions.

Meanwhile, in addition to social issues such as population decline, the challenges faced by local communities and customers are becoming more diverse and complex, with new social issues such as responding to DX and the realization of carbon neutrality. As such, the role that the Bank group should play to contribute to the revitalization of local communities and continue to grow together with them is also changing significantly.

In light of the above, the Bank has decided to transition to a holding company structure with the aim of "expansion of our solution functions and new business areas," "reformation of the mindset and behavior of executives and employees, and promotion of independence and cooperation of each group company," and "enhancement of governance and improvement of the speed of business execution," in order to become a corporate group that can solve issues faced by local communities and customers by actively expanding non-financial functions, in addition to deepening financial functions.

In order to achieve the long-term goal of becoming a "comprehensive solutions provider that drives community growth and creates the future together" as defined in the New/First Medium-Term Management Plan "New Stage 2023," which started in April this year, we will establish a sustainable business model that can respond quickly and flexibly to changes in the environment, thereby enhancing corporate value for all stakeholders (customers, local communities, shareholders, and employees).

In addition, the Holding Company will be a company with an audit and supervisory committee so that it can provide highly effective supervision of management and also enable prompt decision-making, thereby enhancing the level of group governance from both offensive and defensive perspectives.

2. Summary of the Share Transfer

(1) Schedule of the Share Transfer

Record date for the Ordinary General Meeting of Shareholders:	Friday, March 31, 2023
Board of Directors meeting for the approval of the share transfer plan:	Friday, May 12, 2023
Ordinary General Meeting of Shareholders for the approval the share transfer plan:	Thursday, June 29, 2023
Delisting date of the Bank's shares:	Thursday, September 28, 2023
Registration date of the incorporation of the Holding Company (effective date):	Monday, October 2, 2023
Stock listing date of the Holding Company:	Monday, October 2, 2023

(2) Method of the Share Transfer

This was a sole-share transfer in which the Holding Company was the wholly owning parent company incorporated through share transfer and the Bank was the wholly owned subsidiary in share transfer.

(3) Allotment of shares in connection with the Share Transfer

Company	Kyoto Financial Group, Inc. (Wholly owning parent company incorporated through share transfer)	The Bank of Kyoto, Ltd. (Wholly owned subsidiary in share transfer)
Share transfer ratio	1	1

(i) Share transfer ratio

One common share of the Holding Company was allocated for each common share of the Bank held by the shareholders of the Bank as of the time immediately preceding the time when the Holding Company acquires all of the issued shares of the Bank upon the Share Transfer (the "Record Time").

(ii) Number of shares per unit

The Holding Company adopted the unit share system, whereby each share unit consisted of 100 shares.

(iii) Basis of transfer ratio calculation

Since the Share Transfer incorporated a holding company, which was a wholly owning parent company, through a sole-share transfer of the Bank, and there was no change in the composition of shareholders of the Bank and the Holding Company at the time of the Share Transfer, the Bank alloted and issue one common share of the Holding Company for each common share of the Bank held by the shareholders, with the primary objective of not causing any disadvantages to shareholders.

Therefore, the share transfer ratio had not been calculated by a third-party body.

(iv) Number of new shares to be issued upon the Share Transfer (scheduled)

Common shares of 75,840,688 shares were scheduled.

(4) Matters concerning share acquisition rights and bonds with share acquisition rights in connection with the Share Transfer

With respect to the share acquisition rights issued by the Bank, equivalent share acquisition rights of the Holding Company was issued and allocated to the holders of the Bank's share acquisition rights in lieu of the Bank's share acquisition rights held by them. The Bank has not issued any bonds with share acquisition rights.

3. Outline of the Holding Company to be newly incorporated through the Share Transfer

(1) Name	Kyoto Financial Group, Inc.		
(2) Location	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto, Japan		
(3) Representatives and officers to be appointed	President (Representative Director)	Nobuhiro Doi	(Currently Chairman of the Bank of Kyoto (Representative Director))
	Director (Representative Director)	Hiroyuki Hata	(Currently Senior Managing Director of the Bank of Kyoto)
	Director	Mikiya Yasui	(Currently President of the Bank of Kyoto (Representative Director))
	Director	Minako Okuno	(Currently Director of the Bank of Kyoto)
	Director	Kanji Habuchi	(Currently Director of the Bank of Kyoto)
	Director	Etsuji Motomasa	(Currently Director of the Bank of Kyoto)
	Director (Audit and Supervisory Committee Member)	Toshiro Iwahashi	
	Director (Audit and Supervisory Committee Member)	Chiho Oyabu	
	Director (Audit and Supervisory Committee Member)	Eiji Ueki	
	Director (Audit and Supervisory Committee Member)	Hiroyuki Nakatsukasa	
	Director (Audit and Supervisory Committee Member)	Motoko Tanaka	
	(Note) Of the Directors (Audit and Supervisory Committee Members), Chiho Oyabu, Eiji Ueki, Hiroyuki Nakatsukasa and Motoko Tanaka are Outside Directors as defined in Article 2, Item 15 of the Companies Act.		
(4) Business description	(i) Management and administration of banks and companies that may be made subsidiaries under the Banking Act (ii) All operations incidental and related to the operations listed in the preceding item (iii) Operations other than those listed in the preceding two items that may be conducted by a bank holding company under the Banking Act		
(5) Capital	40,000 million yen		
(6) Accounting period	March 31		

4. Outline of accounting treatment by share transfer

Since the Share Transfer falls under the category of "transactions under common control" for corporate accounting purposes, there is no impact on profit and loss.

(Changes in subsidiaries due to dividends in kind)

The Bank resolved at its the Extraordinary General Meeting of Shareholdersmeeting held on October 2, 2023 to distribute all shares of consolidated subsidiaries (Karasuma Shoji Co., Ltd., Kyoto Credit Service Co., Ltd., Kyogin Card Service Co., Ltd., Kyogin Lease & Capital Co., Ltd., (currently Kyogin Lease Co., Ltd.,) Kyoto Research Institute, Inc., (currently Kyoto Soken Consulting Co., Ltd.) Kyogin Securities Co., Ltd., and Kyoto Capital Partners Co., Ltd.) held by the bank as dividends in kind to Kyoto Financial Grop, inc., the wholly-owning company of the Bank and be carried out in.

As a result, the above seven companies have become directly invested companies of Kyoto Financial Group, Inc.

2.Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheet

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,193,493	1,134,955
Call loans	416,033	488,151
Monetary claims bought	8,517	8,051
Trading securities	222	221
Money held in trust	13,305	6,060
Securities	2,944,262	3,235,606
Loans and bills discounted	6,305,947	6,466,275
Foreign exchanges	7,758	7,276
Other assets	68,068	69,744
Other	68,068	69,744
Tangible fixed assets	75,133	75,142
Intangible fixed assets	2,602	2,426
Customers' liabilities for acceptances and guarantees	17,174	19,995
Allowance for loan losses	(34,864)	(32,702)
Total assets	11,017,656	11,481,205
Liabilities		
Deposits	8,375,966	8,595,203
Negotiable certificates of deposit	728,727	695,208
Call money	-	200,000
Payable under securities lending transactions	392,501	493,548
Borrowed money	253,900	175,600
Foreign exchanges	233	311
Borrowed money from trust account	4,174	4,260
Other liabilities	51,397	29,187
Income taxes payable	3,310	4,386
Asset retirement obligations	982	980
Other	47,104	23,820
Provision for retirement benefits	23,968	23,804
Provision for reimbursement of deposits	219	219
Provision for contingent loss	578	716
Deferred tax liabilities	198,157	217,609
Deferred tax liabilities for land revaluation	208	199
Acceptances and guarantees	17,174	19,995
Total liabilities	10,047,208	10,455,862
Net assets		
Share capital	42,103	42,103
Capital surplus	30,442	30,424
Legal capital surplus	30,301	30,301
Other capital surplus	140	122
Retained earnings	403,676	416,346
Legal retained earnings	17,456	17,456
Other retained earnings	386,220	398,890
General reserve	355,375	364,375
Retained earnings brought forward	30,845	34,515
Treasury shares	(8,521)	(8,451)
Total shareholders' equity	467,701	480,423
Valuation difference on available-for-sale securities	501,781	543,798
Deferred gains or losses on hedges	227	462
Revaluation reserve for land	473	451
Total valuation and translation adjustments	502,482	544,712
Share acquisition rights	264	208
Total net assets	970,448	1,025,343
Total liabilities and net assets	11,017,656	11,481,205

(2) Interim Non-consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	60,570	64,804
Interest income	44,261	48,619
Interest on loans and discounts	22,924	25,771
Interest and dividends on securities	19,620	19,492
Trust fees	3	2
Fees and commissions	8,844	9,854
Other ordinary income	5,067	1,368
Other income	2,393	4,959
Ordinary expenses	39,812	39,123
Interest expenses	2,135	7,570
Interest on deposits	1,596	6,174
Fees and commissions payments	2,882	2,984
Other ordinary expenses	6,440	190
General and administrative expenses	27,058	27,103
Other expenses	1,294	1,274
Ordinary profit	20,758	25,680
Extraordinary income	146	0
Extraordinary losses	255	221
Profit before income taxes	20,648	25,459
Income taxes - current	5,366	5,968
Income taxes - deferred	208	895
Total income taxes	5,575	6,863
Profit	15,073	18,595

(3) Interim Non-consolidated Statements of Changes in Equity

For the six months ended September 30, 2022

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	42,103	30,301	153	30,455	17,456	349,375	20,972	387,804
Changes during period								
Dividends of surplus							(4,886)	(4,886)
Provision of general reserve						6,000	(6,000)	-
Profit							15,073	15,073
Purchase of treasury shares								
Disposal of treasury shares			(12)	(12)				
Reversal of revaluation reserve for land							(168)	(168)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(12)	(12)	-	6,000	4,018	10,018
Balance at end of period	42,103	30,301	140	30,442	17,456	355,375	24,991	397,822

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(3,645)	456,718	613,187	(367)	104	612,925	316	1,069,959
Changes during period								
Dividends of surplus		(4,886)						(4,886)
Provision of general reserve		-						-
Profit		15,073						15,073
Purchase of treasury shares	(1)	(1)						(1)
Disposal of treasury shares	127	114						114
Reversal of revaluation reserve for land		(168)						(168)
Net changes in items other than shareholders' equity			(86,378)	493	168	(85,716)	(52)	(85,768)
Total changes during period	125	10,132	(86,378)	493	168	(85,716)	(52)	(75,636)
Balance at end of period	(3,519)	466,850	526,809	126	272	527,209	264	994,323

For the six months ended September 30, 2023

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	42,103	30,301	140	30,442	17,456	355,375	30,845	403,676
Changes during period								
Dividends of surplus							(5,947)	(5,947)
Provision of general reserve						9,000	(9,000)	-
Profit							18,595	18,595
Purchase of treasury shares								
Disposal of treasury shares			(17)	(17)				
Reversal of revaluation reserve for land							21	21
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(17)	(17)	-	9,000	3,670	12,670
Balance at end of period	42,103	30,301	122	30,424	17,456	364,375	34,515	416,346

	Shareholders' equity		Valuation and translation adjustments				Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(8,521)	467,701	501,781	227	473	502,482	264	970,448
Changes during period								
Dividends of surplus		(5,947)						(5,947)
Provision of general reserve		-						-
Profit		18,595						18,595
Purchase of treasury shares	(4)	(4)						(4)
Disposal of treasury shares	73	55						55
Reversal of revaluation reserve for land		21						21
Net changes in items other than shareholders' equity			42,016	235	(21)	42,229	(55)	42,174
Total changes during period	69	12,721	42,016	235	(21)	42,229	(55)	54,895
Balance at end of period	(8,451)	480,423	543,798	462	451	544,712	208	1,025,343

The Bank of Kyoto, Ltd.

Supplement Information for the Six Months Ended September 30, 2023

Kyoto Financial Group, Inc.

(Note)
This document is a translation of a part of the original Japanese version and provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation,the Japanese original shall prevail.

Kyoto Financial Group, Inc.
(The Bank of Kyoto, Ltd.)

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I Key points in the financial results for the six months ended September 30, 2023

1. Summary

(1) Profit and loss

Ordinary profit and Profit are both hitting a record highs for two consecutive years.

Profit (consolidated) grew in the six months ended September 30, 2023; ordinary profit increased ¥4.6 billion year on year to ¥26.8 billion, and profit attributable to owners of parent increased ¥3.2 billion year on year to ¥19.2 billion, both hitting a record high.

[Consolidated (A)] (Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit	51,560	2,155	49,405
Ordinary profit	26,834	4,616	22,218
Profit attributable to owners of parent	19,217	3,257	15,959

[Non-consolidated (B)] (Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit	49,099	2,381	46,717
Ordinary profit	25,680	4,922	20,758
Profit	18,595	3,522	15,073

[Difference (A-B) (Contributions by subsidiaries)] (Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit	2,461	(226)	2,688
Ordinary profit	1,154	(305)	1,459
Profit	621	(264)	885

(2) Deposits, negotiable certificates of deposit, and loans and bills discounted [Non-consolidated]

Deposits and negotiable certificates of deposit amounted to ¥9,290.4 billion, and loans and bills discounted stood at ¥6,466.2 billion.

(Billion yen)

		September 30, 2023	Change form September 30, 2022	September 30, 2022
Term-end	Deposits and negotiable certificates of deposit	9,290.4	451.7	8,838.6
	Loans and bills discounted	6,466.2	243.9	6,222.3
Term-average	Deposits and negotiable certificates of deposit	9,246.4	335.9	8,910.4
	Loans and bills discounted	6,316.2	150.3	6,165.9

2. Overview of profit and loss

Net banking profit, which indicates profit from core business of the bank, increased ¥2.3 billion year on year to ¥21.9 billion as net fees and commissions reached an all-time high and losses on bonds returned to gains. Ordinary profit increased ¥4.9 billion year on year to ¥25.6 billion, and profit increased ¥3.5 billion year on year to ¥18.5 billion yen — both reaching all-time highs — as income related to shares increased, and credit-related costs decreased, resulting in gain in the reversal of these costs.

[Non-consolidated] (Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit A	49,099	2,381	46,717
Net interest income	41,048	(1,076)	42,125
Net fees and commissions	6,872	907	5,964
Net other ordinary income	1,178	2,550	(1,372)
Gains (losses) on bonds	168	3,467	(3,299)
Expenses B	27,103	44	27,058
Overhead ratio (OHR) (B / A)	55.20 %	(2.71) %	57.91 %
Net banking profit	21,995	2,337	19,658
Core banking profit	21,827	(1,130)	22,957
Excluding gains (losses) on cancellation of investment trusts	21,827	(312)	22,139
Provision for allowance for general loan losses (1)	—	919	(919)
Banking profit	21,995	1,418	20,577
Non-recurring income (losses)	3,684	3,504	180
Losses related to non-performing loans (2)	255	(1,334)	1,590
Reversal of allowance for loan losses (3)	1,877	1,877	—
Reversal of allowance for general loan losses	2,115	2,115	—
Reversal of allowance for specific loan losses	(237)	(237)	—
Income (losses) related to shares	2,470	878	1,591
Other non-recurring income (losses)	(406)	(586)	179
Ordinary profit	25,680	4,922	20,758
Extraordinary income (losses)	(221)	(111)	(109)
Profit before income taxes	25,459	4,810	20,648
Total income taxes	6,863	1,288	5,575
Profit	18,595	3,522	15,073

Credit-related costs ((1) + (2)-(3))	(1,621)	(2,292)	671

(Notes) Net banking profit is calculated by deducting expenses from gross banking profit.
Core banking profit is calculated by deducting gains (losses) on bonds from net banking profit.

3. Main accounts [Non-consolidated]

(1) Deposits and negotiable certificates of deposit

Deposits and negotiable certificates of deposit increased for both individuals and corporations. As of September 30, 2023, they amounted to ¥9,290.4 billion, presenting an increase of ¥451.7 billion from September 30, 2022.

(Billion yen, %)

	September 30, 2023	Change from September 30, 2022		September 30, 2022	March 31, 2023
		Billion yen	%		
Deposits (Term-end)	8,595.2	394.0	4.8	8,201.1	8,375.9
Negotiable certificates of deposit (Term-end)	695.2	57.7	9.0	637.4	728.7
Deposits and negotiable certificates of deposit (Term-end)	9,290.4	451.7	5.1	8,838.6	9,104.6
Individuals	5,794.4	209.1	3.7	5,585.3	5,669.1
Corporations	2,931.9	235.2	8.7	2,696.7	2,799.0
Financial institutions	564.0	7.4	1.3	556.5	636.5
Deposits (Term-average)	8,531.0	229.0	2.7	8,302.0	
Negotiable certificates of deposit (Term-average)	715.3	106.9	17.5	608.3	
Deposits and negotiable certificates of deposit (Term-average)	9,246.4	335.9	3.7	8,910.4	

(2) Loans and bills discounted

Loans and bills discounted increased ¥243.9 billion from September 30, 2022 to ¥6,466.2 billion, primarily due to a growth in loans for corporations.

Loans to small and medium enterprises (SMEs), etc. increased ¥99.4 billion from September 30, 2022 to ¥4,197.1 billion, as we responded to a wide range of financing needs.

(Billion yen, %)

	September 30, 2023	Change from September 30, 2022		September 30, 2022	March 31, 2023
		Billion yen	%		
Loans and bills discounted (Term-end)	6,466.2	243.9	3.9	6,222.3	6,305.9
Loans for SMEs, etc.	4,197.1	99.4	2.4	4,097.7	4,184.8
Loans for SMEs	2,531.2	85.7	3.5	2,445.4	2,525.8
Housing loans	1,731.6	7.9	0.4	1,723.7	1,728.4
Loans and bills discounted (Term-average)	6,316.2	150.3	2.4	6,165.9	

(3) Securities

We strived to appropriately manage our investments in securities while carefully monitoring market trends. As a result, securities with valuation difference excluded totaled ¥2,454.6 billion as of September 30, 2023.

(Billion yen, %)

	September 30, 2023	Change from September 30, 2022		September 30, 2022	March 31, 2023
		Billion yen	%		
Securities (Term-end)	3,235.6	248.2	8.3	2,987.3	2,944.2
Bonds	2,220.0	196.5	9.7	2,023.4	2,011.8
Shares	1,015.6	51.6	5.3	963.9	932.4
(Valuation difference)	780.9	24.2	3.2	756.6	720.4
Securities with valuation difference excluded (Term-end)	2,454.6	223.9	10.0	2,230.7	2,223.7
Securities (Term-average)	2,351.6	166.4	7.6	2,185.2	

(4) Group's client assets

Group's client assets increased ¥45.9 billion from September 30, 2022 to ¥763.7 billion.

<Balance>

(Billion yen)

		September 30, 2023	Change from September 30, 2022	September 30, 2022	March 31, 2023
The Bank of Kyoto	Investment trusts	254.4	35.7	218.7	234.9
	Insurance	321.3	40.9	280.3	290.4
	Foreign currency deposits	12.5	(3.1)	15.6	12.3
	Public bonds	47.0	(9.3)	56.3	50.8
Kyogin Securities		128.4	(18.2)	146.6	152.1
Group total		763.7	45.9	717.7	740.7

(Note) Figures presented above for foreign currency deposits are those for foreign currency deposits made by individuals.

<Sales during the six months ended September 30, 2023>

(Billion yen)

		Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
The Bank of Kyoto	Investment trusts	40.4	10.8	29.5
	Insurance	31.4	14.8	16.6
	Foreign currency deposits	4.8	(6.1)	11.0
	Public bonds	3.7	0.6	3.1
Kyogin Securities		26.2	(6.4)	32.7

(Note) Figures presented above for insurance are total sales of single-premium personal annuities and whole life insurance.

4. Financial soundness

(1) Equity-to-asset ratio (Domestic standard)

Equity-to-asset ratio (consolidated) (domestic standard) was 13.45%.
The composition of equity is presented on the Bank's website (https://www.kyotobank.co.jp/) (available only in Japanese).

[Consolidated]

(Billion yen)

	September 30, 2023 (Preliminary)	Change from September 30, 2022	September 30, 2022	March 31, 2023
Equity-to-asset ratio	13.45 %	0.95 %	12.50 %	13.52 %
Equity	491.5	17.4	474.0	479.2
Risk-weighted assets, etc.	3,653.1	(139.3)	3,792.4	3,544.8

[Non-Consolidated]

(Billion yen)

	September 30, 2023 (Preliminary)	Change from September 30, 2022	September 30, 2022	March 31, 2023
Equity-to-asset ratio	12.88 %	0.92 %	11.96 %	12.97 %
Equity	469.3	16.7	452.6	458.0
Risk-weighted assets, etc.	3,642.4	(140.4)	3,782.9	3,530.4

(Note) 1. To calculate credit risk-weighted assets, the Bank uses the foundation internal ratings-based approach (FIRB).
2. At the end of March 2023, the Bank early implemented the bank capital adequacy requirements revised in accordance with the final Basel III agreement. As a result, the figures are about 1% higher on a non-consolidated and consolidated basis compared to those under the former standard (approximate).

(2) Non-performing loans [Non-consolidated]

We maintained the ratio of disclosed assets based on the Financial Reconstruction Law at a low level; the ratio was 1.52%, and if partial direct write-offs had been made, the ratio would have been 1.45%.

Trend in disclosed assets based on the Financial Reconstruction Law

(Billion yen)

	Self-assessment category	September 30, 2023	Change from September 30, 2022	September 30, 2022	March 31, 2023
Unrecoverable or valueless	Borrowers in legal or de facto bankruptcy	8.5	(1.5)	10.0	8.6
Risk	Borrowers in danger of bankruptcy	85.3	5.0	80.2	84.8
Special attention		6.3	0.1	6.2	6.2
Total disclosed assets		100.2	3.6	96.5	99.7
Disclosed assets ratio		1.52%	(0.01) %	1.53%	1.56%
<If partial direct write-offs had been made> Total disclosed assets		95.3	3.4	91.9	95.6
Disclosed assets ratio		1.45%	0.00%	1.45%	1.49%

(3) Valuation difference on securities [Non-consolidated]

We maintained valuation difference on securities at a high level; they totaled ¥780.9 billion.

(Billion yen)

	September 30, 2023	Change from September 30, 2022	September 30, 2022	March 31, 2023
Valuation difference on securities	780.9	24.2	756.6	720.4
Shares	846.1	52.9	793.1	762.2
Bonds	(51.2)	(27.8)	(23.3)	(27.9)
Others	(14.0)	(0.8)	(13.1)	(13.7)

5. Financial results forecast and dividend forecast

For Kyoto Financial Group, Inc.'s financial results forecast and dividend forecast for the fiscal year ending March 31, 2024, please refer to the “Notice Regarding Stock Split and Partial Revision to Articles of Incorporation Associated With Stock Split” and the “Notice of Consolidated Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2024 ,” both released on November 13, 2023 by Kyoto Financial Group, Inc.

6. Income structure [Non-consolidated]

Income for the six months ended September 30, 2023 is calculated based on the structure presented below.

<Expenses>		<Income>	
Interest expenses Interest paid on various deposits, etc.	7.5 bn yen	Interest income Interest income from business loans, housing loans, securities, etc.	48.6 bn yen
(1) Net interest income	41.0 bn yen		
Fees and commissions payments Fees paid by the Bank such as fees and commissions on exchanges	2.9 bn yen	Fees and commissions Fees received from various services, such as investment trust sales and money transfers	9.8 bn yen
(2) Net fees and commissions	6.8 bn yen		
Other ordinary expenses Losses on sales of bonds	0.1 bn yen	Other ordinary income Gains on foreign exchange transactions, gains on sales of bonds, etc.	1.3 bn yen
(3) Net other ordinary income	1.1 bn yen		
Gains (losses) on bonds	0.1 bn yen (A)		
Provision for allowance for general loan losses	- bn yen (C)	Gross banking profit	49.0 bn yen (B)
Expenses	27.1 bn yen (D)	(1) Net interest income	41.0 bn yen
Banking profit (E) = (B) - (C) - (D)	21.9 bn yen	(2) Net fees and commissions	6.8 bn yen
		(3) Net other ordinary income	1.1 bn yen
Non-recurring expenses Expenses related to write-offs of non-performing loans, shares, etc.	1.2 bn yen	Banking profit	21.9 bn yen
Ordinary profit	25.6 bn yen	Non-recurring income Gains on sales of shares, etc.	4.9 bn yen
Extraordinary losses	0.2 bn yen	Ordinary profit	25.6 bn yen
Income taxes - current	5.9 bn yen		
Income taxes - deferred	0.8 bn yen	Extraordinary income	0.0 bn yen
Profit	18.5 bn yen		

Net banking profit and core banking profit are indices that show profitability after deducting gains (losses) on sales of bonds and provision for allowance for general loan losses, etc. from banking profit.

◎ Net banking profit (¥21.9 bn) = Banking profit (E) (¥21.9 bn) + Provision for allowance for general loan losses (C) (-)

◎ Core banking profit (¥21.8 bn) = Net banking profit (¥21.9 bn) - Gains (losses) on bonds (A) (¥0.1 bn)

* Gains (losses) on bonds = Gains on sales of bonds + gains on redemption of bonds
- losses on sales of bonds - losses on redemption of bonds - write-offs of bonds

II Financial results for the six months ended September 30, 2023

1. Profit and loss

[Non-consolidated]

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit	49,099	2,381	46,717
(Excluding gains (losses) on bonds)	(48,930)	((1,085))	(50,016)
Net interest income	41,048	(1,076)	42,125
Net fees and commissions	6,872	907	5,964
Net other ordinary income	1,178	2,550	(1,372)
(Gains (losses) on bonds)	(168)	(3,467)	((3,299))
Gross banking profit from domestic operations	47,325	(2,355)	49,680
(Excluding gains (losses) on bonds)	(47,137)	(573)	(46,564)
Net interest income	40,106	(836)	40,943
Net fees and commissions	6,764	906	5,858
Net other ordinary income	454	(2,424)	2,879
(Gains (losses) on bonds)	(187)	((2,928))	(3,115)
Gross banking profit from international operations	1,774	4,737	(2,963)
(Excluding gains (losses) on bonds)	(1,792)	((1,659))	(3,451)
Net interest income	942	(239)	1,181
Net fees and commissions	108	1	106
Net other ordinary income	723	4,975	(4,251)
(Gains (losses) on bonds) (	(18))	(6,396)	((6,415))
Expenses	27,103	44	27,058
Personnel expenses	15,312	80	15,232
Non-personnel expenses	9,469	92	9,376
Taxes	2,321	(128)	2,450
Net banking profit	21,995	2,337	19,658
Core banking profit	21,827	(1,130)	22,957
Excluding gains (losses) on cancellation of investment trusts	21,827	(312)	22,139
(1) Provision for allowance for general loan losses	—	919	(919)
Banking profit	21,995	1,418	20,577
Gains (losses) on bonds	168	3,467	(3,299)
Non-recurring income (losses)	3,684	3,504	180
(2) Losses related to non-performing loans	255	(1,334)	1,590
Write-offs of loans and bills discounted	0	(0)	0
Net provision for allowance for specific loan losses	—	(1,575)	1,575
Losses on sales of loans	—	—	—
Others	255	241	14
(3)Reversal of allowance for loan losses	1,877	1,877	—
Reversal of allowance for general loan losses	2,115	2,115	—
Reversal of allowance for specific loan losses	(237)	(237)	—
Income (losses) related to shares	2,470	878	1,591
Other non-recurring income (losses)	(406)	(586)	179
Ordinary profit	25,680	4,922	20,758
Extraordinary income (losses)	(221)	(111)	(109)
Gains (losses) on disposal of non-current assets	(147)	(113)	(33)
Impairment losses	73	(2)	76
Profit before income taxes	25,459	4,810	20,648
Income taxes - current	5,968	601	5,366
Income taxes - deferred	895	687	208
Total income taxes	6,863	1,288	5,575
Profit	18,595	3,522	15,073
Credit-related costs ((1) + (2)－(3))	(1,621)	(2,292)	671

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

[Consolidated]

<Based on the consolidated statements of income for the six months ended September 30, 2023>

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gross banking profit (consolidated)	51,560	2,155	49,405
Net interest income	41,094	(1,052)	42,147
Net fees and commissions	8,803	1,092	7,711
Net other ordinary income	1,662	2,115	(453)
General and administrative expenses	28,364	133	28,230
Write-offs and provision for allowance for loan losses	259	(474)	734
Write-offs of loans and bills discounted	1	(1)	2
Provision for allowance for general loan losses	—	943	(943)
Provision for allowance for specific loan losses	—	(1,652)	1,652
Losses on sales of loans	2	(4)	7
Others	255	241	14
Reversal of allowance for loan losses	1,875	1,875	—
Reversal of allowance for general loan losses	2,137	2,137	—
Reversal of allowance for specific loan losses	(261)	(261)	—
Income (losses) related to shares	2,470	878	1,591
Share of loss (profit) of entities accounted for using equity method	1	(0)	1
Others	(449)	(633)	184
Ordinary profit	26,834	4,616	22,218
Extraordinary income (losses)	(220)	(110)	(109)
Profit before income taxes	26,614	4,505	22,108
Total income taxes	7,331	1,253	6,078
Profit	19,283	3,252	16,030
Profit attributable to non-controlling interests	66	(4)	70
Profit attributable to owners of parent	19,217	3,257	15,959

(Note) Gross banking profit (consolidated)
= net interest income (interest income - (interest expenses - expenses equivalent to gains (losses) on money held in trust))
+ net fees and commissions (fees and commissions - fees and commissions payments)
+ net other ordinary income (other ordinary income - other ordinary expenses)

(Reference)

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Net banking profit (consolidated)	23,196	2,021	21,174
Banking profit (consolidated)	23,196	1,078	22,118

(Note) Banking profit (consolidated) = Gross banking profit (consolidated) - general and administrative expenses
- provision for allowance for general loan losses

(Comprehensive income (consolidated))

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Comprehensive income	62,029	131,530	(69,500)
Profit	19,283	3,252	16,030
Other comprehensive income	42,746	128,277	(85,530)
(Valuation difference on available-for-sale securities) (Fluctuation)	42,208	128,457	(86,249)

(Number of entities within the scope of consolidation)

(Entities)

	September 30, 2023	Change from September 30, 2022	September 30, 2022
Number of consolidated subsidiaries	8	1	7
Number of entities accounted for by the equity method	1	—	1

(Note) The Bank established Kyoto Capital Partners Co., Ltd., a wholly owned subsidiary, on September 1, 2023.

2. Banking profit [Non-consolidated]

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
(1) Net banking profit	21,995	2,337	19,658
Per employee (thousand yen)	6,440	759	5,681
(2) Banking profit	21,995	1,418	20,577
Per employee (thousand yen)	6,440	493	5,947

(Note) The term-average number of employees (excluding seconded employees) is used for calculation.

3. Interest rate spread [Non-consolidated]

(1) Overall

(%)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Interest rate earned on loans and bills discounted (A)	0.81	0.07	0.74
Interest rate earned on securities	1.65	(0.14)	1.79
Interest rate earned on interest-earning assets (a)	1.04	0.03	1.01
Costs incurred on deposits, etc. (B)	0.71	0.07	0.64
Interest rate paid on deposits, etc.	0.13	0.10	0.03
Overhead ratio	0.58	(0.02)	0.60
Costs of funding (b)	0.69	0.13	0.56
Interest rate spread (A) - (B)	0.10	0.00	0.10
Gross interest rate spread (a) - (b)	0.35	(0.10)	0.45

(2) Domestic operations

(%)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Interest rate earned on interest-earning assets (A)	0.89	(0.09)	0.98
Interest rate earned on loans and bills discounted	0.70	0.00	0.70
Interest rate earned on securities	1.59	(0.21)	1.80
Costs of funding (B)	0.55	0.02	0.53
Interest rate paid on deposits, etc.	0.00	0.00	0.00
Interest rate paid on external liabilities	(0.00)	0.00	(0.00)
Gross interest rate spread (A) - (B)	0.34	(0.11)	0.45

4. Gains and losses on securities [Non-consolidated]

(Million yen)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Gains (losses) related to bonds	168	3,467	(3,299)
Gains on sales	358	(2,782)	3,140
Gains on redemption	—	—	—
Losses on sales	190	(6,249)	6,439
Losses on redemption	—	—	—
Write-offs	—	(0)	0
Gains (losses) related to shares	2,470	878	1,591
Gains on sales	2,613	856	1,756
Losses on sales	97	87	10
Write-offs	46	(109)	155

○ Impairment criteria

Our standards for asset self-assessment dictate following impairment criteria by issuer category:

Issuer category	Impairment criteria
In legal bankruptcy, in de facto bankruptcy, or in danger of bankruptcy	The fair value falls below the acquisition cost.
Requiring vigilance	The fair value declines 30% or more from the acquisition cost.
In good standing	The fair value declines 50% or more from the acquisition cost, or the fair value declines 30% or more and less than 50% from the acquisition cost and the market value remains at or below a certain level.

5. Valuation difference on securities

(1) Valuation methods for securities

Trading securities	Fair value method (valuation difference recognized in profit or loss)
Held-to-maturity securities	Amortized cost method
Available-for-sale securities	Fair value method (valuation difference recognized entirely in net assets)
Shares of subsidiaries and affiliated companies	Cost method

(Reference) Securities in the money held in trust

Money held in trust for investment purposes	Fair value method (valuation difference recognized in profit or loss)

(2) Valuation difference

[Non-consolidated]

(Million yen)

	September 30, 2023				March 31, 2023		
	Valuation difference				Valuation difference		
		Change from March 31, 2023	Gain on valuation	Loss on valuation		Gain on valuation	Loss on valuation
Held-to-maturity securities	—	—	—	—	—	—	—
Shares of subsidiaries and affiliated companies	—	—	—	—	—	—	—
Available-for-sale securities	780,923	60,459	848,842	67,918	720,464	765,801	45,336
Shares	846,136	83,934	846,405	268	762,202	762,930	728
Bonds	(51,210)	(23,228)	784	51,994	(27,982)	1,685	29,667
Others	(14,002)	(246)	1,652	15,655	(13,756)	1,185	14,941
Total	780,923	60,459	848,842	67,918	720,464	765,801	45,336
Shares	846,136	83,934	846,405	268	762,202	762,930	728
Bonds	(51,210)	(23,228)	784	51,994	(27,982)	1,685	29,667
Others	(14,002)	(246)	1,652	15,655	(13,756)	1,185	14,941

(Notes) 1. Available-for-sale securities are valued at fair value. Presented in the table above are the differences between the figures in the non-consolidated balance sheets and the acquisition prices.

2. Valuation difference on available-for-sale securities as of September 30, 2023 is ¥543,798 million.

[Consolidated]

(Million yen)

	September 30, 2023				March 31, 2023		
	Valuation difference				Valuation difference		
		Change from March 31, 2023	Gain on valuation	Loss on valuation		Gain on valuation	Loss on valuation
Held-to-maturity securities	(101)	(44)	0	101	(56)	5	62
Available-for-sale securities	781,945	60,752	849,864	67,918	721,193	766,529	45,336
Shares	847,158	84,227	847,426	268	762,931	763,659	728
Bonds	(51,210)	(23,228)	784	51,994	(27,982)	1,685	29,667
Others	(14,002)	(246)	1,652	15,655	(13,756)	1,185	14,941
Total	781,844	60,708	849,864	68,020	721,136	766,535	45,399
Shares	847,158	84,227	847,426	268	762,931	763,659	728
Bonds	(51,311)	(23,272)	784	52,096	(28,039)	1,690	29,729
Others	(14,002)	(246)	1,652	15,655	(13,756)	1,185	14,941

(Notes) 1. Available-for-sale securities are valued at fair value. Presented in the table above are the differences between the figures in the consolidated balance sheets and the acquisition prices.

2. Valuation difference on available-for-sale securities as of September 30, 2023 is ¥544,079 million.

6. ROE

[Consolidated] (%)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Based on shareholders' equity	7.72	1.12	6.60
Based on net assets	3.76	0.73	3.03

(Notes) 1. The average balance of shareholders' equity and the average balance of net assets, which serve as the denominators of the calculation formulae, are computed by dividing the sum of the balance at the beginning of the term and the balance at the end

2. Shareholders' equity = total net assets - subscription right to share - non-controlling interests - total accumulated other comprehensive income

3. Net assets = total net assets - subscription right to share - non-controlling interests

<Reference>

[Non-consolidated] (%)

	Six months ended September 30, 2023	Year-on-year change	Six months ended September 30, 2022
Based on shareholders' equity	7.82	1.31	6.51
Based on net assets	3.71	0.80	2.91

(Notes) 1. The average balance of shareholders' equity and the average balance of net assets, which serve as the denominators of the calculation formulae, are computed by dividing the sum of the balance at the beginning of the term and the balance at the end

2. Shareholders' equity = total net assets - subscription right to share - total valuation and translation adjustments

3. Net assets = total net assets - subscription right to share

7. Number of branches [Non-consolidated]

(Branches)

	September 30, 2023	Change from March 31, 2023	March 31, 2023
Kyoto Prefecture	111	—	111
Osaka Prefecture	31	—	31
Shiga Prefecture	14	—	14
Nara Prefecture	7	—	7
Hyogo Prefecture	8	—	8
Aichi Prefecture	2	—	2
Tokyo Prefecture	1	—	1
Total	174	—	174

III Loans, etc.

We do not make partial direct write-offs.

1. Disclosed assets based on the Financial Reconstruction Law(risk management loans)

[Non-consolidated] (Million yen)

		September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Unrecoverable or valueless		8,523	(108)	(1,534)	8,631	10,057
Risk		85,328	475	5,074	84,853	80,254
Special attention		6,353	111	152	6,242	6,201
	Accruing loans (three months or more)	—	—	(0)	—	0
	Restructured loans	6,353	111	152	6,242	6,201
Disclosed assets total	a	100,205	478	3,692	99,727	96,513
Normal		6,450,912	163,412	243,132	6,287,500	6,207,780
Total	b	6,551,118	163,890	246,824	6,387,227	6,304,294
Disclosed assets ratio	(a/b)	1.52 %	(0.04) %	(0.01) %	1.56 %	1.53 %

(Note) Assets include: Credit-related receivables, such as loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments equivalent to loans, accrued interest, etc., and private placement bonds guaranteed by banks

Coverage	c	92,603	218	3,173	92,385	89,429
	Allowance for loan losses	18,335	(48)	(244)	18,384	18,580
	Collateral, guarantees, etc.	74,267	266	3,418	74,000	70,848
Coverage ratio (b) / (a)	(c/a)	92.4 %	(0.2) %	(0.2) %	92.6 %	92.6 %

<Reference> If partial direct write-offs had been made

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Disclosed assets total	95,384	(215)	3,479	95,600	91,905
Disclosed assets ratio	1.45 %	(0.04) %	0.00 %	1.49 %	1.45 %

[Consolidated] (Million yen)

		September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Unrecoverable or valueless		9,134	(87)	(1,511)	9,221	10,645
Risk		85,344	481	5,080	84,862	80,263
Special attention		6,354	111	152	6,242	6,201
	Accruing loans (three months or more)	—	—	(0)	—	0
	Restructured loans	6,354	111	152	6,242	6,201
Disclosed assets total	a	100,832	505	3,721	100,326	97,110
Normal		6,452,148	163,439	245,101	6,288,709	6,207,047
Total	b	6,552,980	163,944	248,822	6,389,035	6,304,157
Disclosed assets ratio	(a/b)	1.53 %	(0.04) %	(0.01) %	1.57 %	1.54 %

<Reference> If partial direct write-offs had been made

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Disclosed assets total	95,556	(214)	3,497	95,771	92,059
Disclosed assets ratio	1.45 %	(0.05) %	(0.01) %	1.50 %	1.46 %

2. Results of self-assessment and Allowance for loan losses

Results of self-assessment[Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
In legal bankruptcy	3,559	1,137	1,527	2,421	2,031
In de facto bankruptcy	4,963	(1,246)	(3,062)	6,210	8,025
In danger of bankruptcy	85,200	582	5,106	84,617	80,093
Requiring vigilance	517,747	(32,244)	(35,554)	549,992	553,302
Requiring management	14,997	(929)	(351)	15,926	15,349
Special attention (Loans and bills discounted only)	6,353	111	152	6,242	6,201
Others requiring vigilance	502,750	(31,315)	(35,202)	534,065	537,952
Normal	5,879,853	195,241	276,422	5,684,612	5,603,431
Total	6,491,324	163,470	244,439	6,327,854	6,246,884

(Note) Assets include: Credit-related receivables, such as loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments equivalent to loans, accrued interest, etc.

Allowance for loan losses[Non-consolidated]

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Allowance for loan losses	32,702	(2,162)	(1,397)	34,864	34,099
Allowance for general loan losses	16,893	(2,115)	(1,172)	19,008	18,065
Allowance for specific loan losses	15,809	(47)	(225)	15,856	16,034

○ Policy for write-offs and allowances for loan losses

Borrower category	Policy for write-offs and allowances for loan losses
In good standing	On a loan, an allowance is provided for expected losses in the following year using the historical loss rate
Requiring vigilance （Except for those requiring management）	On a loan, an allowance is provided for expected losses in the following three years using the historical loss rate.
Requiring management	On a loan, an allowance is provided for expected losses in the following three years using the historical loss rate. For some loans, allowances are provided using the discounted cash flow method.
In danger of bankruptcy	On the portion of a loan that is not covered by collateral or a guarantee, an allowance is provided for expected losses in the following three years using the historical loss rate. For some loans, allowances are provided using the discounted cash flow method.
In de facto or legal bankruptcy	A write-off is made or an allowance is provided for the entire portion of a loan that is not covered by collateral or a guarantee .

(Notes) 1 .When a loan receivable by the Bank is converted to a capital subordinated loan, and the Bank treats it as capital, the Bank provides an allowance not exceeding the amount of the said loan but for the entire amount of the uncovered portion of the loan as if it were not capital. For some loans, allowances are provided using the discounted cash flow method.

2. Of the loans to the borrowers categorized as borrowers requiring vigilance or borrowers requiring management according to the policy presented above, on loans to specific borrowers for whom it is considered difficult to determine the prospect of formulating plans due to the impact of COVID-19, allowances are provided based on the expected loss rate on the uncovered amount of the loans to borrowers in danger of bankruptcy.

3. Loans by industry

(1) Loans by industry [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Domestic (Excluding special international financial transactions accounts)	6,466,275	160,327	243,958	6,305,947	6,222,317
Manufacture	1,273,640	103,318	134,469	1,170,322	1,139,171
Agriculture and forestry	4,384	501	1,193	3,882	3,190
Fisheries	37	(1)	0	39	37
Mining, stone quarrying, and gravel quarrying	14,924	87	(878)	14,836	15,802
Construction	196,923	(2,337)	1,897	199,260	195,025
Electricity, gas, heat supply and water	117,827	3,772	3,800	114,055	114,027
Information and communications	44,166	12,877	16,477	31,288	27,688
Transport and postal services	240,057	6,769	13,829	233,288	226,228
Wholesale and retail trade	676,947	13,222	(1,233)	663,725	678,181
Finance and insurance	299,267	24,827	42,828	274,439	256,438
Real estate and goods rental and leasing	840,238	1,887	23,312	838,351	816,926
Services	484,959	(10,485)	3,449	495,444	481,510
Local governments	586,268	(5,284)	(14,542)	591,553	600,810
Others	1,686,632	11,172	19,354	1,675,460	1,667,278

(2) Risk management loans by industry [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Domestic (Excluding special international financial transactions accounts)	100,205	478	3,692	99,727	96,513
Manufacture	20,236	(808)	1,074	21,045	19,161
Agriculture and forestry	263	38	49	224	213
Fisheries	24	(1)	(2)	25	27
Mining, stone quarrying, and gravel quarrying	—	(1)	(4)	1	4
Construction	10,020	1,199	1,945	8,820	8,074
Electricity, gas, heat supply and water	12	(0)	(1)	13	14
Information and communications	1,316	(185)	(185)	1,502	1,502
Transport and postal services	3,434	(174)	160	3,609	3,274
Wholesale and retail trade	21,890	664	283	21,225	21,606
Finance and insurance	515	(15)	53	530	462
Real estate and goods rental and leasing	4,965	6	200	4,959	4,764
Services	24,512	(56)	41	24,569	24,470
Local governments	—	—	—	—	—
Others	13,013	(185)	76	13,199	12,936

(3) Loans to SMEs, etc. [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Loans to SMEs, etc.	4,197,134	12,271	99,418	4,184,862	4,097,716
Ratio of loans to SMEs, etc. (%)	64.90	(1.46)	(0.95)	66.36	65.85

(4) Consumer loans [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Consumer loans	1,762,941	3,207	8,492	1,759,733	1,754,449
Housing loans	1,731,690	3,191	7,961	1,728,498	1,723,728
Other consumer loans	31,250	16	530	31,234	30,720

4. Loans by country

(1) Specified overseas receivables [Non-consolidated]

None

(2) Loans to Asia [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Singapore	3,000	—	—	3,000	3,000
China	245	12	(265)	233	511
Indonesia	—	(52)	(187)	52	187
UAE	2,380	61	(340)	2,318	2,721
Qatar	747	80	23	667	724
Total	6,373	102	(770)	6,271	7,144

(3) Loans to major countries in Latin America [Non-consolidated]

(Million yen)

	September 30, 2023	Change from March 31, 2023	Change from September 30, 2022	March 31, 2023	September 30, 2022
Chile	747	80	23	667	724
Mexico	319	12	(61)	307	381
Total	1,067	92	(38)	974	1,105

(4) Loans to Russia [Non-consolidated]

None