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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 8, 2024

Company name: THE TOCHIGI BANK, LTD.
Listing: Tokyo
Securities code: 8550
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Representative: Hiroyuki Nakada President
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Scheduled date to file semi-annual securities report: November 12, 2024
Scheduled date to commence dividend payments: December 10, 2024
Trading accounts: None
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	22,135	5.0	2,037	(41.1)	1,470	(20.2)
September 30, 2023	21,081	(12.8)	3,457	27.1	1,843	(2.9)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 259 million [-%]
Six months ended September 30, 2023: ¥ (5,955) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	14.19	-
September 30, 2023	17.80	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	3,359,570	151,717	4.5
March 31, 2024	3,314,542	151,761	4.5

(Reference) Equity: As of September 30, 2024: ¥ 150,143 million
As of March 31, 2024: ¥ 150,198 million

(Note) "Equity ratio" is calculated by dividing (Total net assets at end of period − Non-controlling interests at end of period) by Total assets at end of period. This "Equity ratio" is not the equity ratio provided for in the regulatory notices pertaining to capital adequacy ratio.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	3.00	-	3.00	6.00
Fiscal year ending March 31, 2025	-	3.50			
Fiscal year ending March 31, 2025 (Forecast)			-	3.50	7.00

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

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

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,000	(5.0)	5,900	39.3	3,600	71.3	34.76

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(3) Number of issued shares (common shares)

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

September 30, 2024: 109,608,000 shares
March 31, 2024: 109,608,000 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 5,942,087 shares
March 31, 2024: 6,035,589 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 103,607,827 shares
Six months ended September 30, 2023: 103,551,447 shares

(Note) The Bank has introduced board benefit trust (BBT). The total number of treasury shares at the end of the period includes shares of the Bank (1,521,000 shares as of March 31, 2024, 1,427,800 shares as of September 30, 2024) held by BBT. The average number of shares during the period includes the average number of shares (1,531,957 shares during the year ended March 31, 2024, 1,485,963 shares during six months ended September 30, 2024) held by BBT as the treasury shares to be deducted.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	19,725	5.9	1,820	(40.2)	1,381	(17.6)
September 30, 2023	18,630	(14.7)	3,041	35.1	1,677	4.2

	Basic earnings per share
Six months ended	Yen
September 30, 2024	13.33
September 30, 2023	16.20

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	3,339,353	140,377	4.2
March 31, 2024	3,293,396	140,105	4.3

(Reference) Equity: As of September 30, 2024: ¥ 140,377 million
As of March 31, 2024: ¥ 140,105 million

(Note) “Equity ratio” is calculated by dividing Total net assets at end of period by Total assets at end of period. This “Equity ratio” is not the equity ratio provided for in the regulatory notices pertaining to capital adequacy ratio.

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	37,000	(8.1)	5,300	53.1	3,300	87.9	31.86

Notes on financial results forecast

*These interim consolidated financial results are outside the scope of interim audit by certified public accountants or an audit firm.

*Explanation of the appropriate use of financial results forecast and other notes

1. The Bank falls under the category of specified business companies (companies which engage in businesses specified in Article 18, Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs); accordingly, it prepares its interim consolidated financial statements (type 2) and interim non-consolidated financial statements (type 2).
2. The financial results forecast and other forward-looking statements herein are based on information currently available to the Bank and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to various factors.

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1. Qualitative Information on Interim Financial Results

(1) Overview of Operating Results

Ordinary income increased by 1,054 million yen year on year to 22,135 million yen due in part to increases in interest income and fees and commissions, as well as gain on sale of equity securities, which was recorded along with loss on sale of equity securities.

Ordinary expenses increased by 2,475 million yen year on year to 20,098 million yen due in part to increases in interest expenses and the recording of loss on sale of equity securities.

As a result, the Bank posted ordinary profit of 2,037 million yen and profit attributable to owners of parent of 1,470 million yen.

(2) Qualitative Information on Financial Position

Assets at the end of the interim period under review increased by 45.0 billion yen from the end of the previous fiscal year to 3,359.5 billion yen due in part to an increase in cash and due from banks. Liabilities increased by 45.0 billion yen from the end of the previous fiscal year to 3,207.8 billion yen due in part to an increase in deposits. Net assets decreased by 44 million yen from the end of the previous fiscal year to 151.7 billion yen due in part to a decrease in valuation difference on available-for-sale securities.

The status of main accounts is as follows:

(i) Deposits

The balance of deposits increased by 28.1 billion yen from the end of the previous fiscal year to 3,138.2 billion yen due in part to an increase in personal deposits.

(ii) Loans and bills discounted

The balance of loans and bills discounted decreased by 1.8 billion yen from the end of the previous fiscal year to 2,058.1 billion yen.

(iii) Securities

The balance of securities increased by 10.3 billion yen from the end of the previous fiscal year to 617.0 billion yen.

(3) Qualitative Information on Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes to the full-year financial results forecast announced on May 10, 2024.

2. Summary Information (Notes)

Not applicable.

3 .Semi-annual Consolidated Financial Statements

（1） Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	585,706	626,161
Call loans and bills bought	1,098	965
Trading securities	4	4
Money held in trust	600	563
Securities	606,717	617,055
Loans and bills discounted	2,060,027	2,058,128
Foreign exchanges	678	863
Other assets	29,217	21,101
Tangible fixed assets	20,350	24,339
Intangible fixed assets	1,169	1,094
Retirement benefit asset	10,232	10,655
Deferred tax assets	8,180	7,038
Customers' liabilities for acceptances and guarantees	2,265	2,921
Allowance for loan losses	(11,704)	(11,324)
Total assets	3,314,542	3,359,570
Liabilities		
Deposits	3,110,102	3,138,233
Negotiable certificates of deposit	-	2,000
Borrowed money	34,125	34,286
Foreign exchanges	5	-
Other liabilities	13,402	27,576
Provision for bonuses	875	835
Provision for bonuses for directors (and other officers)	26	4
Retirement benefit liability	335	288
Provision for retirement benefits for directors (and other officers)	10	6
Provision for management board benefit trust	164	169
Provision for reimbursement of deposits	266	268
Provision for contingent loss	357	413
Reserves under special laws	12	14
Deferred tax liabilities for land revaluation	833	833
Acceptances and guarantees	2,265	2,921
Total liabilities	3,162,781	3,207,852
Net assets		
Share capital	27,408	27,408
Capital surplus	30,036	30,036
Retained earnings	119,431	120,586
Treasury shares	(2,314)	(2,287)
Total shareholders' equity	174,561	175,744
Valuation difference on available-for-sale securities	(27,715)	(28,517)
Deferred gains or losses on hedges	-	(25)
Revaluation reserve for land	(637)	(637)
Remeasurements of defined benefit plans	3,989	3,578
Total accumulated other comprehensive income	(24,363)	(25,600)
Non-controlling interests	1,562	1,574
Total net assets	151,761	151,717
Total liabilities and net assets	3,314,542	3,359,570

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Ordinary income	21,081	22,135
Interest income	12,886	13,078
Interest on loans and discounts	10,350	10,801
Interest and dividends on securities	2,109	1,511
Fees and commissions	4,949	5,046
Other ordinary income	554	523
Other income	2,690	3,486
Ordinary expenses	17,623	20,098
Interest expenses	64	525
Interest on deposits	43	403
Interest expenses on cash collateral received for securities lent	-	80
Fees and commissions payments	1,906	2,017
Other ordinary expenses	1,226	1,047
General and administrative expenses	11,858	11,384
Other expenses	2,567	5,123
Ordinary profit	3,457	2,037
Extraordinary income	2	62
Gain on disposal of non-current assets	2	62
Extraordinary losses	400	13
Loss on disposal of non-current assets	6	12
Provision of reserve for financial instruments transaction liabilities	-	1
Impairment losses	394	-
Profit before income taxes	3,059	2,086
Income taxes - current	1,052	246
Income taxes - deferred	99	342
Total income taxes	1,152	589
Profit	1,907	1,497
Profit attributable to non-controlling interests	64	27
Profit attributable to owners of parent	1,843	1,470

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,907	1,497
Other comprehensive income	(7,863)	(1,237)
Valuation difference on available-for-sale securities	(7,815)	(801)
Deferred gains or losses on hedges	-	(25)
Remeasurements of defined benefit plans, net of tax	(47)	(410)
Comprehensive income	(5,955)	259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,020)	232
Comprehensive income attributable to non-controlling interests	64	27

(3) Semi-annual Consolidated Statements of Changes in Equity

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	27,408	30,036	118,085	(2,324)	173,205
Changes during period					
Dividends of surplus			(315)		(315)
Profit attributable to owners of parent			1,843		1,843
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Reversal of revaluation reserve for land			(64)		(64)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,463	9	1,473
Balance at end of period	27,408	30,036	119,548	(2,314)	174,679

	Accumulated other comprehensive income					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	(19,493)	-	(761)	462	(19,792)	1,465	154,878
Changes during period							
Dividends of surplus							(315)
Profit attributable to owners of parent							1,843
Purchase of treasury shares							(0)
Disposal of treasury shares							9
Reversal of revaluation reserve for land							(64)
Net changes in items other than shareholders' equity	(7,815)	-	64	(47)	(7,799)	48	(7,750)
Total changes during period	(7,815)	-	64	(47)	(7,799)	48	(6,277)
Balance at end of period	(27,308)	-	(697)	414	(27,591)	1,513	148,601

For the six months ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	27,408	30,036	119,431	(2,314)	174,561
Changes during period					
Dividends of surplus			(315)		(315)
Profit attributable to owners of parent			1,470		1,470
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				27	27
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,155	27	1,182
Balance at end of period	27,408	30,036	120,586	(2,287)	175,744

	Accumulated other comprehensive income					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	(27,715)	-	(637)	3,989	(24,363)	1,562	151,761
Changes during period							
Dividends of surplus							(315)
Profit attributable to owners of parent							1,470
Purchase of treasury shares							(0)
Disposal of treasury shares							27
Reversal of revaluation reserve for land							-
Net changes in items other than shareholders' equity	(801)	(25)	-	(410)	(1,237)	11	(1,226)
Total changes during period	(801)	(25)	-	(410)	(1,237)	11	(44)
Balance at end of period	(28,517)	(25)	(637)	3,578	(25,600)	1,574	151,717

(4) Notes to Semi-Annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The Bank has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, October 28, 2022), and "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022) from the beginning of the first half. There are no impacts from these changes in the Consolidated Financial Statements.

(Additional information)

(Assumptions in estimating allowance for loan losses)

With regard to the impact of COVID-19 on the economic activity, as the legal status of COVID-19 was downgraded to Class 5 in May 2023, the economic activity has recovered.

However, the financial position of certain borrowers, which deteriorated as a result of the infection, has yet to recover.

Therefore, for these borrowers, the Bank has decided the borrower classification in consideration of the prospects for business improvement. At the same time, while assessing whether borrowers will be able to continuously secure profits and cash flows necessary to improve the financial position, the Bank has estimated such effects for borrowers where the uncertainties still exist, and made necessary adjustments to its projected loss ratio and posted an allowance for loan losses of 873 million yen as of the end of the interim period under review (1,701 million yen as of the end of the previous fiscal year).

The Bank has made necessary adjustments to the above-projected loss ratio since the fiscal year ended March 31, 2021, and there were no borrowers subject to the necessary adjustments during the interim period under review.

The amount of allowance for loan losses may increase or decrease in or after the third quarter of the fiscal year under review if the underlying assumptions for these estimates change.

Given the absence of precedent or standardized view to serve as a reference on the possibility of recovery of the financial position of borrowers, which has deteriorated due to the impact of the infection, the Bank has made its best possible estimates based on external and internal information currently available, and under certain assumptions.

(Performance-linked share-based remuneration plan using board benefit trust)

The Bank has introduced a board benefit trust (hereinafter, the "BBT") as a performance-linked share-based remuneration plan. The objective of the BBT is to further clarify the link between remuneration provided to Directors of the Bank (excluding Outside Directors) and the Bank's business performance and share value and thereby increase Directors' motivation to contribute to improving the Bank's medium- to long-term business performance and increasing its corporate value by sharing with shareholders not only benefits of share price increases but also risks associated with share price declines.

(i) Overview of the BBT

The BBT is a performance-linked share-based remuneration plan under which shares of the Bank are acquired through a trust (hereinafter, the trust established under the BBT is referred to as the "Trust") using money contributed by the Bank as the funds, and shares of the Bank and money equivalent to the amount of shares of the Bank converted based on fair value (hereinafter, "Shares of the Bank, etc.") are delivered to Directors through the Trust in accordance with the Regulations on Share Delivery to Officers stipulated by the Bank. In principle, Directors receive delivery of Shares of the Bank, etc. when they retire from office as Director.

(ii) Shares of the Bank remaining in the Trust

Shares of the Bank remaining in the Trust are recorded as treasury shares under shareholders' equity, and the book value and number of said treasury shares as of the end of the interim period under review were 411 million yen and 1,427 thousand shares (438 million yen and 1,521 thousand shares as of the end of the previous fiscal year), respectively.

４．Semi-annual Non-consolidated Financial Statements

(1) Semi-annual Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	582,223	622,292
Call loans	1,098	965
Trading securities	4	4
Money held in trust	600	563
Securities	609,475	619,894
Loans and bills discounted	2,060,553	2,060,797
Foreign exchanges	678	863
Other assets	13,019	4,558
Other	13,019	4,558
Tangible fixed assets	19,359	22,332
Intangible fixed assets	1,085	1,025
Prepaid pension costs	4,450	5,507
Deferred tax assets	9,873	8,557
Customers' liabilities for acceptances and guarantees	2,265	2,921
Allowance for loan losses	(11,290)	(10,933)
Total assets	3,293,396	3,339,353
Liabilities		
Deposits	3,111,935	3,141,016
Negotiable certificates of deposit	-	2,000
Borrowed money	31,100	30,800
Foreign exchanges	5	-
Other liabilities	5,548	19,779
Income taxes payable	641	201
Lease liabilities	300	261
Other	4,606	19,316
Provision for bonuses	759	735
Provision for bonuses for directors (and other officers)	17	-
Provision for retirement benefits	37	37
Provision for management board benefit trust	164	169
Provision for reimbursement of deposits	266	268
Provision for contingent loss	357	413
Deferred tax liabilities for land revaluation	833	833
Acceptances and guarantees	2,265	2,921
Total liabilities	3,153,291	3,198,975

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Share capital	27,408	27,408
Capital surplus	26,150	26,150
Legal capital surplus	26,150	26,150
Retained earnings	117,228	118,294
Legal retained earnings	1,745	1,745
Other retained earnings	115,483	116,549
General reserve	106,987	106,987
Retained earnings brought forward	8,496	9,562
Treasury shares	(2,314)	(2,287)
Total shareholders' equity	168,472	169,566
Valuation difference on available-for-sale securities	(27,730)	(28,526)
Deferred gains or losses on hedges	-	(25)
Revaluation reserve for land	(637)	(637)
Total valuation and translation adjustments	(28,367)	(29,188)
Total net assets	140,105	140,377
Total liabilities and net assets	3,293,396	3,339,353

(2) Semi-annual Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Ordinary income	18,630	19,725
Interest income	12,901	13,080
Interest on loans and discounts	10,340	10,788
Interest and dividends on securities	2,133	1,525
Fees and commissions	4,317	4,468
Other ordinary income	149	229
Other income	1,263	1,946
Ordinary expenses	15,589	17,905
Interest expenses	43	496
Interest on deposits	43	403
Fees and commissions payments	2,024	2,123
Other ordinary expenses	1,226	1,038
General and administrative expenses	10,807	10,249
Other expenses	1,487	3,996
Ordinary profit	3,041	1,820
Extraordinary income	-	60
Extraordinary losses	400	12
Profit before income taxes	2,640	1,868
Income taxes - current	844	155
Income taxes - deferred	119	332
Total income taxes	963	487
Profit	1,677	1,381

(3) Semi-annual Non-consolidated Statements of Changes in Equity

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal 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	27,408	26,150	26,150	1,745	106,987	7,494	116,226
Changes during period							
Dividends of surplus						(315)	(315)
Profit						1,677	1,677
Purchase of treasury shares							
Disposal of treasury shares							
Reversal of revaluation reserve for land						(64)	(64)
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	-	1,297	1,297
Balance at end of period	27,408	26,150	26,150	1,745	106,987	8,792	117,524

	Shareholders' equity		Valuation and translation adjustments				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	(2,324)	167,461	(19,492)	-	(761)	(20,254)	147,207
Changes during period							
Dividends of surplus		(315)					(315)
Profit		1,677					1,677
Purchase of treasury shares	(0)	(0)					(0)
Disposal of treasury shares	9	9					9
Reversal of revaluation reserve for land		(64)					(64)
Net changes in items other than shareholders' equity			(7,820)	-	64	(7,755)	(7,755)
Total changes during period	9	1,307	(7,820)	-	64	(7,755)	(6,448)
Balance at end of period	(2,314)	168,768	(27,312)	-	(697)	(28,010)	140,758

For the six months ended September 30, 2024

(Millions of yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
					Other retained earnings		
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	27,408	26,150	26,150	1,745	106,987	8,496	117,228
Changes during period							
Dividends of surplus						(315)	(315)
Profit						1,381	1,381
Purchase of treasury shares							
Disposal of treasury shares							
Reversal of revaluation reserve for land							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	-	1,066	1,066
Balance at end of period	27,408	26,150	26,150	1,745	106,987	9,562	118,294

	Shareholders' equity		Valuation and translation adjustments				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	(2,314)	168,472	(27,730)	-	(637)	(28,367)	140,105
Changes during period							
Dividends of surplus		(315)					(315)
Profit		1,381					1,381
Purchase of treasury shares	(0)	(0)					(0)
Disposal of treasury shares	27	27					27
Reversal of revaluation reserve for land		-					-
Net changes in items other than shareholders' equity			(796)	(25)	-	(821)	(821)
Total changes during period	27	1,093	(796)	(25)	-	(821)	272
Balance at end of period	(2,287)	169,566	(28,526)	(25)	(637)	(29,188)	140,377

I Overview of Financial Results for Six Months Ended September 30, 2024
(Interim Period)
1. Status of Profit and Loss

[Non-consolidated] (Million yen)

	Six months ended September 30, 2024	Change from six months ended September 30, 2023	Six months ended September 30, 2023
Gross operating profit	14,120	47	14,073
(Excluding gains (losses) on government bonds and other securities)	15,026	(206)	15,232
Domestic gross profit	14,059	69	13,990
(Excluding gains (losses) on government bonds and other securities)	14,965	(184)	15,150
Net interest income	12,524	(253)	12,778
Fees and commissions income	2,346	53	2,292
Other operating income	(810)	269	(1,080)
International gross profit	60	(21)	82
(Excluding gains (losses) on government bonds and other securities)	60	(21)	82
Net interest income	59	(20)	79
Fees and commissions income	(0)	0	(0)
Other operating income	2	(1)	3
Expenses (excluding extraordinary adjustments)	10,841	(34)	10,875
Personnel expenses	5,847	(175)	6,022
Non-personnel expenses	4,286	182	4,104
Taxes	706	(41)	748
Substantial net business profit (Note 1)	3,279	81	3,197
Core net business profit (Note 2)	4,185	(171)	4,356
Core net business profit (excluding gains (losses) from cancellation of investment trust)	3,937	(98)	4,036
Provision of general allowance for loan losses (1)	(611)	(360)	(251)
Net business profit	3,891	442	3,448
Of which, gains (losses) on government bonds and other securities	(905)	253	(1,159)
Unusual profits and losses	(2,071)	(1,663)	(407)
Bad loans disposed (2)	1,483	391	1,091
Written-off of loans	677	98	579
Provision of individual allowance for loan losses	637	240	396
Provision for contingent loss	55	0	55
Cost borne under joint responsibility system of credit guarantee corporations	111	52	59
(Costs for loans written-off (1) + (2))	871	31	840
Reversal of allowance for loan losses (3)	—	—	—
Recoveries of written off receivables	548	283	264
Gains (losses) related to equity securities	(1,777)	(2,100)	323
Gain on sale of equity securities	1,284	382	901
Loss on sale of equity securities	3,061	2,483	577
Loss on devaluation of equity securities	—	0	0
Other unusual profits and losses	641	544	96
Ordinary profit	1,820	(1,221)	3,041
Extraordinary income and losses	48	449	(400)
Of which, loss (gain) on disposal of non-current assets	(12)	(5)	(6)
Gain on disposal of non-current assets	—	—	—
Loss on disposal of non-current assets	12	5	6
Of which, gain on reversal of share acquisition rights	—	—	—
Of which, impairment losses	—	(394)	394
Of which, provision for share-based remuneration for directors (and other	—	—	—
Profit before income taxes	1,868	(772)	2,640
Income taxes - current	155	(689)	844
Income taxes - deferred	332	213	119
Total income taxes	487	(476)	963
Profit	1,381	(295)	1,677

Costs for loans written-off (1) + (2) - (3)	871	31	840

(Note 1) Substantial net business profit = Net business profit (before transfer to general allowance for loan losses)
(Note 2) Core net business profit = Substantial net business profit - Gain (loss) on bonds

[Consolidated] (Million yen)

	Six months ended September 30, 2024	Change from six months ended September 30, 2023	Six months ended September 30, 2023
Consolidated gross profit	15,059	(134)	15,193
Net interest income	12,553	(269)	12,822
Fees and commissions income	3,029	(13)	3,043
Other operating income	(523)	148	(672)
General and administrative expenses	11,384	(473)	11,858
Costs for loans written-off (1)	872	37	835
Written-off of loans	701	109	591
Provision of individual allowance for loan losses	622	244	377
Provision of general allowance for loan losses	(618)	(369)	(248)
Provision for contingent loss	55	0	55
Cost borne under joint responsibility system of credit guarantee corporations	111	52	59
Reversal of allowance for loan losses (2)	—	—	—
Recoveries of written off receivables	548	283	264
Gains (losses) related to equity securities	(1,763)	(2,087)	323
Others	450	80	370
Ordinary profit	2,037	(1,420)	3,457
Extraordinary income and losses	49	447	(398)
Profit before income taxes	2,086	(973)	3,059
Income taxes - current	246	(805)	1,052
Income taxes - deferred	342	242	99
Total income taxes	589	(563)	1,152
Profit attributable to non-controlling interests	27	(37)	64
Profit attributable to owners of parent	1,470	(372)	1,843

Costs for loans written-off ((1) - (2))	872	37	835

(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other ordinary income - Other ordinary expenses)

(Number of companies in the scope of consolidation) (No. of companies)

	Six months ended September 30, 2024	Change from six months ended September 30, 2023	Six months ended September 30, 2023
Number of consolidated subsidiaries	6	—	6
Number of equity-method affiliated companies	—	—	—

2. Main Accounts [Non-consolidated]

Balance of deposits

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Deposits	3,141,016	29,080	26,038	3,111,935	3,114,978
Time deposits	839,750	(14,061)	(47,298)	853,811	887,048
Liquid deposits	2,301,265	43,141	73,336	2,258,124	2,227,929

*Excluding negotiable certificates of deposit.

Balance of loans and bills discounted

(Million yen, %)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Loans and bills discounted	2,060,797	244	63,674	2,060,553	1,997,123
Loans and bills discounted for individuals, SMEs, etc.	1,548,933	(6,578)	20,540	1,555,512	1,528,392
Liquid deposits	75.16	(0.33)	(1.36)	75.49	76.52

Balance of securities

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Securities	619,894	10,419	9,484	609,475	610,410
Government bonds	176,093	27,867	13,280	148,226	162,812

Balance of deposit assets

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Deposit assets	443,936	(1,979)	13,801	445,915	430,135
Public bonds	28,555	1,298	730	27,257	27,825
Investment trusts	176,402	1,176	19,113	175,226	157,289
Individual pension, etc.	238,977	(4,453)	(6,041)	243,431	245,019

3. Margin [Non-consolidated]

(%)

	Six months ended September 30, 2024	Change from six months ended September 30, 2023	Six months ended September 30, 2023
(1) Yield on assets (A)	0.77	(0.09)	0.86
(A) Yield on loans and bills discounted	1.04	0.01	1.03
(B) Yield on securities	0.47	(0.20)	0.67
(2) Funding costs (B)	0.68	(0.01)	0.69
(A) Yield on deposits, etc.	0.02	0.02	0.00
(B) Yield on external liabilities	0.01	0.01	0.00
(3) Total interest margin (A) - (B)	0.09	(0.24)	0.17
(Reference) Deposit and loan margin (domestic)	0.33	(0.01)	0.34
(Reference) Total interest margin (domestic)	0.09	(0.08)	0.17

4. Securities-Related Profit and Loss [Non-consolidated]

(Million yen)

	Six months ended September 30, 2024	Change from six months ended September 30, 2023	Six months ended September 30, 2023
Gains (losses) on government bonds and other securities	(905)	253	(1,159)
Gains on sales	86	66	19
Gains on redemption	—	—	—
Losses on sales	992	(186)	1,179
Losses on redemption	—	—	—
Write-offs	—	—	—
Gains (losses) on equity securities	(1,777)	(2,100)	323
Gains on sales	1,284	382	901
Losses on sales	3,061	2,483	577
Write-offs	—	(0)	0

5. Valuation Gain and Loss on Securities with Market Value

[Non-consolidated] (Million yen)

		September 30, 2024				March 31, 2024		
		Valuation gain and loss	Change from March 31, 2024	Evaluation gain	Evaluation loss	Valuation gain and loss	Evaluation gain	Evaluation loss
	Held to maturity	—	—	—	—	—	—	—
	Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—
	Other securities	(33,569)	196	2,687	36,257	(33,766)	5,075	38,841
	Stocks	2,134	(2,075)	2,590	456	4,209	4,361	151
	Bonds	(16,425)	(2,244)	58	16,484	(14,180)	17	14,198
	Others	(19,278)	4,516	37	19,316	(23,795)	696	24,491
Total		(33,569)	196	2,687	36,257	(33,766)	5,075	38,841
	Stocks	2,134	(2,075)	2,590	456	4,209	4,361	151
	Bonds	(16,425)	(2,244)	58	16,484	(14,180)	17	14,198
	Others	(19,278)	4,516	37	19,316	(23,795)	696	24,491

[Consolidated] (Million yen)

		September 30, 2024				March 31, 2024		
		Valuation gain and loss	Change from March 31, 2024	Evaluation gain	Evaluation loss	Valuation gain and loss	Evaluation gain	Evaluation loss
	Held to maturity	—	—	—	—	—	—	—
	Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—
	Other securities	(33,549)	187	2,707	36,257	(33,737)	5,112	38,849
	Stocks	2,134	(2,075)	2,590	456	4,209	4,361	151
	Bonds	(16,425)	(2,244)	58	16,484	(14,180)	17	14,198
	Others	(19,258)	4,508	57	19,316	(23,766)	732	24,499
Total		(33,549)	187	2,707	36,257	(33,737)	5,112	38,849
	Stocks	2,134	(2,075)	2,590	456	4,209	4,361	151
	Bonds	(16,425)	(2,244)	58	16,484	(14,180)	17	14,198
	Others	(19,258)	4,508	57	19,316	(23,766)	732	24,499

6. Capital Adequacy Ratio (domestic standard)

[Non-consolidated] (Million yen, %)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2022
(1) Capital adequacy ratio (2) / (3)	11.11	(0.02)	(0.43)	11.13	11.54
(2) Non-consolidated equity capital	168,579	(202)	(853)	168,781	169,433
(3) Risk assets	1,517,259	1,511	49,829	1,515,747	1,467,429
(4) Total non-consolidated equity capital requirements (3) × 4%	60,690	60	1,993	60,629	58,697

[Consolidated] (Million yen, %)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2022
(1) Capital adequacy ratio (2) / (3)	11.81	0.38	(0.25)	11.43	12.06
(2) Consolidated equity capital	175,468	554	(104)	174,914	175,572
(3) Risk assets	1,485,340	(43,931)	29,543	1,529,271	1,455,797
(4) Total consolidated equity capital requirements (3) × 4%	59,413	(1,757)	1,181	61,170	58,231

II Status of Loans and Bills Discounted, Etc. [Non-consolidated]

1. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Non-consolidated]

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Bankrupt and quasi-bankrupt loans	2,363	515	805	1,848	1,558
Doubtful loans	41,743	1,564	681	40,178	41,061
Special attention loans	1,281	325	683	956	598
Accruing loans contractually past due 3 months or more	1,281	0	44	44	0
Restructured loans	1,237	325	638	912	598
Subtotal (A)	45,389	2,405	2,170	42,983	43,218
Normal assets	2,044,805	(2,375)	59,696	2,047,180	1,985,109
Total (total claims) (B)	2,090,194	29	61,866	2,090,164	2,028,327
Ratio to total claims (A) / (B)	2.17 %	0.12 %	0.04 %	2.05 %	2.13 %

2. Status of Preservation of Loans Based on the Financial Reconstruction Act [Non-consolidated]

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Amount preserved (C)	32,147	1,604	2,286	30,543	29,861
Allowance for loan losses	7,092	297	(22)	6,794	7,115
Provision for possible loss on specific borrowers	—	—	—	—	—
Collateral and guarantees, etc.	25,055	1,306	2,309	23,748	22,746
Preservation rate (C) / (A)	70.82 %	(0.23) %	1.73 %	71.05 %	69.09 %

3. Status of Loans Based on the Banking Act and the Financial Reconstruction Act [Consolidated]

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Bankrupt and quasi-bankrupt loans	2,460	473	728	1,987	1,732
Doubtful loans	41,846	1,561	677	40,285	41,169
Special attention loans	1,281	325	683	956	598
Accruing loans contractually past due 3 months or more	44	0	44	44	0
Restructured loans	1,237	325	638	912	598
Subtotal (A)	45,589	2,360	2,088	43,228	43,500
Normal assets	2,041,938	(4,473)	57,037	2,046,411	1,984,900
Total (total claims) (B)	2,087,527	(2,112)	59,126	2,089,640	2,028,401
Ratio to total claims (A) / (B)	2.18 %	0.12 %	0.04 %	2.06 %	2.14 %

4. Loans and Bills Discounted by Business Type

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Total loans and bills discounted	2,060,797	244	63,674	2,060,553	1,997,123
Manufacturing	171,814	2,528	19,608	169,285	152,206
Agriculture and forestry	10,147	(286)	351	10,434	9,796
Fishery	2,120	0	770	2,120	1,350
Mining, quarrying, and gravel	897	37	(1,621)	860	2,519
Construction	106,841	(5,431)	3,009	112,272	103,832
Utilities	30,050	477	1,258	29,572	28,792
Communication and information services	10,059	1,416	3,163	8,642	6,895
Transport and postal activities	74,930	(1,160)	(2,178)	76,091	77,108
Wholesale and retail	153,438	1,961	3,654	151,477	149,784
Finance and insurance	85,285	9,479	23,650	75,806	61,635
Real estate and goods rental and leasing	321,694	4,422	11,238	317,271	310,455
Services	196,148	(2,270)	3,688	198,418	192,459
Municipal government	233,325	(15,164)	(9,996)	248,490	243,321
Other (individuals)	664,043	4,234	7,077	659,808	656,965

5. Consumer Loan Balance

(Million yen)

	September 30, 2024	Change from March 31, 2024	Change from September 30, 2023	March 31, 2024	September 30, 2023
Balance of housing loans	608,380	4,144	7,073	604,236	601,307
Balance of other loans	43,319	429	527	42,889	42,791
Total	651,699	4,573	7,600	647,126	644,099