



Summary of the Financial Statements for the First Six Months of FY2023 [JGAAP] (Consolidated)

November 13, 2023

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	Yukie Tajima, Joint General Manager of Financial Control Division		
Scheduled filing date of securities report	November 27, 2023	Dividend payable date	December 15, 2023
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 FY2023

(1) Consolidated business results

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
September 30, 2023	135,662	42.1	14,384	(29.5)	12,048	(21.7)
September 30, 2022	95,447	42.6	20,413	(23.0)	15,389	(20.8)

(Note) Comprehensive income JPY (3,327) million —% (Six months ended September 30, 2023)
JPY (39,028) million —% (Six months ended September 30, 2022)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
Six months ended		
September 30, 2023	103.15	102.96
September 30, 2022	131.78	131.57

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
September 30, 2023	7,759,363	434,892	5.5	3,654.55
March 31, 2023	7,184,070	431,119	6.1	3,751.95

(Ref.) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 426,934 million (September 30, 2023)
JPY 438,157 million (March 31, 2023)

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

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
FY2022 (common share)	38.00	38.00	38.00	40.00	154.00
FY2023 (common share)	38.00	38.00			
FY2023 (common share) (Forecast)			—	—	154.00

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

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, 2024 (FY2023)

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

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Millions of yen	%	Millions of yen	%	Yen
FY2023 (Full Year)	31,000	321.4	24,000	175.2	205.44

(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 None
 - (b) Changes other than (a) above None
 - (c) Changes in accounting estimates None
 - (d) Retrospective restatements None

(3) The number of common shares issued

	September 30, 2023	March 31, 2023
(a) The number of common shares issued (including treasury shares)	118,289,418	118,289,418
(b) The number of treasury shares	1,467,109	1,508,199

	Six months ended September 30, 2023	Six months ended September 30, 2022
(c) The average number of common shares outstanding (6 months)	116,802,477	116,776,816

(Summary of non-consolidated financial statements)

1. Business highlights for the first six months of FY2023

(1) Business results

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

	Ordinary income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	124,430	43.1	11,401	(40.2)	8,509	148.5
September 30, 2022	86,946	45.8	19,062	(19.5)	3,424	(79.8)

	Net income per common share (basic)
Six months ended September 30, 2023	72.85 Yen
September 30, 2022	29.32

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
September 30, 2023	Millions of yen 7,205,606	Millions of yen 383,758	% 5.3	Yen 3,280.41
March 31, 2023	6,767,805	405,177	6.0	3,465.23

(Ref.) Total net assets (less Share acquisition rights): JPY 383,225 million (September 30, 2023) JPY 404,674 million (March 31, 2023)

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

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, 2024 (FY2023)

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

	Ordinary profit		Profit		Net income per common share
FY2023(Full Year)	Millions of yen 27,000	% 748.9	Millions of yen 19,000	% —	Yen 162.64

※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 March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,275,003	1,407,454
Call loans and bills bought	78,311	16,062
Monetary claims bought	75,209	70,841
Trading account assets	151,285	207,765
Money held in trust	13,083	12,500
Securities	1,278,749	1,395,267
Loans and bills discounted	3,881,373	4,118,184
Foreign exchanges	76,873	65,280
Other assets	284,650	396,056
Tangible fixed assets	21,617	21,363
Intangible fixed assets	19,392	19,178
Retirement benefit asset	3,873	4,116
Deferred tax assets	53,577	64,826
Customers' liabilities for acceptances and guarantees	18,630	17,410
Allowance for loan losses	(44,052)	(53,742)
Allowance for investment loss	(3,509)	(3,203)
Total assets	7,184,070	7,759,363
Liabilities		
Deposits	5,463,352	5,691,801
Negotiable certificates of deposit	34,000	27,000
Call money and bills sold	10,000	23,462
Securities sold under repurchase agreements	48,224	65,039
Cash collateral received for securities lent	215,983	312,086
Trading account liabilities	121,877	194,927
Borrowed money	525,613	556,100
Bonds payable	147,773	202,213
Other liabilities	151,280	219,561
Provision for bonuses	4,373	2,983
Provision for bonuses for directors (and other officers)	25	35
Retirement benefit liability	11,288	11,230
Provision for credit losses on off-balance-sheet instruments	496	588
Reserves under special laws	8	8
Deferred tax liabilities	22	22
Acceptances and guarantees	18,630	17,410
Total liabilities	6,752,951	7,324,470
Net assets		
Share capital	100,000	100,000
Capital surplus	87,481	87,498
Retained earnings	291,898	294,837
Treasury shares	(3,099)	(3,015)
Total shareholders' equity	476,280	479,320
Valuation difference on available-for-sale securities	(45,449)	(76,367)
Deferred gains or losses on hedges	972	10,917
Foreign currency translation adjustment	7,683	14,211
Remeasurements of defined benefit plans	(1,328)	(1,148)
Total accumulated other comprehensive income	(38,122)	(52,386)
Share acquisition rights	503	532
Non-controlling interests	(7,541)	7,426
Total net assets	431,119	434,892
Total liabilities and net assets	7,184,070	7,759,363

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Ordinary income	95,447	135,662
Interest income	47,433	84,901
Interest on loans and discounts	34,298	64,833
Interest and dividends on securities	12,298	16,251
Trust fees	179	166
Fees and commissions	7,642	12,849
Gain on trading account transactions	13,538	8,964
Other ordinary income	18,500	16,697
Other income	8,152	12,084
Ordinary expenses	75,033	121,277
Interest expenses	20,193	59,710
Interest on deposits	4,894	7,080
Fees and commissions payments	2,105	2,675
Loss on trading account transactions	11,664	8,859
Other ordinary expenses	10,002	7,736
General and administrative expenses	29,180	30,731
Other expenses	1,888	11,565
Ordinary profit	20,413	14,384
Extraordinary income	—	0
Gain on disposal of non-current assets	—	0
Extraordinary losses	2	3
Loss on disposal of non-current assets	2	3
Profit before income taxes	20,410	14,381
Income taxes - current	3,634	5,750
Income taxes - deferred	2,376	(2,328)
Total income taxes	6,011	3,422
Profit	14,399	10,959
Loss attributable to non-controlling interests	(989)	(1,089)
Profit attributable to owners of parent	15,389	12,048

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	14,399	10,959
Other comprehensive income	(53,428)	(14,286)
Valuation difference on available-for-sale securities	(69,284)	(30,940)
Deferred gains or losses on hedges	7,898	9,945
Foreign currency translation adjustment	3,790	3,435
Remeasurements of defined benefit plans, net of tax	18	179
Share of other comprehensive income of entities accounted for using equity method	4,148	3,092
Comprehensive income	(39,028)	(3,327)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(38,037)	(2,215)
Comprehensive income attributable to non-controlling interests	(991)	(1,111)

(3) Interim consolidated statement of changes in net assets
For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,476	301,700	(3,117)	486,060
Changes during period					
Dividends of surplus			(9,692)		(9,692)
Profit attributable to owners of parent			15,389		15,389
Disposal of treasury shares		4		18	22
Net changes in items other than shareholders' equity					
Total changes during period	—	4	5,697	18	5,719
Balance at end of period	100,000	87,481	307,398	(3,099)	491,779

	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	3,985	(157)	3,450	(233)	7,045	390	(6,229)	487,265
Changes during period								
Dividends of surplus								(9,692)
Profit attributable to owners of parent								15,389
Disposal of treasury shares								22
Net changes in items other than shareholders' equity	(69,283)	7,898	7,939	18	(53,426)	112	(999)	(54,313)
Total changes during period	(69,283)	7,898	7,939	18	(53,426)	112	(999)	(48,593)
Balance at end of period	(65,297)	7,741	11,389	(214)	(46,381)	503	(7,229)	438,672

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,481	291,898	(3,099)	476,280
Changes during period					
Dividends of surplus			(9,109)		(9,109)
Profit attributable to owners of parent			12,048		12,048
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		84	101
Net changes in items other than shareholders' equity					
Total changes during period	—	17	2,938	84	3,040
Balance at end of period	100,000	87,498	294,837	(3,015)	479,320

	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	(45,449)	972	7,683	(1,328)	(38,122)	503	(7,541)	431,119
Changes during period								
Dividends of surplus								(9,109)
Profit attributable to owners of parent								12,048
Purchase of treasury shares								(0)
Disposal of treasury shares								101
Net changes in items other than shareholders' equity	(30,917)	9,945	6,528	179	(14,264)	29	14,967	732
Total changes during period	(30,917)	9,945	6,528	179	(14,264)	29	14,967	3,773
Balance at end of period	(76,367)	10,917	14,211	(1,148)	(52,386)	532	7,426	434,892

(4) Notes to interim consolidated financial statements

(Information on going concern assumption)

None

2. Interim non-consolidated financial statements

(1) Interim non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,056,452	1,105,781
Call loans	78,311	16,062
Monetary claims bought	51,723	47,387
Trading account assets	151,229	207,764
Money held in trust	4,517	3,220
Securities	1,319,450	1,414,087
Loans and bills discounted	3,710,072	3,916,824
Foreign exchanges	76,873	65,280
Other assets	249,721	358,989
Other	249,721	358,989
Tangible fixed assets	21,026	20,683
Intangible fixed assets	10,896	10,540
Prepaid pension costs	5,647	5,657
Deferred tax assets	53,595	65,386
Customers' liabilities for acceptances and guarantees	25,004	23,828
Allowance for loan losses	(43,206)	(52,685)
Allowance for investment loss	(3,509)	(3,203)
Total assets	6,767,805	7,205,606
Liabilities		
Deposits	5,081,374	5,204,049
Negotiable certificates of deposit	34,000	27,000
Call money	10,000	23,462
Securities sold under repurchase agreements	48,224	65,039
Cash collateral received for securities lent	215,983	312,086
Trading account liabilities	121,877	194,927
Borrowed money	525,600	556,100
Bonds payable	147,773	202,213
Other liabilities	137,842	199,407
Income taxes payable	—	3,399
Lease liabilities	260	278
Asset retirement obligations	1,914	1,888
Other	135,667	193,840
Provision for bonuses	3,817	2,615
Provision for bonuses for directors (and other officers)	7	35
Provision for retirement benefits	10,609	10,535
Provision for credit losses on off-balance-sheet instruments	514	548
Acceptances and guarantees	25,004	23,828
Total liabilities	6,362,628	6,821,848

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Share capital	100,000	100,000
Capital surplus	87,481	87,498
Legal capital surplus	87,313	87,313
Other capital surplus	167	185
Retained earnings	264,752	264,152
Legal retained earnings	12,686	12,686
Other retained earnings	252,065	251,465
Retained earnings brought forward	252,065	251,465
Treasury shares	(3,099)	(3,015)
Total shareholders' equity	449,134	448,636
Valuation difference on available-for-sale securities	(45,432)	(76,327)
Deferred gains or losses on hedges	972	10,917
Total valuation and translation adjustments	(44,460)	(65,410)
Share acquisition rights	503	532
Total net assets	405,177	383,758
Total liabilities and net assets	6,767,805	7,205,606

(2) Interim non-consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Ordinary income	86,946	124,430
Interest income	43,706	79,888
Interest on loans and discounts	30,534	59,795
Interest and dividends on securities	12,320	16,285
Trust fees	181	166
Fees and commissions	5,368	8,971
Gain on trading account transactions	13,160	8,964
Other ordinary income	17,541	16,333
Other income	6,986	10,107
Ordinary expenses	67,884	113,029
Interest expenses	20,146	60,128
Interest on deposits	4,849	7,498
Fees and commissions payments	1,781	1,130
Loss on trading account transactions	11,664	8,955
Other ordinary expenses	9,933	8,386
General and administrative expenses	22,890	23,486
Other expenses	1,467	10,941
Ordinary profit	19,062	11,401
Extraordinary losses	9,921	3
Loss on disposal of non-current assets	2	3
Loss on valuation of shares of subsidiaries and associates	9,919	—
Profit before income taxes	9,140	11,398
Income taxes - current	3,305	5,413
Income taxes - deferred	2,410	(2,525)
Total income taxes	5,715	2,888
Profit	3,424	8,509

(3) Interim non-consolidated statement of changes in net assets

For the six months ended September 30, 2022

(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	Total retained earnings		
Balance at beginning of period	100,000	87,313	163	87,476	12,686	278,761	291,448	(3,117)	475,807
Changes during period									
Dividends of surplus						(9,692)	(9,692)		(9,692)
Profit						3,424	3,424		3,424
Disposal of treasury shares			4	4				18	22
Net changes in items other than shareholders' equity									
Total changes during period	—	—	4	4	—	(6,267)	(6,267)	18	(6,244)
Balance at end of period	100,000	87,313	167	87,481	12,686	272,493	285,180	(3,099)	469,562

	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	4,007	(157)	3,850	390	480,047
Changes during period					
Dividends of surplus					(9,692)
Profit					3,424
Disposal of treasury shares					22
Net changes in items other than shareholders' equity	(69,282)	7,898	(61,383)	112	(61,270)
Total changes during period	(69,282)	7,898	(61,383)	112	(67,515)
Balance at end of period	(65,274)	7,741	(57,533)	503	412,532

For the six months ended September 30, 2023

(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	Total retained earnings		
Balance at beginning of period	100,000	87,313	167	87,481	12,686	252,065	264,752	(3,099)	449,134
Changes during period									
Dividends of surplus						(9,109)	(9,109)		(9,109)
Profit						8,509	8,509		8,509
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			17	17				84	101
Net changes in items other than shareholders' equity									
Total changes during period	—	—	17	17	—	(600)	(600)	84	(498)
Balance at end of period	100,000	87,313	185	87,498	12,686	251,465	264,152	(3,015)	448,636

	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	(45,432)	972	(44,460)	503	405,177
Changes during period					
Dividends of surplus					(9,109)
Profit					8,509
Purchase of treasury shares					(0)
Disposal of treasury shares					101
Net changes in items other than shareholders' equity	(30,895)	9,945	(20,949)	29	(20,920)
Total changes during period	(30,895)	9,945	(20,949)	29	(21,419)
Balance at end of period	(76,327)	10,917	(65,410)	532	383,758

**Financial Results
for the First Six Months
of FY 2023**



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* NPLs : Non-performing loans

* FRA : Financial Reconstruction Act

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I. Overviews of the Financial Results for the Six Months Ended September 30, 2023

1. Summary of Revenue and Expenses

[Consolidated]

(Millions of yen)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	44,596	1,267	43,329
Net interest income	25,191	(2,048)	27,240
Net fees and commissions	10,340	4,622	5,717
Net gains on trading account transactions	104	(1,769)	1,873
Net other ordinary income	8,961	463	8,497
General and administrative expenses	(30,426)	(1,320)	(29,106)
Gains (losses) on equity method investments	1,451	624	827
Business profit ※2	15,622	571	15,050
Credit-related expenses	(9,976)	(12,073)	2,096
Write-off of loans	(54)	(30)	(23)
Provision of specific allowance for loan losses	(7,579)	(7,401)	(178)
Provision of general allowance for loan losses	(2,199)	(3,497)	1,298
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(439)	(340)	(99)
Recoveries of written-off receivables	387	(741)	1,129
Provision of allowance for credit losses on off-balance-sheet instruments	(91)	(61)	(29)
Gains (losses) on stock transactions	9,416	4,847	4,569
Other	(677)	626	(1,303)
Ordinary profit	14,384	(6,028)	20,413
Extraordinary profit (loss)	(3)	(1)	(2)
Profit before income taxes	14,381	(6,029)	20,410
Income taxes-current	(5,750)	(2,115)	(3,634)
Income taxes-deferred	2,328	4,704	(2,376)
Profit	10,959	(3,440)	14,399
Loss attributable to non-controlling interests	1,089	99	989
Profit attributable to owners of parent	12,048	(3,340)	15,389

※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 September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	25	0	25
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Net revenue	35,725	(712)	36,437
(Excluding gains (losses) on bond transactions)	29,296	(9,493)	38,789
Net interest income	19,762	(3,801)	23,564
Net fees and commissions ※	8,006	4,237	3,769
Net gains on trading account transactions	8	(1,487)	1,496
Net other ordinary income	7,947	339	7,607
(Gains (losses) on bond transactions)	6,429	8,781	(2,352)
General and administrative expenses	(23,181)	(365)	(22,816)
Personnel	(11,931)	(481)	(11,449)
Property and equipment	(10,238)	(188)	(10,050)
Taxes	(1,011)	304	(1,316)
Core net business profit	12,543	(1,077)	13,621
Core net business profit excluding gains(losses) on bonds	6,114	(9,858)	15,973
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	1,940	(12,985)	14,926
Credit-related expenses	(9,858)	(12,061)	2,202
Write-off of loans	(457)	(361)	(95)
Provision of specific allowance for loan losses	(7,483)	(7,429)	(53)
Provision of general allowance for loan losses	(2,162)	(3,467)	1,305
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(21)	(21)	-
Recoveries of written-off receivables	300	(767)	1,067
Provision of allowance for credit losses on off-balance- sheet instruments	(34)	(14)	(20)
Gains (losses) on stock transactions	9,421	4,852	4,569
Other	(705)	626	(1,331)
Ordinary profit	11,401	(7,660)	19,062
Extraordinary profit (loss)	(3)	9,918	(9,921)
Profit before income taxes	11,398	2,257	9,140
Income taxes-current	(5,413)	(2,108)	(3,305)
Income taxes-deferred	2,525	4,935	(2,410)
Profit	8,509	5,084	3,424
Business profit	10,347	(3,253)	13,601

※ 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 September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	2.81%	1.24%	1.57%
Yield on loans (B)	3.14%	1.38%	1.76%
Yield on securities	2.22%	0.51%	1.71%
(2) Rate of funding cost (including general and administrative expenses) (C)	2.65%	1.20%	1.45%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.17%	0.04%	1.13%
Yield on deposits & certificates of deposit (E)	0.28%	0.08%	0.20%
Yield on borrowings	0.30%	0.02%	0.28%
(3) Profit margins (A) - (C)	0.16%	0.04%	0.12%
(4) Loan margin (B) - (D)	1.97%	1.34%	0.63%
(5) Yield spread (B) - (E)	2.86%	1.30%	1.56%

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

(Domestic operations)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	0.73%	0.15%	0.58%
Yield on loans (B)	0.94%	0.01%	0.93%
Yield on securities	2.01%	1.10%	0.91%
(2) Rate of funding cost (including general and administrative expenses) (C)	0.95%	(0.03%)	0.98%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.01%	(0.04%)	1.05%
Yield on deposits & certificates of deposit (E)	0.16%	0.00%	0.16%
Yield on borrowings	0.24%	(0.02%)	0.26%
(3) Profit margins (A) - (C)	(0.22%)	0.18%	(0.40%)
(4) Loan margin (B) - (D)	(0.07%)	0.05%	(0.12%)
(5) Yield spread (B) - (E)	0.78%	0.01%	0.77%

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

3. Business Profit [Non-consolidated]

(Millions of yen)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Core net business profit	12,543	(1,077)	13,621
per employee (thousand yen)	6,231	(511)	6,743

4. ROE [Non-consolidated]

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Core net business profit basis	6.35%	0.26%	6.09%
Profit basis	4.30%	2.77%	1.53%

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

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

(Millions of yen)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Gains (losses) on bond transactions	6,429	8,781	(2,352)
Gain on sale of bonds	7,631	2,219	5,411
Gain on redemption of bonds	-	-	-
Loss on sale of bonds	(1,054)	6,606	(7,660)
Loss on redemption of bonds	(147)	(44)	(103)
Loss on devaluation of bonds	-	-	-
Gains (losses) on stock transactions	9,421	4,852	4,569
Gain on sale of equity securities	9,564	4,945	4,619
Loss on sale of equity securities	(101)	(101)	-
Loss on devaluation of equity securities	(41)	8	(49)

6. Investments and Funding

【Consolidated】

(Total)

(Millions of yen)

	For the six months ended September 30, 2023				For the six months ended September 30, 2022	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,978,615	2.83%	204,901	1.20%	5,773,713	1.63%
Due from banks	58,031	2.44%	1,147	1.76%	56,883	0.68%
Call loans and bills bought	214,730	0.32%	(231,376)	0.29%	446,107	0.03%
Securities purchased under resale agreements	9	(0.10%)	9	(0.10%)	-	-
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,413,483	2.29%	(6,549)	0.57%	1,420,032	1.72%
Loans and bills discounted	4,035,168	3.20%	441,203	1.30%	3,593,965	1.90%
Total funding	6,681,902	1.78%	514,870	1.13%	6,167,031	0.65%
Deposits	5,602,107	0.25%	503,539	0.06%	5,098,568	0.19%
Negotiable certificates of deposit	26,797	0.01%	(6,210)	0.00%	33,008	0.01%
Call money and bills sold	15,744	2.17%	(925)	1.38%	16,669	0.79%
Securities sold under repurchase agreements	60,496	5.43%	(7,681)	3.88%	68,178	1.55%
Cash collateral received for securities lent	273,236	5.16%	(50,013)	3.79%	323,250	1.37%
Borrowed money	533,892	0.25%	72,496	(0.01%)	461,396	0.26%
Bonds payable	163,727	2.55%	1,453	1.44%	162,274	1.11%

【Non-consolidated】

(Total)

(Millions of yen)

	For the six months ended September 30, 2023				For the six months ended September 30, 2022	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,653,745	2.81%	116,158	1.24%	5,537,586	1.57%
Due from banks	25,291	4.91%	(26)	3.52%	25,317	1.39%
Call loans	96,556	0.79%	(283,816)	0.75%	380,373	0.04%
Securities purchased under resale agreements	9	(0.10%)	9	(0.10%)	-	-
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,458,691	2.22%	23,730	0.51%	1,434,960	1.71%
Loans and bills discounted	3,839,526	3.10%	376,409	1.35%	3,463,116	1.75%
Total funding	6,239,807	1.92%	383,980	1.24%	5,855,826	0.68%
Deposits	5,160,018	0.28%	372,426	0.08%	4,787,591	0.20%
Negotiable certificates of deposit	26,797	0.01%	(6,210)	0.00%	33,008	0.01%
Call money	15,744	2.17%	(925)	1.38%	16,669	0.79%
Securities sold under repurchase agreements	60,496	5.43%	(7,681)	3.88%	68,178	1.55%
Cash collateral received for securities lent	273,236	5.16%	(50,013)	3.79%	323,250	1.37%
Borrowed money	533,888	0.25%	72,718	(0.01%)	461,169	0.26%
Bonds payable	163,727	2.55%	1,453	1.44%	162,274	1.11%

(Domestic operations)

(Millions of yen)

	For the six months ended September 30, 2023				For the six months ended September 30, 2022	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,033,638	0.73%	155,511	0.15%	4,878,126	0.58%
Due from banks	1,465	0.00%	869	(0.00%)	596	0.00%
Call loans	80,710	(0.03%)	(286,530)	(0.02%)	367,240	(0.01%)
Securities purchased under resale agreements	9	(0.10%)	9	(0.10%)	-	-
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	508,470	2.01%	3,237	1.10%	505,233	0.91%
Loans and bills discounted	2,350,820	0.94%	242,064	0.00%	2,108,755	0.94%
Total funding	5,652,215	0.19%	430,743	0.01%	5,221,471	0.18%
Deposits	5,029,528	0.16%	386,502	0.00%	4,643,025	0.16%
Negotiable certificates of deposit	26,797	0.01%	(6,210)	0.00%	33,008	0.01%
Call money	10,000	0.01%	-	0.00%	10,000	0.00%
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	-	-	(2,770)	0.00%	2,770	0.00%
Borrowed money	533,882	0.25%	72,713	(0.01%)	461,169	0.26%
Bonds payable	48,437	0.22%	(22,142)	0.09%	70,579	0.13%

7. Unrealized Gains and Losses on Securities

【Consolidated】

(Millions of yen)

	September 30, 2023				March 31, 2023		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(110,512)	(44,594)	24,698	135,210	(65,917)	28,192	94,110
Japanese stocks	10,104	(2,777)	10,564	459	12,882	13,190	308
Japanese debt securities	(3,109)	(791)	420	3,530	(2,317)	481	2,798
Other	(117,507)	(41,025)	13,712	131,220	(76,482)	14,521	91,003

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

【Non-consolidated】

(Millions of yen)

	September 30, 2023				March 31, 2023		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(110,428)	(44,550)	24,696	135,125	(65,878)	28,192	94,071
Japanese stocks	10,104	(2,777)	10,564	459	12,882	13,190	308
Japanese debt securities	(3,025)	(746)	418	3,444	(2,278)	481	2,759
Other	(117,507)	(41,025)	13,712	131,220	(76,482)	14,521	91,003

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

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

(Sales Total)

(Billions of yen)

	For the six months ended September 30, 2023		For the six months ended September 30, 2022
	(A)	(A)-(B)	(B)
Investment trusts	65.9	34.8	31.1
Annuity insurance	3.4	3.0	0.4

9. Employees' Retirement Benefits

① Provision for retirement benefits

【Consolidated】 (Millions of yen)

			September 30, 2023		March 31, 2023
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(41,640)	303	(41,944)
	Fair value of plan assets	(B)	34,526	(3)	34,529
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(7,114)	300	(7,414)
	Retirement benefit asset	(D)	4,116	242	3,873
	Retirement benefit liability	(C)-(D)	(11,230)	57	(11,288)
	Unrecognized actuarial losses	(E)	(1,656)	259	(1,915)
	Unrecognized prior-service cost	(F)	-	-	-
	Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	(1,656)	259	(1,915)

【Non-consolidated】 (Millions of yen)

			September 30, 2023		March 31, 2023
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(41,060)	347	(41,407)
	Fair value of plan assets	(B)	34,526	(3)	34,529
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(6,533)	343	(6,877)
	Unrecognized actuarial losses	(D)	1,656	(259)	1,915
	Unrecognized prior-service cost	(E)	-	-	-
	Net liability recognized	(F)=(C)+(D)+(E)	(4,877)	84	(4,962)
	Prepaid pension costs	(G)	5,657	9	5,647
	Provision for retirement benefits	(F)-(G)	(10,535)	74	(10,609)

② Net periodic retirement benefit costs

【Consolidated】 (Millions of yen)

			For the six months ended September 30, 2023		For the six months ended September 30, 2022
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs regarding defined benefit pension plans		761	239	521

【Non-consolidated】 (Millions of yen)

			For the six months ended September 30, 2023		For the six months ended September 30, 2022
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs		687	238	448
	Service cost		778	(3)	782
	Interest cost		81	(0)	82
	Expected return on plan assets		(431)	18	(450)
	Amortization of prior-service cost		-	-	-
	Recognized actuarial losses		259	232	27
	Other		-	(7)	7

10. Capital Adequacy Ratio (under Japanese domestic standards)

■Basel III

【Consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023 (B)	September 30, 2022 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	9.63%	0.20%	(0.16%)	9.43%	9.79%
(2) Core capital: instruments and reserves	529,397	16,429	(7,679)	512,968	537,077
(3) Core capital: regulatory adjustments	22,796	(75)	(964)	22,872	23,761
(4) Regulatory capital (2)-(3)	506,601	16,504	(6,715)	490,096	513,316
(5) Risk-weighted assets	5,255,691	59,805	13,224	5,195,885	5,242,466
(6) Total required capital (5)*4%	210,227	2,392	528	207,835	209,698

【Non-consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023 (B)	September 30, 2022 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	9.02%	0.03%	(0.38%)	8.99%	9.40%
(2) Core capital: instruments and reserves	481,050	1,958	(21,959)	479,091	503,009
(3) Core capital: regulatory adjustments	11,713	(425)	(141)	12,138	11,854
(4) Regulatory capital (2)-(3)	469,337	2,384	(21,818)	466,952	491,155
(5) Risk-weighted assets	5,202,619	10,174	(20,780)	5,192,445	5,223,400
(6) Total required capital (5)*4%	208,104	406	(831)	207,697	208,936

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.

- * NPLs : Non-performing loans
- * FRA : Financial Reconstruction Act

1. NPLs based on the Banking Act and the FRA, and coverage

After partial and direct write-off

【Consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	7	(3,032)	(1,832)	3,039	1,839
Doubtful credit	45,339	14,716	33,239	30,623	12,099
Special attention credit	6,765	1,253	(1,634)	5,511	8,399
Loans overdue for three months or more	382	382	(2,505)	-	2,888
Restructured loans	6,382	870	870	5,511	5,511
Subtotal (a)	52,111	12,937	29,772	39,174	22,339
Normal credit	4,116,326	219,452	231,396	3,896,873	3,884,929
Total credit (b)	4,168,438	232,390	261,168	3,936,047	3,907,269
NPL ratio (a/b)	1.3%	0.3%	0.7%	1.0%	0.6%

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	48,325	11,740	30,491	36,585	17,834
Allowance for loan losses (d)	20,822	7,541	9,987	13,281	10,835
Collateral / guarantee coverage (e)	27,502	4,199	20,504	23,303	6,998
Coverage ratio (c/a)	92.7%	(0.7%)	12.9%	93.4%	79.8%
Allowance ratio (d/(a-e))	84.6%	0.9%	14.0%	83.7%	70.6%

(Note) Allowance for loan losses (d) is the sum of specific allowance and general allowance for NPL credit (a).

After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	7	(3,032)	(1,832)	3,039	1,839
Doubtful credit	44,391	14,550	33,117	29,840	11,273
Special attention credit	6,590	1,078	(1,809)	5,511	8,399
Loans overdue for three months or more	382	382	(2,505)	-	2,888
Restructured loans	6,207	695	695	5,511	5,511
Subtotal (a)	50,988	12,597	29,475	38,391	21,513
Normal credit	3,928,339	190,919	155,265	3,737,419	3,773,074
Total credit (b)	3,979,328	203,516	184,740	3,775,811	3,794,587
NPL ratio (a/b)	1.3%	0.3%	0.7%	1.0%	0.6%

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	47,355	11,552	30,346	35,802	17,008
Allowance for loan losses (d)	19,869	7,350	9,803	12,518	10,065
Collateral / guarantee coverage (e)	27,485	4,201	20,543	23,284	6,942
Coverage ratio (c/a)	92.9%	(0.4%)	13.8%	93.3%	79.1%
Allowance ratio (d/(a-e))	84.5%	1.6%	15.4%	82.9%	69.1%

(Note) Allowance for loan losses (d) is the sum of specific allowance and general allowance for NPL credit (a).

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

【Consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	53,742	9,690	9,464	44,052	44,278
General allowance	35,896	2,203	(1,319)	33,693	37,216
Specific allowance	17,846	7,487	10,784	10,359	7,061
Allowance for loans to restructuring countries	-	-	-	-	-

 After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	September 30, 2023			March 31, 2023	September 30, 2022
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	52,685	9,478	9,435	43,206	43,250
General allowance	35,773	2,162	(1,186)	33,611	36,959
Specific allowance	16,912	7,316	10,621	9,595	6,291
Allowance for loans to restructuring countries	-	-	-	-	-

3. Coverage for NPLs based on the FRA by Borrowers' Category

After partial and direct write-off

[Consolidated]

(Billions of yen)

Borrower categories for self-assessment	NPLs based on the FRA		Allowance & Coverage	Allowance Ratio	Coverage Ratio
	Loans	other			
Bankrupt borrowers	Bankrupt and similar credit		Collateral / Guarantee coverage 0.0	100.0%	100.0%
De facto bankrupt borrowers	0.0				
In Danger of Bankruptcy borrowers	Doubtful credit		Collateral / Guarantee coverage 27.4 Allowance 17.8 Estimated collections -	100.0%	100.0%
	45.3				
Need Attention borrowers	Special attention credit		Collateral / Guarantee coverage 0.0 Allowance 2.9 Estimated collections 3.7	44.0%	44.0%
	6.7				
Normal borrowers	(Normal credit) (4,116.3)				

NPL credit	Collateral / Guarantee coverage 27.5 Allowance 20.8 Estimated collections 3.7	NPLs based on the FRA Allowance Ratio	NPLs based on the FRA Coverage Ratio
52.1		84.6%	92.7%

Total credit	Total allowance	Allowance Ratio = Allowance / (NPL credit – Collateral, Guarantees, etc.) Coverage Ratio = (Collateral, Guarantees + Allowance) / NPL credit
4,168.4	53.7	

Allowance ratio for the unsecured portion of special attention credit	43.9%
Allowance ratio for the need attention credit	5.8%
Allowance ratio for the normal credit	0.4%

(Note) Japanese yen figures of less than 100 million yen are truncated.

4. Off-Balancing of NPLs based on the FRA 【Non-consolidated】

① Balance of doubtful credit, and bankrupt and similar credit

(Billions of yen)

Newly added within:		As of	As of	As of	As of	As of	As of	As of	As of	
		Mar. 31, 2020	Sep. 30, 2020	Mar. 31, 2021	Sep. 30, 2021	Mar. 31, 2022	Sep. 30, 2022	Mar. 31, 2023 (B)	increase (decrease) (A)-(B)	Sep. 30, 2023 (A)
-Mar. 31, 2020	Bankrupt and similar credit	4.4	0.2	0.0	-	1.8	1.8	3.0	(3.0)	-
	Doubtful credit	21.7	9.2	7.8	7.8	5.5	3.7	1.5	(1.1)	0.3
subtotal		26.1	9.5	7.9	7.8	7.4	5.5	4.5	(4.1)	0.3
Apr. 1, 2020 -Sep. 30, 2020	Bankrupt and similar credit	-	1.8	2.0	-	-	-	-	-	-
	Doubtful credit	-	7.4	6.3	2.1	2.3	2.7	2.5	0.3	2.8
subtotal		-	9.3	8.4	2.1	2.3	2.7	2.5	0.3	2.8
Oct. 1, 2020 -Mar. 31, 2021	Bankrupt and similar credit	-	-	0.0	-	0.9	0.0	0.0	-	0.0
	Doubtful credit	-	-	6.4	6.4	2.1	0.0	-	-	-
subtotal		-	-	6.5	6.4	3.1	0.0	0.0	-	0.0
Apr. 1, 2021 -Sep. 30, 2021	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	-	-
subtotal		-	-	-	-	-	-	-	-	-
Oct. 1, 2021 -Mar. 31, 2022	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	5.3	-	-	-	-
subtotal		-	-	-	-	5.3	-	-	-	-
Apr. 1, 2022 -Sep. 30, 2022	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	4.7	1.5	0.1	1.7
subtotal		-	-	-	-	-	4.7	1.5	0.1	1.7
Oct. 1, 2022 -Mar. 31, 2023	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	24.1	(2.8)	21.3
subtotal		-	-	-	-	-	-	24.1	(2.8)	21.3
Apr. 1, 2023 -Sep. 30, 2023	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	18.0	18.0
subtotal		-	-	-	-	-	-	-	18.0	18.0

(Note1) Japanese yen figures of less than 100 million yen are truncated.

(Note2) Balance as of September 30, 2023 includes those borrowers (JPY 0.1 billion) for whom measures are undertaken which will lead to eventual off-balancing.

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

(Billions of yen)

Newly added within:	-Mar. 31, 2020	Apr. 1, 2020 -Sep. 30, 2020	Oct. 1, 2020 -Mar. 31, 2021	Apr. 1, 2021 -Sep. 30, 2021	Oct. 1, 2021 -Mar. 31, 2022	Apr. 1, 2022 -Sep. 30, 2022	Oct. 1, 2022 -Mar. 31, 2023
Liquidation-type disposition	-	-	-	-	-	-	-
Restructuring-type disposition	-	-	-	-	-	-	-
Loan liquidations	(1.2)	-	-	-	-	-	-
Direct write-off	(0.1)	-	(0.2)	-	-	-	-
Other	(2.8)	0.3	0.2	-	-	0.1	(2.8)
Total	(4.1)	0.3	-	-	-	0.1	(2.8)

(Note1) Japanese yen figures of less than 100 million yen are truncated.

(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 write-off of book cost, relevant amounts are reentered in 'Liquidation-type disposition', 'Restructuring-type disposition' or 'Other' where appropriate and subtracted from 'Direct write-off.'

5. Breakdown of Loans and Bills Discounted Classified by Industry [Consolidated]

□ After partial and direct write-off

① Loans and Bills Discounted Classified by Industry

(Millions of yen)

	September 30, 2023	March 31, 2023
Loans by domestic offices (excluding Japan offshore market accounts)	3,146,928	3,000,048
Manufacturing	308,696	258,789
Agriculture, forestry and fisheries	136	3,119
Mining, quarry and gravel extraction	-	-
Construction	13,402	12,769
Electricity, gas, heat supply and water	113,011	141,507
Information and communications	115,230	105,336
Transport and postal service	50,323	49,774
Wholesale and retail trade	84,993	86,957
Finance and insurance	345,537	342,472
Real estate	773,896	760,426
Leasing	171,257	148,798
Various services	188,480	155,215
Local government	3,107	8,588
Others	978,855	926,292
Loans by overseas offices (including Japan offshore market accounts)	971,256	881,324
Government	-	-
Financial institutions	-	-
Others	971,256	881,324
Total	4,118,184	3,881,373

② NPLs based on the FRA Classified by Industry

(Millions of yen)

	September 30, 2023	March 31, 2023
NPL credit by domestic offices (excluding Japan offshore market accounts)	50,355	36,850
Manufacturing	6,857	5,692
Agriculture, forestry and fisheries	112	3,144
Mining, quarry and gravel extraction	-	-
Construction	34	7
Electricity, gas, heat supply and water	-	-
Information and communications	45	14
Transport and postal service	14	0
Wholesale and retail trade	169	125
Finance and insurance	2	0
Real estate	6	3
Leasing	-	-
Various services	219	1,302
Local government	-	-
Others	42,893	26,558
NPL credit by overseas offices (including Japan offshore market accounts)	1,756	2,323
Government	-	-
Financial institutions	-	-
Others	1,756	2,323
Total	52,111	39,174

(Note) NPL credit includes accrued interest and suspense payments in other assets and customers' liabilities for acceptances and guarantees.

III. 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

(Billions of yen)

	FY 2020	FY 2021	FY 2022
Taxable income (before offsetting of tax loss carryforwards)	38.5	36.6	(2.7)

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

(Billions of yen)

	September 30, 2023		March 31, 2023
	(A)	(A) - (B)	(B)
Deferred tax assets	72.6	15.9	56.7
Provision of allowance for loan losses	16.5	2.7	13.7
Provision for retirement benefits	3.2	(0.0)	3.2
Write-offs for securities	22.1	0.0	22.1
Valuation difference on available-for-sale securities	34.4	13.0	21.3
Tax loss carryforwards	—	(0.4)	0.4
Other	9.9	(0.0)	10.0
Subtotal	86.3	15.2	71.1
Less valuation allowance	(13.7)	0.6	(14.3)
Deferred tax liabilities	7.2	4.1	3.1
Valuation difference on available-for-sale securities	0.2	(0.0)	0.3
Net deferred tax assets	65.3	11.7	53.5