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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 10, 2024

Company name: SBI Sumishin Net Bank, Ltd.

Listing: Tokyo Stock Exchange

Securities code: 7163

URL: <https://www.netbk.co.jp/contents/company/en/>

Representative: Noriaki Maruyama, President and Chief Executive Officer

Contact: Tomokazu Yokoi, Director and Executive Vice President, General Manager of Corporate Division

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Scheduled date of ordinary general meeting of shareholders: June 18, 2024

Scheduled date of commencing dividend payments: June 19, 2024

Scheduled date of filing annual securities report: June 18, 2024

Specified transaction account: None

Supplementary briefing material on financial results: Available

Financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous fiscal year.)

	Ordinary income		Ordinary profit (loss)		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	118,572	20.9	34,846	18.6	24,845	24.6
March 31, 2023	98,052	17.4	29,390	26.3	19,932	16.5

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥21,143 million [30.1%]

Fiscal year ended March 31, 2023: ¥16,254 million [38.9%]

	Net income per share	Diluted net income per share	Return on Equity	Return on Assets	Ordinary profit (loss) to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	164.78	—	17.5	0.4	29.4
March 31, 2023	132.18	—	14.4	0.3	30.0

(Reference) Equity in income from investments in affiliates:

Fiscal year ended March 31, 2024: ¥59 million

Fiscal year ended March 31, 2023: ¥73 million

(Note) Diluted net income per share is not presented since there has been no potential dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	10,676,416	151,608	1.4	1,005.41
March 31, 2023	8,679,004	131,691	1.5	872.74

(Reference) Capital amount: As of March 31, 2024: ¥151,608 million

As of March 31, 2023: ¥131,604 million

(Note) “Capital adequacy ratio” is calculated by dividing (net assets at the end of the fiscal year minus non-controlling interests at the end of the fiscal year) by total assets at the end of the fiscal year.

The “capital adequacy ratio” is not the capital adequacy ratio stated in the Capital Adequacy Ratio Notification.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	551,176	15,351	(1,393)	1,665,582
March 31, 2023	(949,788)	312,762	(29,955)	1,100,449

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	–	0.00	–	0.00	198.95	30,000	150.5	21.7
March 31, 2024	–	7.50	–	9.00	16.50	2,488	10.0	1.8
Fiscal year ending March 31, 2025 (Forecast)	–	9.00	–	9.50	18.50		10.0	

(Note) For the fiscal year ended March 31, 2023, SBI Sumishin Net Bank, Ltd. (the “Company”) paid cash dividends of 198.95 yen per share using retained earnings for a total dividend of approximately 30,000 million yen, based on the resolution of the Extraordinary General Meeting of Shareholders held on January 18, 2023 (a written resolution based on Article 319, Paragraph 1 of the Companies Act of Japan), with the same date as the record date and January 20, 2023, as the effective date.

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

(% indicates changes from the previous fiscal year.)

	Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	28,000	12.7	185.68

* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: –

Excluded: –

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

1) Changes in accounting policies due to revisions to accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the fiscal year (including treasury stock):

As of March 31, 2024: 150,793,800

As of March 31, 2023: 150,793,800

2) Total number of treasury stock at the end of the fiscal year:

As of March 31, 2024: 1,639

As of March 31, 2023: –

3) Average number of outstanding shares during the fiscal year:

Fiscal year ended March 31, 2024: 150,779,596

Fiscal year ended March 31, 2023: 150,793,800

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous fiscal year.)

Fiscal year ended	Ordinary income		Ordinary profit (loss)		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	114,544	21.8	33,605	15.7	23,784	19.6
March 31, 2023	94,044	18.5	29,035	29.9	19,890	19.2

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2024	157.74	—
March 31, 2023	131.90	—

(Note) Diluted net income per share is not presented since there has been no potential dilutive shares.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	10,674,141	149,928	1.4	994.26
March 31, 2023	8,677,604	130,992	1.5	868.68

(Reference) Core capital: As of March 31, 2024: ¥149,928 million

As of March 31, 2023: ¥130,992 million

(Note) Capital adequacy ratio is calculated by dividing (net assets at the end of the fiscal year minus share acquisition rights at the end of the fiscal year) by total assets at the end of the fiscal year.

The “capital adequacy ratio” is not the capital adequacy ratio stated in the Capital Adequacy Ratio Notification.

* These consolidated financial results for the fiscal year ended March 31, 2024, are outside the scope of the year-end audit procedures to be performed by certified public accountants or an audit firm.

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

The forward-looking statements contained in this document, including the financial results forecasts, are based on the information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

Regarding the status of profit and loss for the fiscal year ended March 31, 2024, ordinary profit was 34.8 billion yen (a year-on-year increase of 18.6%) and net income attributable to owners of parent was 24.8 billion yen (a year-on-year increase of 24.6%). This was due to steady growth in the amount of mortgage loans, main products of the Company, and due to an increase in payment-related fees due to the expansion of the customer base and the progress of cashless payments.

Regarding the status of reportable segments for the fiscal year ended March 31, 2024, in the Digital banking business, an increase in fees and commissions due to lending administration fees and payment-related fees due to the progress of cashless payments due to mortgage loans, the main business, and an increase in net interest income against the backdrop of rising market interest rates overseas contributed to a gross profit of 65.5 billion yen (a year-on-year increase of 11.2%), and as a result of increases in advertising expenses, etc., and increases of outsourcing expenses related to office work, expenses, etc., was 34.2 billion yen (a year-on-year increase of 10.9%) and ordinary profit was 31.2 billion yen (a year-on-year increase of 11.5%). In the BaaS business, in addition to an increase in account fees due to an increase in bank accounts and an increase in fees due to mortgage loans, with the steady performance of NetMove Corporation, a consolidated subsidiary of the Company, gross profit was 8.8 billion yen (a year-on-year increase of 82.3%), expenses, etc., was 5.2 billion yen (a year-on-year increase of 48.9%), and ordinary profit was 3.6 billion yen (a year-on-year increase of 168.8%) due to continuous system investments in addition to advertising expenses, etc., for the "NEOBANK@" service. As for the THEMIX business, as the business is in the start-up phase where expenses are incurred ahead, an ordinary loss of 92 million yen was recorded. Since the non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry DX, and support business related to carbon credit, which were previously included in the "BaaS business," started full-scale operation during the fiscal year ended March 31, 2024, the management classification has been changed and the businesses are stated as a separate reporting segment, the "THEMIX business."

Net income per share was 164.78 yen.

(2) Overview of Financial Position for the Fiscal Year Under Review

Regarding the status of assets and liabilities for the fiscal year ended March 31, 2024, total assets were 10,676.4 billion yen, an increase of 1,997.4 billion yen from the fiscal year ended March 31, 2023. Cash and due from banks were 1,665.5 billion yen, an increase of 565.1 billion yen from the fiscal year ended March 31, 2023, and loans amounted to 7,972.7 billion yen, an increase of 1,377.8 billion yen from the fiscal year ended March 31, 2023, due to active efforts for mortgage loans. Securities amounted to 562.5 billion yen, remained almost flatly from the fiscal year ended March 31, 2023. Meanwhile, liabilities amounted to 10,524.8 billion yen, an increase of 1,977.4 billion yen from the fiscal year ended March 31, 2023. Deposit, which is mainly yen liquid deposit, amounted to 9,463.1 billion yen, an increase of 1,487.7 billion yen from the fiscal year ended March 31, 2023. In addition, borrowed money amounted to 800.0 billion yen, an increase of 500.0 billion yen from the fiscal year ended March 31, 2023. Net assets amounted to 151.6 billion yen, an increase of 19.9 billion yen from the fiscal year ended March 31, 2023, due to the recording of 24.8 billion yen in net income attributable to owners of the parent as the source of funds, as well as changes in net unrealized gains (losses) on available-for-sale securities and net deferred gains (losses) on hedges.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Regarding the status of cash flows for the fiscal year ended March 31, 2024, net cash provided by operating activities amounted to 551.1 billion yen (949.7 billion yen used in the fiscal year ended March 31, 2023) because of an increase in deposits due to the expansion of the customer base and an increase in borrowed money, even with an increase in loans centered on mortgage loans; net cash provided by investing activities, amounted to 15.3 billion yen (312.7 billion yen provided in the fiscal year ended March 31, 2023) due to the sale and redemption of securities, etc.; and net cash used in financing activities amounted to 1.3 billion yen (29.9 billion yen used in the fiscal year ended March 31, 2023) due to the payment of interim dividend. Cash and cash equivalents at the fiscal year ended March 31, 2024 were 1,665.5 billion yen, an increase of 565.1 billion yen from the fiscal year ended March 31, 2023.

(4) Future Outlook

For the consolidated financial results for the fiscal year ending March 31, 2025, the Company is projecting net income attributable to owners of the parent of 28.0 billion yen, a year-on-year increase of 3.1 billion yen (an increase of 12.7%).

Furthermore, the Company is projecting to increase the dividends by 2 yen to 18.50 yen per share, assuming that the financial results for the full year will be as expected.

2. Basic Approach on Selection of Accounting Standards

The Company and its consolidated subsidiaries apply Japanese GAAP in consideration of comparability among companies. The Company will respond to the application of IFRS appropriately, considering its business development and domestic and international situations.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	1,100,449	1,665,582
Monetary claims bought	243,353	207,986
Money held in trust	13,657	13,148
Securities	558,769	562,510
Loans	6,594,878	7,972,760
Foreign exchanges	7,102	8,341
Other assets	125,881	208,561
Tangible fixed assets	3,790	3,210
Buildings, net	313	259
Land	7	—
Leased assets, net	2	0
Other, net	3,467	2,950
Intangible fixed assets	26,908	28,299
Software	21,008	21,507
Software in progress	3,368	4,621
Goodwill	2,524	2,163
Other	7	7
Deferred tax assets	7,231	8,883
Reserve for possible loan losses	(3,019)	(2,867)
Total assets	8,679,004	10,676,416
Liabilities		
Deposits	7,975,420	9,463,139
Call money and bills sold	48,000	—
Payables under securities-lending transactions	145,885	145,284
Borrowed money	300,000	800,000
Foreign exchanges	1,533	6,363
Other liabilities	74,352	106,975
Reserve for bonuses	510	920
Liabilities for retirement benefits	15	16
Reserve for point program	952	1,180
Reserve for reimbursement of deposits in dormant accounts	52	56
Reserve under special laws	9	9
Deferred tax liabilities	580	861
Total liabilities	8,547,313	10,524,807
Net assets		
Capital stock	31,000	31,000
Capital surplus	13,625	13,633
Retained earnings	98,723	122,430
Treasury stock	—	(2)
Total shareholders' equity	143,349	167,061
Net unrealized gains (losses) on available-for-sale securities	(11,409)	(15,614)
Net deferred gains (losses) on hedges	(335)	161
Total accumulated other comprehensive income	(11,744)	(15,452)
Non-controlling interests	87	—
Total net assets	131,691	151,608
Total liabilities and net assets	8,679,004	10,676,416

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary income	98,052	118,572
Interest income	47,481	54,314
Interest on loans	37,534	41,696
Interest and dividends on securities	8,037	10,629
Interest on call loans and bills bought	–	0
Interest on deposits with banks	750	766
Other interest income	1,158	1,221
Fees and commission income	42,182	53,834
Other operating income	8,104	10,270
Other income	283	152
Other	283	152
Ordinary expenses	68,661	83,726
Interest expenses	6,706	10,861
Interest on deposits	5,443	11,122
Interest on call money and bills sold	(29)	(26)
Interest expenses on securities sold under repurchase agreements	75	–
Interest expenses on payables under securities-lending transactions	19	14
Interest on borrowings and rediscounts	0	(265)
Other interest expenses	1,198	17
Fees and commission expenses	26,511	34,033
Other operating expenses	1,659	847
General and administrative expenses	32,533	37,434
Other expenses	1,250	548
Provision of allowance for loan losses	901	435
Other	349	112
Ordinary profit	29,390	34,846
Extraordinary income	–	1,537
Gains on disposal of fixed assets	–	7
Gains on business transfer	–	1,529
Extraordinary losses	359	779
Loss on disposal of fixed assets	2	9
Impairment losses	242	598
Provision of reserve for financial instruments transaction liabilities	2	0
Other	111	171
Income before income taxes	29,030	35,604
Income taxes-current	9,506	10,487
Income taxes-deferred	(420)	265
Total income taxes	9,086	10,752
Net income	19,944	24,851
Net income attributable to non-controlling interests	12	5
Net income attributable to owners of the parent	19,932	24,845

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Financial Results for the Fiscal Year Ended March 31, 2024

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	19,944	24,851
Other comprehensive income	(3,689)	(3,708)
Net unrealized gains (losses) on available-for-sale securities	(5,745)	(4,204)
Net deferred gains (losses) on hedges	2,055	496
Comprehensive income	16,254	21,143
Comprehensive income attributable to		
Owners of the parent	16,242	21,137
Non-controlling interests	12	5

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Financial Results for the Fiscal Year Ended March 31, 2024

(3) Consolidated Statement of Changes in Net Assets
Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	31,000	13,625	108,791	–	153,417
Changes during the year					
Dividends of surplus			(30,000)		(30,000)
Net income attributable to owners of the parent			19,932		19,932
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	(10,067)	–	(10,067)
Balance at the end of the year	31,000	13,625	98,723	–	143,349

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total accumulated other comprehensive income		
Balance at the beginning of the year	(5,664)	(2,390)	(8,054)	30	145,392
Changes during the year					
Dividends of surplus					(30,000)
Net income attributable to owners of the parent					19,932
Net changes in items other than shareholders' equity	(5,745)	2,055	(3,689)	57	(3,632)
Total changes during the year	(5,745)	2,055	(3,689)	57	(13,700)
Balance at the end of the year	(11,409)	(335)	(11,744)	87	131,691

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	31,000	13,625	98,723	—	143,349
Changes during the year					
Purchase of shares of consolidated subsidiaries		8			8
Dividends of surplus			(1,130)		(1,130)
Net income attributable to owners of the parent			24,845		24,845
Purchase of treasury stock				(177)	(177)
Disposal of treasury stock		(7)		174	167
Transfer to capital surplus from retained earnings		7	(7)		—
Net changes in items other than shareholders' equity					
Total changes during the year	—	8	23,707	(2)	23,712
Balance at the end of the year	31,000	13,633	122,430	(2)	167,061

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total accumulated other comprehensive income		
Balance at the beginning of the year	(11,409)	(335)	(11,744)	87	131,691
Changes during the year					
Purchase of shares of consolidated subsidiaries					8
Dividends of surplus					(1,130)
Profit (loss) attributable to owners of the parent					24,845
Purchase of treasury stock					(177)
Disposal of treasury stock					167
Transfer to capital surplus from retained earnings					—
Net changes in items other than shareholders' equity	(4,204)	496	(3,708)	(87)	(3,795)
Total changes during the year	(4,204)	496	(3,708)	(87)	19,916
Balance at the end of the year	(15,614)	161	(15,452)	—	151,608

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Financial Results for the Fiscal Year Ended March 31, 2024

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	29,030	35,604
Depreciation and amortization	5,921	7,343
Impairment losses	242	598
Equity in losses (gains) of affiliates	(73)	(59)
Amortization of goodwill	800	360
Net change in reserve for possible loan losses	446	(151)
Net change in reserve for bonuses	(83)	409
Net change in reserve for financial instruments transaction liabilities	2	0
Net change in reserve for directors' retirement benefits	(122)	—
Net change in reserve for reimbursement of deposits in dormant accounts	0	4
Net change in reserve for point program	188	227
Interest income	(47,481)	(54,314)
Interest expenses	6,706	10,861
Losses (gains) related to securities - net	(444)	(1,261)
Losses (gains) on money held in trust - net	9	9
Losses (gains) on disposal of fixed assets - net	2	1
Net change in loans	(1,204,039)	(1,377,881)
Net change in deposits	862,827	1,487,718
Net change in borrowed money (excluding subordinated borrowings)	(486,400)	500,000
Net change in call loans, etc.	45,668	35,367
Net change in call money, etc.	14,000	(48,000)
Net change in payables under securities-lending transactions	(223,963)	(601)
Net change in foreign exchanges (assets)	13,867	(1,238)
Net change in foreign exchanges (liabilities)	(725)	4,830
Interest received	48,780	54,545
Interest paid	(5,126)	(8,556)
Losses (gains) on business transfer	—	(1,529)
Other - net	(4,066)	(81,894)
Subtotal	(944,031)	562,393
Income taxes paid	(5,756)	(11,217)
Net cash provided by (used in) operating activities	(949,788)	551,176

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Financial Results for the Fiscal Year Ended March 31, 2024

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of securities	(423,064)	(307,070)
Proceeds from sales of securities	626,906	149,330
Proceeds from redemption of securities	118,885	182,392
Purchase of shares in equity-method affiliates	–	(1,242)
Decrease in money held in trust	500	500
Purchase of tangible fixed assets	(416)	(179)
Proceeds from sales of tangible fixed assets	–	16
Purchase of intangible fixed assets	(10,048)	(9,557)
Proceeds from business transfer	–	1,161
Net cash provided by investing activities	312,762	15,351
Cash flows from financing activities		
Purchase of treasury stock	–	(177)
Dividends paid	(30,000)	(1,130)
Proceeds from share issuance to non-controlling shareholders	45	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(85)
Net cash used in financing activities	(29,955)	(1,393)
Effect of exchange rate changes on cash and cash equivalents	–	–
Net change in cash and cash equivalents	(666,980)	565,133
Cash and cash equivalents at the beginning of the year	1,767,429	1,100,449
Cash and cash equivalents at the end of the year	1,100,449	1,665,582

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumptions)

There was no applicable information.

(Segment information)

1. General information about reportable segments

The Group's reportable segments are components of the Group for which separate financial information can be provided and is used by management periodically to determine the allocation of resources and assess performance.

Digital banking business:

This segment principally provides banking services, such as lending services and deposit services through mobile applications and the Internet and financial services, such as debit card operation. An affiliate relating to this segment is Yuryo Loan Co., Ltd.

BaaS (banking as a service) business:

This segment provides banking function to business partners. By utilizing banking function provided by the Bank, business partners can operate banking services and the customers of the business partners can access the same products and services as those offered in the digital banking business. Affiliates relating to this segment are NetMove Corporation, Dayta Consulting Co., Ltd., JAL Payment Port Co., Ltd., and NeoBank Services Co., Ltd.

THEMIX business:

This segment operates the non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used (financial data platform business), forestry and forestry DX (DX platform business), and support business related to carbon credit (carbon credit platform business). Affiliates relating to this segment are THEMIX Data, Inc., THEMIX Green, Inc., and Marpy, Inc.

(Matters concerning changes in reportable segments)

Since the non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry DX, and support business related to carbon credit, which were previously included in the "BaaS business," started full-scale operation during the fiscal year ended March 31, 2024, the management classification has been changed and the businesses are stated as a separate reporting segment, the "THEMIX business."

Segment information for the previous fiscal year is stated based on the new reportable segments and is shown in the Fiscal year ended March 31, 2023 of "3. Information about gross operating profit and profit or loss by reportable segment."

2. Basis for measurement of gross operating profit and profit or loss by reportable segment

The accounting policies of the reportable segments are the same as the Group's accounting policies described in "Important Matters That Form the Basis for Preparing Consolidated Financial Statements." Income and expenses from intersegment transactions are calculated based on prevailing market prices.

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Financial Results for the Fiscal Year Ended March 31, 2024

3. Information about gross operating profit and profit or loss by reportable segment
(Fiscal year ended March 31, 2023)

(Millions of yen)

	Reportable segment			Adjustments	Total
	Digital banking business	BaaS business	THEMIX business		
Gross operating profit	58,932	4,858	7	(902)	62,895
Expenses	(30,864)	(3,503)	(123)	986	(33,505)
Ordinary profit	28,067	1,355	(116)	83	29,390

- (Notes)
1. Gross operating profit is presented instead of sales of companies in other industries.
 2. Gross operating profit includes net interest income (expenses), net fees and commission income (expenses), and net other operating income (expenses).
 3. Amounts in parentheses represent losses or expenses.
 4. "Expenses" include general and administrative expenses in the consolidated statement of income, as well as credit-related expenses of ¥911 million and net (gains) losses on stocks and other securities of ¥ (171) million. Credit related expenses and net (gains) losses on stocks and other securities are included in "Digital banking business."
 5. Adjustments include elimination of intersegment transactions and others.
 6. Segment assets and segment liabilities are not presented because the assets and liabilities are not allocated to the reportable segments for the internal management of the Group.

(Fiscal year ended March 31, 2024)

(Millions of yen)

	Reportable segment			Adjustments	Total
	Digital banking business	BaaS business	THEMIX business		
Gross operating profit	65,523	8,859	170	(1,870)	72,681
Expenses	(34,239)	(5,216)	(262)	1,882	(37,835)
Ordinary profit	31,283	3,642	(92)	11	34,846

- (Notes)
1. Gross operating profit is presented instead of sales of companies in other industries.
 2. Gross operating profit includes net interest income (expenses), net fees and commission income (expenses), and net other operating income (expenses).
 3. Amounts in parentheses represent losses or expenses.
 4. "Expenses" include general and administrative expenses in the consolidated statement of income as well as credit related expenses of ¥443 million. Credit-related expenses and net (gains) losses on stocks and other securities are included in "Digital banking business."
 5. Adjustments include elimination of intersegment transactions and others.
 6. Segment assets and segment liabilities are not presented because the assets and liabilities are not allocated to the reportable segments for the internal management of the Group.

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

(Per share data)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	872.74 yen	1,005.41 yen
Net income per share	132.18 yen	164.78 yen

(Notes) 1. Diluted net income per share is not presented since there has been no potential dilutive shares.
2. The basis for calculating net income per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income per share		
Net income attributable to owners of the parent (millions of yen)	19,932	24,845
Amount not attributable to common shareholders (millions of yen)	—	—
Net income attributable to owners of the parent related to common stock (millions of yen)	19,932	24,845
Average number of common stock during the year (thousand shares)	150,793	150,779

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2023	As of March 31, 2024
Net assets (millions of yen)	131,691	151,608
Amount deducted from net assets (millions of yen)	87	—
Non-controlling interests (millions of yen)	87	—
Net assets related to common stock (millions of yen)	131,604	151,608
Number of common stock at the end of the fiscal year used to calculate net assets per share (thousand shares)	150,793	150,792

(Significant subsequent events)

There was no applicable information.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	1,094,683	1,662,675
Due from banks	1,094,683	1,662,675
Monetary claims bought	239,325	203,082
Money held in trust	13,657	13,148
Securities	568,626	571,806
Japanese Government bonds	149,840	180,887
Japanese local government bonds	17,230	15,820
Short-term corporate bonds	13,500	13,498
Corporate bonds	59,975	53,917
Stocks	10,037	10,778
Other securities	318,042	296,904
Loans	6,606,594	7,978,762
Loans on deeds	6,490,815	7,862,116
Overdrafts	115,778	116,646
Foreign exchanges	7,102	8,341
Due from foreign banks (our accounts)	7,102	8,341
Other assets	115,501	201,486
Domestic exchange settlement account, debit	12,954	42,732
Prepaid expenses	1,778	1,980
Accrued revenue	6,035	10,026
Margin deposits for futures transactions	14,243	11,544
Financial derivatives	9,750	12,294
Cash collateral paid for financial instruments	58,345	109,755
Other	12,392	13,152
Tangible fixed assets	3,626	3,048
Buildings, net	297	265
Other, net	3,328	2,783
Intangible fixed assets	24,107	25,882
Software	20,753	21,358
Software in progress	3,347	4,517
Other	6	5
Deferred tax assets	6,983	8,765
Reserve for possible loan losses	(2,604)	(2,858)
Total assets	8,677,604	10,674,141

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Deposits	7,977,700	9,465,829
Liquid deposits	5,856,904	7,197,169
Time deposits	1,786,215	1,938,492
Other deposits	334,580	330,167
Call money	48,000	—
Payables under securities-lending transactions	145,885	145,284
Borrowed money	300,000	800,000
Borrowings from other banks	300,000	800,000
Foreign exchanges	1,533	6,363
Foreign bills payable	1,533	6,363
Other liabilities	72,053	104,653
Domestic exchange settlement account, credit	9,908	37,393
Income taxes payable	6,542	5,712
Accrued expenses	2,325	4,630
Unearned revenue	524	333
Margin deposits received for futures transactions	25,173	21,619
Financial derivatives	9,599	12,079
Other	17,980	22,882
Reserve for bonuses	424	835
Reserve for point program	952	1,180
Reserve for reimbursement of deposits in dormant accounts	52	56
Reserve under special laws	9	9
Reserve for financial instruments transaction	9	9
Total liabilities	8,546,612	10,524,213
Net assets		
Capital stock	31,000	31,000
Capital surplus	13,625	13,625
Legal reserve of capital surplus	13,625	13,625
Retained earnings	98,111	120,757
Legal reserve of retained earnings	6,000	6,226
Other retained earnings	92,111	114,531
Retained earnings brought forward	92,111	114,531
Treasury stock	—	(2)
Total shareholders' equity	142,737	165,380
Net unrealized gains (losses) on available-for-sale securities	(11,409)	(15,614)
Net deferred gains (losses) on hedges	(335)	161
Total valuation and translation adjustments	(11,744)	(15,452)
Total net assets	130,992	149,928
Total liabilities and net assets	8,677,604	10,674,141

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

(2) Non-consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary income	94,044	114,544
Interest income	47,329	55,647
Interest on loans	37,415	41,571
Interest and dividends on securities	8,037	12,060
Interest on call loans	–	0
Interest on deposits with banks	750	766
Interest on interest rate swaps	–	293
Other interest income	1,125	954
Fees and commission income	39,051	50,885
Fees and commissions on domestic and foreign exchanges	2,486	3,437
Other fees and commissions	36,565	47,447
Other operating income	7,485	7,957
Gain on foreign exchange transactions	2,595	3,685
Gain on sale of bonds	1,929	1,261
Gain on financial derivatives	2,654	2,492
Other	305	517
Other income	178	54
Gain on sale of equity securities	87	–
Other	90	54
Ordinary expenses	65,008	80,938
Interest expenses	6,693	10,847
Interest on deposits	5,443	11,122
Interest on call money	(29)	(26)
Interest expenses on securities sold under repurchase agreements	75	–
Interest expenses on payables under securities-lending transactions	19	14
Interest on borrowings and rediscounts	0	(265)
Interest expenses on interest rate swaps	1,182	–
Other interest expenses	2	2
Fees and commission expenses	26,554	33,842
Fees and commissions on domestic and foreign exchanges	2,138	2,684
Other fees and commissions	24,415	31,157
Other operating expenses	1,418	335
Loss on sale of bonds	1,313	–
Other	105	335
General and administrative expenses	29,604	35,005
Other expenses	738	907
Provision of allowance for loan losses	394	326
Write-off of loans	–	0
Loss on sale of equity securities	258	–
Loss on devaluation of equity securities	–	486
Loss on money held in trust	9	9
Other	74	84
Ordinary profit	29,035	33,605

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses	359	376
Loss on disposal of fixed assets	2	0
Impairment losses	242	374
Provision of reserve for financial instruments transaction liabilities	2	0
Other	111	—
Income before income taxes	28,676	33,229
Income taxes-current	9,048	9,590
Income taxes-deferred	(263)	(145)
Total income taxes	8,785	9,444
Net income	19,890	23,784

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

(3) Non-consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal reserve of capital surplus	Other capital surplus	Total capital surplus	Legal reserve of retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	31,000	13,625	–	13,625	–	108,220	108,220	–	152,846
Changes during the year									
Dividends of surplus					6,000	(36,000)	(30,000)		(30,000)
Net income						19,890	19,890		19,890
Net changes in items other than shareholders' equity									
Total changes during the year	–	–	–	–	6,000	(16,109)	(10,109)	–	(10,109)
Balance at the end of the year	31,000	13,625	–	13,625	6,000	92,111	98,111	–	142,737

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the year	(5,664)	(2,390)	(8,054)	144,792
Changes during the year				
Dividends of surplus				(30,000)
Net income				19,890
Net changes in items other than shareholders' equity	(5,745)	2,055	(3,689)	(3,689)
Total changes during the year	(5,745)	2,055	(3,689)	(13,799)
Balance at the end of the year	(11,409)	(335)	(11,744)	130,992

SBI Sumishin Net Bank, Ltd. (7163)
Financial Results for the Fiscal Year Ended March 31, 2024

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal reserve of capital surplus	Other capital surplus	Total capital surplus	Legal reserve of retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	31,000	13,625	–	13,625	6,000	92,111	98,111	–	142,737
Changes during the year									
Dividends of surplus					226	(1,357)	(1,130)		(1,130)
Net income						23,784	23,784		23,784
Purchase of treasury stock								(177)	(177)
Disposal of treasury stock			(7)	(7)				174	167
Transfer to capital surplus from retained earnings			7	7		(7)	(7)		–
Net changes in items other than shareholders' equity									
Total changes during the year	–	–	–	–	226	22,420	22,646	(2)	22,643
Balance at the end of the year	31,000	13,625	–	13,625	6,226	114,531	120,757	(2)	165,380

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the year	(11,409)	(335)	(11,744)	130,992
Changes during the year				
Dividends of surplus				(1,130)
Net income				23,784
Purchase of treasury stock				(177)
Disposal of treasury stock				167
Transfer to capital surplus from retained earnings				–
Net changes in items other than shareholders' equity	(4,204)	496	(3,708)	(3,708)
Total changes during the year	(4,204)	496	(3,708)	18,935
Balance at the end of the year	(15,614)	161	(15,452)	149,928

Explanatory Material

For the Fiscal Year Ended March 31, 2024



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1. Profits and Losses

[Consolidated]

(Millions of yen)

	Fiscal Year ended March 31, 2024 (A)	(A) - (B)	Fiscal Year ended March 31, 2023 (B)
Consolidated gross operating profit	72,681	9,786	62,895
Net interest income	43,457	2,678	40,779
Net fees and commission income	19,800	4,129	15,671
Net other operating income	9,423	2,978	6,444
Net gains (losses) on bonds	1,261	645	616
General and administrative expenses (-)	37,434	4,900	32,533
Credit related expenses (-)	443	(468)	911
Net gains (losses) on stocks and other securities	—	171	(171)
Equity in income from investments in affiliates	59	(13)	73
Others	(16)	(54)	38
Ordinary profit (loss)	34,846	5,456	29,390
Extraordinary income (losses)	757	1,117	(359)
Income before income taxes	35,604	6,573	29,030
Income taxes - current (-)	10,487	980	9,506
Income taxes - deferred (-)	265	686	(420)
Total income taxes (-)	10,752	1,666	9,086
Net income	24,851	4,906	19,944
Net income attributable to owners of the parent	24,845	4,913	19,932
Consolidated net operating profit before provision of reserve for possible loan losses	35,247	4,885	30,361

Note 1: Consolidated gross operating profit = (Interest income - (Interest expenses - Expenses incurred for money held in trust))
+ (Fees and commission income - Fees and commission expenses)
+ (Other operating income - Other operating expenses)

Note 2: Consolidated net operating profit before provision of reserve for possible loan losses = Non-consolidated net operating profit + Subsidiary gross profit - Subsidiary general and administrative expenses - Internal transactions

Gross Operating Profit and Profit or Loss by Segment

Digital Banking Business

(Millions of yen)

	Fiscal Year ended March 31, 2024 (A)	(A) - (B)	Fiscal Year ended March 31, 2023 (B)
Gross operating profit	65,523	6,590	58,932
Expenses, etc. (-)	34,239	3,374	30,864
Ordinary profit	31,283	3,215	28,067

Banking as a Service (BaaS) Business

(Millions of yen)

	Fiscal Year ended March 31, 2024 (A)	(A) - (B)	Fiscal Year ended March 31, 2023 (B)
Gross operating profit	8,859	4,000	4,858
Expenses, etc. (-)	5,216	1,712	3,503
Ordinary profit	3,642	2,287	1,355

THEMIX Business

(Millions of yen)

	Fiscal Year ended March 31, 2024 (A)	(A) - (B)	Fiscal Year ended March 31, 2023 (B)
Gross operating profit	170	162	7
Expenses, etc. (-)	262	138	123
Ordinary profit	(92)	24	(116)

Note 1: Expenses, etc., include credit related expenses and net (gains) losses on stocks and other securities, which are reported under the Digital Banking Business.
Note 2: From the three months ended June 30, 2023, the non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry DX, and support business related to carbon credit, which were previously included in the "BaaS Business," are disclosed as a separate segment, the "THEMIX Business."
The figures for the fiscal year ended March 31, 2023 are disclosed based on the new reportable segments.

[Non-consolidated]

(Millions of yen)

	Fiscal Year ended		Fiscal Year ended
	March 31, 2024 (A)	(A) - (B)	
Gross operating profit	69,468	10,263	59,205
Net interest income	44,804	4,163	40,641
Net fees and commission income	17,042	4,545	12,496
Net other operating income	7,621	1,554	6,067
Net gains (losses) on bonds	1,261	645	616
Expenses (excluding non-recurring losses) (-)	35,005	5,401	29,604
Personnel expenses (-)	6,282	1,086	5,196
Non-personnel expenses (-)	26,456	3,926	22,529
Taxes (-)	2,266	387	1,878
Net operating profit before provision of reserve for p	34,462	4,862	29,600
Provisions of reserve for possible loan losses (1) (-)	185	(96)	281
Net operating profit	34,277	4,958	29,318
Non-recurring gains (losses)	(671)	(388)	(282)
Credit costs (2) (-)	148	25	123
Net gains (losses) on stocks and other securities	(486)	(315)	(171)
Other non-recurring gains (losses)	(36)	(48)	11
Ordinary profit (loss)	33,605	4,570	29,035
Extraordinary gains (losses)	(376)	(16)	(359)
Income before income taxes	33,229	4,553	28,676
Income taxes - current (-)	9,590	541	9,048
Income taxes - deferred (-)	(145)	117	(263)
Total income taxes (-)	9,444	659	8,785
Net income	23,784	3,894	19,890
Total Credit related expenses ((1) + (2)) (-)	334	(70)	405
OHR (*)	50.3%	0.3%	50.0%

*OHR = Expenses / Gross operating profit

2. Domestic Interest Spread

[Non-consolidated]

(%)

		Fiscal Year ended		Fiscal Year ended
		March 31, 2024 (A)	(A) - (B)	
Investment yield	(A)	0.54	(0.00)	0.55
Interest earned on loans	(C)	0.57	(0.04)	0.62
Interest earned on securities		1.03	0.63	0.40
Total cost of funding (including expenses)	(B)	0.40	0.01	0.38
Funding yield		0.03	0.00	0.03
Interest paid on deposits, etc.	(D)	0.02	0.00	0.02
Expense ratio		0.39	0.00	0.38
Net interest margin	(A) - (B)	0.13	(0.02)	0.16
Interest spread	(C) - (D)	0.54	(0.05)	0.60

3. Net Gains (Losses) on securities

[Consolidated]

(Millions of yen)

	Fiscal Year ended		Fiscal Year ended
	March 31, 2024 (A)	(A) - (B)	
Net gains (losses) on bonds	1,261	645	616
Net gains (losses) on stocks and other securities	—	171	(171)

[Non-consolidated]

(Millions of yen)

	Fiscal Year ended		Fiscal Year ended
	March 31, 2024 (A)	(A) - (B)	
Net gains (losses) on bonds	1,261	645	616
Net gains (losses) on stocks and other securities	(486)	(315)	(171)

4. Capital Adequacy Ratios (domestic standard)

[Consolidated]

(Billions of yen, %)

	Fiscal Year ended March 31, 2024 (A)		Fiscal Year ended March 31, 2023 (B)
		(A) - (B)	
(1) Capital adequacy ratio (2) / (3)	7.77	(1.18)	8.95
(2) Amount of capital	147.1	21.0	126.1
(3) Amount of risk-weighted assets	1,892.4	483.8	1,408.6
(4) Total regulatory required capital	75.6	19.3	56.3

[Non-consolidated]

(Billions of yen, %)

	Fiscal Year ended March 31, 2024 (A)		Fiscal Year ended March 31, 2023 (B)
		(A) - (B)	
(1) Capital adequacy ratio (2) / (3)	7.74	(1.21)	8.95
(2) Amount of capital	147.6	20.2	127.4
(3) Amount of risk-weighted assets	1,906.5	483.4	1,423.1
(4) Total regulatory required capital	76.2	19.3	56.9

5. Return on Equity

[Consolidated]

(%)

	Fiscal Year ended March 31, 2024 (A)		Fiscal Year ended March 31, 2023 (B)
		(A) - (B)	
Return on Equity (ROE)	17.5	3.1	14.3

Note 1: ROE formula

$$\frac{\text{Net income attributable to owners of the parent}}{(\text{Total capital at the beginning of the fiscal year} + \text{Total capital at the end of the fiscal year}) / 2} \times 100$$

Note 2: Total capital = Total net assets - Non-controlling interests

6. Key Performance Indicators

(1) Disbursements of Mortgages

[Consolidated]

(Billions of yen)

	Fiscal Year ended March 31, 2024 (A)		Fiscal Year ended March 31, 2023 (B)
		(A) - (B)	
Disbursements of mortgages	1,738.6	253.4	1,485.2
Original	1,664.1	319.9	1,344.1
Bank agencies	922.5	178.4	744.0
Flat 35	74.5	(66.4)	141.0

Note: Original: Original represents the total disbursements of mortgages sold by the Company, mortgages sold by the Company as a bank agency or as a bank agency of Sumitomo Mitsui Trust Bank, Limited, mortgages sold by bank agencies with the Company as the affiliated bank, and mortgages sold by Yuryo Loan, Ltd.

Flat35: Flat 35 is sold by the Company and Yuryo Loan, Ltd.

(2) Number of Accounts

[Non-consolidated]

(Ten thousands of accounts)

	As of March 31, 2024 (A)		As of March 31, 2023 (B)
		(A) - (B)	
Number of accounts	726	111	614
Digital Banking Business	567	35	532
BaaS Business	158	76	81

(3) Number of BaaS Business Partners

[Non-consolidated]

(Number of companies)

	As of March 31, 2024 (A)		As of March 31, 2023 (B)
		(A) - (B)	
Number of BaaS business partners	16	6	10

7. Deposits and Loans

(1) Deposits and Loans

[Non-consolidated]

(Billions of yen)

	As of March 31, 2024		As of March 31, 2023
	(A)	(A) - (B)	(B)
Deposits (Ending balance)	9,465.8	1,488.1	7,977.7
Deposits (Average balance)	8,844.0	1,196.4	7,647.5
Loans (Ending balance)	7,978.7	1,372.1	6,606.5
Loans (Average balance)	7,244.5	1,208.9	6,035.6

(2) Breakdown of Domestic Loans and Ratio of Loans of Small to Mid-Sized Enterprises

[Non-consolidated]

(Billions of yen)

	As of March 31, 2024		As of March 31, 2023
	(A)	(A) - (B)	(B)
Domestic loans (excluding governments)	7,225.5	1,452.2	5,773.2
Large enterprises	102.0	29.1	72.9
Mid-sized enterprises	—	—	—
Small- to mid-sized enterprises	7,123.4	1,423.1	5,700.2
Small- to mid-sized enterprises	15.3	(20.7)	36.0
Individuals	7,108.0	1,443.8	5,664.1
Ratio of loans to small- to mid-sized enterprises	(B) / (A)	98.5%	(0.1)%
			98.7%

(3) Loans to Individual

[Non-consolidated]

(Billions of yen)

	As of March 31, 2024		As of March 31, 2023
	(A)	(A) - (B)	(B)
Total	7,108.0	1,443.8	5,664.1
Mortgage loans	6,638.3	1,342.3	5,295.9
Others	469.7	101.4	368.2

8. Disclosure of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

	As of March 31, 2024		As of March 31, 2023 (B)
	(A)	(A) - (B)	
Bankrupt and practically bankrupt	2,539	93	2,445
Doubtful	882	50	831
Restructured	656	(47)	704
Total	4,077	96	3,981

Total normal claims	7,970,514	1,377,914	6,592,599
Total balance of claims, including normal claims	7,974,591	1,378,011	6,596,580
NPL ratio	0.05%	(0.00)%	0.06%

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

9. Coverage Ratio of Claims Classified under the Financial Revitalization Act

[Consolidated]

(Millions of yen)

	As of March 31, 2024		As of March 31, 2023 (B)
	(A)	(A) - (B)	
Coverage amount (A)	3,846	116	3,729
Reserve for possible loan losses	664	(8)	673
Collateral and guarantees	3,181	125	3,056
Claims classified under the Financial Revitalization Act (B)	4,077	96	3,981

Coverage ratio (A) / (B)	94.31%	0.63%	93.68%
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(Reference) Self-assessment (Borrower classification)

[Consolidated]

(Millions of yen)

	As of March 31, 2024		As of March 31, 2023 (B)
	(A)	(A) - (B)	
Bankrupt borrowers (A)	425	13	411
Substantially bankrupt borrowers (B)	2,113	80	2,033
Potentially bankrupt borrowers (C)	882	50	831
Borrowers requiring caution (D)	3,696	289	3,407
Borrowers under requirement of control	657	(48)	705
Other borrowers requiring caution	3,039	337	2,702
Normal borrowers (E)	7,967,473	1,377,577	6,589,896
Total balance of claims, including normal claims (A) + (B) + (C) + (D) + (E)	7,974,591	1,378,011	6,596,580

Note: Total balance of claims, including normal claims, are loans, foreign exchanges, and accrued interest and suspense payments within Other assets.

10. Reserve for Possible Loan Losses

[Consolidated]

(Millions of yen)

	As of March 31, 2024		As of March 31, 2023
	(A)	(A) - (B)	(B)
Reserve for possible loan losses	2,867	(151)	3,019
General reserve for possible loan losses	2,197	(128)	2,326
Specific reserves for possible loan losses	669	(23)	692

[Non-consolidated]

(Millions of yen)

	As of March 31, 2024		As of March 31, 2023
	(A)	(A) - (B)	(B)
Reserve for possible loan losses	2,858	254	2,604
General reserve for possible loan losses	2,207	185	2,021
Specific reserves for possible loan losses	651	68	583

11. Loans by Industry Sector

[Non-consolidated]

(Millions of yen, %)

	As of March 31, 2024		As of March 31, 2023	
	Amount	Composition	Amount	Composition
Individuals	7,108,063	89.09	5,664,193	85.74
Financial	115,190	1.44	107,320	1.62
Government of Japan	753,262	9.44	833,393	12.61
Others	2,246	0.03	1,686	0.03
Total	7,978,762	100.00	6,606,594	100.00

12. Unrealized Gains (Losses) on Securities

[Consolidated]

(Billions of yen)

	As of March 31, 2024			As of March 31, 2023	
	Amount on the consolidated balance sheet	Unrealized gains/losses (A)	(A) - (B)	Amount on the consolidated balance sheet	Unrealized gains/losses (B)
Securities	627.4	(22.5)	(6.0)	658.1	(16.4)
Held-to-maturity debt securities	—	—	—	—	—
Available-for-sale securities	627.4	(22.5)	(6.0)	658.1	(16.4)
Stocks	0.0	—	—	0.0	—
Bonds	264.1	(13.3)	(5.2)	240.5	(8.0)
Japanese government bonds	180.8	(9.6)	(3.7)	149.8	(5.9)
Others	363.3	(9.1)	(0.7)	417.6	(8.4)
Foreign bonds	295.9	(7.8)	(0.5)	317.2	(7.3)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

[Non-consolidated]

(Billions of yen)

	As of March 31, 2024			As of March 31, 2023	
	Amount on the non-consolidated balance sheet	Unrealized gains/losses (A)	(A) - (B)	Amount on the non-consolidated balance sheet	Unrealized gains/losses (B)
Securities	638.2	(22.5)	(6.0)	668.1	(16.4)
Held-to-maturity debt securities	—	—	—	—	—
Investment in the shares of subsidiaries and affiliates	10.7	—	—	10.0	—
Available-for-sale securities	627.4	(22.5)	(6.0)	658.1	(16.4)
Stocks	0.0	—	—	0.0	—
Bonds	264.1	(13.3)	(5.2)	240.5	(8.0)
Japanese government bonds	180.8	(9.6)	(3.7)	149.8	(5.9)
Others	363.3	(9.1)	(0.7)	417.6	(8.4)
Foreign bonds	295.9	(7.8)	(0.5)	317.2	(7.3)

Note: The above table includes beneficial interests in trusts within "Monetary claims bought" in addition to "Securities."

13. Derivatives

(1) Derivatives for which hedge accounting is not applied

[Non-consolidated]

(Billions of yen)

		As of March 31, 2024			As of March 31, 2023		
		Contract amount, etc.	Fair value	Unrealized gains/losses	Contract amount, etc.	Fair value	Unrealized gains/losses
Interest rate-related derivatives		—	(0.0)	5.5	—	(0.0)	3.0
Interest rate options	sold	387.9	(8.4)	(2.9)	215.2	(5.4)	(2.3)
	bought	386.8	8.4	8.4	214.7	5.4	5.4
Currency-related derivatives		—	0.0	0.0	—	0.4	0.4
Foreign exchange forward contracts	sold	625.1	(0.1)	(0.1)	814.3	(1.0)	(1.0)
	bought	732.8	0.2	0.2	941.9	1.5	1.5
Currency options	sold	1.1	(0.0)	0.0	0.8	(0.0)	0.0
	bought	1.1	0.0	(0.0)	0.8	0.0	0.0

Note: The above transactions are stated at fair value, and unrealized gains (losses) are recorded in the non-consolidated statements of income.

(2) Derivatives for which hedge accounting is applied

[Non-consolidated]

(Billions of yen)

		Primary hedged instrument	As of March 31, 2024			As of March 31, 2023		
			Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value	Contract amount, etc.	Portion of contract amount, etc., exceeding 1 year	Fair value
Interest rate-related derivatives			—	—	0.2	—	—	(0.3)
Interest rate swap transactions (Receive floating rate, pay fixed rate)		Loans, available-for-sale securities (bonds)	151.1	141.3	0.2	137.1	120.3	(0.3)
Interest rate swaps transactions (Receive fixed rate, pay floating rate)		Borrowed money	500.0	500.0	(Note 2)	—	—	—

Note 1: The deferral method is applied in accordance with "Treatment of Accounting and Auditing Concerning Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Auditing Committee Report No. 24 (February 13, 2002)).

Note 2: The exceptional treatment for interest rate swaps is not stated at fair value since it is accounted for as one unit with hedged borrowed money.

14. Deferred Tax Assets and Liabilities

[Consolidated]

(Millions of yen)

	As of March 31, 2024	As of March 31, 2023
Net deferred tax assets	8,021	6,651

[Non-consolidated]

(Millions of yen)

	As of March 31, 2024	As of March 31, 2023
Unrealized losses on available-for-sale securities	7,050	5,227
Deferred losses on hedges	989	890
Reserve for possible loan losses	604	579
Reserve for point program	361	291
Accrued enterprise tax	307	352
Reserve for bonuses	255	130
Loss on devaluation of stocks of subsidiaries and associates	247	98
Other	416	446
Subtotal deferred tax assets (A)	10,232	8,016
Subtotal valuation allowance (B)	(247)	(98)
Total deferred tax assets (A) + (B) (C)	9,985	7,917
Unrealized gains on available-for-sale securities	(159)	(191)
Deferred gains on hedges	(1,060)	(742)
Total deferred tax liabilities (D)	(1,219)	(934)
Net deferred tax assets (C) + (D)	8,765	6,983