

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: The Gunma Bank, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8334
 URL: <https://www.gunmabank.co.jp/>
 Representative: Akihiko Fukai, President
 Inquiries: Hideyuki Saito, Managing Executive Officer and General Manager, Corporate Planning Department
 Scheduled date of annual general meeting of shareholders: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 Scheduled date to file annual securities report: June 27, 2023
 Trading accounts: None
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar.31, 2023	176,589	17.6	38,316	(2.0)	27,933	5.7
Mar.31, 2022	150,197	4.8	39,111	94.8	26,436	95.8

Note: Comprehensive income For the fiscal year ended Mar.31, 2023 : (5,377) million yen [— %]
 For the fiscal year ended Mar.31, 2022 : (9,504) million yen [— %]

	Basic earnings per share		Diluted earnings per share		Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	Yen	Yen			
Fiscal year ended Mar.31, 2023	68.19	—	—	—	5.3	0.4	21.7
Mar.31, 2022	63.33	—	—	—	4.9	0.4	26.0

Reference: Share of profit(loss) of entities accounted for using equity method
 For the fiscal year ended Mar.31, 2023 : 221 million yen For the fiscal year ended Mar.31, 2022 : 146 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar.31, 2023	10,662,300	515,810	4.8	1,268.77
Mar.31, 2022	11,148,539	529,256	4.7	1,288.78

Reference: Equity As of Mar.31, 2023 : 515,810 million yen As of Mar.31, 2022 : 529,256 million yen

Note: "Equity-to-asset ratio" represents "Net assets"/"Total assets" at term end.
 "Equity-to-asset ratio" stated above was not calculated based on the public notice of "Equity-to-asset ratio".

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of Mar.31, 2023	(656,166)	(153,319)	(8,066)	1,829,954
Mar.31, 2022	459,588	(127,807)	(9,281)	2,647,506

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended Mar. 31, 2022	—	7.00	—	7.00	14.00	5,818	22.1	1.1
ended Mar. 31, 2023	—	8.00	—	10.00	18.00	7,352	26.4	1.4
ending Mar. 31, 2024(Forecast)	—	10.00	—	10.00	20.00		29.0	

Note: Fiscal year-end cash dividend of 10.00 yen for the fiscal year ended Mar. 31, 2023 includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Gunma Bank, Ltd.

3. Consolidated earnings forecast for the fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2023 ending Sep. 30, 2023	20,000	9.9	14,000	1.5	34.44
ending Mar. 31, 2024	40,000	4.4	28,000	0.2	68.87

Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation):

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)

As of Mar. 31, 2023	425,888,177 shares
As of Mar. 31, 2022	425,888,177 shares

② Number of treasury shares at the end of the period

As of Mar. 31, 2023	19,344,421 shares
As of Mar. 31, 2022	15,224,436 shares

③ Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023	409,628,996 shares
Fiscal year ended Mar. 31, 2022	417,417,910 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar.31, 2023	143,243	22.8	33,567	(2.5)	24,622	5.3
Mar.31, 2022	116,633	7.0	34,444	103.9	23,378	100.1

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended Mar.31, 2023	60.11		—	
Mar.31, 2022	56.01		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar.31, 2023	10,633,101	473,386	4.5	1,164.42
Mar.31, 2022	11,126,926	492,871	4.4	1,200.18

Reference: Equity As of Mar. 31, 2023 : 473,386 million yen

As of Mar. 31, 2022 : 492,871 million yen

Note: "Equity-to-asset ratio" represents "Net assets"/"Total assets" at term end.

"Equity-to-asset ratio" stated above was not calculated based on the public notice of "Equity-to-asset ratio".

2. Non-consolidated earnings forecast for the fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2023 ending Sep. 30, 2023	18,000	16.7	13,000	9.9	31.98
ending Mar. 31, 2024	36,000	7.2	25,000	1.5	61.49

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts depending on various future factors.

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Supplementary information

1. Operating results

(1) Analysis of the operating results

Operating results for the consolidated fiscal year were as follows.

Ordinary income amounted to 176,589 million yen, an increase of 26,392 million yen compared with the previous fiscal year, mainly due to increases in interest income and other income such as gain on sales of stock and other securities, etc. Ordinary expenses amounted to 138,273 million yen, an increase of 27,187 million yen compared with the previous fiscal year, mainly due to increases in other ordinary expenses such as loss on sales of bonds, etc.

As a result, ordinary profit amounted to 38,316 million yen, a decrease of 794 million yen compared with the previous fiscal year.

On the other hand, profit attributable to owners of parent amounted to 27,933 million yen, an increase of 1,496 million yen compared with the previous fiscal year.

(2) Analysis of the financial conditions

The financial position as of the end of the consolidated fiscal year was as follows.

Total assets decreased by 486.2 billion yen to 10,662.3 billion yen during the period, whereas total liabilities decreased by 472.7 billion yen to 10,146.4 billion yen during the period. Also, net assets decreased by 13.4 billion yen to 515.8 billion yen during the period.

As for the main accounts, loans and bills discounted increased by 233.2 billion yen to 5,991.2 billion yen during the period.

Securities increased by 116.2 billion yen to 2,617.2 billion yen during the period.

Deposits increased by 85.5 billion yen to 8,044.8 billion yen during the period.

(3) Analysis of the cash flows

The cash flow status for the consolidated fiscal year was as follows.

The cash flow from operating activities was a net outflow of 656.1 billion yen during the period, mainly due to a decrease in borrowed money and an increase in loans and bills discounted.

The cash flow from investing activities was a net outflow of 153.3 billion yen during the period, mainly due to purchase of securities.

The cash flow from financing activities was a net outflow of 8.0 billion yen during the period, mainly due to dividends paid and purchase of treasury shares.

As a result, cash and cash equivalents at end of period decreased by 817.5 billion yen to 1,829.9 billion yen during the period.

(4) Earnings forecasts for the fiscal year 2023, ending March 31, 2024

Earnings forecasts for the fiscal year 2023, ending March 31, 2024 were as follows.

(Unit : Billions of yen)

	FY2023 ending Mar.31, 2024	Compared with FY2022 ended Mar.31, 2023	FY2023 ending Mar.31, 2024	Compared with FY2022 ended Mar.31, 2023
	【Consolidated】		【Non-Consolidated】	
Ordinary profit	40.0	1.7	36.0	2.5
(Attributable to owners of parent) Profit	28.0	0.1	25.0	0.4

Note: Earnings forecasts are based on information available at the present time.

Actual results may differ from the forecasts due to various of economic situation, etc.

(5) Basic policy on profit distribution and dividends for the current and next fiscal periods

As a regional financial institution, the Gunma Bank, Ltd. ("the Bank") will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth.

Specifically, the Bank is setting a target of 40% of the profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

As announced in November 2022, the Bank plans to pay a year-end dividend of 10 yen for the FY2022, ended Mar. 31, 2023.

The annual dividend will be 18 yen in total (up 4 yen compared with the previous year), including the interim dividend of 8 yen.

In addition, the Bank have resolved to acquire treasury shares(total cost of acquisition : up to 5.0 billion yen) at today's board meeting.

The ratio of total payout to shareholders combining cash dividends payments "total 7.3 billion yen" and the acquisition cost of treasury shares (6.9 billion yen, including the above acquisition limit) will be 50% degree .

In the dividend forecast for the fiscal year 2023 ending March 31, 2024, the annual cash dividends per share is increased by 2 yen to 20 yen (10 yen as the interim cash dividends , 10 yen as the year-end cash dividends).

	FY2023 ending Mar.31,2024 forecast (a)		FY2022 ended Mar.31,2023 (b)
		(a)-(b)	
Annual cash dividends per share	20.00 yen	2.00 yen	18.00 yen
Interim cash dividends	10.00 yen	2.00 yen	8.00 yen
Year-end cash dividends	10.00 yen	—	10.00 yen

2. Basic approach to the selection of accounting standards

In consideration for adapting to the International Financial Reporting Standards ("IFRS"), the Bank intend to respond appropriately in light of the environment surrounding the Bank and trends of other banks.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets:		
Cash and due from banks	2,651,118	1,833,043
Call loans and bills bought	6,119	—
Monetary claims bought	5,706	—
Trading securities	942	541
Money held in trust	8,268	9,854
Securities	2,501,019	2,617,250
Loans and bills discounted	5,758,096	5,991,297
Foreign exchanges	34,244	10,045
Lease receivables and investments in leases	60,191	60,554
Other assets	78,824	74,120
Tangible fixed assets	66,191	65,013
Buildings, net	18,818	18,539
Land	39,550	38,233
Leased assets, net	597	530
Construction in progress	361	960
Other tangible fixed assets	6,863	6,748
Intangible fixed assets	9,236	8,053
Software	8,735	7,559
Other intangible fixed assets	500	494
Retirement benefit asset	10,813	16,963
Deferred tax assets	1,488	13,003
Customers' liabilities for acceptances and guarantees	8,764	8,527
Allowance for loan losses	(52,485)	(45,967)
Total assets	11,148,539	10,662,300
Liabilities:		
Deposits	7,959,333	8,044,837
Negotiable certificates of deposit	209,258	199,419
Call money and bills sold	70,496	28,708
Securities sold under repurchase agreements	8,153	86,565
Cash collateral received for securities lent	732,995	723,449
Borrowed money	1,500,795	926,993
Foreign exchanges	534	338
Bonds payable	50,000	50,000
Borrowed money from trust account	12,056	12,988
Other liabilities	57,106	55,774
Provision for bonuses for directors (and other officers)	59	56
Retirement benefit liability	362	358
Provision for retirement benefits for directors (and other officers)	204	167
Provision for reimbursement of deposits	367	264
Provision for point card certificates	155	—
Provision for contingent loss	900	926
Reserves under special laws	0	0
Deferred tax liabilities	359	—
Deferred tax liabilities for land revaluation	7,377	7,112
Acceptances and guarantees	8,764	8,527
Total liabilities	10,619,283	10,146,489

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	407,300	429,438
Treasury shares	(7,352)	(9,233)
Total shareholders' equity	478,181	498,439
Valuation difference on available-for-sale securities	33,379	(2,920)
Deferred gains or losses on hedges	(137)	250
Revaluation reserve for land	13,415	13,022
Remeasurements of defined benefit plans	4,417	7,018
Total accumulated other comprehensive income	51,074	17,370
Total net assets	529,256	515,810
Total liabilities and net assets	11,148,539	10,662,300

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	FY2021 ended Mar. 31, 2022	FY2022 ended Mar. 31, 2023
Ordinary income	150,197	176,589
Interest income	73,869	87,076
Interest on loans and discounts	53,281	58,544
Interest and dividends on securities	18,765	26,381
Interest on call loans and bills bought	0	55
Interest on deposits with banks	980	2,024
Other interest income	841	69
Trust fees	52	36
Fees and commissions	21,544	22,763
Other ordinary income	38,399	37,385
Other income	16,331	29,328
Recoveries of written off receivables	2	4
Other	16,328	29,323
Ordinary expenses	111,086	138,273
Interest expenses	1,868	15,620
Interest on deposits	353	1,512
Interest on negotiable certificates of deposit	112	1,257
Interest on call money and bills sold	48	1,699
Interest expenses on securities sold under repurchase agreements	9	1,023
Interest expenses on cash collateral received for securities lent	239	2,790
Interest on borrowings and rediscounts	59	559
Interest on bonds	218	226
Other interest expenses	826	6,552
Fees and commissions payments	8,222	8,357
Other ordinary expenses	32,459	59,603
General and administrative expenses	55,503	51,549
Other expenses	13,031	3,141
Provision of allowance for loan losses	7,505	909
Other	5,526	2,232
Ordinary profit	39,111	38,316
Extraordinary income	2,493	1,597
Gain on disposal of non-current assets	2,493	1,597
Extraordinary losses	1,821	1,013
Loss on disposal of non-current assets	438	603
Impairment losses	1,382	409
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	39,783	38,901
Income taxes - current	8,062	8,426
Income taxes - deferred	5,284	2,542
Total income taxes	13,347	10,968
Profit	26,436	27,933
Profit attributable to owners of parent	26,436	27,933

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	FY2021 ended Mar. 31, 2022	FY2022 ended Mar. 31, 2023
Profit	26,436	27,933
Other comprehensive income	(35,940)	(33,310)
Valuation difference on available-for-sale securities	(38,371)	(36,479)
Deferred gains or losses on hedges	93	388
Foreign currency translation adjustment	98	—
Remeasurements of defined benefit plans, net of tax	2,029	2,601
Share of other comprehensive income of entities accounted for using equity method	209	179
Comprehensive income	(9,504)	(5,377)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(9,504)	(5,377)

(3) Consolidated statements of changes in net assets

FY2021 ended Mar. 31, 2022

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	391,382	(8,838)	460,778	71,541	(231)
Cumulative effects of changes in accounting policies			(38)		(38)		0
Restated balance	48,652	29,581	391,344	(8,838)	460,740	71,541	(231)
Changes during period							
Dividends of surplus			(5,886)		(5,886)		
Profit attributable to owners of parent			26,436		26,436		
Purchase of treasury shares				(3,500)	(3,500)		
Disposal of treasury shares			(55)	147	92		
Cancellation of treasury shares			(4,838)	4,838			
Reversal of revaluation reserve for land			299		299		
Net changes in items other than shareholders' equity						(38,161)	93
Total changes during period	—	—	15,955	1,486	17,441	(38,161)	93
Balance at end of period	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)

	Accumulated other comprehensive income				Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,715	(98)	2,387	87,314	548,093
Cumulative effects of changes in accounting policies				0	(37)
Restated balance	13,715	(98)	2,387	87,315	548,055
Changes during period					
Dividends of surplus					(5,886)
Profit attributable to owners of parent					26,436
Purchase of treasury shares					(3,500)
Disposal of treasury shares					92
Cancellation of treasury shares					
Reversal of revaluation reserve for land					299
Net changes in items other than shareholders' equity	(299)	98	2,029	(36,240)	(36,240)
Total changes during period	(299)	98	2,029	(36,240)	(18,799)
Balance at end of period	13,415	—	4,417	51,074	529,256

FY2022 ended Mar. 31, 2023

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)
Cumulative effects of changes in accounting policies							
Restated balance	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)
Changes during period							
Dividends of surplus			(6,161)		(6,161)		
Profit attributable to owners of parent			27,933		27,933		
Purchase of treasury shares				(2,000)	(2,000)		
Disposal of treasury shares			(25)	119	94		
Cancellation of treasury shares							
Reversal of revaluation reserve for land			393		393		
Net changes in items other than shareholders' equity						(36,300)	388
Total changes during period	—	—	22,138	(1,880)	20,257	(36,300)	388
Balance at end of period	48,652	29,581	429,438	(9,233)	498,439	(2,920)	250

	Accumulated other comprehensive income				Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,415	—	4,417	51,074	529,256
Cumulative effects of changes in accounting policies					
Restated balance	13,415	—	4,417	51,074	529,256
Changes during period					
Dividends of surplus					(6,161)
Profit attributable to owners of parent					27,933
Purchase of treasury shares					(2,000)
Disposal of treasury shares					94
Cancellation of treasury shares					
Reversal of revaluation reserve for land					393
Net changes in items other than shareholders' equity	(393)		2,601	(33,703)	(33,703)
Total changes during period	(393)	—	2,601	(33,703)	(13,445)
Balance at end of period	13,022	—	7,018	17,370	515,810

(4) Consolidated statements of cash flows

	(Unit: Millions of yen)	
	FY2021 ended Mar. 31, 2022	FY2022 ended Mar. 31, 2023
Cash flows from operating activities		
Profit before income taxes	39,783	38,901
Depreciation	6,863	6,572
Impairment losses	1,382	409
Share of loss (profit) of entities accounted for using equity method	(146)	(221)
Increase (decrease) in allowance for loan losses	(10,543)	(6,517)
Increase (decrease) in provision for bonuses for directors (and other officers)	2	(2)
Decrease (increase) in retirement benefit asset	(4,181)	(6,150)
Increase (decrease) in retirement benefit liability	(5)	(4)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(40)	(36)
Increase (decrease) in provision for reimbursement of deposits	(165)	(103)
Increase (decrease) in provision for point card certificates	11	—
Increase (decrease) in provision for contingent loss	0	25
Interest income	(73,869)	(87,076)
Interest expenses	1,868	15,620
Loss (gain) related to securities	(9,616)	1,772
Loss (gain) on money held in trust	(6)	11
Foreign exchange losses (gains)	(1,510)	(2,554)
Loss (gain) on disposal of non-current assets	(2,055)	(994)
Net decrease (increase) in trading securities	(118)	400
Net decrease (increase) in loans and bills discounted	(69,248)	(233,200)
Net increase (decrease) in deposits	217,672	85,504
Net increase (decrease) in negotiable certificates of deposit	41,583	(9,838)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	209,714	(573,802)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(1,834)	523
Net decrease (increase) in call loans	(6,203)	6,119
Net increase (decrease) in call money	36,570	36,623
Net increase (decrease) in cash collateral received for securities lent	63,970	(9,545)
Net decrease (increase) in foreign exchanges - assets	(19,296)	24,199
Net increase (decrease) in foreign exchanges - liabilities	372	(196)
Net decrease (increase) in lease receivables and investments in leases	(662)	(363)
Net increase (decrease) in borrowed money from trust account	3,102	961
Interest received	79,092	90,335
Interest paid	(1,897)	(14,451)
Other, net	(26,764)	(13,296)
Subtotal	473,822	(650,404)
Income taxes paid	(14,233)	(5,761)
Net cash provided by (used in) operating activities	459,588	(656,166)

(Unit: Millions of yen)

	FY2021 ended Mar. 31, 2022	FY2022 ended Mar. 31, 2023
Cash flows from investing activities		
Purchase of securities	(909,311)	(823,174)
Proceeds from sales of securities	570,154	519,392
Proceeds from redemption of securities	210,372	151,062
Increase in money held in trust	—	(1,600)
Decrease in money held in trust	2,999	14
Purchase of tangible fixed assets	(3,157)	(3,775)
Purchase of intangible fixed assets	(2,820)	(2,031)
Proceeds from sale of tangible fixed assets	3,954	2,356
Proceeds from sale of businesses	—	4,437
Net cash provided by (used in) investing activities	(127,807)	(153,319)
Cash flows from financing activities		
Issuance of subordinated bonds	10,000	10,000
Redemption of subordinated bonds	(10,000)	(10,000)
Purchase of treasury shares	(3,500)	(2,000)
Proceeds from sale of treasury shares	92	94
Dividends paid	(5,872)	(6,159)
Net cash provided by (used in) financing activities	(9,281)	(8,066)
Effect of exchange rate change on cash and cash equivalents	103	—
Net increase (decrease) in cash and cash equivalents	322,602	(817,552)
Cash and cash equivalents at beginning of period	2,324,903	2,647,506
Cash and cash equivalents at end of period	2,647,506	1,829,954

(5) Notes to the consolidated financial statements

(Note on going concern assumption)

Not applicable.

(Changes in accounting principles)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Bank has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, Jun. 17, 2021) from the beginning of the consolidated fiscal year.

In accordance with Article 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Bank decided to apply the new accounting policy stipulated in "Implementation Guidance on Accounting Standard for Fair Value Measurement" in the future.

There is no impact on the consolidated financial statements for the current period.

(Segment information)

1. Summary of reportable segments

The reportable segments of the Group are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the highest decision - making body of the Bank with respect to matters of management and execution of business to decide how to allocate management resources and assess performance.

In addition to its core banking services, the Group provides financial services such as leasing and manages its businesses through two reportable segments — Banking and Lease.

In Banking, the Bank offer deposit services, loan services, securities dealing, trading account securities services, securities investment services, domestic and foreign exchange services, and trust and other services.

In Lease, the Bank's consolidated subsidiary, Gungin Leasing Co., Ltd., offers leasing services.

2. Basis of measurement of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

The accounting methods applied to the business segments reported are the same as those described for the basis of presenting the consolidated financial statements. The figures for profit of reportable segments are based on ordinary profit. Inter - segment transaction prices are set under arm's length conditions, the same as transactions with parties external to the Group.

3. Information on the amount of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

FY2022 ended Mar. 31, 2023

(Unit: Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Banking	Lease	Total				
Ordinary income generated from businesses with							
External customers	142,513	29,386	171,899	4,690	176,589	—	176,589
Internal units	972	359	1,332	1,312	2,645	(2,645)	—
Total	143,485	29,745	173,231	6,003	179,235	(2,645)	176,589
Segment profit	33,810	1,649	35,459	2,920	38,380	(63)	38,316
Segment assets	10,644,132	83,109	10,727,241	45,597	10,772,838	(110,538)	10,662,300
Segment liabilities	10,159,706	67,250	10,226,957	18,494	10,245,451	(98,961)	10,146,489
Others							
Depreciation	5,711	691	6,402	66	6,469	103	6,572
Interest income	87,331	18	87,350	19	87,370	(293)	87,076
Interest expenses	15,611	278	15,890	0	15,890	(269)	15,620
Share of profit of entities accounted for using equity method	246	—	246	—	246	(24)	221
Extraordinary income	1,597	—	1,597	—	1,597	—	1,597
[Gain on disposal of non - current assets]	[1,597]	[—]	[1,597]	[—]	[1,597]	[—]	[1,597]
Extraordinary losses	1,012	—	1,012	0	1,013	—	1,013
[Loss on disposal of non - current assets]	[603]	[—]	[603]	[0]	[603]	[—]	[603]
[Impairment losses]	[409]	[—]	[409]	[—]	[409]	[—]	[409]
Tax	9,566	433	9,999	972	10,972	(3)	10,968
Investment of unconsolidated subsidiaries and associated companies	595	—	595	—	595	—	595
Increase of tangible fixed assets and intangible fixed assets	4,799	832	5,631	67	5,698	109	5,807

(Note 1) Ordinary income is presented in lieu of sales of companies in other industries.

(Note 2) "Others" include business segments not included in the reportable segments, such as the delivery of goods, etc., the maintenance of ATMs and operations of securities, guarantees and management consulting, the fund formation and management operations services.

(Note 3) Adjustments are as follows:

- (1) Adjustment for segment profit of (63) million yen was elimination of intersegment transactions.
- (2) Adjustment for segment assets of (110,538) million yen was elimination of intersegment transactions.
- (3) Adjustment for segment liabilities of (98,961) million yen was elimination of intersegment transactions.
- (4) Adjustment for depreciation of 103 million yen was elimination of intersegment transactions and the depreciation related to investments in leases classified as "tangible fixed assets" and "intangible fixed assets" on a consolidated basis.
- (5) Adjustment for interest income of (293) million yen, adjustment for interest expenses of (269) million yen, adjustment for share of profit of entities accounted for using equity method of (24) million yen and adjustment for tax of (3) million yen were elimination of intersegment transactions.
- (6) Adjustment for increase of tangible fixed assets and intangible fixed assets of 109 million yen were transferred from investment in leases.

(Note 4) Segment profit was adjusted with reference to ordinary profit as stated in the consolidated statements of income.

(Per share information)

(Unit: Yen)

	FY2022 ended Mar. 31, 2023
Total net assets per share	1,268.77
Profit per share	68.19
Diluted profit per share	—

(Note 1) Basis for computing net assets per share

(Unit: Millions of yen)

	As of Mar. 31, 2023
Total net assets	515,810
Amounts to be deducted from total net assets	—
Net assets attributable to common stock	515,810
Number of common stock outstanding at the end of the fiscal period	406,543 thousand shares

(Note 2) Basis for computing profit per share

(Unit: Millions of yen)

	FY2022 ended Mar. 31, 2023
Profit attributable to owners of parent	27,933
Amount that does not belong to common shareholders	—
Profit attributable to common stock	27,933
Average number of shares	409,628 thousand shares

(※) Diluted profit per share is not presented as there are no potentially dilutive shares.

(Material subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets:		
Cash and due from banks	2,650,108	1,831,185
Cash	58,561	64,771
Due from banks	2,591,546	1,766,413
Call loans	6,119	—
Monetary claims bought	5,706	—
Trading securities	942	541
Trading government bonds	240	187
Trading local government bonds	701	353
Money held in trust	3,368	3,354
Securities	2,507,918	2,623,820
Government bonds	788,507	783,825
Local government bonds	764,237	768,313
Corporate bonds	197,612	194,945
Stocks	203,707	208,419
Other securities	553,853	668,317
Loans and bills discounted	5,818,127	6,049,701
Bills discounted	22,745	23,195
Loans on bills	83,217	29,196
Loans on deeds	5,191,027	5,449,535
Overdrafts	521,136	547,774
Foreign exchanges	34,244	10,045
Due from foreign banks (our accounts)	34,237	10,045
Foreign bills bought	5	—
Foreign bills receivable	1	—
Other assets	59,759	54,761
Prepaid expenses	48	82
Accrued revenue	6,205	8,845
Variation margins of futures markets	—	315
Financial derivatives	6,196	7,635
Cash collateral paid for financial instruments	11,560	3,213
Other	35,748	34,668
Tangible fixed assets	62,957	61,764
Buildings, net	18,579	18,297
Land	39,076	37,759
Leased assets, net	650	569
Construction in progress	361	960
Other tangible fixed assets	4,290	4,177
Intangible fixed assets	9,089	7,942
Software	8,605	7,461
Other intangible fixed assets	484	481
Prepaid pension costs	4,457	6,864
Deferred tax assets	1,591	14,652
Customers' liabilities for acceptances and guarantees	8,764	8,527
Allowance for loan losses	(46,229)	(40,060)
Total assets	11,126,926	10,633,101

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Liabilities:		
Deposits	7,970,410	8,053,786
Current deposits	335,209	355,509
Ordinary deposits	5,526,059	5,670,979
Savings deposits	103,593	104,582
Deposits at notice	22,273	25,034
Time deposits	1,855,669	1,782,391
Installment savings	372	279
Other deposits	127,232	115,010
Negotiable certificates of deposit	238,958	230,319
Call money	70,496	28,708
Securities sold under repurchase agreements	8,153	86,565
Cash collateral received for securities lent	732,995	723,449
Borrowed money	1,498,595	924,693
Borrowings from other banks	1,498,595	924,693
Foreign exchanges	534	338
Foreign bills sold	284	35
Foreign bills payable	250	302
Bonds payable	50,000	50,000
Borrowed money from trust account	12,056	12,988
Other liabilities	34,047	31,831
Income taxes payable	781	3,663
Accrued expenses	3,707	4,734
Unearned revenue	1,780	1,711
Reserve for interest on installment savings	0	0
Financial derivatives	17,969	13,293
Cash collateral received for financial instruments	2,529	2,470
Lease liabilities	651	569
Other	6,626	5,388
Provision for bonuses for directors (and other officers)	59	56
Provision for retirement benefits for directors (and other officers)	180	145
Provision for reimbursement of deposits	367	264
Provision for point card certificates	155	—
Provision for contingent loss	900	926
Deferred tax liabilities for land revaluation	7,377	7,112
Acceptances and guarantees	8,764	8,527
Total liabilities	10,634,054	10,159,715

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar.31, 2023
Net assets :		
Share capital	48,652	48,652
Capital surplus	29,114	29,114
Legal capital surplus	29,114	29,114
Retained earnings	377,205	396,033
Legal retained earnings	43,548	43,548
Other retained earnings	333,657	352,485
Reserve for tax purpose reduction entry	2,961	2,006
General reserve	304,650	314,650
Retained earnings brought forward	26,046	35,828
Treasury shares	(7,352)	(9,233)
Total shareholders' equity	447,620	464,567
Valuation difference on available-for-sale securities	31,973	(4,453)
Deferred gains or losses on hedges	(137)	250
Revaluation reserve for land	13,415	13,022
Total valuation and translation adjustments	45,251	8,819
Total net assets	492,871	473,386
Total liabilities and net assets	11,126,926	10,633,101

(2) Non-consolidated statements of income

	FY2021 ended Mar.31, 2022	FY2022 ended Mar.31, 2023
(Unit: Millions of yen)		
Ordinary income	116,633	143,243
Interest income	74,196	87,335
Interest on loans and discounts	53,531	58,795
Interest and dividends on securities	18,843	26,389
Interest on call loans	0	55
Interest on deposits with banks	980	2,024
Other interest income	841	69
Trust fees	52	36
Fees and commissions	19,920	20,889
Fees and commissions on domestic and foreign exchanges	4,348	4,270
Other fees and commissions	15,571	16,618
Other ordinary income	6,400	6,017
Gain on foreign exchange transactions	1,755	2,797
Gain on sale of bonds	4,453	3,220
Gain on financial derivatives	45	—
Other	146	—
Other income	16,063	28,964
Recoveries of written off receivables	2	4
Gain on sale of equity securities	14,634	28,578
Gain on money held in trust	6	—
Other	1,419	381
Ordinary expenses	82,189	109,675
Interest expenses	1,858	15,611
Interest on deposits	353	1,512
Interest on negotiable certificates of deposit	113	1,257
Interest on call money	48	1,699
Interest expenses on securities sold under repurchase agreements	9	1,023
Interest expenses on cash collateral received for securities lent	239	2,790
Interest on borrowings and rediscounts	48	549
Interest on bonds	218	226
Interest expenses on interest rate swaps	778	6,295
Other interest expenses	48	256
Fees and commissions payments	8,971	9,123
Fees and commissions on domestic and foreign exchanges	599	393
Other fees and commissions	8,371	8,730
Other ordinary expenses	5,680	32,379
Net loss on trading securities transactions	9	19
Loss on sale of bonds	5,670	31,483
Loss on redemption of bonds	—	530
Loss on financial derivatives	—	345
General and administrative expenses	53,608	49,618
Other expenses	12,069	2,942
Provision of allowance for loan losses	6,666	810
Written-off of loans	6	—
Loss on sale of equity securities	3,701	1,382
Loss on devaluation of equity securities	74	170
Loss on money held in trust	—	11
Other	1,620	567
Ordinary profit	34,444	33,567

(Unit: Millions of yen)

	FY2021 ended Mar.31, 2022	FY2022 ended Mar.31, 2023
Extraordinary income	2,493	1,645
Gain on disposal of non - current assets	2,493	1,597
Other	—	47
Extraordinary losses	1,820	1,012
Loss on disposal of non - current assets	438	603
Impairment losses	1,382	409
Profit before income taxes	35,117	34,200
Income taxes - current	6,554	7,103
Income taxes - deferred	5,184	2,475
Total income taxes	11,739	9,578
Profit	23,378	24,622

(3) Non-consolidated statements of changes in net assets
FY2021 ended Mar. 31, 2022

(Unit: 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
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	299,650	20,096	364,346
Cumulative effects of changes in accounting policies							(38)	(38)
Restated balance	48,652	29,114	29,114	43,548	1,052	299,650	20,058	364,308
Changes during period								
Dividends of surplus							(5,886)	(5,886)
Provision of reserve for tax purpose reduction entry					1,909		(1,909)	
Reversal of reserve for tax purpose reduction entry								
Provision of general reserve						5,000	(5,000)	
Profit							23,378	23,378
Purchase of treasury shares								
Disposal of treasury shares							(55)	(55)
Cancellation of treasury shares							(4,838)	(4,838)
Reversal of revaluation reserve for land							299	299
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	1,909	5,000	5,987	12,897
Balance at end of period	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205

	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	(8,838)	433,275	70,307	(231)	13,715	83,790	517,066
Cumulative effects of changes in accounting policies		(38)		0		0	(37)
Restated balance	(8,838)	433,237	70,307	(231)	13,715	83,791	517,028
Changes during period							
Dividends of surplus		(5,886)					(5,886)
Provision of reserve for tax purpose reduction entry							
Reversal of reserve for tax purpose reduction entry							
Provision of general reserve							
Profit		23,378					23,378
Purchase of treasury shares	(3,500)	(3,500)					(3,500)
Disposal of treasury shares	147	92					92
Cancellation of treasury shares	4,838						
Reversal of revaluation reserve for land		299					299
Net changes in items other than shareholders' equity			(38,333)	93	(299)	(38,539)	(38,539)
Total changes during period	1,486	14,383	(38,333)	93	(299)	(38,539)	(24,156)
Balance at end of period	(7,352)	447,620	31,973	(137)	13,415	45,251	492,871

FY2022 ended Mar. 31, 2023

(Unit: 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
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205
Cumulative effects of changes in accounting policies								
Restated balance	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205
Changes during period								
Dividends of surplus							(6,161)	(6,161)
Provision of reserve for tax purpose reduction entry					880		(880)	
Reversal of reserve for tax purpose reduction entry					(1,835)		1,835	
Provision of general reserve						10,000	(10,000)	
Profit							24,622	24,622
Purchase of treasury shares								
Disposal of treasury shares							(25)	(25)
Cancellation of treasury shares								
Reversal of revaluation reserve for land							393	393
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	(954)	10,000	9,782	18,827
Balance at end of period	48,652	29,114	29,114	43,548	2,006	314,650	35,828	396,033

	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	(7,352)	447,620	31,973	(137)	13,415	45,251	492,871
Cumulative effects of changes in accounting policies							
Restated balance	(7,352)	447,620	31,973	(137)	13,415	45,251	492,871
Changes during period							
Dividends of surplus		(6,161)					(6,161)
Provision of reserve for tax purpose reduction entry							
Reversal of reserve for tax purpose reduction entry							
Provision of general reserve							
Profit		24,622					24,622
Purchase of treasury shares	(2,000)	(2,000)					(2,000)
Disposal of treasury shares	119	94					94
Cancellation of treasury shares							
Reversal of revaluation reserve for land		393					393
Net changes in items other than shareholders' equity			(36,427)	388	(393)	(36,432)	(36,432)
Total changes during period	(1,880)	16,946	(36,427)	388	(393)	(36,432)	(19,485)
Balance at end of period	(9,233)	464,567	(4,453)	250	13,022	8,819	473,386

Supplementary Information
for the Fiscal Year 2022,
Ended March 31, 2023

The Gunma Bank, Ltd.

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I Financial Highlights for the Fiscal Year 2022, Ended March 31, 2023

1. Profit and Loss, etc. Conditions 【Consolidated / Non-consolidated】

- Core net business profit excluding gains (losses) on bonds increased compared with the previous fiscal year due to increases in non-interest business profit and as well as to cutting down on expenses.
- Profit increased compared with the previous fiscal year due to an increased core net business profit excluding gains (losses) on bonds as well as to a decrease in net credit cost regardless of a decrease in gains or losses on investment securities.

(Unit : Billions of yen)

	FY2022 ended Mar.31, 2023 【Consolidated】	compared with FY2021 ended Mar.31, 2022	FY2022 ended Mar. 31, 2023 【Non-Consolidated】	compared with FY2021 ended Mar.31, 2022
Core net business profit excluding gains (losses) on bonds	40.2	2.9	35.6	3.7
Ordinary profit	38.3	(0.7)	33.5	(0.8)
(Attributable to owners of parent) Profit	27.9	1.4	24.6	1.2

2. Main Account Conditions 【Non-consolidated】

- Loans and bills discounted increased due to increases in loans to large enterprises and non-residents, and housing loans. Loans and bills discounted exceeded 6 trillion yen.
- Deposits and negotiable certificates of deposit steadily increased individual deposits and corporate deposits.

(Unit : Billions of yen)

	As of Mar. 31, 2023		As of Mar.31, 2022
	(a)	(a) - (b)	(b)
Loans and bills discounted	6,049.7	231.5	5,818.1
Deposits and negotiable certificates of deposit	8,284.1	74.7	8,209.3

3. Disclosed Claims under the Financial Reconstruction Law 【Non-consolidated】

- Ratio to the total claims amounted to 1% level, down 0.22 point compared with the previous fiscal year-end.

(Unit : Billions of yen)

	As of Mar.31, 2023		As of Mar.31, 2022
	(a)	(a) - (b)	(b)
Disclosed claims under the FRL	110.7	(9.6)	120.3
Ratio to the total claims	1.81%	(0.22)%	2.03%

4. Capital Ratio 【Consolidated】

- Total capital ratio amounted to 13.82%, and maintained a high level.

	As of Mar.31, 2023		As of Mar.31, 2022
	(a) *	(a) - (b)	(b)
Total capital ratio	13.82%	1.42%	12.40%

*The Gunma Bank, Ltd. has early adopted the new "International convergence of capital measurement and capital standards (finalising Basel III reforms)" from the end of Mar. 2023.

5. Earnings Forecasts 【Consolidated / Non-consolidated】

- Profit for fiscal year 2023, ending March 31, 2024 will be 28.0 billion yen on a consolidated basis and 25.0 billion yen on a non-consolidated basis, exceeding the level of the previous fiscal year.

(Unit : Billions of yen)

	FY2023 ending Mar.31,2024 【Consolidated】	compared with FY2022 ended Mar. 31, 2023	FY2023 ending Mar.31,2024 【Non-Consolidated】	compared with FY2022 ended Mar. 31, 2023
Core net business profit excluding gains (losses) on bonds	38.3	(1.9)	34.0	(1.6)
Ordinary profit	40.0	1.7	36.0	2.5
(Attributable to owners of parent) Profit	28.0	0.1	25.0	0.4

* Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various factors of economic situation and stock price level, etc.

6. Shareholder Return

- As announced in November 2022, the Bank plans to pay a year-end dividend of 10 yen for FY2022, ended Mar. 31 2023. The annual dividend will be 18 yen in total (up 4 yen compared with the previous year), including the interim dividend of 8 yen.
- In addition, the Gunma Bank, Ltd. ("the Bank") have resolved to acquire treasury shares at today's board meeting as follows.
Total number of shares to be acquired : Up to 12.5 million shares Total cost of acquisition : Up to 5.0 billion yen
Period of acquisition : from May 11, 2023 to Jul.31, 2023
- Total shareholder return combining cash dividends payments and the acquisition of treasury shares (including the above acquisition limit) will be 50% degree.
- The annual cash dividends per share for FY 2023, ending Mar. 31, 2024 is planned to be 20 yen, up 2 yen compared with the previous year. The dividend has increased for three consecutive fiscal years.

	FY2022 ended Mar.31,2023	compared with FY2021 ended Mar. 31, 2022	FY2023 ending Mar.31,2024 forecast	compared with FY2022 ended Mar. 31, 2023
Annual cash dividends per share	18.00yen	4.00yen	20.00yen	2.00yen
Interim cash dividends	8.00yen	1.00yen	10.00yen	2.00yen
Year-end cash dividends	10.00yen	3.00yen	10.00yen	—

* Cash dividend of 10.00 yen for the fiscal year ended March 31, 2023 includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Bank.

1. Profit and Loss, etc. Conditions

- Core net business profit excluding gains (losses) on bonds amounted to 40.2 billion yen, up 2.9 billion yen compared with the previous year, up 2.2 billion yen compared with the forecast earnings, due to increases in non-interest business profit such as service to corporate as well as reducing effect on expenses.
- Ordinary profit amounted to 38.3 billion yen, up 0.8 billion yen compared with the forecast earnings (37.5 billion yen), due to a decrease net credit cost, regardless of a decrease in gains or losses on investment securities caused by promoting the restructuring of the securities portfolio (mainly foreign securities), in order to respond rapidly rising foreign interest rates.
- As a result, profit attributable to owners of parent amounted 27.9 billion yen, up 0.9 billion yen compared with the forecast earnings(27.0 billion yen), up 1.4 billion compared with the previous year.
- In addition, Return on equity amounted to 5.3%, up 0.4 point compared with the previous year. Consolidated total capital ratio amounted to 13.82%, up 1.42 point compared with the previous year, and maintained a high level.

【Consolidated】

(Unit : Millions of yen)

		FY2022 ended Mar. 31, 2023 (a)	(a)-(b)	FY2021 ended Mar. 31, 2022(b)	FY2022 ended Mar. 31, 2023 forecast
Gross business profits	1	63,679	(27,635)	91,314	
Core gross business profits(1-13)	2	92,478	(53)	92,531	91,100
Net interest income	3	71,455	(545)	72,001	69,500
Of which, gains (losses) on cancellation of investment trusts	4	357	(155)	513	
Non-interest business profit (refer to marginal table)	5	21,022	492	20,530	21,600
Net fees and commissions income	6	14,442	1,068	13,373	
Profit from other business transactions	7	6,580	(576)	7,156	
Expenses (excluding non-recurrent expenses) [-]	8	52,215	(2,998)	55,213	53,100
Over head ratio(8 / 2)	9	56.4%	(3.2)%	59.6%	58.2%
Core net business profit excluding gains (losses) on bonds(2-8)	10	40,263	2,944	37,318	38,000
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	11	39,905	3,099	36,805	
Gains or losses on investment securities	12	(1,772)	(11,389)	9,616	
Gains (losses) on bonds	13	(28,798)	(27,581)	(1,216)	
Gains (losses) on stocks and other securities	14	27,025	16,191	10,833	
Net credit costs [-]	15	1,272	(7,033)	8,306	
Others	16	1,099	616	483	
Ordinary profit	17	38,316	(794)	39,111	37,500
Extraordinary income (losses)	18	584	(87)	672	
Of which, gains (losses) on disposal of non-current assets	19	994	(1,060)	2,055	
Of which, impairment losses [-]	20	409	(973)	1,382	
Profit before income taxes	21	38,901	(882)	39,783	
Total income taxes [-]	22	10,968	(2,379)	13,347	
Profit	23	27,933	1,496	26,436	
Profit attributable to owners of parent	24	27,933	1,496	26,436	27,000

(Note) Gains (losses) on bonds are excluded from "Profit from other business transactions" and included in "Gains or losses on investment securities".

(Breakdown of non-interest business profit by business)

(Unit : Millions of yen)

Corporate service revenue	25	6,008	1,682	4,325	6,100
Deposit financial assets, etc. revenue	26	6,850	(852)	7,703	7,000
Others	27	8,163	(337)	8,501	8,500

(Number of consolidated companies)

(Unit : number of companies)

Number of consolidated subsidiaries	28	6	—	6
Number of affiliated companies applicable to the equity method	29	3	—	3

(Unit : Millions of yen)

Total profit of the bank group companies	30	3,311	252	3,058
*Profit attributable to owners of parent – profit(non-consolidated)				
Return on equity	31	5.3%	0.4%	4.9%

【Non-consolidated】

(Unit: Millions of yen)

		FY2022 ended		FY2021 ended Mar. 31, 2022(b)	FY2022 ended Mar. 31, 2023 forecast
		Mar. 31, 2023 (a)	(a)-(b)		
Gross business profits	1	57,164	(26,894)	84,059	
Core gross business profits(1-20)	2	85,958	682	85,276	84,700
Net interest income	3	71,724	(613)	72,338	69,800
Domestic business	4	66,818	(112)	66,931	
Of which, interest on loans and discounts	5	51,350	(6)	51,357	
Of which, interest and dividends on securities	6	13,802	(466)	14,269	
Of which, gains (losses) on cancellation of investment trusts	7	357	(155)	513	
International business	8	4,906	(500)	5,406	
Non-interest business profit	9	14,233	1,295	12,937	14,900
Net fees and commissions income	10	11,802	801	11,000	
Profit from other business transactions	11	2,431	494	1,937	
Expenses (excluding non-recurrent expenses) [-]	12	50,293	(3,035)	53,329	51,200
Personnel expenses	13	27,997	(360)	28,357	
Non-personnel expenses	14	19,591	(2,579)	22,170	
Taxes	15	2,705	(96)	2,801	
Core net business profit excluding gains (losses) on bonds(2-12)	16	35,664	3,718	31,946	33,500
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	17	35,306	3,873	31,433	
Real net business profit(16+20)	18	6,870	(23,858)	30,729	
Gains or losses on investment securities	19	(1,768)	(11,409)	9,641	
Gains (losses) on bonds	20	(28,793)	(27,576)	(1,216)	
Gains (losses) on stocks and other securities	21	27,025	16,166	10,858	
Net credit costs [-]	22	1,075	(6,298)	7,373	3,500
Other non-recurrent gains (losses)	23	746	516	230	
Ordinary profit	24	33,567	(876)	34,444	33,000
Extraordinary income (losses)	25	632	(39)	672	
Of which, gains (losses) on disposal of non-current assets	26	994	(1,060)	2,055	
Of which, impairment losses [-]	27	409	(973)	1,382	
Profit before income taxes	28	34,200	(916)	35,117	
Total income taxes [-]	29	9,578	(2,160)	11,739	
Profit	30	24,622	1,244	23,378	23,500

(Note) Gains (losses) on bonds are excluded from "Profit from other business transactions" and included in "Gains or losses on investment securities".

(Reference) Gains or losses on investment securities condition

(Unit: Millions of yen)

		FY2022 ended		FY2021 ended Mar. 31, 2022(b)
		Mar. 31, 2023 (a)	(a)-(b)	
Gains or losses on investment securities	31	(1,768)	(11,409)	9,641
Gains (losses) on bonds	32	(28,793)	(27,576)	(1,216)
Gain on sales	33	3,220	(1,233)	4,453
Gain on redemption	34	—	—	—
Loss on sales [-]	35	31,483	25,813	5,670
Loss on redemption [-]	36	530	530	—
Loss on devaluation [-]	37	—	—	—
Gains (losses) on stocks and other securities	38	27,025	16,166	10,858
Gain on sales	39	28,578	13,943	14,634
Loss on sales [-]	40	1,382	(2,319)	3,701
Loss on devaluation [-]	41	170	96	74

(Reference) Net credit costs condition

(Unit: Millions of yen)

		FY2022 ended		FY2021 ended Mar. 31, 2022(b)
		Mar. 31, 2023 (a)	(a)-(b)	
Net credit costs(43+44-50) [-]	42	1,075	(6,298)	7,373
Net transfer to general allowance for loan losses [-]	43	(1,869)	(338)	(1,531)
Disposal of non-performing loans [-]	44	2,949	(5,957)	8,907
Written-off of loans	45	—	(6)	6
Net transfer to specific allowance for loan losses	46	2,680	(5,517)	8,197
Net transfer to accident loss	47	25	25	0
Losses on sales of loans	48	29	(478)	507
Cost born under joint responsibility system of guarantee corporations	49	214	18	195
Recoveries of written off claims	50	4	1	2

2. Main Account Conditions

- Loans and bills discounted amounted to 6,049.7 billion yen, up 231.5 billion yen compared with the previous fiscal year-end, due to increases in loans to large enterprises and non-residents, and housing loans. It exceeded 6 trillion yen for the first time.
- The Bank has set a sustainable finance target of 500 billion yen (cumulative total during 3 years), during the period of the medium-term business plan (April 2022 to March 2025). In the FY 2022, the first year of the plan, the bank executed 266.2 billion yen. The achievement of the target is 53%, which was good.
- Deposits exceed 8 trillion yen for the first time due to a steadily increase individual deposits and corporate deposits. Deposits and negotiable certificates of deposits amounted to 8,284.1 billion yen, up 74.7 billion yen compared with the previous fiscal year-end.
- Deposit financial assets amounted to 1,059.2 billion yen, up 52.6 billion yen compared with the previous fiscal year-end, due to an increase in the balance owned by Gungin Securities.
- Unrealized gains and losses on valuation of other securities decreased by 52.3 billion yen compared with the previous fiscal year-end, resulting in an unrealized losses on valuation of 6.6 billion yen.

(1) Loans 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Loans and bills discounted	6,049.7	188.5	231.5	5,861.1	5,818.1
Retail loans	4,689.3	50.6	39.0	4,638.7	4,650.2
Small and medium-sized enterprises	2,315.5	27.8	2.3	2,287.7	2,313.2
Individuals	2,373.7	22.7	36.7	2,351.0	2,337.0
Of which, housing-related loans	2,288.5	18.7	31.4	2,269.8	2,257.0
Housing loans	1,381.6	14.2	26.1	1,367.4	1,355.4
Apartment loans	660.1	6.4	10.1	653.6	650.0
Others	246.7	(1.9)	(4.8)	248.7	251.5
Of which, unsecured consumer loans	62.9	4.2	5.5	58.7	57.3
Other loans	1,360.3	137.9	192.4	1,222.4	1,167.8
Corporations (large and second-tier enterprises, etc.)	1,036.9	126.3	142.7	910.6	894.2
Public sectors	107.1	(3.4)	(7.3)	110.6	114.4
Overseas branch and non-residents	216.2	15.1	57.0	201.1	159.1

(Note) Regional public corporations and Tokyo, Osaka Branch accounts are not included in "Small and medium-sized enterprises" but are classified into "Corporations".

(Reference)

(Unit : Billions of yen)

	FY2022 ended Mar. 31, 2023	Medium-term business plan final year target (cumulative total during 3 years) (Apr.2022-Mar.2025)
Amount of sustainable finance executed	266.2	500.0

(Note) Sustainable finance targets finance that contributes to solving environmental and social issues such as renewable energy-related, start-up financing and business succession-related, etc. (including investment by Gunma Regional Advanced Solution Partners, an investment specialized subsidiary).

(2) Deposits and negotiable certificates of deposit 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Deposits and negotiable certificates of deposit	8,284.1	134.2	74.7	8,149.8	8,209.3
Deposits	8,053.7	156.4	83.3	7,897.3	7,970.4
Of which, individuals	5,594.7	27.6	70.5	5,567.1	5,524.1
Of which, corporations	1,933.2	14.1	29.2	1,919.1	1,904.0
Negotiable certificates of deposit	230.3	(22.1)	(8.6)	252.4	238.9

(3) Deposit financial assets 【Consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)
Deposit financial assets	1,059.2	30.3	52.6	1,028.8	1,006.6
(Of which, individual deposit financial assets)	966.1	25.9	40.1	940.1	926.0
Bank, non-consolidated	804.8	9.4	8.6	795.3	796.2
Investment trust	245.3	4.0	(13.5)	241.2	258.8
Public bonds (Government bonds, etc.)	38.7	(2.6)	(6.0)	41.4	44.8
Life insurance	520.7	8.1	28.2	512.6	492.5
Gungin Securities (including intermediation)	254.3	20.8	43.9	233.5	210.3

(4) Unrealized gains and losses on valuation of other securities 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of	As of Mar.31, 2023 balance sheet value
	Mar.31, 2023 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)	
Other securities	(6.6)	7.9	(52.3)	(14.5)	45.7	2,608.5
Stocks	54.5	4.6	(13.1)	49.8	67.7	197.2
Bonds	(34.7)	(1.7)	(20.9)	(32.9)	(13.8)	1,745.2
Others	(26.4)	4.9	(18.2)	(31.4)	(8.1)	665.9
Foreign securities	(0.4)	14.6	7.9	(15.1)	(8.3)	432.1
Investment trusts, etc.	(25.9)	(9.6)	(26.1)	(16.2)	0.2	233.8

3. Disclosed Claims under the Financial Reconstruction Law ("FRL") 【Non-consolidated】

(Unit : Billions of yen)

		As of			As of	As of
		Mar.31, 2023 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)
Disclosed claims under the FRL	①	110.7	(4.7)	(9.6)	115.4	120.3
Normal claims		5,997.9	187.0	212.7	5,810.8	5,785.1
Total claims	②	6,108.6	182.3	203.1	5,926.2	5,905.5
Ratio to the total claims	① / ②	1.81 %	(0.13)%	(0.22)%	1.94 %	2.03 %
Coverage rate		70.4 %	0.7 %	(0.6)%	69.7 %	71.0 %

(Note) The Bank does not apply partial direct written-off. The below figures are presented if the Bank had applied the partial direct written-off.

Disclosed claims under the FRL	94.8	(4.7)	(7.0)	99.6	101.9
Ratio to the total claims	1.55 %	(0.13)%	(0.18)%	1.68 %	1.73 %

4. Capital Ratio(International Standard) 【Consolidated】

	As of			As of	As of
	Mar.31, 2023 (a) *	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)
Total capital ratio	13.82 %	1.59 %	1.42 %	12.23 %	12.40 %
Tier1 ratio	12.48 %	1.43 %	1.25 %	11.05 %	11.23 %
Common equity Tier1 ratio	12.48 %	1.43 %	1.25 %	11.05 %	11.23 %

*The Bank has early adopted the new "International convergence of capital measurement and capital standards (finalising Basel III reforms)" from the end of Mar. 2023.

5. Earning Forecasts【Consolidated / Non-consolidated】

(Unit : Billions of yen)

	FY2023 ending	compared with	FY2023 ending	compared with
	Mar.31, 2024 forecast 【Consolidated】		Mar.31, 2024 forecast 【Non-consolidated】	
Core net business profit excluding gains (losses) on bonds	38.3	(1.9)	34.0	(1.6)
Ordinary profit	40.0	1.7	36.0	2.5
(Attributable to owners of parent) Profit	28.0	0.1	25.0	0.4

(Note) Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various of economic situation, etc.

6. Shareholder Return

- As announced in November 2022, the Bank plans to pay a year-end dividend of 10 yen for the FY 2022, ended Mar. 31, 2023. The annual dividend will be 18 yen in total, including the interim dividend of 8 yen. Of this amount, 1 yen will be a commemorative dividend for the 90th anniversary of the of the Bank.
- The Bank have resolved to acquire treasury shares at today's board meeting as follows.
Total number of shares to be acquired : Up to 12.5 million shares Total cost of acquisition : Up to 5.0 billion yen
Period of acquisition : from May 11, 2023 to Jul. 31, 2023
- Total shareholder return combining cash dividends payments (7.3 billion yen in total) and the acquisition of treasury shares (6.9 billion yen, total of 1.9 billion yen already acquired and 5.0 billion yen of the above acquisition limit) will be 50% degree.
- The annual cash dividends per share for FY 2023, ended Mar. 31, 2024 is planned to be 20 yen, up 2 yen compared with the previous year. The dividend has increased for three consecutive fiscal years (FY2021 : up 1 yen, FY2022 : up 4 yen).

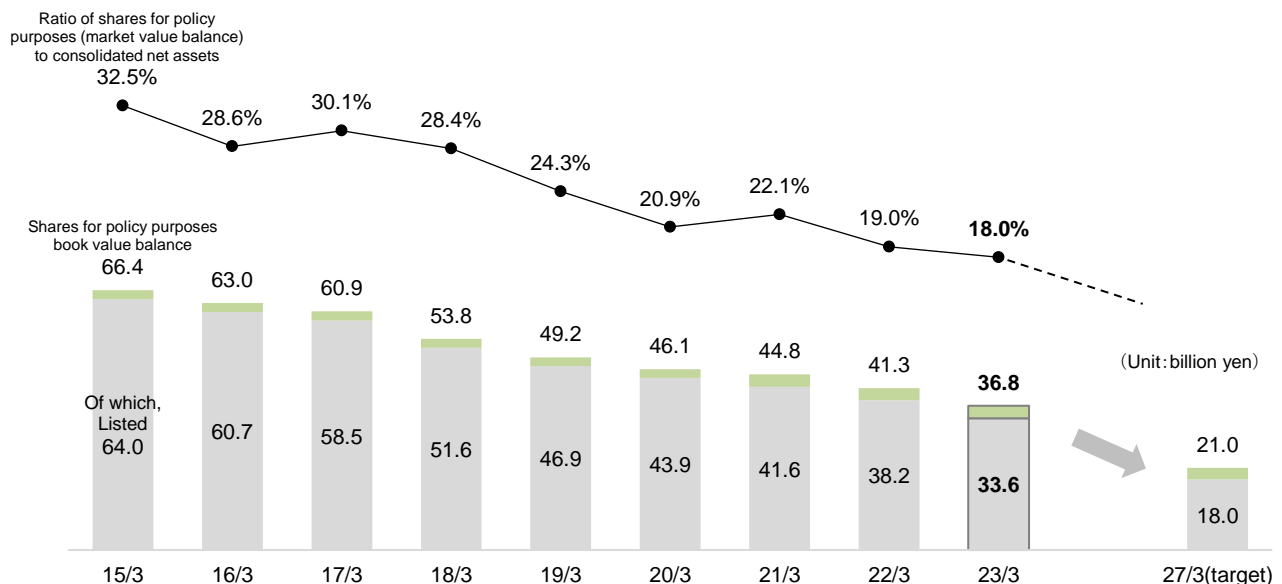
	FY2022 ended Mar.31,2023	compared with FY2021 ended Mar. 31, 2022	FY2023 ending Mar.31,2024 forecast	compared with FY2022 ended Mar. 31, 2023
Annual cash dividends per share	18.00 yen	4.00 yen	20.00 yen	2.00 yen
Interim cash dividends	8.00 yen	1.00 yen	10.00 yen	2.00 yen
Year-end cash dividends	10.00 yen	3.00 yen	10.00 yen	—

(Shareholder return policy)

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth. Specifically, the Bank is setting a target of 40% of the profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

(Reference) Reduction status of shares for policy purpose

- the bank has set and announced the following reduction target in November 9, 2022 in order to further accelerate the reduction of its shares for policy purposes for the purpose of sound development of the capital markets, further improvement of its capital efficiency, and strengthening of its financial position.
Reduction target : reduction of listed shares for policy purposes with a book value of 20 billion yen
(approx. 50% of the book value of shares for policy purposes at the end of March 2022)
Time frame : Five years from the fiscal year ended March 31, 2023 (the current fiscal year) to the fiscal year ending March 31, 2027
- Listed shares for policy purposes with a book value in FY2022 were reduced by 4.6 billion yen to 33.6 billion yen. In addition, Ratio of shares for policy purposes (market value balance) to consolidated net assets was 18.0%.



*including unlisted stocks excluding stocks related to subsidiaries · affiliates

**there are no stocks related to retirement benefit trust contributions in the FY2022, ended Mar. 31 2023 .

II Financial Data for the Fiscal Year 2022, Ended March 31, 2023

1. Profit and Loss Conditions

【Non-consolidated】

(Unit : Millions of yen)

		FY2022 ended Mar.31, 2023 (a)	(a) - (b)	FY2021 ended Mar.31, 2022 (b)
Gross business profits	1	57,164	(26,894)	84,059
(excluding gains (losses) on bonds)	2	85,958	682	85,276
Domestic gross business profits	3	79,573	(683)	80,257
Net interest income	4	66,818	(112)	66,931
Net fees and commissions income	5	11,637	723	10,913
Profit from other business transactions	6	1,117	(1,294)	2,412
(Of which, gains (losses) on bonds)	7	1,075	(1,095)	2,171
International gross business profits	8	(22,409)	(26,211)	3,802
Net interest income	9	4,906	(500)	5,406
Net fees and commissions income	10	164	77	87
Profit from other business transactions	11	(27,479)	(25,787)	(1,691)
(Of which, gains (losses) on bonds)	12	(29,869)	(26,481)	(3,388)
Expenses (excluding non-recurrent expenses)	[-] 13	50,293	(3,035)	53,329
Personnel expenses	14	27,997	(360)	28,357
Non-personnel expenses	15	19,591	(2,579)	22,170
Taxes	16	2,705	(96)	2,801
Core net business profit(1-13)	17	6,870	(23,858)	30,729
Core net business profit excluding gains(losses)on bonds (2-13)	18	35,664	3,718	31,946
Core net business profit excluding gains(losses) on bonds and cancellation of investment trusts	19	35,306	3,873	31,433
Net transfer to general allowance for loan losses	[-] 20	(1,869)	(338)	(1,531)
Net business profit (1-13-20)	21	8,740	(23,520)	32,260
(Of which, gains (losses) on bonds)	22	(28,793)	(27,576)	(1,216)
(Corresponding loss on money held in trust)	23	0	(0)	0
Non-recurrent gains (losses)	24	24,827	22,643	2,184
Disposal of non-performing loans	[-] 25	2,949	(5,957)	8,907
Written-off of loans	26	—	(6)	6
Net transfer to specific allowance for loan losses	27	2,680	(5,517)	8,197
Net transfer to accident loss	28	25	25	0
Losses on sales of loans	29	29	(478)	507
Cost born under joint responsibility system of guarantee corporations	30	214	18	195
Recoveries of written off claims	31	4	1	2
(Net credit costs) (20+25-31)	[-] 32	1,075	(6,298)	7,373
Gains (losses) on stocks and other securities	33	27,025	16,166	10,858
Other non-recurrent gains (losses)	34	746	516	230
Of which, retirement benefit costs	[-] 35	(776)	(954)	178
Ordinary profit	36	33,567	(876)	34,444
Extraordinary income (losses)	37	632	(39)	672
Of which, gains (losses) on disposal of non-current assets	38	994	(1,060)	2,055
Of which, impairment losses	[-] 39	409	(973)	1,382
Profit before income taxes	40	34,200	(916)	35,117
Total income taxes	[-] 41	9,578	(2,160)	11,739
Income taxes-current	42	7,103	548	6,554
Income taxes-deferred	43	2,475	(2,709)	5,184
Profit	44	24,622	1,244	23,378

2. Main Account Conditions 【Non-consolidated】

(Unit : Billions of yen)

		As of			As of	As of
		Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
		(a)			(b)	(c)
Loans and bills discounted	Term-end balance	6,049.7	188.5	231.5	5,861.1	5,818.1
	Average balance	5,835.5	35.8	135.5	5,799.6	5,700.0
Securities	Term-end balance	2,623.8	253.7	115.9	2,370.0	2,507.9
	Average balance	2,448.2	29.5	60.6	2,418.7	2,387.6
Deposits	Term-end balance	8,053.7	156.4	83.3	7,897.3	7,970.4
	Average balance	7,891.4	(14.6)	174.6	7,906.1	7,716.8

3. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

	FY2022 ended			FY2021 ended
	Mar. 31, 2023 (a)	(a) - (b)		Mar. 31, 2022 (b)
① Average yield on interest earning assets	1.00	0.19		0.81
Average yield on loans and bills discounted	1.00	0.07		0.93
Average yield on securities	1.07	0.29		0.78
② Average yield on interest bearing liabilities	0.66	0.14		0.52
Average yield on deposits and negotiable certificates of deposit	0.03	0.03		0.00
Average yield on external liabilities	0.19	0.19		0.00
③ Average interest rate spread (①-②)	0.34	0.05		0.29

(Domestic segment)

(Unit : %)

	FY2022 ended			FY2021 ended
	Mar. 31, 2023 (a)	(a) - (b)		Mar. 31, 2022 (b)
① Average yield on interest earning assets	0.80	0.03		0.77
Average yield on loans and bills discounted	0.91	(0.02)		0.93
Average yield on securities	0.66	(0.02)		0.68
② Average yield on interest bearing liabilities	0.51	0.01		0.50
Average yield on deposits and negotiable certificates of deposit	0.00	—		0.00
Average yield on external liabilities	(0.00)	—		(0.00)
③ Average interest rate spread (①-②)	0.29	0.02		0.27

4. Capital Ratio (International Standard)

* The Bank has early adopted the new "International convergence of capital measurement and capital standards (finalising Basel III reforms)" from the end of Mar. 2023.

【Consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2023 (a) *			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a) - (b)	(a) - (c)			
Total capital ratio	13.82%	1.59%	1.42%	12.23%	12.40%
Tier1 ratio	12.48%	1.43%	1.25%	11.05%	11.23%
Common equity Tier1 ratio	12.48%	1.43%	1.25%	11.05%	11.23%
Total capital	529.9	22.4	(11.3)	507.4	541.3
Tier1 capital	478.7	20.3	(11.3)	458.4	490.1
Common equity Tier1 capital	478.7	20.3	(11.3)	458.4	490.1
Risk weighted assets	3,834.6	(311.5)	(527.6)	4,146.2	4,362.2
Total required capital	306.7	(24.9)	(42.2)	331.6	348.9

【Non-consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2023 (a) *			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a) - (b)	(a) - (c)			
Total capital ratio	13.23%	1.79%	1.47%	11.44%	11.76%
Tier1 ratio	11.88%	1.54%	1.27%	10.34%	10.61%
Common equity Tier1 ratio	11.88%	1.54%	1.27%	10.34%	10.61%
Total capital	492.0	26.0	(13.9)	466.0	506.0
Tier1 capital	442.0	20.5	(14.3)	421.4	456.3
Common equity Tier1 capital	442.0	20.5	(14.3)	421.4	456.3
Risk weighted assets	3,718.0	(354.8)	(582.1)	4,072.8	4,300.2
Total required capital	297.4	(28.3)	(46.5)	325.8	344.0

(Note 1) " Total required capital " = " Risk weighted assets " × 8%

(Note 2) Of the amount of "Risk weighted assets(as of Mar. 31, 2023)", credit risk is calculated by the foundation internal rating-based approach, and operational risk is calculated by the standardized measurement approach "use conservative estimate for The internal loss multiplier".

5. Earnings Forecasts

【Consolidated】

(Unit : Billions of yen)

		FY2023 ending Sep.30, 2023 forecast (a)		FY2022 ended Sep.30, 2022 (b)	FY2023 ending Mar.31, 2024 forecast (c)		FY2022 ended Mar.31, 2023 (d)
		(a) - (b)	(c) - (d)				
Core gross business profits	1	46.6	(1.7)	48.3	91.5	(0.9)	92.4
Net interest income	2	34.9	(1.7)	36.6	69.4	(2.0)	71.4
Non-interest business profit	3	11.7	—	11.7	22.0	1.0	21.0
Of which, corporate service revenue	4	3.3	0.4	2.9	6.9	0.9	6.0
Of which, deposit financial assets, etc. revenue	5	3.5	(0.1)	3.6	7.0	0.2	6.8
Expenses (excluding non-recurrent expenses) [-]	6	26.8	0.2	26.6	53.1	0.9	52.2
Core net business profit excluding gains(losses) on bonds (1-6)	7	19.9	(1.8)	21.7	38.3	(1.9)	40.2
Net credit costs [-]	8	0.9	(1.4)	2.3	2.9	1.7	1.2
Ordinary profit	9	20.0	1.8	18.2	40.0	1.7	38.3
Profit attributable to owners of parent	10	14.0	0.3	13.7	28.0	0.1	27.9

【Non-consolidated】

(Unit : Billions of yen)

		FY2023 ending Sep.30, 2023 forecast (a)		FY2022 ended Sep.30, 2022 (b)	FY2023 ending Mar.31, 2024 forecast (c)		FY2022 ended Mar.31, 2023 (d)
		(a) - (b)	(c) - (d)				
Core gross business profits	11	43.7	(1.0)	44.7	85.2	(0.7)	85.9
Net interest income	12	35.1	(1.6)	36.7	69.7	(2.0)	71.7
Non-interest business profit	13	8.6	0.7	7.9	15.5	1.3	14.2
Expenses (excluding non-recurrent expenses) [-]	14	25.7	0.1	25.6	51.2	1.0	50.2
Core net business profit excluding gains (losses) on bonds (11-14)	15	18.0	(1.0)	19.0	34.0	(1.6)	35.6
Net credit costs [-]	16	0.8	(1.5)	2.3	2.5	1.5	1.0
Ordinary profit	17	18.0	2.6	15.4	36.0	2.5	33.5
Profit	18	13.0	1.2	11.8	25.0	0.4	24.6

(Note 1) Gains or losses on bonds are excluded from "Non-interest business profit".

(Note 2) Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various of economic situation, etc.

6. Allowance for Loan Losses 【Consolidated／Non-consolidated】

(1) Written-off／allowance criteria

○ General allowance

	Allowance criteria
Normal claims	The amount of possible loan losses over the next one year calculated based on the historical rate of credit losses is reserved.
Claims requiring caution	The amount of possible loan losses calculated for each category is reserved.
Substandard claims, etc.	The amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved.
Other claims requiring caution	However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the discounted cash flow (DCF) method.

(Note) Substandard claims, etc. are "Substandard claims" and "claims to borrowers, etc. classified as borrowers requiring caution, excluding substandard claims due to failing to correspond to restructured loans in the management improvement plan, etc. even after changing the lending terms".

○ Specific allowance

	Allowance criteria
Potentially bankrupt claims	For the part of a claim not secured by collateral or guarantees, etc., the amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the cash-flow deduction method.
Effectively bankrupt claims	The entire amount of a claim not secured by collateral or guarantees, etc., is reserved.
Bankrupt claims	

(2) Breakdown of allowance for loan losses

【Consolidated】

(Unit : Millions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Allowance for loan losses	45,967	(4,088)	(6,517)	50,056	52,485
General allowance	15,546	(2,033)	(2,222)	17,580	17,769
Specific allowance	30,421	(2,054)	(4,294)	32,476	34,715

【Non-consolidated】

(Unit : Millions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Allowance for loan losses	40,060	(3,847)	(6,169)	43,907	46,229
General allowance	13,439	(1,884)	(1,869)	15,324	15,309
Specific allowance	26,620	(1,963)	(4,299)	28,583	30,920

7. Disclosed Claims under the Financial Reconstruction Law ("FRL") 【Consolidated／Non-consolidated】

With the implementation of the Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc. on March 31, 2022, the categories of Risk-monitored Loans under the Banking Act and the scope of claims subject to disclosure were aligned with the Disclosed Claims under the "FRL" stipulated under the Act on Emergency Measures for the Revitalization of Financial Functions.

(1) Balance of disclosed claims under the "FRL" and ratio to the total claims

【Consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2023			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	25,504	(366)	(2,590)	25,870	28,094
Doubtful claims	41,706	(3,859)	(6,690)	45,566	48,397
Substandard claims	48,768	(917)	(2,095)	49,685	50,864
Loans past due 3 months or more	3,645	1,776	2,122	1,869	1,522
Restructured loans	45,122	(2,693)	(4,218)	47,815	49,341
Total	115,979	(5,143)	(11,376)	121,123	127,356
Normal claims	5,997,902	187,083	212,723	5,810,818	5,785,178
Total claims	6,113,881	181,939	201,346	5,931,941	5,912,534

Ratio to the total claims

	As of Mar.31, 2023			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and Substantially Bankrupt Claims	0.41%	(0.02) %	(0.06) %	0.43%	0.47%
Doubtful Claims	0.68%	(0.08) %	(0.13) %	0.76%	0.81%
Substandard Claims	0.79%	(0.04) %	(0.07) %	0.83%	0.86%
Loans past due 3 months or more	0.05%	0.02 %	0.03 %	0.03%	0.02%
Restructured Loans	0.73%	(0.07) %	(0.10) %	0.80%	0.83%
Total	1.89%	(0.15) %	(0.26) %	2.04%	2.15%

(Note) The Bank does not apply partial direct written-off. The below figures are presented if the Bank had applied the partial direct written-off.

Disclosed claims under the "FRL"	99,780	(5,075)	(8,696)	104,855	108,476
Ratio to the total claims	1.63%	(0.14) %	(0.21) %	1.77%	1.84%

【Non-consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2023			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	24,988	(183)	(2,407)	25,171	27,395
Doubtful claims	41,697	(3,854)	(6,688)	45,552	48,385
Substandard claims	44,037	(672)	(519)	44,710	44,557
Loans past due 3 months or more	3,645	1,776	2,122	1,869	1,522
Restructured loans	40,391	(2,448)	(2,642)	42,840	43,034
Total	110,723	(4,709)	(9,614)	115,433	120,338
Normal claims	5,997,902	187,083	212,723	5,810,818	5,785,178
Total claims	6,108,625	182,373	203,108	5,926,251	5,905,516

Ratio to the total claims

	As of Mar.31, 2023			As of Sep.30, 2022 (b)	As of Mar.31, 2022 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	0.40%	(0.02) %	(0.06) %	0.42%	0.46%
Doubtful claims	0.68%	(0.08) %	(0.13) %	0.76%	0.81%
Substandard claims	0.72%	(0.03) %	(0.03) %	0.75%	0.75%
Loans past due 3 months or more	0.05%	0.02 %	0.03 %	0.03%	0.02%
Restructured loans	0.66%	(0.06) %	(0.06) %	0.72%	0.72%
Total	1.81%	(0.13) %	(0.22) %	1.94%	2.03%

(Note) The Bank does not apply partial direct written-off. The below figures are presented if the Bank had applied the partial direct written-off.

Disclosed claims under the "FRL"	94,882	(4,791)	(7,064)	99,673	101,946
Ratio to the total claims	1.55%	(0.13) %	(0.18) %	1.68%	1.73%

(2) Status of coverage on disclosed claims under the "FRL"

【Consolidated】

(Unit : Millions of yen)

	As of Mar.31,2023 (a)	As of Sep.30, 2022		As of Mar.31, 2022 (c)
		(a) - (b)	(a) - (c)	
Total coverage ①	78,575	(2,641)	(7,615)	86,191
Value covered by collateral and guarantees	48,559	(513)	(3,108)	51,668
Allowance for loan losses	30,015	(2,128)	(4,507)	34,522
Disclosed claims under the "FRL" ②	115,979	(5,143)	(11,376)	127,356
Coverage ratio ①/②	67.7 %	0.7 %	0.1 %	67.6 %

【Non - consolidated】

(Unit : Millions of yen)

	As of Mar.31,2023 (a)	As of Sep.30, 2022		As of Mar.31, 2022 (c)
		(a) - (b)	(a) - (c)	
Total coverage ①	78,049	(2,452)	(7,430)	85,480
Value covered by collateral and guarantees	48,411	(483)	(3,062)	51,473
Allowance for loan losses	29,638	(1,968)	(4,367)	34,006
Disclosed claims under the "FRL" ②	110,723	(4,709)	(9,614)	120,338
Coverage ratio ①/②	70.4 %	0.7 %	(0.6)%	71.0 %

8. Relationship between Self-Assessment, Disclosed Claims under the "FRL" and Risk-Monitored Loans("RML") 【Non-consolidated】

(Unit : Billions of yen)

Borrowers classification under the self-assessment guideline		A Credit-related assets		B Total coverage		B/A
		Disclosed claims under the "FRL"	"RML"	Covered by collaterals and guarantees	Allowance for loan losses	Coverage ratio
Bankrupt borrowers	9.0	Bankrupt and substantially bankrupt claims	24.9	8.1	16.7 (Allowance ratio 100%)	100.0%
Effectively bankrupt borrowers	15.9					
Potentially bankrupt borrowers	41.6	Doubtful claims	41.6	20.7	9.8 (Allowance ratio 46.7%)	73.2%
Borrowers requiring caution	Substandard borrowers	44.0	Loans past due 3 months or more	19.5	3.0 (Allowance ratio against substandard claims 6.8%)	51.1%
	Other borrowers requiring caution		378.4			
Normal Borrowers	5,492.1	Normal claims	5,997.9			
Others	107.1					
Total	6,108.6	Total	6,108.6			

○The scope of disclosed claims under the "FRL" and "RML"

The claims include loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchange, securities loaned, accrued interest, suspense payments and bank guaranteed private placement bonds. Note that substandard claims include only loans and bills discounted.

9. Loans Breakdown by Industry, etc. 【Non-consolidated】

(1) Loans breakdown by industry (domestic branches excluding loans booked at offshore markets)

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)
Domestic branches	5,974.0	187.2	216.2	5,786.8	5,757.8
Manufacturing	723.3	25.2	19.9	698.0	703.4
Agriculture and forestry	9.3	(0.0)	0.7	9.4	8.6
Fishery	3.8	(1.7)	1.6	5.5	2.1
Mining, quarrying and gravel	6.1	2.6	2.2	3.5	3.9
Construction	213.3	9.1	9.7	204.1	203.5
Electricity, gas, heat supply and water	98.7	17.6	21.8	81.1	76.9
Information and communications	23.5	(0.1)	(0.9)	23.6	24.4
Transport and postal service	180.1	10.3	7.3	169.8	172.8
Wholesale and retail trade	484.9	11.2	11.1	473.6	473.8
Financial and insurance	206.6	16.6	25.2	190.0	181.4
Real estate and leasing	827.6	64.2	69.1	763.4	758.4
Medical, welfare	325.6	(1.8)	(8.7)	327.4	334.3
Other services	262.4	2.6	(8.1)	259.7	270.5
Local public sector	107.1	(3.4)	(7.3)	110.6	114.4
Others	2,501.1	34.5	72.3	2,466.5	2,428.7
Of which, individuals	2,373.7	22.7	36.7	2,351.0	2,337.0

(2) "FRL" on loans breakdown by industry

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023 (a)	(a) - (b)	(a) - (c)	Sep.30, 2022 (b)	Mar.31, 2022 (c)
All branches	110.7	(4.7)	(9.6)	115.4	120.3
Manufacturing	33.2	(0.6)	(1.9)	33.9	35.2
Agriculture and forestry	1.3	0.0	0.0	1.3	1.3
Fishery	—	—	—	—	—
Mining, quarrying and gravel	—	—	(0.5)	—	0.5
Construction	3.5	(0.0)	(0.3)	3.6	3.9
Electricity, gas, heat supply and water	0.2	(0.0)	(0.0)	0.2	0.2
Information and communications	0.4	(0.0)	(0.0)	0.4	0.5
Transport and postal service	4.3	0.1	1.4	4.1	2.9
Wholesale and retail trade	16.7	(0.7)	(1.7)	17.4	18.5
Financial and insurance	0.0	(0.4)	(1.0)	0.4	1.0
Real estate and leasing	8.6	(0.2)	(1.6)	8.8	10.2
Medical, welfare	13.2	0.4	0.2	12.8	13.0
Other services	16.6	(3.3)	(3.4)	20.0	20.0
Local public sector	—	—	—	—	—
Others	11.9	0.2	(0.5)	11.7	12.4

(3) Balance of small and medium-sized enterprises, etc. loans and ratio

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Balance of small and medium-sized enterprises, etc. loans	4,893.0	91.5	90.0	4,801.4	4,803.0
Loans to individuals	2,373.7	22.7	36.7	2,351.0	2,337.0
Loans to small and medium-sized enterprises	2,519.3	68.8	53.2	2,450.4	2,466.0
Small and medium-sized enterprises, etc. loans ratio	81.9 %	(1.0) %	(1.5) %	82.9 %	83.4 %

(Note 1) In loans to individuals, apartment loans are included.

(Note 2) In loans to small and medium-sized enterprises, loans to regional public corporations are included.

(Note 3) Small and medium-sized enterprises, etc. loans ratio is the ratio of balance of small and medium-sized enterprises, etc. loans to domestic loans and bills discounted.

10. Loan Breakdown by Domicile of Borrower, etc. 【Non-consolidated】

(1) Balance of loans to specific foreign countries

Not applicable.

(2) Balance of loans to Asian countries

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Balance of loans to Asian countries	60.4	3.9	13.6	56.5	46.8
Of which, disclosed claims under the "FRL"	—	—	—	—	—

(3) Balance of loans to Latin American countries

(Unit : Billions of yen)

	As of			As of	As of
	Mar.31, 2023	(a) - (b)	(a) - (c)	Sep.30, 2022	Mar.31, 2022
	(a)			(b)	(c)
Balance of loans to Latin American countries	9.6	3.0	3.9	6.5	5.6
Of which, disclosed claims under the "FRL"	—	—	—	—	—

(4) Balance of loans to Russia

Not applicable.