



Summary of the Financial Statements for the First Six Months of FY2021 [JGAAP] (Consolidated)

November 12, 2021

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304	URL	https://www.aozorabank.co.jp/
Representative	Kei Tanikawa, President and CEO		
Contact person	Naoko Okamoto, Joint General Manager of Financial Control Division		
Scheduled filing date of securities report	Nov. 26, 2021	Dividend payable date	Dec. 15, 2021
Reference material	Affirmative	Trading accounts	Affirmative
Investor meeting	Affirmative	TEL	(03)6752-1111

(Unit: JPY millions, rounded down)

1. Business highlights for the first six months of FY2021

(1) Consolidated business results

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended						
Sep. 30, 2021	66,955	(12.5)	26,495	39.9	19,440	28.5
Sep. 30, 2020	76,503	(13.8)	18,944	(34.9)	15,126	(25.3)

(Note) Comprehensive income JPY 34,381 million (39.9)% (Six months ended Sep. 30, 2021)
JPY 57,212 million 59.9% (Six months ended Sep. 30, 2020)

	Net income per common share (basic)		Net income per common share (diluted)	
	Yen	Yen	Yen	Yen
Six months ended				
Sep. 30, 2021	166.53		166.23	
Sep. 30, 2020	129.62		129.45	

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Million Yen	Million Yen	%	Yen
Sep. 30, 2021	6,074,941	516,443	8.6	4,462.59
Mar. 31, 2021	5,916,866	490,006	8.4	4,233.53

(Ref.) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 521,107million (Sep. 30, 2021)
JPY 494,065million (Mar. 31, 2021)

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

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

2. Dividend

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020 (common share)	30.00	30.00	30.00	34.00	124.00
FY2021 (common share)	32.00	32.00			
FY2021 (common share) (Forecast)			-	-	128.00

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

(Note) The dividend payment forecast for FY2021 was calculated by dividing the total dividend amount, which is set at 50% of Profit attributable to owners of parent for forecast FY2021, by the total number of common share issued, excluding treasury shares, as of September 30, 2021. Aozora will continue to pay dividends on a quarterly basis, although dividend payment forecast was announced only on an annual basis.

3. Consolidated earnings forecast for the year ending March 31, 2022 (FY2021)

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

	Ordinary profit		Profit attributable to owners of parent		Net income per common share	
	Million Yen	%	Million Yen	%	Yen	
FY2021 (Full Year)	42,500	9.0	30,000	3.5	256.91	

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

*Notes

- (1) Changes in material subsidiaries during the first six months
(changes in specified subsidiaries which affect the scope of consolidation) None
- (2) Changes in accounting policy, accounting estimates, or retrospective restatements
 - (a) Changes with revisions of accounting standards Affirmative
 - (b) Changes other than (a) above None
 - (c) Changes in accounting estimates None
 - (d) Retrospective restatements None

(3) The number of common shares issued

	Sep. 30, 2021	Mar. 31, 2021
(a) The number of common shares issued (including treasury shares)	118,289,418	118,289,418
(b) The number of treasury shares	1,517,047	1,586,557

	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2020
(c) The average number of common shares outstanding (6 months)	116,737,806	116,693,884

(Summary of non-consolidated financial statements)

1. Business highlights for the first six months of FY2021

(1) Business results

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

	Ordinary income		Ordinary profit		Profit	
	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended						
Sep. 30, 2021	59,641	(21.6)	23,668	(0.2)	16,986	(6.1)
Sep. 30, 2020	76,069	(11.6)	23,706	(20.8)	18,090	(9.9)

	Net income per common share (basic)
Six months ended	Yen
Sep. 30, 2021	145.50
Sep. 30, 2020	155.02

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
Sep. 30, 2021	Million Yen 5,854,158	Million Yen 512,497	% 8.7	Yen 4,385.51
Mar. 31, 2021	5,735,238	489,440	8.5	4,189.77

(Ref.) Total net assets (less Share acquisition rights): JPY 512,106 million (Sep. 30, 2021) JPY 488,958 million (Mar. 31, 2021)

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

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

2. Non-consolidated earnings forecast for the year ending March 31, 2022 (FY2021)

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

	Ordinary profit		Profit		Net income per common share
FY2021(Full Year)	Million Yen 42,000	% 1.3	Million Yen 29,000	% (1.8)	Yen 248.34

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

※Notes and remarks for the proper use of earnings projection

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

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1. Interim consolidated financial statements and main notes

(1) Interim consolidated balance sheet

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Assets		
Cash and due from banks	950,109	942,260
Call loans and bills bought	41,000	122,195
Monetary claims bought	74,506	95,940
Trading account assets	154,616	113,815
Money held in trust	33,521	23,426
Securities	1,393,357	1,347,135
Loans and bills discounted	2,948,808	3,144,749
Foreign exchanges	58,154	61,954
Other assets	232,409	196,033
Tangible fixed assets	23,311	22,439
Intangible fixed assets	20,133	20,502
Retirement benefit asset	5,740	6,014
Deferred tax assets	16,984	13,663
Customers' liabilities for acceptances and guarantees	15,773	13,702
Allowance for loan losses	(50,886)	(48,503)
Allowance for investment loss	(674)	(387)
Total assets	5,916,866	6,074,941
Liabilities		
Deposits	3,978,506	4,325,533
Negotiable certificates of deposit	34,000	33,300
Call money and bills sold	15,536	15,597
Securities sold under repurchase agreements	56,750	65,658
Cash collateral received for securities lent	431,673	325,680
Trading account liabilities	140,451	102,017
Borrowed money	349,767	340,215
Bonds payable	198,365	178,250
Other liabilities	190,033	144,426
Provision for bonuses	4,006	2,350
Provision for bonuses for directors (and other officers)	80	35
Retirement benefit liability	10,844	10,718
Provision for retirement benefits for directors (and other officers)	4	—
Provision for credit losses on off-balance-sheet instruments	612	563
Provision for contingent loss	421	416
Reserves under special laws	8	8
Deferred tax liabilities	24	23
Acceptances and guarantees	15,773	13,702
Total liabilities	5,426,859	5,558,498
Net assets		
Share capital	100,000	100,000
Capital surplus	87,412	87,476
Retained earnings	283,464	294,544
Treasury shares	(3,260)	(3,117)
Total shareholders' equity	467,615	478,903
Valuation difference on available-for-sale securities	27,196	42,368
Deferred gains or losses on hedges	(750)	(1,611)
Foreign currency translation adjustment	(971)	621
Remeasurements of defined benefit plans	974	826
Total accumulated other comprehensive income	26,449	42,203
Share acquisition rights	482	390
Non-controlling interests	(4,541)	(5,054)
Total net assets	490,006	516,443
Total liabilities and net assets	5,916,866	6,074,941

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

(Millions of yen)

	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Ordinary income	76,503	66,955
Interest income	35,476	31,802
Interest on loans and discounts	24,366	21,765
Interest and dividends on securities	10,653	9,500
Trust fees	221	208
Fees and commissions	5,773	8,330
Gain on trading account transactions	12,003	8,043
Other ordinary income	18,568	15,553
Other income	4,459	3,016
Ordinary expenses	57,559	40,460
Interest expenses	9,963	7,104
Interest on deposits	2,953	2,889
Fees and commissions payments	1,085	1,770
Loss on trading account transactions	9,755	—
Other ordinary expenses	6,155	2,604
General and administrative expenses	26,664	27,795
Other expenses	3,934	1,185
Ordinary profit	18,944	26,495
Extraordinary losses	0	186
Loss on disposal of non-current assets	0	—
Impairment losses	—	186
Profit before income taxes	18,943	26,308
Income taxes - current	5,640	6,069
Income taxes - deferred	(675)	1,607
Total income taxes	4,964	7,676
Profit	13,979	18,632
Loss attributable to non-controlling interests	(1,147)	(808)
Profit attributable to owners of parent	15,126	19,440

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Profit	13,979	18,632
Other comprehensive income	43,232	15,749
Valuation difference on available-for-sale securities	43,997	15,166
Deferred gains or losses on hedges	(601)	(861)
Foreign currency translation adjustment	(545)	360
Remeasurements of defined benefit plans, net of tax	382	(148)
Share of other comprehensive income of entities accounted for using equity method	—	1,232
Comprehensive income	57,212	34,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	58,362	35,194
Comprehensive income attributable to non-controlling interests	(1,150)	(813)

(3) Interim consolidated statement of changes in net assets
For the six months ended Sep. 30, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,388	269,545	(3,297)	453,635
Changes during period					
Dividends of surplus			(8,051)		(8,051)
Profit attributable to owners of parent			15,126		15,126
Disposal of treasury shares		23		37	60
Net changes in items other than shareholders' equity					
Total changes during period	—	23	7,075	37	7,136
Balance at end of period	100,000	87,412	276,620	(3,260)	460,772

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(24,340)	229	(806)	(1,669)	(26,587)	444	(2,734)	424,758
Changes during period								
Dividends of surplus								(8,051)
Profit attributable to owners of parent								15,126
Disposal of treasury shares								60
Net changes in items other than shareholders' equity	44,001	(601)	(545)	382	43,236	37	(729)	42,543
Total changes during period	44,001	(601)	(545)	382	43,236	37	(729)	49,680
Balance at end of period	19,660	(372)	(1,351)	(1,287)	16,648	482	(3,463)	474,439

For the six months ended Sep. 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,412	283,464	(3,260)	467,615
Cumulative effects of changes in accounting policies			(657)		(657)
Restated balance	100,000	87,412	282,806	(3,260)	466,958
Changes during period					
Dividends of surplus			(7,702)		(7,702)
Profit attributable to owners of parent			19,440		19,440
Disposal of treasury shares		64		142	207
Net changes in items other than shareholders' equity					
Total changes during period	—	64	11,738	142	11,945
Balance at end of period	100,000	87,476	294,544	(3,117)	478,903

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	27,196	(750)	(971)	974	26,449	482	(4,541)	490,006
Cumulative effects of changes in accounting policies		(1)			(1)			(659)
Restated balance	27,196	(752)	(971)	974	26,447	482	(4,541)	489,346
Changes during period								
Dividends of surplus								(7,702)
Profit attributable to owners of parent								19,440
Disposal of treasury shares								207
Net changes in items other than shareholders' equity	15,171	(859)	1,592	(148)	15,756	(91)	(513)	15,151
Total changes during period	15,171	(859)	1,592	(148)	15,756	(91)	(513)	27,097
Balance at end of period	42,368	(1,611)	621	826	42,203	390	(5,054)	516,443

(4) Notes to interim consolidated financial statements

(Information on going concern assumption)

None

(Change in accounting Policy)

(Application of 'Accounting Standard for Revenue Recognition, etc.')

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition"), etc. have been applied from the beginning of the six months ended Sep. 30, 2021. The Bank recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer hence revenues from certain transactions are recorded net of related expenses.

The Bank has applied this in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standards for Revenue Recognition. The cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the six months ended Sep. 30, 2021 was added to or subtracted from retained earnings at the beginning of the six months ended Sep. 30, 2021, and the new accounting policy was applied from the beginning balance of the current fiscal year.

As a result, ordinary income and ordinary expenses for the six months ended Sep. 30, 2021 decreased by 905 million yen. There is no effect on the balance of retained earnings at the beginning of the period.

(Application of 'Accounting Standard for Fair Value Measurement, etc.')

The "Accounting Standard for Fair Value Measurement, etc." (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Measurement, etc.") has been applied from the beginning of the six months ended Sep. 30, 2021. In accordance with Paragraph 8 of the Accounting Standard for Fair Value Measurement, etc., the Bank has revised its market value adjustment method for calculating the fair value of derivative transactions to a method that maximizes the use of observable inputs estimated from derivatives traded in the market. This revision is due to the application of Accounting Standard for Fair Value Measurement, etc. hence in accordance with the transitional treatment prescribed in the Paragraph 20 of the Accounting Standard for Market Value Measurement, etc. the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the six months ended Sep. 30, 2021 has been reflected in retained earnings at the beginning of the period. As a result, Retained earnings at the beginning of the six months ended Sep. 30, 2021 decreased by 657 million yen, Trading account assets increased by 350 million yen, Other assets decreased by 14 million yen, Deferred tax assets increased by less than 1 million yen, Trading

account liabilities increased by 873 million yen, Other liabilities increased by 122 million yen, and Deferred gains or losses on hedges decreased by 1 million yen.

(Additional information)

(Accounting estimates related to COVID-19)

The Bank assumed that the impact of the COVID-19 pandemic on social and corporate activities would last longer than expected, and for some borrowers, it would continue as long as FY2022. The Bank estimated allowance for loan losses of such borrowers, considering the possibility of credit deterioration in the future.

The assumptions for the length of time to the impact on social and corporate activities remained unchanged since the end of the last fiscal year.

Such assumptions are highly uncertain, and future losses may change depending on the situation.

2. Interim non-consolidated financial statements

(1) Interim non-consolidated balance sheet

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Assets		
Cash and due from banks	818,103	809,392
Call loans	41,000	122,195
Monetary claims bought	49,470	72,958
Trading account assets	154,611	113,796
Money held in trust	4,975	8,444
Securities	1,445,782	1,379,046
Loans and bills discounted	2,918,317	3,083,946
Foreign exchanges	58,154	61,954
Other assets	222,907	183,647
Other	222,907	183,647
Tangible fixed assets	22,596	21,739
Intangible fixed assets	12,461	12,653
Prepaid pension costs	4,227	4,723
Deferred tax assets	17,262	14,189
Customers' liabilities for acceptances and guarantees	16,083	14,015
Allowance for loan losses	(50,043)	(48,157)
Allowance for investment loss	(674)	(387)
Total assets	5,735,238	5,854,158
Liabilities		
Deposits	3,821,140	4,125,843
Negotiable certificates of deposit	34,000	33,300
Call money	15,536	15,597
Securities sold under repurchase agreements	56,750	65,658
Cash collateral received for securities lent	431,673	325,680
Trading account liabilities	140,451	102,017
Borrowed money	349,503	340,000
Bonds payable	198,365	178,250
Other liabilities	167,661	128,401
Income taxes payable	3,309	5,535
Lease obligations	759	638
Asset retirement obligations	1,914	1,930
Other	161,678	120,297
Provision for bonuses	3,573	2,074
Provision for bonuses for directors (and other officers)	64	35
Provision for retirement benefits	10,383	10,224
Provision for credit losses on off-balance-sheet instruments	609	561
Acceptances and guarantees	16,083	14,015
Total liabilities	5,245,797	5,341,661

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
Net assets		
Share capital	100,000	100,000
Capital surplus	87,412	87,476
Legal capital surplus	87,313	87,313
Other capital surplus	98	163
Retained earnings	278,361	286,987
Legal retained earnings	12,686	12,686
Other retained earnings	265,675	274,300
Retained earnings brought forward	265,675	274,300
Treasury shares	(3,260)	(3,117)
Total shareholders' equity	462,513	471,346
Valuation difference on available-for-sale securities	27,195	42,371
Deferred gains or losses on hedges	(750)	(1,611)
Total valuation and translation adjustments	26,445	40,759
Share acquisition rights	482	390
Total net assets	489,440	512,497
Total liabilities and net assets	5,735,238	5,854,158

(2) Interim non-consolidated statement of income

(Millions of yen)

	For the six months ended Sep. 30, 2020	For the six months ended Sep. 30, 2021
Ordinary income	76,069	59,641
Interest income	32,724	29,158
Interest on loans and discounts	21,643	19,099
Interest and dividends on securities	10,665	9,510
Trust fees	221	208
Fees and commissions	6,699	7,275
Gain on trading account transactions	12,003	7,306
Other ordinary income	20,596	14,860
Other income	3,823	831
Ordinary expenses	52,363	35,972
Interest expenses	9,969	6,907
Interest on deposits	2,931	2,865
Fees and commissions payments	1,126	4,148
Loss on trading account transactions	10,482	—
Other ordinary expenses	5,321	2,762
General and administrative expenses	21,826	22,145
Other expenses	3,636	8
Ordinary profit	23,706	23,668
Extraordinary losses	0	186
Loss on disposal of non-current assets	0	—
Impairment losses	—	186
Profit before income taxes	23,705	23,482
Income taxes - current	5,627	5,172
Income taxes - deferred	(12)	1,324
Total income taxes	5,615	6,496
Profit	18,090	16,986

(3) Interim non-consolidated statement of changes in net assets
For the six months ended Sep. 30, 2020

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	74	87,388	12,686	251,201	263,888	(3,297)	447,979
Changes during period									
Dividends of surplus						(8,051)	(8,051)		(8,051)
Profit						18,090	18,090		18,090
Disposal of treasury shares			23	23				37	60
Net changes in items other than shareholders' equity									
Total changes during period	—	—	23	23	—	10,039	10,039	37	10,100
Balance at end of period	100,000	87,313	98	87,412	12,686	261,240	273,927	(3,260)	458,079

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(24,343)	229	(24,113)	444	424,309
Changes during period					
Dividends of surplus					(8,051)
Profit					18,090
Disposal of treasury shares					60
Net changes in items other than shareholders' equity	44,004	(601)	43,402	37	43,440
Total changes during period	44,004	(601)	43,402	37	53,540
Balance at end of period	19,661	(372)	19,289	482	477,850

For the six months ended Sep. 30, 2021

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	98	87,412	12,686	265,675	278,361	(3,260)	462,513
Cumulative effects of changes in accounting policies						(657)	(657)		(657)
Restated balance	100,000	87,313	98	87,412	12,686	265,017	277,703	(3,260)	461,855
Changes during period									
Dividends of surplus						(7,702)	(7,702)		(7,702)
Profit						16,986	16,986		16,986
Disposal of treasury shares			64	64				142	207
Net changes in items other than shareholders' equity									
Total changes during period	—	—	64	64	—	9,283	9,283	142	9,491
Balance at end of period	100,000	87,313	163	87,476	12,686	274,300	286,987	(3,117)	471,346

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	27,195	(750)	26,445	482	489,440
Cumulative effects of changes in accounting policies		(1)	(1)		(659)
Restated balance	27,195	(752)	26,443	482	488,780
Changes during period					
Dividends of surplus					(7,702)
Profit					16,986
Disposal of treasury shares					207
Net changes in items other than shareholders' equity	15,176	(859)	14,316	(91)	14,224
Total changes during period	15,176	(859)	14,316	(91)	23,716
Balance at end of period	42,371	(1,611)	40,759	390	512,497

**Financial Results
for the First Six Months
of FY2021**



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II . Status of Loans, etc.

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III . Uniform Questions for the Six Months Ended Sep. 30, 2021

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IV . Deferred Tax Assets 17

I. Overviews of the Financial Results for the Six Months Ended Sep. 30, 2021

1. Summary of Revenue and Expenses

[Consolidated]

(million yen)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	52,459	7,374	45,084
Net interest income	24,698	(814)	25,512
Net fees and commissions	6,768	1,858	4,910
Net gains on trading account transactions	8,043	5,795	2,247
Net other ordinary income	12,948	535	12,413
General and administrative expenses	(27,965)	(1,889)	(26,076)
Gains (losses) on equity method investments	1,211	1,211	-
Business profit ※2	25,705	6,697	19,008
Credit-related expenses	475	583	(108)
Write-off of loans	(697)	(217)	(480)
Provision of specific allowance for loan losses	(1,166)	(1,814)	647
Provision of general allowance for loan losses	2,165	434	1,730
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(0)	2,252	(2,253)
Recoveries of written-off receivables	125	67	57
Provision of reserve for credit losses on off-balance-sheet instruments	49	(139)	188
Gains (losses) on stock transactions	20	(1,146)	1,166
Other	294	1,416	(1,121)
Ordinary profit	26,495	7,550	18,944
Extraordinary profit (loss)	(186)	(186)	(0)
Profit before income taxes and non-controlling interests	26,308	7,364	18,943
Income taxes-current	(6,069)	(429)	(5,640)
Income taxes-deferred	(1,607)	(2,282)	675
Profit	18,632	4,652	13,979
Loss attributable to non-controlling interests	808	(338)	1,147
Profit attributable to owners of parent	19,440	4,313	15,126

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

※2 Business profit = Consolidated net revenue - General and administrative expenses + Gains (losses) on equity method investments

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

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	25	0	25
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(million yen)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Net revenue	44,994	(363)	45,358
(Excluding gains (losses) on bond transactions)	39,530	5,137	34,393
Net interest income	22,254	(513)	22,767
Net fees and commissions ※	3,335	(2,459)	5,794
Net gains on trading account transactions	7,306	5,786	1,520
Net other ordinary income	12,098	(3,177)	15,275
(Gains (losses) on bond transactions)	5,464	(5,500)	10,964
General and administrative expenses	(22,315)	(1,076)	(21,238)
Personnel	(10,656)	(333)	(10,322)
Property and equipment	(10,058)	(512)	(9,546)
Taxes	(1,600)	(230)	(1,369)
Core net business profit	22,679	(1,440)	24,119
Core net business profit excluding gains(losses) on bonds	17,215	4,060	13,155
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	17,083	3,941	13,142
Credit-related expenses	665	833	(168)
Written-off of loans	-	2,515	(2,515)
Provision of specific allowance for loan losses	(1,166)	(1,804)	637
Provision of general allowance for loan losses	1,672	42	1,630
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	126	(126)
Recoveries of written-off receivables	110	89	21
Provision of reserve for credit losses on off-balance-sheet instruments	48	(135)	184
Gains (losses) on stock transactions	20	(1,146)	1,166
Other	303	1,715	(1,411)
Ordinary profit	23,668	(37)	23,706
Extraordinary profit (loss)	(186)	(186)	(0)
Profit before income taxes	23,482	(223)	23,705
Income taxes-current	(5,172)	455	(5,627)
Income taxes-deferred	(1,324)	(1,336)	12
Profit	16,986	(1,104)	18,090
Business profit	22,679	(1,440)	24,119

※ Trust fees are included.

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

2. Profit Margins [Non-consolidated]

(Total)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	1.18%	(0.23%)	1.41%
Yield on loans (B)	1.25%	(0.21%)	1.46%
Yield on securities	1.38%	(0.45%)	1.83%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.14%	(0.18%)	1.32%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.23%	(0.15%)	1.38%
Yield on debentures, deposits & certificates of deposit (E)	0.14%	(0.03%)	0.17%
Yield on borrowings	0.23%	(0.16%)	0.39%
(3) Profit margins (A) - (C)	0.04%	(0.05%)	0.09%
(4) Loan margin (B) - (D)	0.02%	(0.06%)	0.08%
(5) Yield spread (B) - (E)	1.11%	(0.18%)	1.29%

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

(Domestic operations)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	0.63%	(0.07%)	0.70%
Yield on loans (B)	0.95%	(0.12%)	1.07%
Yield on securities	1.02%	(0.30%)	1.32%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.06%	(0.09%)	1.15%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.17%	(0.11%)	1.28%
Yield on debentures, deposits & certificates of deposit (E)	0.13%	(0.02%)	0.15%
Yield on borrowings	0.23%	(0.18%)	0.41%
(3) Profit margins (A) - (C)	(0.43%)	0.02%	(0.45%)
(4) Loan margin (B) - (D)	(0.22%)	(0.01%)	(0.21%)
(5) Yield spread (B) - (E)	0.82%	(0.10%)	0.92%

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

3. Business Profit [Non-consolidated]

(million yen)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Core net business profit	22,679	(1,440)	24,119
per employee (thousand yen)	11,356	(880)	12,237

4. ROE [Non-consolidated]

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Core net business profit basis	9.03%	(1.64%)	10.67%
Profit basis	6.76%	(1.24%)	8.00%

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

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

(million yen)

	For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
	(A)	(A)-(B)	(B)
Gains (losses) on bond transactions	5,464	(5,500)	10,964
Gain on sale of bonds	6,917	(6,448)	13,365
Gain on redemption of bonds	-	-	-
Loss on sale of bonds	(1,452)	711	(2,164)
Loss on redemption of bonds	-	-	-
Loss on devaluation of bonds	-	237	(237)
Gains (losses) on stock transactions	20	(1,146)	1,166
Gain on sale of equity securities	21	(1,145)	1,166
Loss on sale of equity securities	(1)	(1)	-
Loss on devaluation of equity securities	-	-	-

6. Investments and Funding

【Non-consolidated】

(Total)

(million yen)

	For the six months ended Sep. 30, 2021				For the six months ended Sep. 30, 2020	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,896,979	1.18%	291,065	(0.23%)	4,605,914	1.41%
Due from banks	24,907	0.09%	(15,601)	0.02%	40,508	0.07%
Call loans	345,037	(0.01%)	311,750	0.02%	33,286	(0.03%)
Securities purchased under resale agreements	-	-	(283,697)	0.09%	283,697	(0.09%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,364,759	1.38%	206,663	(0.45%)	1,158,095	1.83%
Loans and bills discounted	3,013,417	1.26%	82,648	(0.21%)	2,930,768	1.47%
Total funding	5,061,894	0.27%	371,390	(0.15%)	4,690,503	0.42%
Deposits	3,992,841	0.14%	573,963	(0.03%)	3,418,878	0.17%
Negotiable certificates of deposit	34,892	0.01%	(6,650)	(0.00%)	41,543	0.01%
Debentures	-	-	(32,329)	(0.26%)	32,329	0.26%
Call money	15,791	0.13%	(6,966)	(0.06%)	22,758	0.19%
Securities sold under repurchase agreements	61,125	0.10%	31,523	(0.26%)	29,602	0.36%
Cash collateral received for securities lent	388,904	0.12%	44,997	(0.41%)	343,907	0.53%
Borrowed money	352,671	0.24%	(221,081)	(0.15%)	573,753	0.39%
Bonds payable	188,187	1.22%	(16,164)	0.16%	204,352	1.06%

(Domestic operations)

(million yen)

	For the six months ended Sep. 30, 2021				For the six months ended Sep. 30, 2020	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,207,315	0.63%	417,881	(0.07%)	3,789,434	0.70%
Due from banks	481	0.00%	(174)	(0.01%)	655	0.01%
Call loans	336,245	(0.01%)	303,131	0.02%	33,114	(0.03%)
Securities purchased under resale agreements	-	-	(283,697)	0.09%	283,697	(0.09%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	475,294	1.02%	164,913	(0.30%)	310,380	1.32%
Loans and bills discounted	1,936,224	0.96%	118,684	(0.12%)	1,817,539	1.08%
Total funding	4,395,130	0.14%	489,582	(0.03%)	3,905,547	0.17%
Deposits	3,871,688	0.13%	568,240	(0.02%)	3,303,447	0.15%
Negotiable certificates of deposit	34,892	0.01%	(6,650)	(0.00%)	41,543	0.01%
Debentures	-	-	(32,329)	(0.26%)	32,329	0.26%
Call money	10,000	0.01%	(9,972)	0.02%	19,972	(0.01%)
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	4,608	0.00%	4,421	0.00%	186	0.00%
Borrowed money	350,864	0.24%	(1,095)	(0.19%)	351,960	0.43%
Bonds payable	107,928	0.12%	(32,349)	0.01%	140,278	0.11%

【Consolidated】

(Total)

(million yen)

	For the six months ended Sep. 30, 2021				For the six months ended Sep. 30, 2020	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,018,064	1.26%	385,934	(0.26%)	4,632,130	1.52%
Due from banks	63,819	0.03%	(5,447)	(0.01%)	69,266	0.04%
Call loans and bills bought	396,306	(0.01%)	356,363	0.02%	39,942	(0.03%)
Securities purchased under resale agreements	-	-	(283,697)	0.09%	283,697	(0.09%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,332,890	1.42%	235,392	(0.51%)	1,097,497	1.93%
Loans and bills discounted	3,052,326	1.42%	92,241	(0.22%)	2,960,084	1.64%
Total funding	5,243,427	0.27%	465,417	(0.14%)	4,778,009	0.41%
Deposits	4,174,117	0.13%	667,969	(0.03%)	3,506,148	0.16%
Negotiable certificates of deposit	34,892	0.01%	(6,650)	(0.00%)	41,543	0.01%
Debentures	-	-	(32,329)	(0.26%)	32,329	0.26%
Call money and bills sold	15,791	0.13%	(6,966)	(0.06%)	22,758	0.19%
Securities sold under repurchase agreements	61,125	0.10%	31,523	(0.26%)	29,602	0.36%
Cash collateral received for securities lent	388,904	0.12%	44,997	(0.41%)	343,907	0.53%
Borrowed money	352,928	0.33%	(221,061)	(0.05%)	573,990	0.38%
Bonds payable	188,187	1.22%	(16,164)	0.16%	204,352	1.06%

7. Unrealized Gains and Losses on Securities

【Non-consolidated】

(million yen)

	September 30, 2021				March 31, 2021		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	60,786	17,305	67,889	7,102	43,481	56,570	13,088
Japanese stocks	26,440	5,984	26,457	17	20,455	20,462	7
Japanese debt securities	1,405	496	1,524	119	908	1,407	498
Other	32,941	10,824	39,908	6,966	22,117	34,699	12,582

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

【Consolidated】

(million yen)

	September 30, 2021				March 31, 2021		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	60,774	17,295	67,889	7,115	43,478	56,570	13,092
Japanese stocks	26,440	5,984	26,457	17	20,455	20,462	7
Japanese debt securities	1,392	486	1,524	132	905	1,408	502
Other	32,941	10,824	39,908	6,966	22,117	34,699	12,582

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

8. Employees' Retirement Benefits

① Provision for retirement benefits

【Non-consolidated】

(million yen)

		September 30, 2021		March 31, 2021
		(A)	(A) - (B)	(B)
	Defined retirement benefit obligation (A)	(41,382)	453	(41,835)
	Fair value of plan assets (B)	37,071	(12)	37,084
	Unfunded retirement benefit obligation (C)=(A)+(B)	(4,310)	440	(4,751)
	Unrecognized actuarial losses (D)	(1,190)	131	(1,322)
	Unrecognized prior-service cost (E)	-	81	(81)
	Net liability recognized (F)=(C)+(D)+(E)	(5,501)	654	(6,155)
	Prepaid pension costs (G)	4,723	495	4,227
	Provision for retirement benefits (F)-(G)	(10,224)	158	(10,383)

【Consolidated】

(million yen)

		September 30, 2021		March 31, 2021
		(A)	(A) - (B)	(B)
	Defined retirement benefit obligation (A)	(41,776)	411	(42,188)
	Fair value of plan assets (B)	37,071	(12)	37,084
	Unfunded retirement benefit obligation (C)=(A)+(B)	(4,704)	398	(5,103)
	Retirement benefit asset (D)	6,014	273	5,740
	Retirement benefit liability (C)-(D)	(10,718)	125	(10,844)
	Unrecognized actuarial losses (E)	1,190	(131)	1,322
	Unrecognized prior-service cost (F)	-	(81)	81
	Remeasurements of defined benefit plans (before income tax effect) (E)+(F)	1,190	(213)	1,404

② Net periodic retirement benefit costs

【Non-consolidated】

(million yen)

		For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
		(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs	204	(778)	982
	Service cost	785	11	774
	Interest cost	82	0	82
	Expected return on plan assets	(463)	(38)	(424)
	Amortization of prior-service cost	(81)	81	(163)
	Recognized actuarial losses	(131)	(846)	714
	Other	13	13	-

【Consolidated】

(million yen)

		For the six months ended Sep. 30, 2021		For the six months ended Sep. 30, 2020
		(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs regarding defined benefit pension plans	261	(775)	1,037

9. Capital Adequacy Ratio (under Japanese domestic standards)

■ Basel III

【Consolidated】

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.94%	(0.09%)	(0.04%)	11.03%	10.98%
(2) Core capital: instruments and reserves	516,015	10,703	21,510	505,311	494,505
(3) Core capital: regulatory adjustments	24,311	505	8,872	23,806	15,438
(4) Regulatory capital (2)-(3)	491,704	10,198	12,637	481,505	479,066
(5) Risk-weighted assets	4,490,536	128,985	127,544	4,361,551	4,362,991
(6) Total required capital (5)*4%	179,621	5,159	5,101	174,462	174,519

【Non-consolidated】

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.98%	(0.15%)	(0.03%)	11.13%	11.01%
(2) Core capital: instruments and reserves	506,169	7,289	12,784	498,879	493,385
(3) Core capital: regulatory adjustments	12,156	567	794	11,589	11,362
(4) Regulatory capital (2)-(3)	494,012	6,722	11,989	487,290	482,023
(5) Risk-weighted assets	4,497,987	119,892	121,099	4,378,094	4,376,887
(6) Total required capital (5)*4%	179,919	4,795	4,843	175,123	175,075

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

II. Status of Loans, etc.

1. Risk Monitored Loans

After partial and direct written-off

【Non-consolidated】

(million yen)

		September 30, 2021			March 31, 2021	September 30, 2020
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	-	(2,120)	(2,148)	2,120	2,148
	Past due loans	16,428	(4,308)	(166)	20,737	16,594
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	2,392	(476)	(2,781)	2,869	5,174
	Total	18,820	(6,905)	(5,096)	25,726	23,917
Loan balance (end of period basis)		3,083,946	165,629	249,160	2,918,317	2,834,785

Ratio to Loan balance	Loans to bankrupt companies	-	(0.1%)	(0.1%)	0.1%	0.1%
	Past due loans	0.5%	(0.2%)	(0.1%)	0.7%	0.6%
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	0.1%	(0.0%)	(0.1%)	0.1%	0.2%
	Total	0.6%	(0.3%)	(0.2%)	0.9%	0.8%

After partial and direct written-off

【Consolidated】

(million yen)

		September 30, 2021			March 31, 2021	September 30, 2020
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	104	(2,015)	(2,044)	2,120	2,148
	Past due loans	16,466	(4,321)	(182)	20,787	16,649
	Loans overdue for 3 months or more	-	(1,577)	-	1,577	-
	Restructured loans	2,392	(476)	(2,781)	2,869	5,174
	Total	18,963	(8,391)	(5,008)	27,354	23,972
Loan balance (end of period basis)		3,144,749	195,941	278,112	2,948,808	2,866,636

Ratio to Loan balance	Loans to bankrupt companies	0.0%	(0.1%)	(0.1%)	0.1%	0.1%
	Past due loans	0.5%	(0.2%)	(0.1%)	0.7%	0.6%
	Loans overdue for 3 months or more	-	(0.1%)	-	0.1%	-
	Restructured loans	0.1%	(0.0%)	(0.1%)	0.1%	0.2%
	Total	0.6%	(0.3%)	(0.2%)	0.9%	0.8%

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

【Non-consolidated】

(million yen)

	September 30, 2021			March 31, 2021	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	48,157	(1,885)	978	50,043	47,178
General allowance	37,608	(1,672)	(374)	39,280	37,982
Specific allowance	10,549	(213)	1,352	10,763	9,196
Allowance for loans to restructuring countries	-	-	-	-	-

 After partial and direct written-off

【Consolidated】

(million yen)

	September 30, 2021			March 31, 2021	September 30, 2020
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	48,503	(2,382)	825	50,886	47,678
General allowance	37,954	(2,168)	(526)	40,123	38,481
Specific allowance	10,549	(213)	1,352	10,763	9,196
Allowance for loans to restructuring countries	-	-	-	-	-

3. Disclosed Claims under the Financial Reconstruction Law ("FRL Credit") After partial and direct written-off

【Non-consolidated】

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Bankrupt and similar credit	-	(2,145)	(2,148)	2,145	2,148
Doubtful credit	16,428	(4,308)	(266)	20,737	16,694
Special attention credit	2,392	(476)	(2,781)	2,869	5,174
Total (a)	18,820	(6,930)	(5,196)	25,751	24,017
Normal assets	3,114,263	175,730	262,130	2,938,533	2,852,133
Grand total (b)	3,133,084	168,799	256,933	2,964,285	2,876,151
Non-performing loans ratio (a/b)	0.6%	(0.3%)	(0.2%)	0.9%	0.8%

4. Allowance and Coverage for FRL Credit After partial and direct written-off

【Non-consolidated】

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Allowance & Coverage (c)	17,913	(4,966)	(3,488)	22,879	21,401
Allowance for loan losses (d)	12,034	(235)	431	12,269	11,602
Collateral / guarantee coverage (e)	5,879	(4,730)	(3,920)	10,609	9,799

(Note) Allowance for loan losses (d) is the sum of specific allowance for loan losses and general allowance for loan losses for FRL Credit.

Coverage Ratio c/a

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
After partial and direct written-off	95.2%	6.4%	6.1%	88.8%	89.1%

Allowance Ratio d/(a-e)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
After partial and direct written-off	93.0%	12.0%	11.4%	81.0%	81.6%

5. Coverage for FRL Credit by Borrowers' Category

After partial and direct written-off

【Non-consolidated】

(100 millions yen)

Borrower categories for self-assessment	FRL Credit		Allowance & Coverage	Allowance Ratio	Coverage Ratio	Risk Monitored Loans
	Loans	other				
Bankrupt borrowers	Bankrupt and similar credit -		Collateral / Guarantee coverage -	100.0%	100.0%	Loans to bankrupt companies -
De facto bankrupt borrowers						
In Danger of Bankruptcy borrowers	Doubtful credit 164		Collateral / Guarantee coverage 58 Allowance 105 Estimated collections -	100.0%	100.0%	Past due loans 164
Need Attention borrowers						Special attention credit 23
Normal borrowers	(Normal credit) (31,142)					

FRL Credit, total 188	Collateral / Guarantee coverage 58 Allowance 120 Estimated collections 9	FRL Credit Allowance Ratio 93.0%	FRL Credit Coverage Ratio 95.2%	Risk Monitored loans 188
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Total credit 31,330	Total allowance 481	Allowance ratio = Allowance / (Credit – Collateral, Guarantees, etc.) Coverage ratio = (Collateral, Guarantees + Allowance) / Credit
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The reserve ratio for the non-secured portion of special attention credit	62.1%
The reserve ratio for the need attention credit	5.4%
The reserve ratio for the normal credit	0.7%

(Note) The amounts are rounded down to the nearest 100 millions yen.

6. Off-Balancing of FRL Credit [Non-consolidated]

① Balance of doubtful credit, and bankrupt and similar credit

(100 millions yen)

Newly added within:		As of	As of	As of	As of	As of	As of	As of	As of	
		Mar. 31, 2018	Sep. 30, 2018	Mar. 31, 2019	Sep. 30, 2019	Mar. 31, 2020	Sep. 30, 2020	Mar. 31, 2021	increase (decrease)	Sep. 30, 2021
								(B)	(A)-(B)	(A)
-Mar. 31, 2018	Bankrupt and similar credit	1	-	-	-	-	-	-	-	-
	Doubtful credit	46	44	44	33	33	32	31	(0)	31
subtotal		48	44	44	33	33	32	31	(0)	31
Apr. 1, 2018 -Sep. 30, 2018	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	24	16	9	0	0	0	(0)	0
subtotal		-	24	16	9	0	0	0	(0)	0
Oct. 1, 2018 -Mar. 31, 2019	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	81	25	24	11	-	-	-
subtotal		-	-	81	25	24	11	-	-	-
Apr. 1, 2019 -Sep. 30, 2019	Bankrupt and similar credit	-	-	-	32	43	-	-	-	-
	Doubtful credit	-	-	-	91	78	47	46	(0)	46
subtotal		-	-	-	124	121	47	46	(0)	46
Oct. 1, 2019 -Mar. 31, 2020	Bankrupt and similar credit	-	-	-	-	0	2	0	(0)	-
	Doubtful credit	-	-	-	-	79	1	-	-	-
subtotal		-	-	-	-	80	3	0	(0)	-
Apr. 1, 2020 -Sep. 30, 2020	Bankrupt and similar credit	-	-	-	-	-	18	20	(20)	-
	Doubtful credit	-	-	-	-	-	74	63	(42)	21
subtotal		-	-	-	-	-	93	84	(62)	21
Oct. 1, 2020 -Mar. 31, 2021	Bankrupt and similar credit	-	-	-	-	-	-	0	(0)	-
	Doubtful credit	-	-	-	-	-	-	64	(0)	64
subtotal		-	-	-	-	-	-	65	(0)	64
Apr. 1, 2021 -Sep. 30, 2021	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	-	-
subtotal		-	-	-	-	-	-	-	-	-

(Note1) The amounts are rounded down to the nearest 100 millions yen.

(Note2) There were no borrowers for whom measures are undertaken which will lead to eventual off-balancing as of Sep. 30, 2021.

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

(100 millions yen)

Newly added within:	-Mar. 31, 2018	Apr. 1, 2018 -Sep. 30, 2018	Oct. 1, 2018 -Mar. 31, 2019	Apr. 1, 2019 -Sep. 30, 2019	Oct. 1, 2019 -Mar. 31, 2020	Apr. 1, 2020 -Sep. 30, 2020	Oct. 1, 2020 -Mar. 31, 2021
Liquidation-type disposition	-	-	-	-	-	-	-
Restructuring-type disposition	-	-	-	-	-	-	-
Loan liquidations	-	-	-	-	-	-	-
Direct written-off	0	-	-	-	-	(13)	-
Other	(0)	(0)	-	(0)	(0)	(48)	(0)
Total	(0)	(0)	-	(0)	(0)	(62)	(0)

(Note1) The amounts are rounded down to the nearest 100 millions yen.

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

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

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

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

7. Breakdown of Loans and Bills Discounted Classified by Industry [Non-consolidated]

□ After partial and direct written-off

① Loans and Bills Discounted Classified by Industry

(million yen)

	September 30, 2021	March 31, 2021	September 30, 2020
Loans by domestic offices (excluding Japan Offshore Market accounts)	3,083,946	2,918,317	2,834,785
Manufacturing	216,456	212,283	241,942
Agriculture, forestry & fisheries	4,469	4,501	4,584
Mining, quarry, gravel extraction	-	-	-
Construction	14,596	12,228	11,638
Electricity, gas, heat supply & water	64,886	49,788	41,115
Information & communications	87,107	113,118	87,579
Transport, postal Service	35,552	35,778	34,006
Whole sale & retail trade	76,360	71,898	58,709
Finance & insurance	368,903	361,798	387,725
Real estate	677,098	626,079	636,002
Leasing	92,272	75,701	32,295
Various Services	180,000	186,041	198,038
Local governments	61,192	21,115	3,066
Others	1,205,049	1,147,982	1,098,080
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	3,083,946	2,918,317	2,834,785

② Risk Monitored Loans Classified by Industry

(million yen)

	September 30, 2021	March 31, 2021	September 30, 2020
Loans by domestic offices (excluding Japan Offshore Market accounts)	18,820	25,726	23,917
Manufacturing	2,428	2,905	2,919
Agriculture, forestry & fisheries	4,469	4,501	4,584
Mining, quarry, gravel extraction	-	-	-
Construction	-	-	-
Electricity, gas, heat supply & water	-	-	-
Information & communications	-	-	-
Transport, postal Service	-	-	-
Whole sale & retail trade	2,005	2,025	2,099
Finance & insurance	-	-	982
Real estate	2,206	2,273	-
Leasing	870	861	816
Various Services	1,295	1,380	1,260
Local governments	-	-	-
Others	5,545	11,779	11,253
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	18,820	25,726	23,917

③ Consumer Loans

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Consumer loans	1,255	(130)	(205)	1,385	1,460
Housing loans	856	(122)	(190)	979	1,047
Other loans	398	(7)	(14)	405	412

④ Loans to Small/Medium-sized Corporations

(million yen)

	September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
	(A)	(A) - (B)	(A) - (C)		
Loans to small/medium-sized corporations	2,323,790	83,421	99,918	2,240,369	2,223,872
Ratio to total loans	75.4%	(1.4%)	(3.0%)	76.8%	78.4%

8. Debentures, Deposits and Loans

[Non-consolidated]

(million yen)

		September 30, 2021			March 31, 2021 (B)	September 30, 2020 (C)
		(A)	(A) - (B)	(A) - (C)		
Debentures	Ending balance	-	-	(24,880)	-	24,880
	Average balance	-	(20,925)	(32,329)	20,925	32,329
Deposits	Ending balance	4,125,843	304,703	617,199	3,821,140	3,508,644
	Average balance	3,992,841	473,046	573,963	3,519,794	3,418,878
Deposits & Certificates of deposits	Ending balance	4,159,143	304,003	615,899	3,855,140	3,543,244
	Average balance	4,027,734	468,364	567,312	3,559,369	3,460,422
Loans and bills discounted	Ending balance	3,083,946	165,629	249,160	2,918,317	2,834,785
	Average balance	3,013,417	130,202	82,648	2,883,214	2,930,768

III. Uniform Questions for the Six Months Ended Sep. 30, 2021

1. FRL Credit Ratio 【Non-consolidated】 【Consolidated】

	Mar. 31, 2019	Sep. 30, 2019	Mar. 31, 2020	Sep. 30, 2020	Mar. 31, 2021	Sep. 30, 2021
Non-consolidated	0.55%	0.71%	0.95%	0.83%	0.86%	0.60%
Consolidated	0.55%	0.72%	0.95%	0.82%	0.91%	0.59%

2. Investment Stocks 【Non-consolidated】

(1) Investment Stocks (100 millions yen)

	Acquisition cost(A)	Market value(B)	(B)-(A)
September 30, 2020	373	528	154
March 31, 2021	377	582	204
September 30, 2021	410	674	264

(Note) The amounts are rounded down to the nearest 100 millions yen. The same applies in the following tables.

(2) Sales of cross-holding stocks

None

(3) Impairment of stocks (100 millions yen)

	Gains (losses) on stock transactions	
		Impairment loss
FY 2020 1st Half Period	11	-
FY 2021	24	(0)
FY 2021 1st Half Period	0	-

3. Loans to Small/Medium-sized Corporations 【Non-consolidated】

Loan Balance (100 millions yen)

	Balance	Increase/Decrease	Ratio to total loans
September 30, 2020	22,238	(5.9%)	78.4%
March 31, 2021	22,403	0.7%	76.8%
September 30, 2021	23,237	3.7%	75.4%

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

a. Investment trusts (100 millions yen)

	Sales Total
FY 2020 1st Half Period	78
FY 2021	292
FY 2021 1st Half Period	359

b. Annuity insurance (100 millions yen)

	Sales Total
FY 2020 1st Half Period	13
FY 2021	36
FY 2021 1st Half Period	7

5. Japanese Government Bonds 【Non-consolidated】

(100 millions yen)

	Balance
September 30, 2020	50
March 31, 2021	297
September 30, 2021	275

IV. Deferred Tax Assets

1. Judgement for Recoverability of Deferred Tax Asset

We have categorized the Bank under Category 2 of 'Guidance on Recoverability of Deferred Tax Assets' (ASBJ Guidance on Corporate Accounting Standard No.26) and have calculated recoverable deferred tax assets based on a scheduling of the reversals of temporary differences.

Reference) Past Taxable income

(100 millions yen)

	FY 2018	FY 2019	FY 2020
Taxable income (before offsetting of tax loss carryforwards)	377	594	385

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

(100 millions yen)

	September 31, 2021		March 31, 2021
	(A)	(A) - (B)	(B)
Deferred Tax Assets	330	(8)	339
Allowance for loan losses	142	(7)	149
Provision for employees' retirement benefits	31	(0)	31
Securities write-off	192	(0)	192
Unrealized gain on available-for-sale securities	0	0	—
Tax loss carryforwards	—	—	—
Other	94	(5)	99
Subtotal	459	(13)	472
Less valuation allowance	(128)	4	(133)
Deferred tax liabilities	188	22	166
Unrealized gain on available-for-sale securities	169	20	148
Net deferred tax assets	141	(30)	172