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November 10, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)



Company name: The 77 Bank, Ltd.
 Listing: Tokyo Stock Exchange / Sapporo Securities Exchange
 Securities code: 8341
 URL: <https://www.77bank.co.jp/>
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 Telephone: +81-22-267-1111
 Scheduled date to file quarterly securities report: November 24, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 Establishment of specified transaction account: None
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts and percentages are rounded down to the nearest unit, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

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

	Ordinary income		Ordinary profit		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
September 30, 2023	73,802	20.7	25,383	28.2	17,692	36.4
September 30, 2022	61,098	(0.8)	19,799	7.4	12,968	6.4

Note: Comprehensive income For the six months ended September 30, 2023: ¥30,006 million [—%]
 For the six months ended September 30, 2022: ¥(24,689) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	238.98	—
September 30, 2022	175.36	—

(2) Consolidated financial position

	Total assets	Total net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2023	10,184,865	530,943	5.2
March 31, 2023	10,200,848	504,487	4.9

Reference: Total capital
 As of September 30, 2023: ¥530,943 million
 As of March 31, 2023: ¥504,487 million

Note: “Capital adequacy ratio” is calculated by dividing total net assets at the end of the period by total assets at the end of the period.

“Capital adequacy ratio” stated above is not calculated based on the public notice of capital adequacy ratio.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 40.00	Yen —	Yen 50.00	Yen 90.00
ending March 31, 2024	—	55.00			
ending March 31, 2024 (Forecast)			—	55.00	110.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	39,500	10.4	27,000	7.7	364.57

Note: Revisions to the financial result forecast most recently announced: Yes

For details, please refer to “(3) Qualitative Information on Consolidated Financial Result Forecasts, 1. Qualitative Information on Interim Consolidated Financial Results” on page 2 of the Attachments.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of September 30, 2023	76,655,746 shares
As of March 31, 2023	76,655,746 shares

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

As of September 30, 2023	2,568,382 shares
As of March 31, 2023	2,668,854 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	74,032,187 shares
Six months ended September 30, 2022	73,951,907 shares

(Overview of non-consolidated financial results)

1. Non-consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
September 30, 2023	66,560	22.0	24,806	27.2	17,523	34.4
September 30, 2022	54,537	(1.2)	19,494	11.2	13,037	10.1

	Basic earnings per share
Six months ended	Yen
September 30, 2023	236.70
September 30, 2022	176.29

(2) Non-consolidated financial position

	Total assets	Total net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	10,159,172	516,288	5.0
March 31, 2023	10,179,535	490,750	4.8

Reference: Total capital

As of September 30, 2023: ¥516,288 million

As of March 31, 2023: ¥490,750 million

Note: "Capital adequacy ratio" is calculated by dividing total net assets at the end of the period by total assets at the end of the period.

"Capital adequacy ratio" stated above is not calculated based on the public notice of capital adequacy ratio.

2. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	10.4	26,500	8.7	357.82

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation on proper use of earnings forecasts and other special matters

- (1) The financial result forecasts herein are based on information available to the Company as of the date of the announcement. Actual results may differ significantly from these forecasts due to a wide range of factors.
- (2) The Company is a company engaged in a specified service under paragraph (2) of Article 17-15 of the Cabinet Office Order on Disclosure of Corporate Information and prepares the interim consolidated financial statements and the interim non-consolidated financial statements for the second quarterly accounting period.

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1. Qualitative Information on Interim Consolidated Financial Results

(1) Qualitative Information on Consolidated Operating Results

The Japanese economy in the six months under review showed a moderate recovery trend due partly to the effects of various policies as the impact of COVID-19 eased and economic activities normalized, despite the effects of high resource prices and the slowdown of the overseas economies, among others. Meanwhile, business conditions in Miyagi Prefecture, our main operating base, showed a moderate recovery trend as a whole, despite some weak trends in certain areas of public investment and production.

Under such circumstances, the interest rate environment in Japan saw long-term interest rates rise to the 0.7% range as interest rates continued to rise in the U.S. and the Bank of Japan made its operation of yield curve control more flexible in July, effectively setting the upper limit of the maximum allowable fluctuation range at 1.0%. However, as short-term interest rates remained in negative territory, the interest rate differential between Japan and the U.S. widened. In response to this interest rate environment, the yen depreciated from the 133 yen per dollar level at the beginning of the period to the 149 yen per dollar level at the end of the interim period.

Concerning stock prices, the Nikkei Stock Average rose from the 28,000 yen level at the beginning of the period to the 33,000 yen level in June, the highest level in 33 years, against the backdrop of expectations for improvement in capital efficiency of domestic companies, etc. However, it was at the 31,000 yen level at the end of the six months under review.

In the economic environment described above, The 77 Bank, Ltd. (the “Bank”) and its consolidated subsidiaries, with the support of shareholders and business partners, have strived to promote business activities through concerted efforts by all officers and employees. As a result, the consolidated operating results of the Bank and its consolidated subsidiaries for the six months under review were as follows.

Ordinary income increased by ¥12,704 million year-on-year to ¥73,802 million mainly due to an increase in interest income resulting from increases in interest on loans and discounts and interest and dividends on securities. On the other hand, ordinary expenses increased by ¥7,121 million year-on-year to ¥48,419 million mainly due to an increase in other ordinary expenses resulting from increases in loss on foreign exchange transactions and loss on redemption of bonds.

As a result, ordinary profit increased by ¥5,584 million year-on-year to ¥25,383 million, and net income attributable to owners of parent increased by ¥4,724 million year-on-year to ¥17,692 million, resulting in basic earnings per share of 238.98 yen.

(2) Qualitative Information on Consolidated Financial Position

As for the consolidated financial position as of September 30, 2023, deposits (including negotiable certificates of deposit) increased by ¥4.8 billion during the six months under review to ¥8,890.6 billion as of September 30, 2023, mainly due to increases in retail and corporate deposits, despite a decrease in public deposits.

On the other hand, loans and bills discounted increased by ¥77.6 billion during the six months under review to ¥5,635.0 billion as of September 30, 2023, mainly due to increases in loans to small and medium-sized companies and loans to individuals, mainly for housing loans. Securities increased by ¥14.5 billion during the six months under review to ¥3,061.3 billion as of September 30, 2023, mainly due to increases in national government bonds and foreign bonds, despite a decrease in corporate bonds.

Total assets decreased by ¥15.9 billion during the six months under review to ¥10,184.8 billion as of September 30, 2023.

(3) Qualitative Information on Consolidated Financial Result Forecasts

The Japanese economy is expected to continue its gradual recovery, owing to digitalization and decarbonization-related investments by companies in addition to the support of personal consumption through wage increases and other measures, despite downside factors such as heightened geopolitical risks and

uncertainties in financial and capital markets.

On the other hand, regarding the economy of Miyagi Prefecture, which is our main base of operations, the tempo of its recovery is expected to slow down as a whole, hobbled by factors such as resource and energy prices remaining high and labor shortages, although it has been driven by the trend of economic concentration in the Sendai area following the progress of several large-scale projects.

Under such circumstances, we have revised our initial full-year financial result forecasts announced on May 12, 2023, based on the financial results for the six months under review and other factors, as follows.

Consolidated financial result forecasts (Millions of yen)

	Ordinary profit	Net income attributable to owners of parent
Initial forecasts (A)	36,500	25,500
Revised forecasts (B)	39,500	27,000
Changes (B-A)	3,000	1,500

Non-consolidated financial result forecasts (Millions of yen)

	Ordinary profit	Net income
Initial forecasts (A)	35,500	25,000
Revised forecasts (B)	38,000	26,500
Changes (B-A)	2,500	1,500

2. Interim Consolidated Financial Statements**(1) Interim Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,322,376	1,201,330
Call loans and bills bought	—	1,580
Monetary claims bought	4,000	4,000
Trading securities	20,210	18,069
Money held in trust	114,557	116,675
Securities	3,046,780	3,061,325
Loans and bills discounted	5,557,388	5,635,041
Foreign exchanges	12,206	7,807
Lease receivables and investments in leases	20,948	22,209
Other assets	104,953	113,017
Tangible fixed assets	30,672	31,302
Intangible fixed assets	134	124
Deferred tax assets	852	794
Customers' liabilities for acceptances and guarantees	27,155	31,221
Allowance for loan losses	(61,388)	(59,635)
Total assets	10,200,848	10,184,865
Liabilities		
Deposits	8,649,291	8,641,110
Negotiable certificates of deposit	236,500	249,520
Call money and bills sold	27,026	—
Cash collateral received for securities lent	1,293	14,887
Borrowed money	642,303	618,466
Foreign exchanges	338	177
Borrowed money from trust account	—	471
Other liabilities	90,063	72,174
Provision for bonuses for directors (and other officers)	77	—
Retirement benefit liability	15,960	15,058
Provision for retirement benefits for directors (and other officers)	38	27
Provision for stocks payment	941	837
Provision for reimbursement of deposits	186	154
Provision for contingent loss	739	740
Reserves under special laws	0	1
Deferred tax liabilities	4,443	9,071
Acceptances and guarantees	27,155	31,221
Total liabilities	9,696,360	9,653,921
Net assets		
Share capital	24,658	24,658
Capital surplus	20,075	20,075
Retained earnings	411,622	425,579
Treasury shares	(6,325)	(6,141)
Total shareholders' equity	450,030	464,172
Valuation difference on available-for-sale securities	59,919	71,549
Deferred gains or losses on hedges	(66)	29
Remeasurements of defined benefit plans	(5,396)	(4,807)
Total accumulated other comprehensive income	54,457	66,771
Total net assets	504,487	530,943
Total liabilities and net assets	10,200,848	10,184,865

(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

Interim Consolidated Statements of Income

Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	61,098	73,802
Interest income	38,691	48,296
Interest on loans and discounts	22,501	25,424
Interest and dividends on securities	15,434	22,469
Trust fees	—	8
Fees and commissions	9,644	10,415
Other ordinary income	7,287	7,493
Other income	5,474	7,588
Ordinary expenses	41,298	48,419
Interest expenses	380	1,283
Interest on deposits	131	418
Fees and commissions payments	2,438	2,355
Other ordinary expenses	8,068	15,141
General and administrative expenses	25,950	26,989
Other expenses	4,461	2,649
Ordinary profit	19,799	25,383
Extraordinary income	—	—
Extraordinary losses	318	7
Impairment losses	318	7
Provision of reserve for financial instruments transaction liabilities	0	0
Income before income taxes	19,480	25,375
Income taxes - current	6,307	7,489
Income taxes - deferred	204	193
Total income taxes	6,512	7,682
Net income	12,968	17,692
Net income attributable to owners of parent	12,968	17,692

Interim Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net income	12,968	17,692
Other comprehensive income	(37,658)	12,314
Valuation difference on available-for-sale securities	(38,236)	11,630
Deferred gains or losses on hedges	89	95
Remeasurements of defined benefit plans, net of tax	489	588
Comprehensive income	(24,689)	30,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(24,689)	30,006

(3) Interim Consolidated Statements 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	24,658	20,075	392,541	(6,445)	430,831
Changes during period					
Dividends of surplus			(2,988)		(2,988)
Net income attributable to owners of parent			12,968		12,968
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		123	123
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	9,980	121	10,101
Balance at end of period	24,658	20,075	402,522	(6,323)	440,933

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	87,425	(134)	(4,805)	82,485	513,316
Changes during period					
Dividends of surplus					(2,988)
Net income attributable to owners of parent					12,968
Purchase of treasury shares					(1)
Disposal of treasury shares					123
Net changes in items other than shareholders' equity	(38,236)	89	489	(37,658)	(37,658)
Total changes during period	(38,236)	89	489	(37,658)	(27,556)
Balance at end of period	49,188	(45)	(4,316)	44,826	485,759

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	24,658	20,075	411,622	(6,325)	450,030
Changes during period					
Dividends of surplus			(3,735)		(3,735)
Net income attributable to owners of parent			17,692		17,692
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				186	186
Net changes in items other than shareholders' equity					
Total changes during period	—	—	13,957	184	14,141
Balance at end of period	24,658	20,075	425,579	(6,141)	464,172

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	59,919	(66)	(5,396)	54,457	504,487
Changes during period					
Dividends of surplus					(3,735)
Net income attributable to owners of parent					17,692
Purchase of treasury shares					(2)
Disposal of treasury shares					186
Net changes in items other than shareholders' equity	11,630	95	588	12,314	12,314
Total changes during period	11,630	95	588	12,314	26,455
Balance at end of period	71,549	29	(4,807)	66,771	530,943

(4) Notes on Going Concern Assumption

Not applicable.

3. Interim Non-consolidated Financial Statements**(1) Interim Non-consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,322,287	1,201,226
Call loans	—	1,580
Monetary claims bought	4,000	4,000
Trading securities	20,210	18,069
Money held in trust	114,557	116,675
Securities	3,056,164	3,070,667
Loans and bills discounted	5,570,150	5,648,006
Foreign exchanges	12,206	7,807
Other assets	79,460	84,379
Tangible fixed assets	30,433	31,067
Intangible fixed assets	104	103
Prepaid pension costs	467	525
Customers' liabilities for acceptances and guarantees	27,155	31,221
Allowance for loan losses	(57,662)	(56,158)
Total assets	10,179,535	10,159,172
Liabilities		
Deposits	8,661,142	8,653,845
Negotiable certificates of deposit	249,500	262,520
Call money	27,026	—
Cash collateral received for securities lent	1,293	14,887
Borrowed money	632,389	607,549
Foreign exchanges	338	177
Borrowed money from trust account	—	471
Other liabilities	72,834	51,005
Income taxes payable	2,272	4,907
Lease liabilities	9	5
Asset retirement obligations	608	600
Other	69,944	45,491
Provision for bonuses for directors (and other officers)	58	—
Provision for retirement benefits	8,515	8,514
Provision for stocks payment	941	837
Provision for reimbursement of deposits	186	154
Provision for contingent loss	739	740
Deferred tax liabilities	6,662	10,956
Acceptances and guarantees	27,155	31,221
Total liabilities	9,688,784	9,642,883

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Share capital	24,658	24,658
Capital surplus	8,496	8,496
Legal capital surplus	7,835	7,835
Other capital surplus	661	661
Retained earnings	403,886	417,675
Legal retained earnings	24,658	24,658
Other retained earnings	379,228	393,016
Reserve for tax purpose reduction entry of non-current assets	626	606
General reserve	350,805	366,805
Retained earnings brought forward	27,796	25,604
Treasury shares	(5,485)	(5,301)
Total shareholders' equity	431,556	445,528
Valuation difference on available-for-sale securities	59,260	70,730
Deferred gains or losses on hedges	(66)	29
Total valuation and translation adjustments	59,194	70,760
Total net assets	490,750	516,288
Total liabilities and net assets	10,179,535	10,159,172

(2) Interim Non-consolidated Statements of Income
Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	54,537	66,560
Interest income	39,419	48,979
Interest on loans and discounts	22,490	25,420
Interest and dividends on securities	16,173	23,156
Trust fees	—	8
Fees and commissions	9,241	9,551
Other ordinary income	357	523
Other income	5,517	7,497
Ordinary expenses	35,042	41,754
Interest expenses	363	1,264
Interest on deposits	131	419
Fees and commissions payments	2,957	2,898
Other ordinary expenses	3,096	9,640
General and administrative expenses	24,295	25,306
Other expenses	4,328	2,643
Ordinary profit	19,494	24,806
Extraordinary income	—	—
Extraordinary losses	318	7
Income before income taxes	19,176	24,798
Income taxes - current	5,938	7,133
Income taxes - deferred	200	141
Total income taxes	6,138	7,274
Net income	13,037	17,523

(3) Interim Non-consolidated Statements of Changes in Net Assets
For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	24,658	7,835	661	8,496	24,658	668	337,305	22,858	385,490
Changes during period									
Dividends of surplus								(2,988)	(2,988)
Reversal of reserve for tax purpose reduction entry of non-current assets						(9)		9	—
Provision of general reserve							13,500	(13,500)	—
Net income								13,037	13,037
Purchase of treasury shares									
Disposal of treasury shares			(0)	(0)					
Net changes in items other than shareholders' equity									
Total changes during period	—	—	(0)	(0)	—	(9)	13,500	(3,441)	10,049
Balance at end of period	24,658	7,835	661	8,496	24,658	658	350,805	19,416	395,539

	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	Total valuation and translation adjustments	
Balance at beginning of period	(5,605)	413,040	86,866	(134)	86,731	499,771
Changes during period						
Dividends of surplus		(2,988)				(2,988)
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Provision of general reserve		—				—
Net income		13,037				13,037
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	123	123				123
Net changes in items other than shareholders' equity			(38,204)	89	(38,115)	(38,115)
Total changes during period	121	10,170	(38,204)	89	(38,115)	(27,945)
Balance at end of period	(5,483)	423,210	48,661	(45)	48,615	471,826

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	24,658	7,835	661	8,496	24,658	626	350,805	27,796	403,886
Changes during period									
Dividends of surplus								(3,735)	(3,735)
Reversal of reserve for tax purpose reduction entry of non-current assets						(19)		19	
Provision of general reserve							16,000	(16,000)	
Net income								17,523	17,523
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	(19)	16,000	(2,192)	13,788
Balance at end of period	24,658	7,835	661	8,496	24,658	606	366,805	25,604	417,675

	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	Total valuation and translation adjustments	
Balance at beginning of period	(5,485)	431,556	59,260	(66)	59,194	490,750
Changes during period						
Dividends of surplus		(3,735)				(3,735)
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Provision of general reserve		—				—
Net income		17,523				17,523
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	186	186				186
Net changes in items other than shareholders' equity			11,469	95	11,565	11,565
Total changes during period	184	13,972	11,469	95	11,565	25,537
Balance at end of period	(5,301)	445,528	70,730	29	70,760	516,288

Explanatory Materials on Interim Financial Report
for Fiscal Year 2023 (Ended September 30, 2023)

The 77 Bank, Ltd.

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I Overview of Financial Figures for the Six Months Ended September 30, 2023 [Non-consolidated]

1. Profit and Loss

- (1) Ordinary income increased by 22.0% or ¥12,023 million year-on-year, mainly due to increases in interest on loans and bills discounted and interest and dividends on securities.
- (2) Core operating income increased by 16.1% or ¥3,367 million year-on-year, mainly due to an increase in interest income, despite a deterioration in gains (losses) on foreign exchange transactions.
- (3) Ordinary profits increased by 27.2% or ¥5,312 million year-on-year, mainly due to a decrease in credit-related expenses.
- (4) Net income increased by 34.4% or ¥4,486 million year-on-year.

(Millions of Yen)

	For the six months ended Sep. 30, 2023	YoY change		For the six months ended Sep. 30, 2022
		Amount	%	
Ordinary income	66,560	12,023	22.0%	54,537
Gross operating income	45,260	2,658	6.2%	42,602
[Core gross operating income]	[48,630]	[4,259]	[9.5%]	[44,371]
Interest income	47,715	8,658	22.1%	39,057
Fees and commissions	6,662	378	6.0%	6,284
Other operating income	(9,117)	(6,378)		(2,739)
Gains (losses) on debt securities	(3,370)	(1,602)		(1,768)
Gains (losses) on foreign exchange transactions	(5,774)	(4,972)		(802)
Expenses	24,378	893	3.8%	23,485
Personnel expenses	12,778	(15)		12,793
Non-personnel expenses	9,921	873		9,048
Substantial operating income	20,882	1,765	9.2%	19,117
[Core operating income]	[24,252]	[3,367]	[16.1%]	[20,885]
[Core operating income (excluding gains (losses) on cancellation of investment trusts)]	[17,403]	[942]	[5.7%]	[16,461]
Provision of general reserve for loan losses (a)	-	963		(963)
Operating income	20,882	801	3.9%	20,081
Special income and losses	3,924	4,509		(585)
Bad debt disposals (losses) (b)	54	(3,525)		3,579
Gains on reversal of reserve for loan losses (c)	1,164	1,164		-
Reversal of reserve for contingent losses (d)	-	(0)		0
Recoveries of written off receivables (e)	5	5		-
Gain (losses) on equity securities	3,077	(351)		3,428
Gains (losses) on investments in money held in trust	567	415		152
Ordinary profits	24,806	5,312	27.2%	19,494
Extraordinary income (loss)	(7)	311		(318)
Impairment losses (losses)	7	(311)		318
Total income taxes	7,274	1,136		6,138
Net income	17,523	4,486	34.4%	13,037
Credit-related expenses [(a)+(b)-(c)-(d)-(e)]	(1,114)	(3,728)		2,614

- (Notes) 1. Core gross operating income = Gross operating income - Gains (losses) on debt securities
2. Substantial operating income = Operating income + Provision of general reserve for loan losses
3. Core operating income = Operating income + Provision of general reserve for loan losses - Gains (losses) on debt securities
4. Core operating income (excluding gains (losses) on cancellation of investment trusts) = Core operating income - Gains on cancellation of investment trusts

(Reference-1) Net income/expenses on consolidated basis (Millions of Yen)

	For the six months ended Sep. 30, 2023	YoY change		For the six months ended Sep. 30, 2022
		Amount	%	
Ordinary income	73,802	12,704	20.7%	61,098
Ordinary profits	25,383	5,584	28.2%	19,799
Net income attributable to owners of the parent	17,692	4,724	36.4%	12,968

(Reference-2) Details of credit-related expenses

For the six months ended September 30, 2023, since the total amount of general reserve for loan losses and specific reserve for loan losses was reversed, the excess amount over the reversal was recorded as gains on reversal of reserve for loan losses.

Before the reversal of reserve for loan losses, the amounts were as shown in the chart on the right below.

	For the six months ended Sep. 30, 2023	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022
		(Before adjustment)	YoY change Amount	
Substantial operating income [Core operating income]	20,882 [24,252]	20,882 [24,252]	1,765 [3,367]	19,117 [20,885]
Provision of general reserve for loan losses (a)	-	100	1,063	(963)
Operating income	20,882	20,781	700	20,081
Special income and losses	3,924	4,025	4,610	(585)
Bad debt disposals (losses) (b)	54	(1,209)	(4,788)	3,579
Write-off of loans and bills discounted	-	-	-	-
Provision of specific reserve for loan losses	-	(1,264)	(4,792)	3,528
Losses on sale of receivables	8	8	8	-
Provision of reserve for contingent losses	1	1	1	-
Burden money to the Credit Guarantee Corporations	44	44	(6)	50
Gains on reversal of reserve for loan losses (c)	1,164	-	-	-
Reversal of reserve for contingent losses (d)	-	-	(0)	0
Recoveries of written off receivables (e)	5	5	5	-
Ordinary profits	24,806	24,806	5,312	19,494
Credit-related expenses [(a)+(b)-(c)-(d)-(e)]	(1,114)	(1,114)	(3,728)	2,614

(Reference-3) Details of investment securities-related profit and loss

	For the six months ended Sep. 30, 2023	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022
		YoY change Amount	YoY change Amount	
Gains (losses) on debt securities	(3,370)	(1,602)	(1,768)	
Gains on sale	390	55	335	
Gains on redemption	19	(1)	20	
Losses on sale	309	253	56	
Losses on redemption	3,394	1,336	2,058	
Amortization (a)	76	67	9	
Gains (losses) on equity securities	3,077	(351)	3,428	
Gains on sale	3,274	(605)	3,879	
Losses on sale	172	(279)	451	
Amortization (b)	24	24	-	
Gains (losses) on investments in money held in trust	567	415	152	
Losses on impairment of investment securities (a)+(b)	100	91	9	

2. Major Accounts, etc. (Based on term-end balances)

(1) Loans and bills discounted

Loans and bills discounted increased by ¥77.8 billion from March 31, 2023, mainly due to increases in loans to SMEs and loans to individuals, mainly for housing loans. Compared to the same period last year, they increased by 3.4% or ¥190.6 billion.

	As of Sep. 30, 2023			(Billions of Yen, %)	
	(A)	(A)-(B)	(A)-(C)	Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
Loans and bills discounted	5,648.0	77.8	190.6	5,570.2	5,457.4
Loans to SMEs, etc.	3,711.8	85.5	211.0	3,626.3	3,500.8
Loans to SMEs	2,402.3	67.0	170.7	2,335.3	2,231.6
Loans to individuals	1,309.5	18.5	40.3	1,291.0	1,269.2
Housing loans	1,253.8	15.5	34.8	1,238.3	1,219.0
Loans to local governments, etc.	566.0	(27.2)	(60.5)	593.2	626.5
Ratio of loans to SMEs, etc.	65.7	0.6	1.6	65.1	64.1

(Of which, in Miyagi Prefecture)

Loans and bills discounted	4,044.1	67.2	169.9	3,976.9	3,874.2
Loans to SMEs, etc.	3,063.3	59.5	171.4	3,003.8	2,891.9
Loans to SMEs	1,796.4	40.9	130.5	1,755.5	1,665.9
Loans to individuals	1,266.9	18.6	40.9	1,248.3	1,226.0
Housing loans	1,213.8	15.7	35.6	1,198.1	1,178.2
Loans to local governments, etc.	475.4	(15.1)	(40.2)	490.5	515.6
Ratio of loans to SMEs, etc.	75.7	0.2	1.1	75.5	74.6

(2) Investment securities

Investment securities increased by ¥14.5 billion from March 31, 2023, mainly due to increases in national government bonds and foreign bonds, despite a decrease in corporate bonds. Compared to the same period last year, investment securities decreased by 0.1% or ¥3.1 billion.

	As of Sep. 30, 2023			(Billions of Yen)	
	(A)	(A)-(B)	(A)-(C)	Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
Investment securities	3,070.7	14.5	(3.1)	3,056.2	3,073.8
Equity securities	183.0	28.0	39.5	155.0	143.5
Debt securities	1,986.5	(64.2)	(125.2)	2,050.7	2,111.7
National government bonds	349.4	49.1	72.3	300.3	277.1
Local government bonds	889.3	(25.9)	(67.9)	915.2	957.2
Corporate bonds	747.8	(87.4)	(129.6)	835.2	877.4
Other	901.2	50.7	82.6	850.5	818.6

(Ref.) Money held in trust	116.7	2.1	12.8	114.6	103.9
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(Valuation differences on investment securities)

Investment securities	95.3	14.1	28.5	81.2	66.8
Equity securities	109.0	30.3	41.4	78.7	67.6
Debt securities	(54.9)	(27.4)	(27.7)	(27.5)	(27.2)
Other	41.2	11.2	14.8	30.0	26.4

(Ref.) Money held in trust	4.7	1.5	2.5	3.2	2.2
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(3) Deposits (including negotiable certificates of deposit)

The total amount of deposits and negotiable certificates of deposit increased by ¥5.8 billion from March 31, 2023, mainly due to increases in retail and corporate deposits, despite a decrease in public deposits. Compared to the same period last year, the total amount increased by 1.5% or ¥137.1 billion.

	As of Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total of deposits and negotiable certificates of deposit	8,916.4	5.8	137.1	8,910.6	8,779.3
Retail deposits	5,975.0	67.2	109.9	5,907.8	5,865.1
Corporate deposits	2,233.8	52.9	79.5	2,180.9	2,154.3
Public deposits	684.5	(90.6)	(47.6)	775.1	732.1

(Billions of Yen)

(Of which, in Miyagi Prefecture)

Total of deposits and negotiable certificates of deposit	8,365.9	5.4	126.6	8,360.5	8,239.3
Retail deposits	5,725.0	67.8	109.3	5,657.2	5,615.7
Corporate deposits	1,970.1	52.1	70.7	1,918.0	1,899.4
Public deposits	649.6	(91.1)	(48.9)	740.7	698.5

(4) Balance of assets in custody

Balance of assets in custody decreased by ¥15.2 billion from March 31, 2023, mainly due to a decrease in structured bonds and other assets. Compared to the same period last year, the balance increased by 0.6% or ¥3.7 billion.

	As of Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(A)	(A)-(B)	(A)-(C)	(B)	(C)
Balance of assets in custody	541.6	(15.2)	3.7	556.8	537.9
Investment trusts	101.9	12.8	18.1	89.1	83.8
Insurance	333.0	6.7	16.8	326.3	316.2
Government bonds	81.3	1.5	2.3	79.8	79.0
Foreign currency deposits	21.1	(6.1)	(1.1)	27.2	22.2
Structured bonds (brokered)	4.3	(30.1)	(32.4)	34.4	36.7

(Billions of Yen)

(Of which, in Miyagi Prefecture)

Balance of assets in custody	510.2	(7.8)	4.8	518.0	505.4
Investment trusts	97.3	12.8	18.0	84.5	79.3
Insurance	318.8	7.1	17.5	311.7	301.3
Government bonds	77.3	1.7	2.1	75.6	75.2
Foreign currency deposits	12.8	(0.2)	(1.2)	13.0	14.0
Structured bonds (brokered)	4.0	(29.2)	(31.6)	33.2	35.6

(Note) Foreign currency deposits do not include financial deposits and offshore accounts.

(Reference) Group balance of assets in custody

	As of Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(A)	(A)-(B)	(A)-(C)	(B)	(C)
Group balance of assets in custody	688.5	(13.8)	14.6	702.3	673.9

(Billions of Yen)

(Note) Group balance of assets in custody is the sum of assets in custody of The 77 Bank, Ltd. and assets in custody of 77 Securities Co., Ltd.

3. Management Indicators

(1) OHR

Core OHR improved by 2.80 points year-on-year due to an increase in core gross operating income, mainly reflecting an increase in interest income, despite an increase in expenses.

(Millions of Yen, %)

		For the six months ended		For the six months ended Sep. 30, 2022	For FY2022 ended Mar. 31, 2023
		Sep. 30, 2023	YoY change (amount)		
Core OHR (excluding gains (losses) on debt securities)		50.12	(2.80)	52.92	56.55
(Ref.)	Expenses	24,378	893	23,485	48,514
	Core gross operating income	48,630	4,259	44,371	85,779
OHR (Gross operating income expenses ratio)		53.86	(1.26)	55.12	61.50

(2) Capital adequacy ratio

Although risk-adjusted assets increased by ¥31.2 billion, total capital increased by ¥13.6 billion, resulting in capital adequacy ratio [domestic standard] of 11.20%, up 0.24 points from March 31, 2023.

"Composition of Capital Disclosure" based on the public notice of Financial Services Agency No. 7, 2014 is available on The 77 Bank, Ltd.'s website (<https://www.77bank.co.jp/77bank/ir/kessan.html>).

(Billions of Yen, %)

		As of Sep. 30, 2023		Mar. 31, 2023 (B)	Sep. 30, 2022
		(A)	(A)-(B)		
Capital adequacy ratio [domestic standard]	a/b	11.20	0.24	10.96	9.95
Total capital	a	472.7	13.6	459.1	453.7
	(Basic items related to core capital)	(473.2)	(13.7)	(459.5)	(454.0)
	(Adjustments related to core capital)	(0.5)	(0.1)	(0.4)	(0.3)
Risk-adjusted assets	b	4,218.0	31.2	4,186.8	4,558.7

(Notes) 1. Effective March 31, 2023, the finalized Basel III standards have been adopted early.

2. Figures as of September 30, 2023 are tentative.

4. Assets (Disclosed claims under the Financial Reconstruction Law)

(1) Changes in outstanding balance

Sub total (Substandard loans or below) was ¥116.6 billion, an increase of ¥1.3 billion from March 31, 2023. Non-performing loans ratio was 2.03%, the same level as that as of March 31, 2023.

(Billions of Yen)

		As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
		(A)	(A)-(B)	(A)-(C)		
Sub total (Substandard loans or below)	A	116.6	1.3	0.9	115.3	115.7
Loans to bankrupt and quasi-bankrupt borrowers		11.9	(0.3)	(0.6)	12.2	12.5
Doubtful loans		73.3	0.7	3.3	72.6	70.0
Substandard loans		31.4	0.9	(1.8)	30.5	33.2
Normal loans	B	5,623.1	77.6	186.6	5,545.5	5,436.5
Total (A+B)	C	5,739.7	78.9	187.5	5,660.8	5,552.2
Non-performing loans ratio (A/C)		2.03 %	0.00 %	(0.05) %	2.03 %	2.08 %

(Reference) In case of applying partial direct write-off

The 77 Bank, Ltd. does not apply partly direct write-offs, but if it did, the non-performing loans ratio would be 1.90%.

(Billions of Yen)

		As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
		(A)	(A)-(B)	(A)-(C)		
Sub total (Substandard loans or below)		109.0	1.3	1.0	107.7	108.0
Non-performing loans ratio		1.90 %	0.00 %	(0.04) %	1.90 %	1.94 %

(2) Coverage

(Billions of Yen)

		Loans to bankrupt, etc.	Doubtful loans	Substandard loans	Total	Compared to March 31, 2023
Disclosed claims under the Financial Reconstruction Law	A	11.9	73.3	31.4	116.6	1.3
Total coverage (C+D)	B	11.9	59.3	14.5	85.7	(0.8)
Amount recoverable by guarantees, collateral and others	C	4.3	41.8	9.2	55.3	0.4
Reserve for loan losses	D	7.6	17.5	5.3	30.4	(1.2)
Coverage ratio (B/A)		100.0 %	80.9 %	46.2 %	73.5 %	(1.5) %
Portion not covered by guarantees, collateral and others	(A-C) E	7.6	31.5	22.2	61.3	0.9
Reserve ratio for the above	(D/E)	100.0 %	55.5 %	23.9 %	49.6 %	(2.8) %

5. Financial result forecasts for the fiscal year ending March 31, 2024

(1) Non-consolidated financial result forecasts

The initial full-year financial result forecasts announced on May 12, 2023 have been revised upward, based on the financial results for the six months ended September 30, 2023 and other factors.

	For the fiscal year ending Mar. 31, 2024		Fiscal year ended Mar. 31, 2023	(Billions of Yen)
	Forecasts	YoY (amount)	Actual	(Reference) Initial forecasts
Core operating income	41.1	3.8	37.3	38.1
Ordinary profits	38.0	3.6	34.4	35.5
Net income	26.5	2.1	24.4	25.0

(Note) The initial forecasts were announced on May 12, 2023.

(2) Consolidated financial result forecasts

They are almost the same as the non-consolidated financial result forecasts.

	For the fiscal year ending Mar. 31, 2024		Fiscal year ended Mar. 31, 2023	(Billions of Yen)
	Forecasts	YoY (amount)	Actual	(Reference) Initial forecasts
Ordinary profits	39.5	3.7	35.8	36.5
Net income attributable to owners of the parent	27.0	1.9	25.1	25.5

(Note) The initial forecasts were announced on May 12, 2023.

6. Cash dividends

As for the interim cash dividends for the fiscal year ending March 31, 2024, The 77 Bank, Ltd. has decided to increase the cash dividends by 2.50 yen per share from the initial forecasts to 55.00 yen per share, after comprehensively taking into account business performance and other factors.

The 77 Bank, Ltd. has also decided to revise the year-end cash dividend forecasts from the initial forecasts of 52.50 yen per share to 55.00 yen per share.

As a result, the annual cash dividends for the fiscal year ending March 31, 2024 are expected to be 110.00 yen per share.

	For the fiscal year ending Mar. 31, 2024		Fiscal year ended Mar. 31, 2023	(Yen)
	Forecasts	YoY (amount)	Actual	(Reference) Initial forecasts
Interim cash dividends	55.00	15.00	40.00	52.50
Year-end cash dividends	55.00	5.00	50.00	52.50
Annual cash dividends	110.00	20.00	90.00	105.00

(Note) The initial forecasts were announced on May 12, 2023.

II Financial Figures for the Six Months Ended September 30, 2023

1. Profit and Loss

[Non-consolidated]

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)	(B)	
Gross operating income	45,260	2,658	42,602	78,876
[excluding gain (losses) on debt securities]	[48,630]	[4,259]	[44,371]	[85,779]
Domestic gross operating income	43,406	2,720	40,686	75,497
[excluding gains (losses) on debt securities]	[46,776]	[4,322]	[42,454]	[82,400]
Interest income	40,295	4,028	36,267	70,315
Fees and commissions	6,628	395	6,233	12,141
Other operating income	(3,518)	(1,704)	(1,814)	(6,958)
(Gains (losses) on debt securities)	(3,370)	(1,602)	(1,768)	(6,903)
International gross operating income	1,854	(62)	1,916	3,378
[excluding gains (losses) on debt securities]	[1,854]	[(62)]	[1,916]	[3,378]
Interest income	7,419	4,630	2,789	8,305
Fees and commissions	33	(18)	51	81
Other operating income	(5,599)	(4,675)	(924)	(5,007)
(Gains (losses) on debt securities)	(-)	(-)	(-)	(-)
Expenses (excluding non-recurring expenses)	24,378	893	23,485	48,514
Personnel expenses	12,778	(15)	12,793	25,509
Non-personnel expenses	9,921	873	9,048	19,792
Tax	1,677	34	1,643	3,212
Substantial operating income	20,882	1,765	19,117	30,361
[Core operating income]	[24,252]	[3,367]	[20,885]	[37,265]
[Core operating income (excluding gains (losses) on cancellation of investment trusts)]	[17,403]	[942]	[16,461]	[29,564]
Provision of general reserve for loan losses (a)	-	963	(963)	(2,976)
Operating income	20,882	801	20,081	33,338
Gains (losses) on debt securities	(3,370)	(1,602)	(1,768)	(6,903)
Special income and losses	3,924	4,509	(585)	1,065
Bad debt disposals (losses) (b)	54	(3,525)	3,579	4,229
Write-off of loans and bills discounted	-	-	-	12
Provision of specific reserve for loan losses	-	(3,528)	3,528	3,743
Losses on sale of receivables, etc.	54	4	50	473
Gains on reversal of reserve for loan losses (c)	1,164	1,164	-	-
Reversal of reserve for contingent losses (d)	-	(0)	0	49
Recoveries of written off receivables (e)	5	5	-	-
Gain (losses) on equity securities	3,077	(351)	3,428	5,500
Recognized actuarial losses (losses)	845	142	703	1,406
Other	578	310	268	1,151
Ordinary profits	24,806	5,312	19,494	34,401
Extraordinary income (loss)	(7)	311	(318)	(364)
Impairment losses (losses)	7	(311)	318	364
Income before income taxes	24,798	5,622	19,176	34,036
Income taxes - current	7,133	1,195	5,938	8,304
Income taxes - deferred	141	(59)	200	1,358
Net income	17,523	4,486	13,037	24,373
Credit-related expenses (a)+(b)-(c)-(d)-(e)	(1,114)	(3,728)	2,614	1,203

(Notes) 1. Substantial operating income = Operating income + Provision of general reserve for loan losses

2. Core operating income = Operating income + Provision of general reserve for loan losses - Gains (losses) on debt securities

3. Core operating income (excluding gains (losses) on cancellation of investment trusts)

= Core operating income - Gains on cancellation of investment trusts

Gains on cancellation of investment trusts are recorded in interest income and losses on cancellation of investment trusts are recorded in gains (losses) on debt securities.

[Consolidated]

<Based on consolidated statement of income>

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Consolidated gross operating income	47,433	2,696	44,737	83,718
Interest income	47,013	8,703	38,310	77,870
Fees and commissions	8,069	863	7,206	14,226
Other operating income	(7,648)	(6,868)	(780)	(8,378)
General and administrative expenses	26,989	1,039	25,950	53,475
Credit-related expenses	(1,240)	(3,986)	2,746	1,300
Provision of general reserve for loan losses	-	1,006	(1,006)	(3,228)
Write-off of loans and bills discounted	2	(2)	4	35
Provision of specific reserve for loan losses	-	(3,696)	3,696	4,038
Losses on sale of receivables, etc.	58	5	53	504
Gains on reversal of reserve for loan losses	1,295	1,295	-	-
Reversal of reserve for contingent losses	-	(0)	0	49
Recoveries of written off receivables	5	5	0	0
Gain (losses) on equity securities	3,077	(351)	3,428	5,501
Other	621	290	331	1,333
Ordinary profits	25,383	5,584	19,799	35,777
Extraordinary income (loss)	(7)	311	(318)	(364)
Income before income taxes	25,375	5,895	19,480	35,412
Income taxes - current	7,489	1,182	6,307	8,948
Income taxes - deferred	193	(11)	204	1,407
Net income	17,692	4,724	12,968	25,056
Net income attributable to owners of the parent	17,692	4,724	12,968	25,056

(Note) Consolidated gross operating income = (Interest income - Interest expenses) + (Fees and commissions income - Fees and commissions expenses) + (Other operating income - Other operating expenses)

(Reference)

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Consolidated operating income	21,459	1,074	20,385	34,713

(Note) Consolidated operating income = Non-consolidated operating income + Ordinary profits of consolidated subsidiaries - Intercompany transactions (dividends, etc.)

(Scope of consolidation)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Number of consolidated subsidiaries	8	1	7	7
Number of companies accounted for by the equity method	-	-	-	-

(Note) 77digital solutions Co., Ltd. has been included in the scope of consolidation from the six months ended September 30, 2023, since it was newly incorporated.

2. Operating Income [Non-consolidated]

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
(1) Substantial operating income	20,882	1,765	19,117	30,361
Per employee (thousand yen)	8,366	1,019	7,347	11,878
(2) Operating income	20,882 (20,781)	801 (700)	20,081	33,338
Per employee (thousand yen)	8,366 (8,326)	649 (609)	7,717	13,043

(Notes) 1. Per employee figures are calculated based on the average number of employees during the period.

2. For the six months ended September 30, 2023, a reversal of reserve for loan losses was recorded under special income because the total of general reserve for loan losses and specific reserve for loan losses was reversed. Operating income calculated on the basis without the reversal of reserve for loan losses is shown in parentheses at the bottom of (2).

3. Interest Margin [Non-consolidated]

(%)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
(1) Fund management yield (A)	0.99	0.22	0.77	0.80
Loans and bills discounted interest rate	0.90	0.07	0.83	0.86
Securities interest rate	1.57	0.51	1.06	1.06
(2) Funding cost (B)	0.53	0.05	0.48	0.51
Deposits and certificates of deposit interest rate	0.00	0.00	0.00	0.00
(3) Net interest margin (A)-(B)	0.46	0.17	0.29	0.29

(Ref.) Interest margin (Domestic operations) [Non-consolidated]

(%)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
(1) Fund management yield (A)	0.82	0.10	0.72	0.71
Loans and bills discounted interest rate	0.82	0.01	0.81	0.81
Securities interest rate	1.25	0.26	0.99	0.91
(2) Funding cost (B)	0.50	0.03	0.47	0.49
Deposits and certificates of deposit interest rate	0.00	0.00	0.00	0.00
(3) Net interest margin (A)-(B)	0.32	0.07	0.25	0.22

4. Gains or Losses of Investment Securities [Non-consolidated]

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Gains (losses) on debt securities	(3,370)	(1,602)	(1,768)	(6,903)
Gains on sale	390	55	335	805
Gains on maturity	19	(1)	20	20
Losses on sale	309	253	56	1,482
Losses on maturity	3,394	1,336	2,058	6,154
Write-off	76	67	9	91
Gains (losses) on equity securities	3,077	(351)	3,428	5,500
Gains on sale	3,274	(605)	3,879	6,031
Losses on sale	172	(279)	451	531
Write-off	24	24	-	-

5. Capital Adequacy Ratios (Domestic standard)

"Composition of Capital Disclosure" based on the public notice of Financial Services Agency No. 7, 2014 is available on The 77 Bank, Ltd.'s website (<https://www.77bank.co.jp/77bank/ir/kessan.html>).

[Consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	[Tentative] (A)	(A)-(B)	(A)-(C)		
(1) Capital adequacy ratio	11.49%	0.26%	1.27%	11.23%	10.22%
(2) Basic items related to core capital	489,144	14,273	19,273	474,871	469,871
(3) Adjustments related to core capital	125	32	22	93	103
(4) Total capital (2)-(3)	489,019	14,242	19,252	474,777	469,767
(5) Risk-adjusted assets	4,253,169	28,703	(341,444)	4,224,466	4,594,613

(Note) Effective March 31, 2023, the finalized Basel III standards have been adopted early.

[Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	[Tentative] (A)	(A)-(B)	(A)-(C)		
(1) Capital adequacy ratio	11.20%	0.24%	1.25%	10.96%	9.95%
(2) Basic items related to core capital	473,196	13,701	19,238	459,495	453,958
(3) Adjustments related to core capital	477	78	194	399	283
(4) Total capital (2)-(3)	472,719	13,623	19,044	459,096	453,675
(5) Risk-adjusted assets	4,217,992	31,143	(340,757)	4,186,849	4,558,749

(Note) Effective March 31, 2023, the finalized Basel III standards have been adopted early.

6. ROE [Non-consolidated]

(%)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Based on substantial operating income	8.27	0.43	7.84	6.13
Based on operating income	8.27 (8.23)	0.03 (0.01)	8.24	6.73
Based on net income	6.94	1.59	5.35	4.92

(Note) For the six months ended September 30, 2023, a reversal of reserve for loan losses was recorded under special income because the total of general reserve for loan losses and specific reserve for loan losses was reversed. ROE based on operating income calculated on the basis without the reversal of reserve for loan losses is shown in parentheses at the bottom.

III Condition of Assets, etc.

1. Disclosed Claims under the Financial Reconstruction Law (Risk-monitored Loans)

[Non-consolidated]

(Millions of Yen, %)

		As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
		(A)	(A)-(B)	(A)-(C)		
Sub total (Substandard loans or below)	A	116,593	1,328	924	115,265	115,669
Loans to bankrupt and quasi-bankrupt borrowers		11,890	(361)	(562)	12,251	12,452
Doubtful loans		73,335	780	3,332	72,555	70,003
Substandard loans		31,367	909	(1,846)	30,458	33,213
Delinquent loans past due three months or more		1,356	30	(71)	1,326	1,427
Restructured loans		30,010	879	(1,775)	29,131	31,785
Normal loans	B	5,623,107	77,540	186,536	5,545,567	5,436,571
Total (A+B)	C	5,739,700	78,868	187,460	5,660,832	5,552,240
Non-performing loans ratio (A/C)		2.03	0.00	(0.05)	2.03	2.08

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

(Ref.) In case of applying partial direct write-off

The 77 Bank, Ltd. does not apply partial direct write-off, but if it did, applying partial direct write-off would be as follows:

(Millions of Yen, %)

		As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
		(A)	(A)-(B)	(A)-(C)		
Sub total (Substandard loans or below)	A	108,989	1,267	968	107,722	108,021
Loans to bankrupt and quasi-bankrupt borrowers		4,286	(422)	(519)	4,708	4,805
Doubtful loans		73,335	780	3,332	72,555	70,003
Substandard loans		31,367	909	(1,846)	30,458	33,213
Delinquent loans past due three months or more		1,356	30	(71)	1,326	1,427
Restructured loans		30,010	879	(1,775)	29,131	31,785
Normal loans	B	5,623,107	77,540	186,536	5,545,567	5,436,571
Total (A+B)	C	5,732,096	78,807	187,503	5,653,289	5,544,593
Amount of partly direct write-off		7,604	61	(43)	7,543	7,647
Non-performing loans ratio (A/C)		1.90	0.00	(0.04)	1.90	1.94

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

[Consolidated]

(Millions of Yen, %)

		As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
		(A)	(A)-(B)	(A)-(C)		
Sub total (Substandard loans or below)	A	117,530	1,293	901	116,237	116,629
Loans to bankrupt and quasi-bankrupt borrowers		12,597	(414)	(586)	13,011	13,183
Doubtful loans		73,559	798	3,333	72,761	70,226
Substandard loans		31,372	908	(1,848)	30,464	33,220
Delinquent loans past due three months or more		1,356	30	(71)	1,326	1,427
Restructured loans		30,015	878	(1,777)	29,137	31,792
Normal loans	B	5,609,220	77,379	185,377	5,531,841	5,423,843
Total (A+B)	C	5,726,750	78,671	186,277	5,648,079	5,540,473
Non-performing loans ratio (A/C)		2.05	0.00	(0.05)	2.05	2.10

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

2. Disclosed Claims under the Financial Reconstruction Law and coverage [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt and quasi-bankrupt borrowers	11,890	(361)	(562)	12,251	12,452
Total coverage	11,890	(361)	(562)	12,251	12,452
Amount recoverable by guarantees, collateral and others	4,286	(422)	(519)	4,708	4,805
Reserve for loan losses	7,604	61	(43)	7,543	7,647
Doubtful loans	73,335	780	3,332	72,555	70,003
Total coverage	59,309	(540)	(479)	59,849	59,788
Amount recoverable by guarantees, collateral and others	41,795	1,125	2,702	40,670	39,093
Reserve for loan losses	17,513	(1,666)	(3,182)	19,179	20,695
Substandard loans	31,367	909	(1,846)	30,458	33,213
Total coverage	14,504	103	(602)	14,401	15,106
Amount recoverable by guarantees, collateral and others	9,194	(309)	(7)	9,503	9,201
Reserve for loan losses	5,309	412	(596)	4,897	5,905
Total	116,593	1,328	924	115,265	115,669
Total coverage	85,704	(798)	(1,643)	86,502	87,347
Amount recoverable by guarantees, collateral and others	55,277	395	2,178	54,882	53,099
Reserve for loan losses	30,427	(1,192)	(3,820)	31,619	34,247
Total subject claims	5,739,700	78,868	187,460	5,660,832	5,552,240

3. Coverage Ratio for Disclosed Claims under the Financial Reconstruction Law [Non-consolidated]

(%)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt and quasi-bankrupt borrowers	100.0	0.0	0.0	100.0	100.0
Amount recoverable by guarantees, collateral and others	36.0	(2.4)	(2.6)	38.4	38.6
Reserve for loan losses	64.0	2.4	2.6	61.6	61.4
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	100.0	0.0	0.0	100.0	100.0
Doubtful loans	80.9	(1.6)	(4.5)	82.5	85.4
Amount recoverable by guarantees, collateral and others	57.0	0.9	1.2	56.1	55.8
Reserve for loan losses	23.9	(2.5)	(5.7)	26.4	29.6
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	55.5	(4.7)	(11.5)	60.2	67.0
Substandard loans	46.2	(1.1)	0.7	47.3	45.5
Amount recoverable by guarantees, collateral and others	29.3	(1.9)	1.6	31.2	27.7
Reserve for loan losses	16.9	0.8	(0.9)	16.1	17.8
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	23.9	0.5	(0.7)	23.4	24.6
Total	73.5	(1.5)	(2.0)	75.0	75.5

4. Reserve for Loan Losses

(1) Write-off and reserve standard

A. General reserve for loan losses

Classifications		Reserve Standard
Claims on normal debtors		Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years.
Claims on debtors under caution	Claims on debtors under caution, other than special-mentioned	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years.
	Claims on special-mentioned debtors under caution	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are booked in general loan loss reserves based on the discounted cash flow method.

(Note) For a part of claims on debtors under caution, other than special-mentioned, amounts are booked based on the discounted cash flow method.

B. Specific reserve for loan losses

Classifications	Write-off and Reserve Standard
Claims on debtors under possible bankruptcy	For loans not secured by collateral or guarantees, amounts are transferred to specific loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are transferred to specific loan loss reserves based on the discounted cash flow method.
Claims on debtors under virtual bankruptcy	All loans not secured by collateral or guarantees are transferred to the specific loan loss reserve or written off.
Claims on debtors under legal bankruptcy	

(2) Reserve for loan losses

[Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Reserve for Loan Losses	56,158	(1,504)	(5,137)	57,662	61,295
General reserve for loan losses	31,035	100	(1,913)	30,935	32,948
Specific reserve for loan losses	25,122	(1,605)	(3,225)	26,727	28,347
Special reserve for loans to certain countries	-	-	-	-	-

[Consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Reserve for Loan Losses	59,635	(1,753)	(5,641)	61,388	65,276
General reserve for loan losses	33,147	(85)	(2,307)	33,232	35,454
Specific reserve for loan losses	26,488	(1,668)	(3,334)	28,156	29,822
Special reserve for loans to certain countries	-	-	-	-	-

5. Loan Portfolio by Industry, etc.

(a) Loan portfolio by industry [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(A)	(A)-(B)	(A)-(C)	(B)	(C)
Domestic offices (Excluding Japan offshore banking accounts)	5,648,006	77,856	190,577	5,570,150	5,457,429
Manufacturing	450,933	(3,760)	8,288	454,693	442,645
Agriculture and forestry	9,305	927	1,323	8,378	7,982
Fisheries	4,934	648	195	4,286	4,739
Mining and quarrying of stone and gravel	5,760	595	3,728	5,165	2,032
Construction	199,213	9,016	20,960	190,197	178,253
Electricity, gas, heat supply and water	283,264	(1,901)	8,085	285,165	275,179
Information and communications	21,486	(804)	(309)	22,290	21,795
Transport and postal activities	133,755	3,900	5,403	129,855	128,352
Wholesale and retail trade	501,545	1,337	20,363	500,208	481,182
Finance and insurance	429,981	26,999	14,633	402,982	415,348
Real estate and goods rental and leasing	1,345,248	43,752	109,627	1,301,496	1,235,621
Services, N.E.C.	389,306	4,843	16,935	384,463	372,371
Government, except elsewhere classified	563,758	(26,169)	(59,000)	589,927	622,758
Other	1,309,511	18,472	40,345	1,291,039	1,269,166

(b) Disclosed claims under the Financial Reconstruction Law for loans by industry [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023	Sep. 30, 2022
	(A)	(A)-(B)	(A)-(C)	(B)	(C)
Domestic offices (Excluding Japan offshore banking accounts)	116,175	1,193	819	114,982	115,356
Manufacturing	16,859	(52)	(261)	16,911	17,120
Agriculture and forestry	413	(80)	(289)	493	702
Fisheries	853	(384)	(522)	1,237	1,375
Mining and quarrying of stone and gravel	44	(1)	(2)	45	46
Construction	8,655	64	1,384	8,591	7,271
Electricity, gas, heat supply and water	229	0	(1)	229	230
Information and communications	1,029	(12)	(28)	1,041	1,057
Transport and postal activities	2,131	(376)	(267)	2,507	2,398
Wholesale and retail trade	27,462	(1,196)	(1,667)	28,658	29,129
Finance and insurance	0	0	(272)	0	272
Real estate and goods rental and leasing	12,788	1,112	767	11,676	12,021
Services, N.E.C.	34,783	1,986	2,200	32,797	32,583
Government, except elsewhere classified	-	-	-	-	-
Other	10,922	131	(223)	10,791	11,145

(Note) Covers receivables excluding normal loan.

(c) Loans to consumers [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Consumer loans	1,319,841	18,970	40,987	1,300,871	1,278,854
Housing loans	1,253,807	15,511	34,772	1,238,296	1,219,035
Other consumer loans	66,033	3,458	6,214	62,575	59,819

(d) Ratio of loans to SMEs, etc. [Non-consolidated]

(%)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Ratio of loans to SMEs, etc.	65.72	0.62	1.58	65.10	64.14

6. Loan Portfolio by Country

(a) Loans to certain countries [Non-consolidated]

Not applicable.

(b) Loans to Asia [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Singapore	7,991 [-]	(1,014) [-]	95 [-]	9,005 [-]	7,896 [-]
Thailand	2,843 [-]	241 [-]	71 [-]	2,602 [-]	2,772 [-]
Philippines	2,243 [-]	241 [-]	71 [-]	2,002 [-]	2,172 [-]
Taiwan	2,000 [-]	- [-]	- [-]	2,000 [-]	2,000 [-]
Indonesia	1,683 [-]	(989) [-]	(1,256) [-]	2,672 [-]	2,939 [-]
India	1,000 [-]	- [-]	(333) [-]	1,000 [-]	1,333 [-]
UAE	520 [-]	40 [-]	(17) [-]	480 [-]	537 [-]
Total	18,283 [-]	(1,481) [-]	(1,367) [-]	19,764 [-]	19,650 [-]

(Note) Figures in [] are disclosed claims under the Financial Reconstruction Law (excluding normal loans).

(c) Loans to major countries in Latin America [Non-consolidated]

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Panama	3,103 [-]	333 [-]	1,547 [-]	2,770 [-]	1,556 [-]
Chile	972 [-]	105 [-]	31 [-]	867 [-]	941 [-]
Total	4,076 [-]	438 [-]	1,579 [-]	3,638 [-]	2,497 [-]

(Note) Figures in [] are disclosed claims under the Financial Reconstruction Law (excluding normal loans).

(d) Loans to Russia [Non-consolidated]

Not applicable.

7. Deposits and Loans and Bills Discounted

(a) Balances of deposits (including negotiable certificates of deposit) [Non-consolidated]

(All offices)

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Deposits and negotiable certificates of deposit (average balances)	8,950,148	107,385	85,864	8,842,763	8,864,284
Deposits and negotiable certificates of deposit (term-end balance)	8,916,365	5,723	137,069	8,910,642	8,779,296
Retail	5,975,023	67,184	109,871	5,907,839	5,865,152
Corporate and other	2,941,342	(61,461)	27,198	3,002,803	2,914,144

(Of which, in Miyagi Prefecture)

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Deposits and negotiable certificates of deposit (average balances)	8,387,803	103,027	83,174	8,284,776	8,304,629
Deposits and negotiable certificates of deposit (term-end balance)	8,365,920	5,429	126,658	8,360,491	8,239,262
Retail	5,725,040	67,843	109,351	5,657,197	5,615,689
Corporate and other	2,640,880	(62,413)	17,308	2,703,293	2,623,572

(b) Balances of loans and bills discounted [Non-consolidated]

(All offices)

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Loans and bills discounted (average balances)	5,591,185	168,676	244,613	5,422,509	5,346,572
Loans and bills discounted (term-end balances)	5,648,006	77,856	190,577	5,570,150	5,457,429
Loans to SMEs, etc.	3,711,772	85,429	210,980	3,626,343	3,500,792
Loans to SMEs	2,402,260	66,957	170,635	2,335,303	2,231,625
Loans to consumers	1,309,511	18,472	40,345	1,291,039	1,269,166

(Of which, in Miyagi Prefecture)

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Loans and bills discounted (average balances)	4,005,458	122,775	172,693	3,882,683	3,832,765
Loans and bills discounted (term-end balances)	4,044,065	67,131	169,915	3,976,934	3,874,150
Loans to SMEs, etc.	3,063,260	59,492	171,359	3,003,768	2,891,901
Loans to SMEs	1,796,407	40,970	130,545	1,755,437	1,665,862
Loans to consumers	1,266,853	18,523	40,814	1,248,330	1,226,039

8. Assets in Custody [Non-consolidated]

(All offices)

(Millions of Yen)

	As of Sep. 30, 2023			Mar. 31, 2023 (B)	Sep. 30, 2022 (C)
	(A)	(A)-(B)	(A)-(C)		
Balance of assets in custody	541,621	(15,145)	3,705	556,766	537,916
Investment trusts	101,926	12,876	18,137	89,050	83,789
Insurance	333,009	6,714	16,827	326,295	316,182
Government bonds	81,343	1,577	2,367	79,766	78,976
Foreign currency deposits	21,056	(6,170)	(1,148)	27,226	22,204
Structured bonds (brokered)	4,284	(30,143)	(32,479)	34,427	36,763

(Of which, in Miyagi Prefecture)

(Millions of Yen)

Balance of assets in custody	510,196	(7,817)	4,843	518,013	505,353
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(Note) Foreign currency deposits do not include financial deposits and offshore accounts.

IV Others

1. Valuation Gains (Losses) on Investment Securities

(1) Valuation standards for investment securities

Trading account securities	Reported at fair value and the related unrealized gains and losses are included in earnings
Held-to-maturity securities	Reported at amortized cost
Available-for-sale securities	Reported at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity
Investments in affiliates	Reported at cost

(Ref.) Securities included in money held in trust

Instruments held in trust for trading purposes	Recorded at fair value and unrealized gains and losses are recorded in other income/expenses
Instruments held in trust classified as available-for-sale	Recorded at fair value with the corresponding unrealized gains/losses recorded directly in a separate component of equity

(2) Unrealized gains or losses of investment securities

[Consolidated]

(Millions of Yen)

	As of Sept. 30, 2023				As of Mar. 31, 2023		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
Held-to-maturity securities	(15)	(6)	-	15	(9)	-	9
Available-for-sale securities	96,904	14,335	168,081	71,176	82,569	133,224	50,655
Equity securities	110,584	30,472	110,870	286	80,112	81,907	1,795
Debt securities	(54,888)	(27,367)	843	55,731	(27,521)	2,934	30,456
Other	41,208	11,229	56,367	15,159	29,979	48,382	18,402
Total	96,888	14,329	168,081	71,192	82,559	133,224	50,664
Equity securities	110,584	30,472	110,870	286	80,112	81,907	1,795
Debt securities	(54,904)	(27,373)	843	55,747	(27,531)	2,934	30,466
Other	41,208	11,229	56,367	15,159	29,979	48,382	18,402

Notes: 1. Since "Available-for-sale securities" is valued using the market value method, the difference between the carrying amount in the Interim Consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Available-for-sale securities" is based on the market value at the end of the interim period.

[Non-consolidated]

(Millions of Yen)

	As of Sept. 30, 2023				As of Mar. 31, 2023		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
Held-to-maturity securities	-	-	-	-	-	-	-
Available-for-sale securities	95,269	14,092	166,446	71,176	81,177	131,832	50,655
Equity securities	108,949	30,229	109,235	286	78,720	80,515	1,795
Debt securities	(54,888)	(27,367)	843	55,731	(27,521)	2,934	30,456
Other	41,208	11,229	56,367	15,159	29,979	48,382	18,402
Total	95,269	14,092	166,446	71,176	81,177	131,832	50,655
Equity securities	108,949	30,229	109,235	286	78,720	80,515	1,795
Debt securities	(54,888)	(27,367)	843	55,731	(27,521)	2,934	30,456
Other	41,208	11,229	56,367	15,159	29,979	48,382	18,402

Notes: 1. Since "Available-for-sale securities" is valued using the market value method, the difference between the carrying amount in the Interim Consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Available-for-sale securities" is based on the market value at the end of the interim period.

2. Employees' Retirement Benefits

[Non-consolidated]

(Millions of Yen)

	For the six months ended Sep. 30, 2023		For the six months ended Sep. 30, 2022 (B)	For FY2022 ended Mar. 31, 2023
	(A)	(A)-(B)		
Net periodic retirement benefit costs	1,124	140	984	1,972
Service cost	793	(16)	809	1,621
Interest cost	217	(3)	220	441
Expected return on plan assets	(732)	16	(748)	(1,497)
Recognized actuarial losses	845	142	703	1,406
Prior service cost	-	-	-	-
Other	-	-	-	-