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Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

August 7, 2024

Company name: Rakuten Bank, Ltd. Listing: Tokyo Stock Exchange
 Securities code: 5838 URL: <https://www.rakuten-bank.co.jp/corp/english/>
 Representative: Hiroyuki Nagai, President and CEO
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 Scheduled date to commence dividend payments: -
 Trading accounts: None Supplementary material on financial results: Yes
 Financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Ordinary Income | | Ordinary Profit | | Profit Attributable to Owners of Parent | |
|--------------------|-----------------|------|-----------------|------|---|------|
| | JPY million | % | JPY million | % | JPY million | % |
| Three Months Ended | | | | | | |
| June 30, 2024 | 40,815 | 25.0 | 15,261 | 34.2 | 10,921 | 35.0 |
| June 30, 2023 | 32,635 | 12.2 | 11,369 | 23.3 | 8,087 | 22.3 |

(Note) Comprehensive income For the three months ended June30, 2024: JPY 10,176 million [(15.6)%]

For the three months ended June30, 2023: JPY 12,063 million [57.9%]

| | Profit per Share | Diluted Profit per Share |
|--------------------|------------------|--------------------------|
| | JPY | JPY |
| Three Months Ended | | |
| June 30, 2024 | 62.59 | 62.57 |
| June 30, 2023 | 47.37 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Own Capital Ratio |
|----------------|--------------|-------------|-------------------|
| | JPY million | JPY million | % |
| As of | | | |
| June 30, 2024 | 14,030,710 | 289,885 | 1.9 |
| March 31, 2024 | 13,480,473 | 279,587 | 1.9 |

(Reference) Own Capital: June 30, 2024 JPY 270,365 million, March 31, 2024 JPY 260,648 million

(Note) "Own Capital Ratio" is calculated as follows: (Total net assets – Subscription rights to share – Minority interest) / Total Assets x 100 at year end. Own Capital Ratio stated above is not Capital Adequacy Ratio (Japanese domestic standard).

2. Dividends Distribution

| | Annual Dividends per Share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|-------|
| | First Quarter-End | Second Quarter-End | Third Quarter-End | Fiscal Year-End | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal Year Ended March 31, 2024 | — | 0.00 | — | 0.00 | 0.00 |
| Fiscal Year Ending March 31, 2025 | — | | | | |
| Fiscal Year Ending March 31, 2025 (Forecast) | | 0.00 | — | 0.00 | 0.00 |

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| Fiscal Year Ending | Ordinary Income | | Ordinary Profit | | Profit Attributable to Owners of Parent | | Profit per Share |
|--------------------|-----------------|------|-----------------|------|---|-----|------------------|
| | JPY million | % | JPY million | % | JPY million | % | JPY |
| March 31, 2025 | 162,505 | 17.8 | 53,266 | 10.1 | 37,800 | 9.7 | 216.64 |

(Note) Revisions to the forecast of consolidated earnings most recently announced: None

(Note) Please note that the above consolidated forecasts include an assumed allocation of 5 billion yen for expenses related to the Rakuten FinTech Reorganization Project.

※ Special notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
 - (i) Changes in accounting policies due to revision of accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to reasons other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(Note) For details, please refer to the attached document on page 8, "2. Quarterly Consolidated Financial Statements (3) Notes to Quarterly Consolidated Financial Statements (Notes on changes in accounting policies)".

(4) Number of issued shares (common shares)

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

| | |
|----------------------|--------------------|
| As of June 30, 2024 | 174,482,380 shares |
| As of March 31, 2024 | 174,482,380 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|----------------------|-----------|
| As of June 30, 2024 | 79 shares |
| As of March 31, 2024 | 42 shares |

- (iii) Average number of shares outstanding during the period

| | |
|----------------------|--------------------|
| As of June 30, 2024 | 174,482,301 shares |
| As of March 31, 2024 | 170,723,110 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

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

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2024, the global economy was marked by the strong US economy and instability in the Chinese economy against the backdrop of a recovery trend driven by a rebound in personal consumption. Inflation was on a downward trend after having caused much concern in the previous fiscal year, but in the meantime, the uncertainty associated with geopolitical tensions still continued. The Japanese economy showed a modest recovery on the back of improved employment and income situations, but factors including rising prices driven by a weaker yen cast worries on future prospects.

In terms of monetary policy, the Federal Reserve (FRB) kept its policy interest rates unchanged during the three months ended June 30, 2024, although it had appeared to be considering a rate cut. Meanwhile, the European Central Bank (ECB) decided to lower the key interest rates at its general council meeting in June. The Bank of Japan (BOJ) had been expected to move toward raising the policy interest rate since it had ended the negative interest rate policy in March, but kept the rate unchanged at its Monetary Policy Meeting in June.

Taking into account that banking services are a crucial social infrastructure and considering the growing need for digital banking services against the background of accelerated digital shift in individuals' lives and corporate activities, during the three months ended June 30, 2024, we promoted the operation of convenient and stable settlement infrastructure, further enhanced security, and upgraded our internal control systems. Furthermore, the Group has demonstrated a commitment to management with a greater emphasis on profitability and growth potential than ever before through the introduction of new services, expansion of our fund management, and other initiatives. During the three months ended June 30, 2024, as part of our efforts to improve the convenience of Rakuten Bank app, we started offering account transfer services for public money of Kawasaki City and for Hokkaido Gas. We also promoted Banking as a Service (BaaS), which allows us to offer our customers new usage experience, by launching the "JRE BANK" services in May 2024 in partnership with East Japan Railway Company and Viewcard Co., Ltd. The "JRE BANK" made a smooth start toward service expansion supported by wide-spread customer interest.

As a result of these efforts, in terms of the scale of business, the number of accounts reached 15.87 million as of June 30, 2024. The deposit balance on a non-consolidated basis increased to ¥10,943,974 million as of June 30, 2024.

Consolidated ordinary income for the three months ended June 30, 2024 totaled ¥40,815 million, an increase of ¥8,180 million year on year. Looking at the breakdown of ordinary income, interest income increased by ¥6,896 million year on year to ¥26,155 million. This increase was attributable to an increase in the loan balance, including investment property loans, affiliated loans, and card loans. Fees and commissions increased by ¥1,050 million year on year to ¥11,885 million, owing to increases in exchange-related fees and commissions, account transfer fees, card-related fees, and other fees and commissions, because more individual customers use their accounts with the Company as their main bank accounts in line with the increase in the number of accounts. Other operating income increased by ¥112 million year on year to ¥2,207 million mainly owing to an increase in income pertaining to the Company's new term deposits (structured deposits). Moreover, Rakuten International Commercial Bank, which started operating in Taiwan in January 2021, recorded an

ordinary income of ¥822 million, an increase of ¥339 million year on year.

On the other hand, consolidated ordinary expenses totaled ¥25,553 million, an increase of ¥4,287 million year on year. Among ordinary expenses, interest expenses increased by ¥1,866 million year on year to ¥4,085 million, mainly due to an increase in deposit interest in line with the increase in the deposit balance. Fees and commissions payments increased by ¥210 million year on year to ¥8,505 million because of an increase in fees and commissions on domestic and foreign exchanges, despite a decrease in loan guarantee expenses for external guaranteed card loans. General and administrative expenses increased by ¥1,286 million year on year to ¥11,316 million owing mainly to increases in outsourcing expenses, amortization of software, and advertising expenses. Rakuten International Commercial Bank recorded ordinary expenses of ¥1,715 million, an increase of ¥482 million year on year.

As a result, consolidated ordinary profit totaled ¥15,261 million, an increase of ¥3,892 million year on year, and profit attributable to owners of parent totaled ¥10,921 million, an increase of ¥2,834 million year on year.

Since the Group consists of a single segment of the banking business, information on operating results, etc. by segment is omitted.

(2) Explanation of the Financial Position

With regard to assets as of June 30, 2024, loans and bills discounted amounted to ¥4,324,805 million, an increase of ¥255,238 million from the end of the previous fiscal year, owing to increases in investment property loans, affiliated loans, card loans, and other assets. Monetary claims bought amounted to ¥2,503,403 million, a decrease of ¥47,409 million from the end of the previous fiscal year due to decreases in trust beneficiary rights backed by credit card receivables of Rakuten Card Co., Ltd. and other assets. Securities amounted to ¥1,251,862 million, an increase of ¥161,355 million from the end of the previous fiscal year due to the purchase of bonds including government-guaranteed bonds, foreign bonds, Japanese government bonds, and corporate bonds. Cash and due from banks amounted to ¥5,117,425 million, an increase of ¥326,328 million from the end of the previous fiscal year. As a result, total assets amounted to ¥14,030,710 million, having increased by ¥550,236 million from the end of the previous fiscal year.

As for liabilities, ordinary deposits were ¥9,834,646 million, an increase of ¥359,098 million from the end of the previous fiscal year due to an increase in the number of accounts and because more individual customers use their accounts with the Company as their main bank accounts, as well as an increase in the number of customers who use the account linking service with Rakuten Securities, Inc. (Money Bridge). Term deposits were ¥947,062 million, an increase of ¥68,481 million from the end of the previous fiscal year. Borrowed money amounted to ¥2,624,800 million, an increase of ¥59,000 million from the end of the previous fiscal year, reflecting the Company's use of funds supplied by BOJ to support increased lending. As a result, total liabilities amounted to ¥13,740,824 million, having increased by ¥539,938 million from the end of the previous fiscal year.

As for net assets, share capital amounted to ¥32,616 million, unchanged from the end of the previous fiscal year, and capital surplus was ¥10,543 million, also unchanged from the end of the previous fiscal year. Retained earnings increased

by ¥10,921 million from the end of the previous fiscal year to ¥232,073 million due to the recording of profit attributable to owners of parent. As a result, total net assets amounted to ¥289,885 million, having increased by ¥10,297 million from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

There is no change to the consolidated financial forecasts for the full year announced on May 13, 2024.

The financial forecasts are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Assets | | |
| Cash and due from banks | 4,791,097 | 5,117,425 |
| Call loans | 6,387 | 10,415 |
| Cash collateral provided for securities borrowed | 554,524 | 556,942 |
| Monetary claims bought | 2,550,812 | 2,503,403 |
| Securities | 1,090,506 | 1,251,862 |
| Loans and bills discounted | 4,069,567 | 4,324,805 |
| Foreign exchanges | 25,501 | 18,749 |
| Other assets | 345,415 | 194,452 |
| Tangible fixed assets | 4,336 | 4,183 |
| Intangible fixed assets | 23,488 | 24,937 |
| Deferred tax assets | 10,677 | 11,966 |
| Customers' liabilities for acceptances and guarantees | 11,915 | 15,865 |
| Allowance for loan losses | (3,756) | (4,300) |
| Total assets | 13,480,473 | 14,030,710 |
| Liabilities | | |
| Deposits | 10,442,382 | 10,875,605 |
| Call money | 14,382 | 14,383 |
| Cash collateral received for securities lent | 9,632 | 10,293 |
| Borrowed money | 2,565,800 | 2,624,800 |
| Foreign exchanges | 4,031 | 4,237 |
| Other liabilities | 150,631 | 193,851 |
| Provision for bonuses | 647 | 296 |
| Provision for bonuses for directors (and other officers) | 5 | 0 |
| Retirement benefit liability | 1,442 | 1,476 |
| Provision for reimbursement of deposits | 13 | 13 |
| Acceptances and guarantees | 11,915 | 15,865 |
| Total liabilities | 13,200,885 | 13,740,824 |
| Net assets | | |
| Share capital | 32,616 | 32,616 |
| Capital surplus | 10,543 | 10,543 |
| Retained earnings | 221,151 | 232,073 |
| Treasury shares | (0) | (0) |
| Total shareholders' equity | 264,311 | 275,232 |
| Valuation difference on available-for-sale securities | (8,809) | (11,060) |
| Deferred gains or losses on hedges | (188) | (62) |
| Foreign currency translation adjustment | 5,335 | 6,254 |
| Remeasurements of defined benefit plans | 0 | — |
| Total accumulated other comprehensive income | (3,662) | (4,867) |
| Share acquisition rights | 44 | 165 |
| Non-controlling interests | 18,894 | 19,354 |
| Total net assets | 279,587 | 289,885 |
| Total liabilities and net assets | 13,480,473 | 14,030,710 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Ordinary income | 32,635 | 40,815 |
| Interest income | 19,258 | 26,155 |
| Interest on loans and discounts | 13,060 | 14,975 |
| Interest and dividends on securities | 882 | 2,624 |
| Fees and commissions | 10,834 | 11,885 |
| Other operating income | 2,094 | 2,207 |
| Other ordinary income | 103 | 167 |
| Trust fees | 343 | 399 |
| Ordinary expenses | 21,266 | 25,553 |
| Interest expenses | 2,219 | 4,085 |
| Interest on deposits | 1,653 | 2,248 |
| Fees and commissions payments | 8,295 | 8,505 |
| General and administrative expenses | 10,029 | 11,316 |
| Other ordinary expenses | 721 | 1,646 |
| Ordinary profit | 11,369 | 15,261 |
| Extraordinary losses | 0 | 0 |
| Loss on disposal of non-current assets | 0 | 0 |
| Profit before income taxes | 11,368 | 15,261 |
| Income taxes - current | 3,775 | 4,984 |
| Income taxes - deferred | (194) | (286) |
| Total income taxes | 3,580 | 4,697 |
| Profit | 7,787 | 10,563 |
| Loss attributable to non-controlling interests | (299) | (357) |
| Profit attributable to owners of parent | 8,087 | 10,921 |

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit | 7,787 | 10,563 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,863 | (2,351) |
| Deferred gains or losses on hedges | 102 | 126 |
| Foreign currency translation adjustment | 2,319 | 1,838 |
| Remeasurements of defined benefit plans, net of tax | (9) | (0) |
| Total other comprehensive income | 4,275 | (386) |
| Comprehensive income | 12,063 | 10,176 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 11,189 | 9,716 |
| Comprehensive income attributable to non-controlling interests | 873 | 460 |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on changes in accounting policies)

(Application of the “Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.”)

The Company has applied the “Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the three months ended June 30, 2024.

Regarding the revision of the accounting classification of income taxes (taxes imposed on other comprehensive income), the Company has followed the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso of Paragraph 65-2, Item (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022).

Furthermore, there were no effects on the quarterly consolidated financial statements due to these changes in accounting policies.

(Notes on segment information, etc.)

Although the Group is engaged in some non-banking businesses, these businesses are not significant in terms of volume, and the reportable segment is the banking business only, and therefore, this information is omitted.

(Notes on a substantial change in the amount of shareholders’ equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flows)

No quarterly consolidated statements of cash flows have been prepared for the three months ended June 30, 2024. Depreciation (including amortization of intangible fixed assets other than goodwill) and amortization of goodwill for the three months ended June 30 are as shown below.

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--------------------------|-------------------------------------|-------------------------------------|
| Depreciation | ¥1,253 million | ¥1,558 million |
| Amortization of goodwill | ¥8 million | ¥8 million |

(Significant subsequent events)

Based on resolutions of the respective boards of directors, the Company and its parent company, Rakuten Group, Inc. (hereinafter referred to as the “Rakuten Group”), have entered into a basic agreement on April 1, 2024, to initiate discussions towards an organizational restructuring of the Rakuten Group’s FinTech business, including the Company (hereinafter referred to as the “Reorganization”), with the aim of the Reorganization taking effect in October 2024.

The Company and Rakuten Group have decided on July 29, 2024, through resolutions of each company’s board of

directors, to aim for the Reorganization to take effect in January 2025, considering whether the Reorganization will contribute to the further sustainable growth and enhancement of corporate value for both parties, as well as the regulatory requirements related to the FinTech business services, minority shareholder interests in the Company, and the further comprehensive examination of the optimal group structure for strengthening the FinTech business ecosystem.

Furthermore, there are no changes to the objectives, structure, or matters related to the listing of the Company after the Reorganization, except for changes in the assumed schedule.

At present, it is not possible to calculate the impact of this on the consolidated financial statements.

(end)

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Supplementary Materials

for the First Quarter of the FY2024

August 7, 2024

Rakuten Bank

Rakuten Bank, Ltd.

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1. Income Analysis (Non-consolidated)

(Millions of yen)

| | No. | FY2024 | | FY2023 |
|--|-----|----------|---------|---------|
| | | Q1 | YoY | Q1 |
| Ordinary Income | 1 | 39,511 | 7,743 | 31,768 |
| Gross Operating Profit | 2 | 27,377 | 5,836 | 21,541 |
| Net Interest Income | 3 | 21,823 | 4,900 | 16,923 |
| Net Fees and Commissions | 4 | 3,347 | 813 | 2,534 |
| Net Other Operating Income | 5 | 2,206 | 122 | 2,084 |
| Net Gains (Losses) on Bonds | 6 | — | — | — |
| General and Administrative Expenses (excluding Non-recurring Losses) | 7 | (10,382) | (1,173) | (9,209) |
| Personnel Expenses | 8 | (1,966) | (126) | (1,839) |
| Non-personnel Expenses | 9 | (7,633) | (845) | (6,788) |
| Taxes | 10 | (782) | (201) | (581) |
| Net Operating Profit before Provision of Allowance for Loan Losses | 11 | 16,994 | 4,662 | 12,331 |
| Provision of General Allowance for Loan Losses | 12 | (199) | (42) | (156) |
| Net Operating Profit | 13 | 16,795 | 4,620 | 12,174 |
| Core Net Operating Profit | 14 | 16,994 | 4,662 | 12,331 |
| Net Non-recurring Gains (Losses) | 15 | (1,054) | (672) | (382) |
| Write-Off of Loans | 16 | (126) | (82) | (43) |
| Provision of Specific Allowance for Loan Losses | 17 | (381) | (210) | (170) |
| Other Disposal of Non-performing Loans | 18 | (0) | (0) | — |
| Gains on Recoveries of Written-Off Claims | 19 | 2 | 0 | 1 |
| Other Non-recurring Gains (Losses) | 20 | (550) | (380) | (169) |
| Ordinary Profit | 21 | 15,740 | 3,947 | 11,792 |
| Net Extraordinary Gains (Losses) | 22 | (0) | 0 | (0) |
| Income before Income Taxes | 23 | 15,740 | 3,948 | 11,792 |
| Income Taxes | 24 | (4,719) | (1,110) | (3,609) |
| Net Income | 25 | 11,020 | 2,837 | 8,182 |

| | | | | |
|---|----|-------|-------|-------|
| Total Credit Cost | 26 | (703) | (334) | (369) |
| Provision of General Allowance for Loan Losses | 27 | (199) | (42) | (156) |
| Write-Off of Loans | 28 | (126) | (82) | (43) |
| Provision of Specific Allowance for Loan Losses | 29 | (381) | (210) | (170) |
| Other Disposal of Non-performing Loans | 30 | (0) | (0) | — |
| Gains on Recoveries of Written-Off Claims | 31 | 2 | 0 | 1 |

| | | | | |
|-----|----|-------|---------|-------|
| OHR | 32 | 37.9% | (4.8)pp | 42.7% |
|-----|----|-------|---------|-------|

(Note)

- (2) Gross Operating Profit = (3) Net Interest Income+(4) Net Fees and Commissions+(5) Net Other Operating income
- (11) Net Operating Profit before Provision of Allowance for Loan Losses=(2) Gross Operating Profit – (7) General and Administrative Expenses
- (13) Net Operating Profit = (2) Gross Operating Profit – (7) General and Administrative Expenses – (12) Provision of General Allowance for Loan Losses
- (14) Core Net Operating Profit = (13) Net Operating Profit – (6) Net Gains (Losses) on Bonds+(12) Provision of General Allowance for Loan Losses
- (32) OHR = (7) General and Administrative Expenses / (2) Gross Operating Profit

2. Disclosure Based on the Categories of the Financial Revitalization Act (Non-consolidated)

| | June 2023 | June 2024 | (Millions of yen) March 2024 |
|--|-----------|-----------|---------------------------------|
| Bankrupt and Practically Bankrupt Claims | — | — | — |
| Doubtful Claims | 1,266 | 1,415 | 1,359 |
| Claims Requiring Close Watch | 1,250 | 1,589 | 1,634 |
| Normal Claims | 3,855,145 | 4,296,795 | 4,066,043 |
| Total | 3,857,663 | 4,299,800 | 4,069,037 |

(Note) The above is based on the categories of the Financial Revitalization Act

3. Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

| | June 2023 | June 2024 | (Millions of yen) March 2024 |
|------------------------|-----------|-----------|---------------------------------|
| Capital Adequacy Ratio | 11.42% | 11.38% | 10.93% |
| Total Capital | 240,675 | 274,957 | 263,608 |
| Total Required Capital | 84,250 | 96,614 | 96,397 |

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

4. Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

| | June 2023 | June 2024 | (Millions of yen) March 2024 |
|------------------------|-----------|-----------|---------------------------------|
| Capital Adequacy Ratio | 10.82% | 11.18% | 10.68% |
| Total Capital | 228,171 | 263,444 | 253,071 |
| Total Required Capital | 84,347 | 94,193 | 94,782 |

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

5. Consolidated Return on Equity (ROE)

| | FY2022 | FY2023 |
|-------------------------------------|--------|--------|
| Consolidated ROE (Return on Equity) | 13.8% | 14.1% |

(Note) Return on Equity = Profit Attributable to Owners of Parent for the Period / Average of the Balance of Own Capital at the Beginning and End of the Period.

Own Capital = Total Net Assets – Stock Acquisition Rights – Non-controlling Interests

The balance of own capital for the beginning of the period was calculated as if the capital increase through a public offering in April 2023 and the increase due to a third-party allotment in May 2023 had been conducted at the beginning of the period, resulting in an increase in shareholders' equity by JPY13,324mm.

6. Securities (Consolidated)

(Note) Includes trust beneficiary rights within “monetary claims bought” in addition to “securities” in the quarterly consolidated balance sheets.

(i) Held-To Maturity Debt Securities

FY2023 (March 31, 2024)

(Millions of yen)

| | Type | Consolidated Balance Sheet Amount | Fair Value | Unrealized Gains/Losses |
|--|----------------------------|-----------------------------------|------------|-------------------------|
| Securities with Fair Value Exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds | 7,923 | 7,926 | 2 |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 24,326 | 24,347 | 20 |
| | Others | — | — | — |
| | Subtotal | 32,250 | 32,273 | 22 |
| Securities with Fair Value Not Exceeding Consolidated Balance Sheet Amount | Japanese Government Bonds | 516,735 | 504,960 | (11,775) |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 212,178 | 211,529 | (648) |
| | Others | — | — | — |
| | Subtotal | 728,914 | 716,490 | (12,424) |
| Total | | 761,164 | 748,763 | (12,401) |

Q1 FY2024 (June 30, 2024)

(Millions of yen)

| | Type | Quarterly Consolidated Balance Sheet Amount | Fair Value | Unrealized Gains/Losses |
|--|----------------------------|---|------------|-------------------------|
| Securities with Fair Value Exceeding Quarterly Consolidated Balance Sheet Amount | Japanese Government Bonds | — | — | — |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | — | — | — |
| | Others | — | — | — |
| | Subtotal | — | — | — |
| Securities with Fair Value Not Exceeding Quarterly Consolidated Balance Sheet Amount | Japanese Government Bonds | 559,140 | 540,088 | (19,052) |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 305,948 | 303,107 | (2,840) |
| | Others | — | — | — |
| | Subtotal | 865,088 | 843,195 | (21,892) |
| Total | | 865,088 | 843,195 | (21,892) |

(ii) Other Securities
FY2023 (March 31, 2024)

(Millions of yen)

| | Type | Acquisition Cost | Consolidated Balance Sheet Amount | Unrealized Gains/Losses |
|---|----------------------------|------------------|-----------------------------------|-------------------------|
| Securities with Consolidated Balance Sheet Amount Exceeding Acquisition Costs | Equity Securities | — | — | — |
| | Bonds | 8,946 | 8,934 | 11 |
| | Japanese Government Bonds | — | — | — |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 8,946 | 8,934 | 11 |
| | Others | 149,612 | 149,320 | 291 |
| | Subtotal | 158,558 | 158,255 | 303 |
| Securities with Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs | Equity Securities | — | — | — |
| | Bonds | 150,003 | 154,600 | (4,596) |
| | Japanese Government Bonds | 119,937 | 123,973 | (4,036) |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 30,066 | 30,626 | (560) |
| | Others | 222,213 | 230,813 | (8,600) |
| | Subtotal | 372,216 | 385,414 | (13,197) |
| Total | | 530,775 | 543,669 | (12,894) |

Q1 FY2024 (June 30, 2024)

(Millions of yen)

| | Type | Acquisition Cost | Quarterly Consolidated Balance Sheet Amount | Unrealized Gains/Losses |
|---|----------------------------|------------------|---|-------------------------|
| Securities with Quarterly Consolidated Balance Sheet Amount Exceeding Acquisition Costs | Equity Securities | — | — | — |
| | Bonds | 7,882 | 7,879 | 2 |
| | Japanese Government Bonds | — | — | — |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 7,882 | 7,879 | 2 |
| | Others | 207,738 | 207,338 | 400 |
| | Subtotal | 215,621 | 215,218 | 403 |
| Securities with Quarterly Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs | Equity Securities | — | — | — |
| | Bonds | 146,603 | 153,487 | (6,883) |
| | Japanese Government Bonds | 117,758 | 123,848 | (6,090) |
| | Japanese Municipal Bonds | — | — | — |
| | Short-Term Corporate Bonds | — | — | — |
| | Corporate Bonds | 28,845 | 29,638 | (792) |
| | Others | 233,701 | 243,411 | (9,710) |
| | Subtotal | 380,304 | 396,898 | (16,593) |
| Total | | 595,926 | 612,116 | (16,190) |

7. Derivative Transactions (Consolidated)

(i) Interest Rate-Related Transactions

FY2023 (March 31, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|------------------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| OTC | Interest Rate Swaption | | | | |
| | Sold | 138,298 | 138,298 | (12,417) | (12,417) |
| | Purchased | 138,308 | 138,308 | 12,400 | 12,400 |
| Total | | — | — | (17) | (17) |

- (Note) 1. The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Derivative transactions to which hedge accounting is applied based on the rules of the “Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry” (Japanese Institute of Certified Public Accountants (“JICPA”) Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.
2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

Q1 FY2024 (June 30, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|------------------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| OTC | Interest Rate Swaption | | | | |
| | Sold | 144,511 | 144,511 | (15,663) | (15,663) |
| | Purchased | 144,772 | 144,772 | 15,669 | 15,669 |
| Total | | — | — | 6 | 6 |

- (Note) 1. The above is based on a mark-to-market valuation and has been recorded on the quarterly consolidated statements of income. Derivative transactions to which hedge accounting is applied based on the rules of the “Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry” (Japanese Institute of Certified Public Accountants (“JICPA”) Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.
2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

(ii) Foreign Currency-Related Transactions

FY2023 (March 31, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|----------------------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| OTC | Forward Exchange Contracts | | | | |
| | Sold | 357,500 | 274 | 4,079 | 4,079 |
| | Purchased | 368,475 | 1,275 | 1,771 | 1,771 |
| | Currency Options | | | | |
| | Sold | 127 | — | (0) | (0) |
| | Purchased | 127 | — | 0 | 0 |
| | Currency Swaps | 12,319 | 12,319 | (3,367) | (3,367) |
| | Total | — | — | 2,482 | 2,482 |

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

Q1 FY2024 (June 30, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|----------------------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| OTC | Forward Exchange Contracts | | | | |
| | Sold | 586,501 | 281 | 3,346 | 3,346 |
| | Purchased | 610,193 | 1,379 | 3,527 | 3,527 |
| | Currency Options | | | | |
| | Sold | — | — | — | — |
| | Purchased | — | — | — | — |
| | Currency Swaps | 12,319 | 12,319 | (4,508) | (4,508) |
| | Total | — | — | 2,365 | 2,365 |

(Note) The above is based on a mark-to-market valuation and has been recorded on the quarterly consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the quarterly consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

(iii) Bond-Related Transactions

FY2023 (March 31, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|--------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| Listed | Bond Futures | | | | |
| | Sold | — | — | — | — |
| | Purchased | 1,456 | — | (1) | (1) |
| Total | | — | — | (1) | (1) |

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Derivative transactions to which hedge accounting is applied are not included in the above.

Q1 FY2024 (June 30, 2024)

(Millions of yen)

| Category | Type | Notional Amount | | Fair Value | Unrealized Gains/Losses |
|----------|--------------|-----------------|-------------|------------|-------------------------|
| | | Total | Over 1 Year | | |
| Listed | Bond Futures | | | | |
| | Sold | — | — | — | — |
| | Purchased | 285 | — | 0 | 0 |
| Total | | — | — | 0 | 0 |

(Note) The above is based on a mark-to-market valuation and has been recorded on the quarterly consolidated statements of income. Derivative transactions to which hedge accounting is applied are not included in the above.

8. Interest Spread (Non-consolidated)

| | Q1 FY2023 | Q1 FY2024 | (%) FY2023 |
|--|-----------|-----------|---------------|
| Yield on interest earning assets | 0.93 | 0.76 | 0.95 |
| Total cost of funding (including expenses) | 0.38 | 0.41 | 0.39 |
| Overall interest spread | 0.55 | 0.35 | 0.56 |
| Cost of interest bearing liabilities | 0.06 | 0.10 | 0.07 |
| Interest spread | 0.87 | 0.66 | 0.88 |

9. Deposits (Non-consolidated)

| | June 2023 | June 2024 | (Millions of yen) March 2024 |
|-------------------|-----------|------------|---------------------------------|
| Ordinary Deposits | 8,674,045 | 9,978,361 | 9,637,354 |
| Time Deposits | 723,118 | 871,715 | 814,596 |
| Other Deposits | 90,853 | 93,896 | 88,252 |
| Total | 9,488,017 | 10,943,974 | 10,540,202 |

10. Time Deposits by Maturity (Non-consolidated)

| | 1 Year or Less | Over 1 Year 2 Years or Less | Over 2 Years 3 Years or Less | Over 3 Years | Total |
|------------|----------------|-----------------------------|------------------------------|--------------|---------|
| June 2023 | 704,222 | 8,160 | 4,054 | 6,680 | 723,118 |
| June 2024 | 804,315 | 57,233 | 4,157 | 6,009 | 871,715 |
| March 2024 | 797,320 | 6,801 | 4,191 | 6,282 | 814,596 |

11. General and Administrative Expenses (Non-consolidated)

| | Q1 FY2023 | Q1 FY2024 | (Millions of yen) FY2023 |
|--|-----------|-----------|-----------------------------|
| Personnel Expenses | 1,839 | 1,966 | 7,592 |
| Non-personnel Expenses | 6,788 | 7,633 | 28,355 |
| Depreciation and Amortization Expenses | 1,044 | 1,324 | 4,200 |
| Tax and Due | 581 | 782 | 2,534 |
| Total | 9,209 | 10,382 | 38,482 |

(end)