

Summary of the Financial Statements for FY2024 [JGAAP] (Consolidated)



May 14, 2025

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304		
Representative	Hideto Oomi, President and CEO		
Contact person	Yukie Tajima, Joint General Manager of Financial Control Division		
Date of ordinary shareholders' meeting	June 24, 2025	URL	https://www.aozorabank.co.jp/
Dividend payable date	June 25, 2025	TEL	(03)6752-1111
Scheduled filing date of securities report	June 20, 2025	Trading accounts	Affirmative
Reference material	Affirmative		
Investor meeting	Affirmative		

(Unit: JPY millions, rounded down)

1. Business highlights for the fiscal year ended March 31, 2025 (FY2024)

(1) Consolidated business results

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	231,460	(6.0)	17,561	—	20,518	—
FY2023	246,299	34.4	(54,816)	—	(49,904)	—

(Note) Comprehensive income JPY 21,561 million —% (FY2024) JPY (42,703) million —% (FY2023)

	Net income per common share (basic)	Net income per common share (diluted)	ROE	Ordinary profit per total assets	Ordinary profit per ordinary income
	Yen	Yen	%	%	%
FY2024	154.26	154.02	4.9	0.2	7.6
FY2023	(427.22)	—	(12.1)	(0.7)	(22.3)

(Reference) Gains (losses) on equity method investments JPY 2,265 million (FY2024) JPY 2,342 million (FY2023)

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	7,762,434	459,685	5.8	3,258.51
March 31, 2024	7,603,002	391,078	5.0	3,285.94

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 450,916 million (March 31, 2025)
JPY 383,871 million (March 31, 2024)

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

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

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024	(56,900)	(147,849)	46,592	1,341,599
FY2023	133,949	167,439	2,136	1,499,756

2. Dividend

	Annual dividend					Total dividends (Annual)	Dividend ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	1Q end	2Q end	3Q end	Year-end	Annual	Millions of yen	%	%
FY2023(common share)	38.00	38.00	0.00	0.00	76.00	8,877	—	2.2
FY2024(common share)	19.00	19.00	19.00	22.00	79.00	10,522	51.2	2.4
FY2025(common share) (Forecast)	—	—	—	—	88.00		55.4	

(Note) Aozora will continue to pay dividends on a quarterly basis, although dividend payment forecast was announced only on an annual basis.

3. Consolidated earnings forecast for the year ending March 31, 2026 (FY2025)

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

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Millions of yen	%	Millions of yen	%	Yen
FY2025 (Full Year)	30,000	70.8	22,000	7.2	158.98

* Notes

(1) Significant changes in the scope of consolidation during the term Affirmative
Excluded: 1 company (Aozora Asia Pacific Finance Limited)

(2) Changes in accounting policy, accounting estimates, or retrospective restatements

(a) Changes with revisions of accounting standards	None
(b) Changes other than (a) above	None
(c) Changes in accounting estimates	None
(d) Retrospective restatements	None

(3) The number of common shares issued

	March 31, 2025	March 31, 2024
(a) The number of common shares issued (including treasury shares)	139,789,418	118,289,418
(b) The number of treasury shares	1,408,328	1,467,109

	FY2024	FY2023
(c) The average number of common shares outstanding	133,006,083	116,812,393

(Summary of non-consolidated financial statements)

1. Business highlights for the fiscal year ended March 31, 2025 (FY2024)

(1) Business results

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

	Ordinary income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	204,228	(7.9)	13,769	—	15,698	—
FY2023	221,737	34.7	(60,992)	—	(50,792)	—

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
FY2024	118.02	117.83
FY2023	(434.82)	—

(2) Financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	6,779,341	406,726	6.0	2,935.55
March 31, 2024	6,942,657	344,004	4.9	2,940.12

(Reference) Total net assets (less Share acquisition rights): JPY 406,225 million (March 31, 2025) JPY 343,472 million (March 31, 2024)

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

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

* Summary of financial statements is out of scope of audit (by CPAs or audit firms).

* Notes and remarks for the proper use of earnings projection

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

[Attachment]

1. Overview of operating results	2
(1) Overview of operating results for FY2024	2
(2) Overview of financial condition for FY2024	4
(3) Policy for appropriation of earnings and dividend for the year and next year	4
2. Management Policy	5
3. Basic view on selection of Accounting Standards	5
4. Consolidated financial statements and main notes	6
(1) Consolidated balance sheet	6
(2) Consolidated statement of income and Consolidated statement of comprehensive income	8
Consolidated statement of income	8
Consolidated statement of comprehensive income	9
(3) Consolidated statement of changes in net assets	10
(4) Consolidated statement of cash flows	12
(5) Notes to consolidated financial statements	14
(Information on going concern assumption)	14
(Additional information)	14
(Segment information)	15
(Per share information)	19
(Material subsequent event)	20
5. Non-consolidated financial statements	21
(1) Non-consolidated balance sheet	21
(2) Non-consolidated statement of income	23
(3) Non-consolidated statement of changes in net assets	25

1. Overview of operating results

(1) Overview of operating results for FY2024

① Consolidated results of operations

(Billions of yen)

	FY2023	FY2024	Change
Net revenue ※1	50.9	85.6	34.7
Net interest income	42.0	48.7	6.6
Net fees and commissions	20.4	24.6	4.2
Net gains on trading account transactions	1.6	3.1	1.5
Gains (losses) on bond transactions	(18.6)	2.0	20.6
Net other ordinary income excluding gains (losses) on bond transactions	5.3	7.0	1.6
General and administrative expenses	(61.8)	(62.8)	(1.0)
Gains (losses) on equity method investments	2.3	2.2	(0.0)
Business profit (loss) ※2	(8.5)	25.0	33.6
Credit-related expenses	(46.9)	(9.4)	37.4
Gains (losses) on stock transactions	1.6	3.2	1.6
Other	(0.9)	(1.2)	(0.3)
Ordinary profit (loss)	(54.8)	17.5	72.3
Extraordinary profit (loss)	1.6	1.8	0.1
Profit (loss) before income taxes	(53.1)	19.3	72.5
Total income taxes	1.4	0.2	(1.1)
Profit (Loss)	(51.7)	19.6	71.3
Loss attributable to non-controlling interests	1.8	0.8	(0.9)
Profit (Loss) attributable to owners of parent	(49.9)	20.5	70.4

※1 Net revenue = (Interest income – Interest expenses)

+ (Trust fees + Fees and commissions - Fees and commissions payments)

+ (Gain on trading account transactions - Loss on trading account transactions)

+ (Other ordinary income - Other ordinary expenses)

※2 Business profit (loss) = Net revenue - General and administrative expenses

+ Gains (losses) on equity method investments

※3 Regardless of nature of accounts, income or profits are shown as positive and expenses or losses are shown as negative amount on the table above.

For FY2024, net revenue was 85.6 billion yen, an increase of 34.7 billion yen from the previous year, and business profit (loss) was 25.0 billion yen (for FY2023, (8.5) billion yen). Profit (loss) attributable to owners of parent was 20.5 billion yen (for FY2023, (49.9) billion yen).

Net interest income was 48.7 billion yen, an increase of 6.6 billion yen from the previous year. Non-interest income was 36.9 billion yen, an increase of 28.0 billion yen from the previous year. General and administrative expenses were 62.8 billion yen, an increase of 1.0 billion yen from the

previous year.

Gains (losses) on equity method investments were a net gain of 2.2 billion yen.

From the above, business profit (loss) was 25.0 billion yen (for FY2023, (8.5) billion yen).

Credit-related expenses were a net expense of 9.4 billion yen, as compared to a net expense of 46.9 billion yen in FY2023. Gains (losses) on stock transactions were a net gain of 3.2 billion yen. Ordinary profit was 17.5 billion yen, as compared to loss of 54.8 billion yen in FY2023, and profit before income taxes was 19.3 billion yen, as compared to loss of 53.1 billion yen in FY2023.

Total income taxes (corporation tax, resident tax, business tax and deferred income taxes) were a net profit of 0.2 billion yen.

As a result of the above factors, profit attributable to owners of parent was 20.5 billion yen, as compared to loss of 49.9 billion yen in FY2023. Net income per share (basic) was 154.26 yen, as compared to the net loss per share (basic) of 427.22 yen in FY2023.

Business-related profit (loss) by reportable segments ※1

	(Billions of yen)		
	FY2023	FY2024	Change
Institutional Banking Group	6.5	6.7	0.1
Structured Finance Group	27.8	22.5	(5.3)
International Business Group	11.2	9.6	(1.5)
Market Group	(46.0)	(3.8)	42.1
Customer Relations Group	(2.9)	(1.7)	1.1
GMO Aozora Net Bank	(3.4)	(0.4)	3.0

※1 Business-related profit = Business profit + Gains/losses on stock transactions, etc.

Business-related profit (loss) includes gains/losses on equity derivatives etc. from FY2024 in terms of fitting the management accounting and those figures in FY2023 are calculated based on the updated method.

The Bank has designated the Institutional Banking Group, Structured Finance Group, International Business Group, Market Group, Customer Relations Group, and GMO Aozora Net Bank as reportable segments for the purpose of the disclosures contained herein. Due to the increased importance of GMO Aozora Net Bank, a consolidated subsidiary of the Bank, GMO Aozora Net Bank has been newly presented as a reportable segment.

As of March 31, 2025, each operating segment consists of the following business groups.

Institutional Banking Group

: Corporate Banking Group and M&A Advisory Group

Structured Finance Group

: Acquisition & Structured Finance Group, Environment Business Group, Special Situations Group and Real Estate Finance Group

International Business Group

: International Finance Group

Market Group

: Financial Markets Group

Customer Relations Group

: Allied Banking Group and Retail Banking Group

GMO Aozora Net Bank

: GMO Aozora Net Bank

② Outlook for the next term

The consolidated earnings forecast for the year ending March 2026 is 95.0 billion yen for net revenue, 32.0 billion yen for business profit, 30.0 billion yen for ordinary profit and 22.0 billion yen for profit attributable to owners of parent.

(2) Overview of financial condition for FY2024

① Assets, liabilities, and net assets

Total assets were 7,762.4 billion yen as of March 31, 2025, an increase of 159.4 billion yen, compared to March 31, 2024.

Loans and bills discounted were 4,206.5 billion yen, an increase of 135.2 billion yen from March 31, 2024. Domestic loans increased by 306.1 billion yen and overseas loans decreased by 170.8 billion yen. Securities increased by 168.8 billion yen from March 31, 2024, to 1,355.4 billion yen.

Total liabilities were 7,302.7 billion yen, an increase of 90.8 billion yen compared to March 31, 2024. Total core funding (deposits, negotiable certificates of deposit and bonds payable) was 5,797.5 billion yen, a decrease of 160.2 billion yen from March 31, 2024.

Total net assets were 459.6 billion yen, an increase of 68.6 billion yen from March 31, 2024. Share capital and capital surplus increased as new shares were issued to Daiwa Securities Group Inc. through a third party allotment. Net assets per common share were 3,258.51 yen, as compared to 3,285.94 yen per common share as of March 31, 2024.

② Cash flow

Cash flow from operating activities was a negative 56.9 billion yen mainly due to increase in loans and bills discounted. From investing activities, cash flow was a negative 147.8 billion yen mainly as a result of expenditures for the acquisition of securities exceeding income from the sale and redemption of securities. Cash flow from financing activities was a positive 46.5 billion yen mainly as a result of proceeds from issuance of shares exceeding dividend payment. As a result, cash and cash equivalents as of March 31, 2025 were 1,341.5 billion yen, a decrease of 158.1 billion yen compared to the previous fiscal year end.

(3) Policy for appropriation of earnings and dividend for the year and next year

As announced in mid-term plan for 2025-2027, entitled 'Aozora 2027' in May 2025, the Bank will

provide stable returns to shareholders in the form of dividend payment based on the result of net earnings in principle, while maintaining financial strength.

For this fiscal year, the Bank will pay a cash dividend of 22.00 yen for the fourth quarter (79.00 yen for the entire year) per common share.

The entire year dividend forecast for the next fiscal year is 88.00 yen per common share.

(Note) Figures are rounded down to the nearest unit specified.

2. Management Policy

The Bank announced Aozora's new mid-term plan for 2025-27.

For details, please refer to 'New Mid-term Business Plan AOZORA2027 (FY2025-27)' announced on May 14.

3. Basic view on selection of Accounting Standards

The Bank's consolidated financial statements are prepared in accordance with accounting principals generally accepted in Japan ("J GAAP"), in order to ensure the comparability with other domestic banks.

In terms of the application of IFRS, the Bank will take appropriate actions in consideration of the Group's business operations, based on internal and external situations, etc.

4. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and due from banks	1,579,781	1,409,371
Call loans and bills bought	17,269	31,782
Monetary claims bought	68,093	58,530
Trading account assets	173,713	262,803
Money held in trust	12,963	12,728
Securities	1,186,561	1,355,458
Loans and bills discounted	4,071,295	4,206,564
Foreign exchanges	51,267	46,420
Other assets	420,921	331,054
Tangible fixed assets	23,159	22,385
Buildings, net	10,355	9,695
Land	9,235	9,235
Leased assets, net	1,313	999
Construction in progress	—	46
Other tangible fixed assets	2,254	2,407
Intangible fixed assets	18,962	19,075
Software	18,895	19,008
Other intangible fixed assets	67	67
Retirement benefit asset	8,741	9,430
Deferred tax assets	44,580	51,583
Customers' liabilities for acceptances and guarantees	18,084	18,711
Allowance for loan losses	(87,929)	(71,025)
Allowance for investment loss	(4,463)	(2,439)
Total assets	7,603,002	7,762,434
Liabilities		
Deposits	5,634,992	5,598,301
Negotiable certificates of deposit	141,380	74,600
Call money and bills sold	—	5,000
Securities sold under repurchase agreements	29,903	27,924
Cash collateral received for securities lent	260,689	345,719
Trading account liabilities	165,078	209,155
Borrowed money	563,300	726,300
Bonds payable	181,397	124,640
Other liabilities	199,472	155,993
Provision for bonuses	4,646	4,756
Provision for bonuses for directors (and other officers)	76	67
Retirement benefit liability	10,912	10,353
Provision for credit losses on off-balance-sheet instruments	1,960	1,218
Reserves under special laws	8	8
Deferred tax liabilities	21	—
Acceptances and guarantees	18,084	18,711
Total liabilities	7,211,924	7,302,748

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Share capital	100,000	125,966
Capital surplus	87,498	113,483
Retained earnings	228,444	241,485
Treasury shares	(3,015)	(2,894)
Total shareholders' equity	412,928	478,040
Valuation difference on available-for-sale securities	(45,803)	(39,532)
Deferred gains or losses on hedges	4,332	517
Foreign currency translation adjustment	10,137	9,604
Remeasurements of defined benefit plans	2,277	2,286
Total accumulated other comprehensive income	(29,056)	(27,123)
Share acquisition rights	532	501
Non-controlling interests	6,673	8,267
Total net assets	391,078	459,685
Total liabilities and net assets	7,603,002	7,762,434

(2) Consolidated statement of income and Consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Ordinary income	246,299	231,460
Interest income	166,436	161,104
Interest on loans and discounts	131,308	127,971
Interest and dividends on securities	26,964	22,499
Interest on call loans and bills bought	812	325
Interest income on securities purchased under resale agreements	(0)	0
Interest on deposits with banks	1,523	1,103
Other interest income	5,826	9,204
Trust fees	370	373
Fees and commissions	25,794	31,137
Gain on trading account transactions	11,304	3,706
Other ordinary income	27,590	24,417
Other income	14,802	10,721
Recoveries of written off receivables	758	2,490
Reversal of provision for credit losses on off-balance-sheet instruments	—	742
Other	14,043	7,489
Ordinary expenses	301,116	213,899
Interest expenses	124,362	112,393
Interest on deposits	14,384	15,511
Interest on negotiable certificates of deposit	12	146
Interest on call money and bills sold	463	41
Interest expenses on securities sold under repurchase agreements	2,838	1,518
Interest expenses on cash collateral received for securities lent	15,050	15,318
Interest on borrowings and rediscounts	1,462	2,820
Interest expenses on bonds	5,407	6,067
Interest expenses on interest rate swaps	43,576	35,011
Other interest expenses	41,166	35,958
Fees and commissions payments	5,744	6,859
Loss on trading account transactions	9,671	560
Other ordinary expenses	40,794	15,286
General and administrative expenses	62,424	62,384
Other expenses	58,118	16,413
Provision of allowance for loan losses	44,584	6,105
Transfer to provision for credit losses on off-balance-sheet instruments	1,463	—
Other	12,070	10,308
Ordinary profit (loss)	(54,816)	17,561
Extraordinary income	1,870	3,408
Gain on disposal of non-current assets	0	0
Reversal of foreign currency translation adjustment	1,869	3,408
Extraordinary losses	227	1,584
Loss on disposal of non-current assets	7	2
Impairment losses	220	263
Other	—	1,318
Profit (loss) before income taxes	(53,174)	19,386
Income taxes - current	810	2,059
Income taxes - deferred	(2,247)	(2,307)
Total income taxes	(1,437)	(248)
Profit (loss)	(51,737)	19,634
Loss attributable to non-controlling interests	(1,832)	(884)
Profit (loss) attributable to owners of parent	(49,904)	20,518

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(51,737)	19,634
Other comprehensive income	9,034	1,927
Valuation difference on available-for-sale securities	(385)	6,265
Deferred gains or losses on hedges	3,359	(3,814)
Foreign currency translation adjustment	1,503	(2,748)
Remeasurements of defined benefit plans, net of tax	3,606	8
Share of other comprehensive income of entities accounted for using equity method	950	2,215
Comprehensive income	(42,703)	21,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(40,838)	22,451
Comprehensive income attributable to non-controlling interests	(1,864)	(889)

(3) Consolidated statement of changes in net assets

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,481	291,898	(3,099)	476,280
Changes during period					
Dividends of surplus			(13,548)		(13,548)
Loss attributable to owners of parent			(49,904)		(49,904)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		84	101
Net changes in items other than shareholders' equity					
Total changes during period	—	17	(63,453)	84	(63,352)
Balance at end of period	100,000	87,498	228,444	(3,015)	412,928

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(45,449)	972	7,683	(1,328)	(38,122)	503	(7,541)	431,119
Changes during period								
Dividends of surplus								(13,548)
Loss attributable to owners of parent								(49,904)
Purchase of treasury shares								(0)
Disposal of treasury shares								101
Net changes in items other than shareholders' equity	(353)	3,359	2,453	3,606	9,066	29	14,214	23,310
Total changes during period	(353)	3,359	2,453	3,606	9,066	29	14,214	(40,041)
Balance at end of period	(45,803)	4,332	10,137	2,277	(29,056)	532	6,673	391,078

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	87,498	228,444	(3,015)	412,928
Changes during period					
Issuance of new shares	25,966	25,966			51,933
Dividends of surplus			(7,478)		(7,478)
Profit (loss) attributable to owners of parent			20,518		20,518
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		18		121	139
Net changes in items other than shareholders' equity					
Total changes during period	25,966	25,984	13,040	120	65,112
Balance at end of period	125,966	113,483	241,485	(2,894)	478,040

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(45,803)	4,332	10,137	2,277	(29,056)	532	6,673	391,078
Changes during period								
Issuance of new shares								51,933
Dividends of surplus								(7,478)
Profit (loss) attributable to owners of parent								20,518
Purchase of treasury shares								(0)
Disposal of treasury shares								139
Net changes in items other than shareholders' equity	6,270	(3,814)	(532)	8	1,932	(31)	1,593	3,494
Total changes during period	6,270	(3,814)	(532)	8	1,932	(31)	1,593	68,607
Balance at end of period	(39,532)	517	9,604	2,286	(27,123)	501	8,267	459,685

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(53,174)	19,386
Depreciation	7,174	7,252
Impairment losses	220	263
Share of loss (profit) of entities accounted for using equity method	(2,342)	(2,265)
Increase (decrease) in allowance for loan losses	43,813	(16,903)
Increase (decrease) in allowance for investment loss	953	(2,023)
Increase (decrease) in provision for bonuses	241	110
Increase (decrease) in provision for bonuses for directors (and other officers)	51	(9)
Decrease (increase) in retirement benefit asset	(16)	(987)
Increase (decrease) in retirement benefit liability	(28)	(205)
Net change in provision for credit losses on off-balance-sheet instruments	1,464	(742)
Interest income	(166,436)	(161,104)
Interest expenses	124,362	112,393
Loss (gain) related to securities	16,969	(5,314)
Loss (gain) on money held in trust	(374)	(323)
Foreign exchange losses (gains)	(200,203)	20,106
Loss (gain) on disposal of non-current assets	7	2
Net decrease (increase) in trading account assets	(22,428)	(89,090)
Net increase (decrease) in trading account liabilities	43,200	44,076
Net decrease (increase) in loans and bills discounted	(74,014)	(146,171)
Net increase (decrease) in deposits	171,639	(36,691)
Net increase (decrease) in negotiable certificates of deposit	107,380	(66,780)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	37,686	163,000
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	3,214	11,928
Net decrease (increase) in call loans	68,158	(4,950)
Net increase (decrease) in call money	(28,320)	3,020
Net increase (decrease) in cash collateral received for securities lent	44,705	85,029
Net decrease (increase) in foreign exchanges - assets	14,758	11,830
Increase (decrease) in straight bonds - issuance and redemption	33,624	(56,756)
Interest received	160,459	159,242
Interest paid	(123,750)	(110,567)
Other, net	(74,126)	8,061
Subtotal	134,870	(55,182)
Income taxes refund (paid)	(920)	(1,717)
Net cash provided by (used in) operating activities	133,949	(56,900)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of securities	(742,715)	(596,135)
Proceeds from sale of securities	707,562	315,934
Proceeds from redemption of securities	209,839	137,881
Increase in money held in trust	(39,926)	(24,095)
Decrease in money held in trust	40,162	24,641
Purchase of tangible fixed assets	(2,394)	(1,447)
Purchase of intangible assets	(5,082)	(4,628)
Proceeds from sale of tangible fixed assets	3	0
Payments for asset retirement obligations	(10)	—
Net cash provided by (used in) investing activities	167,439	(147,849)
Cash flows from financing activities		
Repayments of lease liabilities	(394)	(345)
Proceeds from issuance of shares	—	51,933
Proceeds from share issuance to non-controlling shareholders	—	2,500
Dividends paid	(13,548)	(7,478)
Dividends paid to non-controlling interests	(15)	(16)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	16,095	—
Net cash provided by (used in) financing activities	2,136	46,592
Net increase (decrease) in cash and cash equivalents	303,525	(158,156)
Cash and cash equivalents at beginning of period	1,196,230	1,499,756
Cash and cash equivalents at end of period	1,499,756	1,341,599

(5) Notes to consolidated financial statements

(Information on going concern assumption)

None

(Additional information)

(Allowance for Loan Losses for Overseas Real Estate Non-Recourse Loans)

For overseas real estate non-recourse loans, the Bank assumes a decrease in market liquidity mainly due to the deteriorating environment of the U.S. real estate market, and particularly U.S. office market will stabilize during the FY2025, considering the market trends.

In line with this, for all borrowers of overseas real estate non-recourse loans that require careful monitoring in the future, the loan loss amount mainly estimated by the DCF method is reflected as an addition to the allowance for loan losses determined based on the estimated loan loss ratio.

In addition, for non-recourse loans backed by underperforming office properties in the U.S. due to the changes in working styles in the post-COVID-19 period, in order to prepare for the disposal of these properties, for cases where there is a possibility of debt recovery in the future, the Bank evaluates the property considering the risk of price decline during the FY2025 and determines individual borrower category considering the possibility of the debt recovery through the disposal of properties. The allowance for loan losses is made based on the estimated disposal price assuming the price decline risk.

The above assumptions, which are the basis for the estimates, have a high degree of uncertainty, and depending on the situation, future profits and losses may fluctuate.

(Segment information)

Due to the increased importance of GMO Aozora Net Bank, Ltd. (hereafter referred to as 'GMO Aozora Net Bank'), a consolidated subsidiary of the Bank, GMO Aozora Net Bank has been newly presented as a reportable segment.

In addition, due to a change in internal management, gains (losses) on equity derivatives, etc. are included in business revenue and are presented as 'Gains (losses) on stock transactions, etc.'

The information regarding reportable segments for the FY2023 has been updated to reflect these new operating segments and internal management method.

1. Description of reportable segments

(1) Identification of operating segments

The Bank has classified its Group's business operations into business groups based upon the nature of the customers served and products offered: Institutional Banking Group, Structured Finance Group, International Business Group, Market Group, Customer Relations Group, and GMO Aozora Net Bank. The Bank has designated these business groups as operating segments and reportable segments for the purpose of the disclosures contained herein.

Financial information for these groups is regularly reported to the Management Committee, which comprises members from amongst the Executive Officers who are approved and appointed by the Board of Directors, and is utilized for management decisions on the allocation of resources, an evaluation of the performance of each business group, etc.

(2) Services provided by each reportable segment

Institutional Banking Group consists of Corporate Banking Group and M&A Advisory Group. Institutional Banking Group offers financial services to corporate customers. Major services offered by Institutional Banking Group are loans and deposits, sale of financial products, private equity operations, M&A advisory, and other financial services.

Structured Finance Group consists of Acquisition & Structured Finance Group, Environment Business Group, Special Situations Group and Real Estate Finance Group. Structured Finance Group offers financial services that require specialized expertise such as acquisition finance, environmental project finance, corporate restructuring finance, real estate finance and other financial services.

International Business Group consists of International Finance Group. International Business Group offers financial services that require specialized expertise such as overseas loans and investments, and other financial services.

Market Group consists of Financial Markets Group. Market Group offers derivatives and foreign exchange products to customers, trading derivatives and foreign exchange products, as well as ALM operations.

Customer Relations Group consists of Allied Banking Group and Retail Banking Group. Customer Relations Group offers financial services to financial institutions, public sector customers and retail customers. Major services offered by Customer Relations Group are loans and deposits, sale of financial products (for financial institutions and public sector customers) and the sale of investment products, including deposits, investment trusts and insurance (for retail customers), and other financial services.

GMO Aozora Net Bank is a consolidated subsidiary of the Bank. GMO Aozora Net Bank offers loans and deposits, foreign exchange (for corporate customers, mainly startups and small and medium-sized enterprises) and deposits (for retail customers), and other financial services.

2. Methods of measurement for the amounts of Business revenue, profit (loss), assets and liabilities by reportable segments

Business revenue, profit (loss), assets and liabilities of reportable segments are recognized and measured mainly in accordance with accounting policies applied to consolidated financial statements.

Business revenue includes 'Consolidated net revenue', 'Gains (losses) on equity method investments', and 'Gains (losses) on stock transactions, etc.'

The Bank calculates its net interest income from funding and investing across reportable segments based on i) the internal transfer rates determined by the average rate of funding by the currency and by contractual term, and ii) an expense allocation ratio for funding activities. In addition, the expenses related to the operations of the Bank's Head Office, which is not directly related to its business activities, is excluded from each reportable segment.

Fixed assets are not allocated to reportable segments, while the associated expenses are allocated to specific reportable segments and included in the segments' expenses.

3. Business revenue, profit (loss), assets and liabilities by reportable segment

FY2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Institutional Banking Group	Structured Finance Group	International Business Group	Market Group	Customer Relations Group	GMO Aozora Net Bank	Total
Consolidated net revenue	15,720	41,580	14,997	(33,161)	7,582	5,156	51,876
Gains (losses) on equity method investment	—	—	2,342	—	—	—	2,342
Gains (losses) on stock transactions, etc.	570	(12)	2,189	(8,484)	248	(4)	(5,493)
Business Revenue	16,291	41,567	19,529	(41,646)	7,830	5,151	48,725
General and administrative expenses	9,725	13,709	8,319	4,399	10,800	8,572	55,526
Business profit (loss)	6,566	27,858	11,209	(46,046)	(2,969)	(3,420)	(6,801)
Segment assets	1,123,844	1,806,654	1,103,567	2,426,912	128,841	581,638	7,171,459
Segment liabilities	240,779	91,380	13	859,139	5,312,689	615,829	7,119,831

Notes

- (1) Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.
- (2) Depreciation expenses are included in the general and administrative expenses of each reportable segment, but are not disclosed as a separate item, because in the calculation process of the business profit (loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 7,174 million yen.
- (3) Segment assets of International Business Group include investments in entities applying equity methods of 31,027 million yen.

FY2024 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Institutional Banking Group	Structured Finance Group	International Business Group	Market Group	Customer Relations Group	GMO Aozora Net Bank	Total
Consolidated net revenue	16,130	38,120	15,252	453	8,020	9,210	87,187
Gains (losses) on equity method investment	—	—	2,265	—	—	—	2,265
Gains (losses) on stock transactions, etc.	415	(979)	—	2	659	—	96
Business Revenue	16,545	37,141	17,517	455	8,679	9,210	89,549
General and administrative expenses	9,841	14,636	7,872	4,309	10,479	9,611	56,750
Business profit (loss)	6,704	22,504	9,644	(3,853)	(1,799)	(400)	32,799
Segment assets	1,216,743	1,703,670	1,031,250	2,326,971	189,784	941,563	7,409,983
Segment liabilities	265,836	101,689	21	1,034,782	4,835,857	946,549	7,184,737

Notes

- (1) Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.
- (2) Depreciation expenses are included in the general and administrative expenses of each reportable segment, but are not disclosed as a separate item, because in the calculation process of the business profit (loss), a part of depreciation expenses is allocated to each reportable segment, aggregated with other general and administrative expenses. Therefore, depreciation expenses by reportable segment are not managed separately. The amount of depreciation expense for this period is 7,252 million yen.
- (3) Segment assets of International Business Group include investments in entities applying equity methods of 35,508 million yen.

4. Reconciliation between total segment amounts and the consolidated financial statements

- (1) Reconciliation between total business revenue of reportable segments and business revenue derived from the consolidated financial statement of income

(Millions of yen)

Items	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Total business revenue of reportable segments	48,725	89,549
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	5,777	473
Business revenue derived from the consolidated statement of income	54,502	90,023

(2) Reconciliation between total business profits (losses) and ordinary profit (loss) in the consolidated statement of income

(Millions of yen)		
Items	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Total business profits (losses)	(6,801)	32,799
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	(556)	(5,655)
Amortization of actuarial differences on retirement benefit plans, etc.	(564)	494
Credit-related expenses, etc.	(46,930)	(9,445)
Others	36	(631)
Ordinary profit (loss) in the consolidated statement of income	(54,816)	17,561

(Note)

Credit-related expenses, etc., represent the total of write-off of loans, provision of allowance for loan losses and losses on disposition of non-performing loans.

(3) Reconciliation between total segment assets and total assets in the consolidated balance sheet

(Millions of yen)		
Items	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Total segment assets	7,171,459	7,409,983
Allowance for loan losses	(37,475)	(37,809)
Assets not allocated to reportable segments	469,019	390,260
Total assets in the consolidated balance sheet	7,603,002	7,762,434

(Note)

As of March 31, 2024, assets not allocated to reportable segments include foreign exchange of 51,267 million yen, other assets of 328,544 million yen, fixed assets of 42,121 million yen and deferred tax assets of 44,580 million yen. As of March 31, 2025, assets not allocated to reportable segments include foreign exchange of 46,420 million yen, other assets of 246,738 million yen, fixed assets of 41,460 million yen and deferred tax assets of 51,583 million yen.

(4) Reconciliation between total segment liabilities and total liabilities in the consolidated balance sheet

(Millions of yen)		
Items	FY2023 (March 31, 2024)	FY2024 (March 31, 2025)
Total segment liabilities	7,119,831	7,184,737
Liabilities not allocated to reportable segments	92,093	118,011
Total liabilities in the consolidated balance sheet	7,211,924	7,302,748

(Note)

As of March 31, 2024, liabilities not allocated to reportable segments include other liabilities of 77,401 million yen and retirement benefit liability of 10,912 million yen. As of March 31, 2025, liabilities not allocated to reportable segments include other liabilities of 81,350 million yen and retirement benefit liability of 10,353 million yen.

(Per share information)

	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Net assets per common share	3,285.94 yen	3,258.51 yen
Net income (loss) per common share	(427.22) yen	154.26 yen
Diluted net income per common share	—	154.02 yen

(Note 1) Basis of calculation for Net assets per common share is shown below.

		FY 2023 (As of March 31, 2024)	FY 2024 (As of March 31, 2025)
Net assets	Millions of yen	391,078	459,685
Deductions from net assets	Millions of yen	7,206	8,768
Share acquisition rights	Millions of yen	532	501
Non-controlling interests	Millions of yen	6,673	8,267
Net assets available to common stock	Millions of yen	383,871	450,916
Number of common stock at the end of fiscal year for calculation of Net assets per share	Thousand shares	116,822	138,381

(Note 2) Basis of calculation of Net income (loss) per common share and Diluted net income per common share is shown below.

		FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Net income (loss) per common share			
Profit (loss) attributable to owners of parent	Millions of yen	(49,904)	20,518
Not available to common stockholders	Millions of yen	—	—
Profit (loss) attributable to owners of parent available to common stock	Millions of yen	(49,904)	20,518
Average number of common stock	Thousand shares	116,812	133,006
Diluted net income per common share			
Adjustments for profit attributable to owners of parent	Millions of yen	—	—
Number of common stock to increase	Thousand shares	—	213
Share acquisition rights	Thousand shares	—	213

(Note 3) Diluted net income per share for the year ended March 31, 2024 is not described in the above table, because of net loss per share although there are diluted shares.

(Material subsequent event)

None

5. Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and due from banks	1,201,608	879,959
Cash	3,587	3,092
Due from banks	1,198,020	876,866
Call loans	17,269	31,782
Monetary claims bought	43,069	31,379
Trading account assets	173,713	262,803
Trading account securities derivatives for hedging	1,566	1,323
Trading account financial derivatives	172,146	261,480
Money held in trust	5,367	5,216
Securities	1,194,907	1,324,991
Government bonds	42,530	74,670
Local government bonds	12,403	17,068
Corporate bonds	103,137	103,147
Stocks	45,934	47,272
Other securities	990,901	1,082,832
Loans and bills discounted	3,880,684	3,852,978
Bills discounted	6,457	3,353
Loans on bills	3,628	1,932
Loans on deeds	3,722,527	3,678,644
Overdrafts	148,070	169,047
Foreign exchanges	51,267	46,420
Due from foreign banks (our accounts)	51,267	46,420
Other assets	359,723	302,413
Prepaid expenses	1,445	2,138
Accrued revenue	22,384	20,828
Margin deposits for futures transactions	962	962
Variation margins of futures markets	26	82
Financial derivatives	92,052	84,057
Cash collateral paid for financial instruments	141,301	115,437
Bond issuance costs	366	177
Other	101,184	78,729
Tangible fixed assets	22,459	21,278
Buildings, net	10,111	9,475
Land	9,235	9,235
Leased assets, net	1,313	999
Construction in progress	—	1
Other tangible fixed assets	1,798	1,566
Intangible fixed assets	9,892	9,004
Software	9,826	8,938
Other intangible fixed assets	65	66
Prepaid pension costs	5,663	6,651
Deferred tax assets	44,783	52,039
Customers' liabilities for acceptances and guarantees	24,084	24,711
Allowance for loan losses	(87,371)	(69,850)
Allowance for investment loss	(4,463)	(2,439)
Total assets	6,942,657	6,779,341

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Deposits	5,043,062	4,681,677
Current deposits	23,150	38,031
Ordinary deposits	2,627,967	1,955,800
Savings deposits	55,109	47,071
Deposits at notice	585	385
Time deposits	2,273,276	2,567,238
Other deposits	62,973	73,150
Negotiable certificates of deposit	141,380	74,600
Call money	—	5,000
Securities sold under repurchase agreements	29,903	27,924
Cash collateral received for securities lent	260,689	345,719
Trading account liabilities	165,078	209,155
Trading account securities derivatives for hedging	1,607	250
Trading account financial derivatives	163,470	208,904
Borrowed money	563,300	726,300
Borrowings from other banks	563,300	726,300
Bonds payable	181,397	124,640
Other liabilities	173,446	137,532
Income taxes payable	370	1,184
Accrued expenses	6,123	8,221
Unearned revenue	176	239
Variation margins of futures markets	19	5
Financial derivatives	122,070	74,643
Cash collateral received for financial instruments	13,051	27,311
Lease liabilities	1,444	1,099
Asset retirement obligations	1,886	2,033
Other	28,301	22,793
Provision for bonuses	3,955	4,018
Provision for bonuses for directors (and other officers)	70	67
Provision for retirement benefits	10,491	10,187
Provision for credit losses on off-balance-sheet instruments	1,794	1,080
Acceptances and guarantees	24,084	24,711
Total liabilities	6,598,653	6,372,614
Net assets		
Share capital	100,000	125,966
Capital surplus	87,498	113,483
Legal capital surplus	87,313	113,280
Other capital surplus	185	203
Retained earnings	200,411	208,631
Legal retained earnings	12,686	12,686
Other retained earnings	187,724	195,944
Retained earnings brought forward	187,724	195,944
Treasury shares	(3,015)	(2,894)
Total shareholders' equity	384,894	445,186
Valuation difference on available-for-sale securities	(45,754)	(39,478)
Deferred gains or losses on hedges	4,332	517
Total valuation and translation adjustments	(41,422)	(38,961)
Share acquisition rights	532	501
Total net assets	344,004	406,726
Total liabilities and net assets	6,942,657	6,779,341

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Ordinary income	221,737	204,228
Interest income	156,487	152,628
Interest on loans and discounts	121,345	120,465
Interest and dividends on securities	27,000	23,007
Interest on call loans	872	324
Interest income on securities purchased under resale agreements	(0)	0
Interest on deposits with banks	1,346	974
Interest income on interest rate swaps	3,489	3,977
Other interest income	2,434	3,878
Trust fees	370	374
Fees and commissions	15,422	17,950
Fees and commissions on domestic and foreign exchanges	168	130
Other fees and commissions	15,254	17,820
Gain on trading account transactions	11,304	3,621
Net gain on trading account securities	8,275	—
Net gain on trading account financial derivatives	3,029	3,621
Other ordinary income	26,733	22,265
Gain on sale of bonds	8,139	3,353
Gain on redemption of bonds	—	79
Gain on financial derivatives	322	951
Other	18,271	17,880
Other income	11,417	7,387
Recoveries of written off receivables	677	2,432
Reversal of provision for credit losses on off-balance-sheet instruments	—	713
Gain on sale of equity securities	10,278	3,833
Gain on money held in trust	60	70
Other	401	337
Ordinary expenses	282,729	190,458
Interest expenses	124,978	112,343
Interest on deposits	15,000	15,461
Interest on negotiable certificates of deposit	12	146
Interest on call money	463	41
Interest expenses on securities sold under repurchase agreements	2,838	1,518
Interest expenses on cash collateral received for securities lent	15,050	15,318
Interest on borrowings and rediscounts	1,462	2,820
Interest expenses on bonds	5,407	6,067
Interest expenses on interest rate swaps	43,576	35,011
Other interest expenses	41,166	35,958
Fees and commissions payments	2,094	2,124
Fees and commissions on domestic and foreign exchanges	138	125
Other fees and commissions	1,955	1,998
Loss on trading account transactions	9,918	560
Net loss on trading securities	9,918	—
Net loss on trading account securities	—	560
Other ordinary expenses	42,466	16,956
Loss on foreign exchange transactions	8,233	8,401
Loss on sale of bonds	23,188	1,068
Loss on redemption of bonds	3,555	137
Loss on devaluation of bonds	—	142
Amortization of bond issuance costs	227	188
Other	7,262	7,018

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
General and administrative expenses	47,237	45,908
Other expenses	56,033	12,565
Provision of allowance for loan losses	44,125	5,388
Write-off of loans	1,244	4,610
Provision of allowance for investment loss	—	1,138
Transfer to provision for credit losses on off-balance-sheet instruments	1,280	—
Loss on sale of equity securities	8,187	289
Loss on devaluation of equity securities	450	288
Other	745	850
Ordinary profit (loss)	(60,992)	13,769
Extraordinary income	9,942	0
Gain on disposal of non-current assets	0	0
Gain on liquidation of subsidiaries and associates	5,759	—
Gain on capital reduction of subsidiaries and associates	4,183	—
Extraordinary losses	67	263
Loss on disposal of non-current assets	7	2
Impairment losses	59	260
Profit (loss) before income taxes	(51,116)	13,506
Income taxes - current	(120)	1,351
Income taxes - deferred	(203)	(3,543)
Total income taxes	(323)	(2,191)
Profit (loss)	(50,792)	15,698

(3) Non-consolidated statement of changes in net assets

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	167	87,481	12,686	252,065	264,752	(3,099)	449,134
Changes during period									
Dividends of surplus						(13,548)	(13,548)		(13,548)
Loss						(50,792)	(50,792)		(50,792)
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			17	17				84	101
Net changes in items other than shareholders' equity									
Total changes during period	—	—	17	17	—	(64,341)	(64,341)	84	(64,239)
Balance at end of period	100,000	87,313	185	87,498	12,686	187,724	200,411	(3,015)	384,894

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(45,432)	972	(44,460)	503	405,177
Changes during period					
Dividends of surplus					(13,548)
Loss					(50,792)
Purchase of treasury shares					(0)
Disposal of treasury shares					101
Net changes in items other than shareholders' equity	(321)	3,359	3,037	29	3,067
Total changes during period	(321)	3,359	3,037	29	(61,172)
Balance at end of period	(45,754)	4,332	(41,422)	532	344,004

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	100,000	87,313	185	87,498	12,686	187,724	200,411	(3,015)	384,894
Changes during period									
Issuance of new shares	25,966	25,966		25,966					51,933
Dividends of surplus						(7,478)	(7,478)		(7,478)
Profit						15,698	15,698		15,698
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			18	18				121	139
Net changes in items other than shareholders' equity									
Total changes during period	25,966	25,966	18	25,984	—	8,219	8,219	120	60,292
Balance at end of period	125,966	113,280	203	113,483	12,686	195,944	208,631	(2,894)	445,186

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(45,754)	4,332	(41,422)	532	344,004
Changes during period					
Issuance of new shares					51,933
Dividends of surplus					(7,478)
Profit					15,698
Purchase of treasury shares					(0)
Disposal of treasury shares					139
Net changes in items other than shareholders' equity	6,275	(3,814)	2,461	(31)	2,430
Total changes during period	6,275	(3,814)	2,461	(31)	62,722x
Balance at end of period	(39,478)	517	(38,961)	501	406,726

Financial Results for FY2024



【 INDEX 】

I . Overviews of the Financial Results for the Year Ended March 31, 2025 (Fiscal Year 2024)

1. Summary of Revenue and Expenses	【Consolidated】	.....	1
	【Non-consolidated】	.....	2
2. Profit Margins	【Non-consolidated】	.....	3
3. Business Profit	【Non-consolidated】		
4. ROE	【Non-consolidated】		
5. Gains (losses) on Securities Transactions	【Non-consolidated】		
6. Investments and Funding	【Consolidated】	【Non-consolidated】	4
7. Unrealized Gains and Losses on Securities	【Consolidated】	【Non-consolidated】	5
8. Sales of investment trusts and annuity insurance to retail customers	【Non-consolidated】		
9. Employees' Retirement Benefits	【Consolidated】	【Non-consolidated】	6
10. Capital Adequacy Ratio (under Japanese domestic standards)	【Consolidated】	【Non-consolidated】	7

II . Status of Loans, etc.

1. NPLs based on the Banking Act and the FRA, and coverage	【Consolidated】	【Non-consolidated】	8
2. Allowance for Loan Losses	【Consolidated】	【Non-consolidated】	9
3. Coverage for NPLs based on the FRA by Borrowers' Category	【Consolidated】	.....	1 0
4. Off-Balancing of NPLs based on the FRA	【Non-consolidated】	.....	1 1
5. Breakdown of Loans and Bills Discounted Classified by Industry	【Consolidated】	.....	1 2

* NPLs : Non-performing loans

* FRA : Financial Reconstruction Act

III. Deferred Tax Assets	1 3
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I. Overviews of the Financial Results for the Year Ended March 31, 2025 (Fiscal Year 2024)

1. Summary of Revenue and Expenses

[Consolidated]

(Millions of yen)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	85,638	34,713	50,924
Net interest income	48,710	6,636	42,074
Net fees and commissions	24,651	4,230	20,420
Net gains on trading account transactions	3,145	1,511	1,633
Net other ordinary income	9,130	22,334	(13,204)
General and administrative expenses	(62,878)	(1,018)	(61,860)
Gains (losses) on equity method investments	2,265	(76)	2,342
Business profit ※2	25,024	33,618	(8,594)
Credit-related expenses	(9,445)	37,484	(46,930)
Write-off of loans	(6,215)	(5,532)	(683)
Provision of specific allowance for loan losses	(5,771)	35,033	(40,805)
Provision of general allowance for loan losses	(333)	3,445	(3,778)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(357)	600	(957)
Recoveries of written-off receivables	2,490	1,731	758
Provision of allowance for credit losses on off-balance-sheet instruments	742	2,206	(1,463)
Gains (losses) on stock transactions	3,256	1,621	1,634
Other	(1,273)	(346)	(926)
Ordinary profit (loss)	17,561	72,378	(54,816)
Extraordinary profit (loss)	1,824	182	1,642
Profit (loss) before income taxes	19,386	72,560	(53,174)
Income taxes-current	(2,059)	(1,248)	(810)
Income taxes-deferred	2,307	59	2,247
Profit (loss)	19,634	71,371	(51,737)
Loss attributable to non-controlling interests	884	(947)	1,832
Profit (loss) attributable to owners of parent	20,518	70,423	(49,904)

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

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

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

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	24	(1)	25
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	FY2024		FY2023
	(A)	(A)-(B)	
Net revenue	64,866	33,997	30,869
(Excluding gains (losses) on bond transactions)	62,781	13,308	49,473
Net interest income	40,296	8,779	31,517
Net fees and commissions ※1	16,201	2,502	13,699
Net gains on trading account transactions	3,060	1,674	1,386
Net other ordinary income	5,308	21,041	(15,733)
(Gains (losses) on bond transactions)	2,085	20,689	(18,604)
General and administrative expenses	(46,402)	270	(46,673)
Personnel	(23,351)	184	(23,536)
Property and equipment	(20,953)	302	(21,255)
Taxes	(2,098)	(217)	(1,880)
Business profit before provision of general allowance for loan losses	18,463	34,267	(15,803)
Core business profit ※2	16,378	13,578	2,800
Core business profit excluding cancellation on investment trusts	16,056	15,797	258
Credit-related expenses	(6,917)	39,052	(45,969)
Write-off of loans	(4,610)	(3,366)	(1,244)
Provision of specific allowance for loan losses	(5,304)	35,254	(40,559)
Provision of general allowance for loan losses	(84)	3,482	(3,566)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(64)	(66)	1
Recoveries of written-off receivables	2,432	1,755	677
Provision of allowance for credit losses on off-balance-sheet instruments	713	1,993	(1,280)
Gains (losses) on stock transactions	3,256	1,616	1,639
Other	(1,033)	(175)	(857)
Ordinary profit (loss)	13,769	74,761	(60,992)
Extraordinary profit (loss)	(262)	(10,138)	9,875
Profit (loss) before income taxes	13,506	64,622	(51,116)
Income taxes-current	(1,351)	(1,472)	120
Income taxes-deferred	3,543	3,340	203
Profit (loss)	15,698	66,490	(50,792)
Business profit	18,379	39,029	(20,649)

※1 Trust fees are included.

※2 Core business profit = Business profit before provision of general allowance for loan losses - Gains (losses) on bond transactions

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

2. Profit Margins [Non-consolidated]

(Total)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	2.71%	(0.01%)	2.72%
Yield on loans (B)	3.12%	(0.04%)	3.16%
Yield on securities	1.73%	(0.09%)	1.82%
(2) Rate of funding cost (including general and administrative expenses) (C)	2.59%	(0.12%)	2.71%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.25%	0.08%	1.17%
Yield on deposits & certificates of deposit (E)	0.31%	0.03%	0.28%
Yield on borrowings	0.43%	0.09%	0.34%
(3) Profit margins (A) - (C)	0.12%	0.11%	0.01%
(4) Loan margin (B) - (D)	1.87%	(0.12%)	1.99%
(5) Yield spread (B) - (E)	2.81%	(0.07%)	2.88%

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

(Domestic operations)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
(1) Yield on total investments (A)	0.81%	0.16%	0.65%
Yield on loans (B)	1.20%	0.24%	0.96%
Yield on securities	0.89%	(0.26%)	1.15%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.06%	0.11%	0.95%
Cost of deposits & certificates of deposit (including general and administrative expenses) (D)	1.15%	0.14%	1.01%
Yield on deposits & certificates of deposit (E)	0.26%	0.09%	0.17%
Yield on borrowings	0.42%	0.16%	0.26%
(3) Profit margins (A) - (C)	(0.25%)	0.05%	(0.30%)
(4) Loan margin (B) - (D)	0.05%	0.10%	(0.05%)
(5) Yield spread (B) - (E)	0.94%	0.15%	0.79%

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

3. Business Profit [Non-consolidated]

(Millions of yen)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Core net business profit	18,463	34,267	(15,803)
per employee (thousand yen)	9,386	17,292	(7,905)

4. ROE [Non-consolidated]

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Core net business profit basis	4.92%	9.14%	(4.22%)
Profit basis	4.18%	17.75%	(13.57%)

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

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

(Millions of yen)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Gains (losses) on bond transactions	2,085	20,689	(18,604)
Gain on sale of bonds	3,353	(4,785)	8,139
Gain on redemption of bonds	79	79	-
Loss on sale of bonds	(1,068)	22,120	(23,188)
Loss on redemption of bonds	(137)	3,417	(3,555)
Loss on devaluation of bonds	(142)	(142)	-
Gains (losses) on stock transactions	3,256	1,616	1,639
Gain on sale of equity securities	3,833	(6,444)	10,278
Loss on sale of equity securities	(289)	7,898	(8,187)
Loss on devaluation of equity securities	(288)	162	(450)

6. Investments and Funding

【Consolidated】

(Total)

(Millions of yen)

	FY2024				FY2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,831,231	2.70%	(255,249)	(0.03%)	6,086,481	2.73%
Due from banks	59,828	1.84%	(640)	(0.67%)	60,469	2.51%
Call loans and bills bought	53,644	0.60%	(169,335)	0.24%	222,980	0.36%
Securities purchased under resale agreements	9	0.10%	4	0.20%	4	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,308,846	1.71%	(132,473)	(0.16%)	1,441,320	1.87%
Loans and bills discounted	4,125,329	3.10%	36,907	(0.11%)	4,088,421	3.21%
Total funding	6,900,143	1.62%	98,006	(0.20%)	6,802,136	1.82%
Deposits	5,650,831	0.27%	(19,773)	0.02%	5,670,605	0.25%
Negotiable certificates of deposit	70,760	0.20%	28,221	0.18%	42,539	0.02%
Call money and bills sold	1,863	2.20%	(12,373)	(1.05%)	14,237	3.25%
Securities sold under repurchase agreements	29,293	5.18%	(22,157)	(0.33%)	51,450	5.51%
Cash collateral received for securities lent	310,241	4.93%	24,058	(0.32%)	286,182	5.25%
Borrowed money	662,146	0.42%	114,811	0.16%	547,334	0.26%
Bonds payable	151,822	3.99%	(27,390)	0.98%	179,213	3.01%

【Non-consolidated】

(Total)

(Millions of yen)

	FY2024				FY2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,549,931	2.71%	(183,893)	(0.01%)	5,733,824	2.72%
Due from banks	19,808	4.92%	(6,893)	(0.12%)	26,701	5.04%
Call loans	52,877	0.61%	(47,149)	(0.26%)	100,026	0.87%
Securities purchased under resale agreements	9	0.10%	4	0.20%	4	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,324,177	1.73%	(154,351)	(0.09%)	1,478,528	1.82%
Loans and bills discounted	3,895,584	3.09%	16,524	(0.03%)	3,879,060	3.12%
Total funding	6,114,458	1.83%	(190,597)	(0.15%)	6,305,055	1.98%
Deposits	4,865,146	0.31%	(308,379)	0.03%	5,173,526	0.28%
Negotiable certificates of deposit	70,760	0.20%	28,221	0.18%	42,539	0.02%
Call money	1,863	2.20%	(12,373)	(1.05%)	14,237	3.25%
Securities sold under repurchase agreements	29,293	5.18%	(22,157)	(0.33%)	51,450	5.51%
Cash collateral received for securities lent	310,241	4.93%	24,058	(0.32%)	286,182	5.25%
Borrowed money	662,146	0.42%	114,814	0.16%	547,331	0.26%
Bonds payable	151,822	3.99%	(27,390)	0.98%	179,213	3.01%

(Domestic operations)

(Millions of yen)

	FY2024				FY2023	
	(A)		(A) - (B)		(B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,945,972	0.81%	(139,828)	0.16%	5,085,800	0.65%
Due from banks	219	0.03%	(1,228)	0.03%	1,448	0.00%
Call loans	48,684	0.30%	(34,126)	0.31%	82,811	(0.01%)
Securities purchased under resale agreements	9	0.10%	4	0.20%	4	(0.10%)
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	421,960	0.89%	(88,070)	(0.26%)	510,030	1.15%
Loans and bills discounted	2,435,057	1.20%	61,435	0.24%	2,373,622	0.96%
Total funding	5,564,858	0.28%	(124,581)	0.08%	5,689,440	0.20%
Deposits	4,801,481	0.26%	(245,376)	0.09%	5,046,858	0.17%
Negotiable certificates of deposit	70,760	0.20%	28,221	0.18%	42,539	0.02%
Call money	1,086	0.24%	(5,388)	0.23%	6,475	0.01%
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	-	-	-	-	-	-
Borrowed money	662,140	0.42%	114,811	0.16%	547,328	0.26%
Bonds payable	24,438	0.33%	(17,976)	0.09%	42,415	0.24%

7. Unrealized Gains and Losses on Securities

【Consolidated】

(Millions of yen)

	March 31, 2025				March 31, 2024		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(54,598)	4,172	22,874	77,473	(58,770)	26,077	84,847
Japanese stocks	12,576	(2,209)	13,044	468	14,786	15,202	415
Japanese debt securities	(6,649)	(3,802)	205	6,855	(2,847)	300	3,147
Other	(60,525)	10,184	9,624	70,149	(70,710)	10,574	81,284

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

【Non-consolidated】

(Millions of yen)

	March 31, 2025				March 31, 2024		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(54,468)	4,199	22,871	77,340	(58,667)	26,077	84,745
Japanese stocks	12,576	(2,209)	13,044	468	14,786	15,202	415
Japanese debt securities	(6,519)	(3,775)	202	6,721	(2,744)	300	3,045
Other	(60,525)	10,184	9,624	70,149	(70,710)	10,574	81,284

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

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

(Sales Total)

(Billions of yen)

	FY2024		FY2023
	(A)	(A)-(B)	(B)
Investment trusts	106.0	(6.7)	112.7
Annuity insurance	19.3	11.7	7.6

9. Employees' Retirement Benefits

① Provision for retirement benefits

【Consolidated】

(Millions of yen)

			March 31, 2025		March 31, 2024
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(35,250)	2,860	(38,110)
	Fair value of plan assets	(B)	34,327	(1,611)	35,938
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(922)	1,248	(2,171)
	Retirement benefit asset	(D)	9,430	688	8,741
	Retirement benefit liability	(C)-(D)	(10,353)	559	(10,912)
	Unrecognized actuarial losses	(E)	3,338	55	3,282
	Unrecognized prior-service cost	(F)	-	-	-
	Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	3,338	55	3,282

【Non-consolidated】

(Millions of yen)

			March 31, 2025		March 31, 2024
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(34,524)	2,959	(37,483)
	Fair value of plan assets	(B)	34,327	(1,611)	35,938
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(196)	1,348	(1,544)
	Unrecognized actuarial losses	(D)	(3,338)	(55)	(3,282)
	Unrecognized prior-service cost	(E)	-	-	-
	Net liability recognized	(F)=(C)+(D)+(E)	(3,535)	1,292	(4,827)
	Prepaid pension costs	(G)	6,651	987	5,663
	Provision for retirement benefits	(F)-(G)	(10,187)	304	(10,491)

② Net periodic retirement benefit costs

【Consolidated】

(Millions of yen)

			FY2024		FY2023
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs regarding defined benefit pension plans		473	(1,055)	1,529

【Non-consolidated】

(Millions of yen)

			FY2024		FY2023
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs		295	(1,078)	1,373
	Service cost		1,285	(268)	1,554
	Interest cost		443	279	163
	Expected return on plan assets		(898)	(35)	(863)
	Amortization of prior-service cost		-	-	-
	Recognized actuarial losses		(535)	(1,054)	518
	Other		-	-	-

10. Capital Adequacy Ratio (under Japanese domestic standards)

■Basel III

【Consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	preliminary (A)	(A) - (B)	(A) - (C)	(B)	(C)
(1) Capital adequacy ratio (4)/(5)	10.72%	1.49%	(0.12%)	9.23%	10.84%
(2) Core capital: instruments and reserves	529,736	62,151	2,463	467,585	527,273
(3) Core capital: regulatory adjustments	41,483	2,911	1,235	38,572	40,248
(4) Regulatory capital (2)-(3)	488,253	59,240	1,228	429,013	487,024
(5) Risk-weighted assets	4,553,814	(91,821)	65,024	4,645,636	4,488,790
(6) Total required capital (5)*4%	182,152	(3,672)	2,600	185,825	179,551

【Non-consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	preliminary (A)	(A) - (B)	(A) - (C)	(B)	(C)
(1) Capital adequacy ratio (4)/(5)	10.14%	1.46%	(0.12%)	8.68%	10.26%
(2) Core capital: instruments and reserves	480,717	57,494	1,838	423,223	478,878
(3) Core capital: regulatory adjustments	27,070	2,482	1,088	24,587	25,982
(4) Regulatory capital (2)-(3)	453,646	55,011	750	398,635	452,895
(5) Risk-weighted assets	4,470,802	(119,371)	60,694	4,590,174	4,410,107
(6) Total required capital (5)*4%	178,832	(4,774)	2,427	183,606	176,404

The 'Composition of Capital Disclosure' is available on our website at

<https://www.aozorabank.co.jp/english/ir/library/results/>

II. Status of Loans, etc.

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

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

☐ After partial and direct write-off

【Consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	-	(18)	(6)	18	6
Doubtful credit	76,241	(42,331)	(18,435)	118,572	94,677
Special attention credit	15,472	2,957	(3,410)	12,514	18,882
Loans overdue for three months or more	6,088	(272)	90	6,361	5,998
Restructured loans	9,383	3,230	(3,500)	6,153	12,883
Subtotal (a)	91,713	(39,392)	(21,852)	131,105	113,565
Normal credit	4,176,195	180,006	262,434	3,996,188	3,913,760
Total credit (b)	4,267,908	140,614	240,582	4,127,294	4,027,326
NPL ratio (a/b)	2.1%	(1.1%)	(0.7%)	3.2%	2.8%

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	84,045	(38,848)	(20,429)	122,894	104,474
Allowance for loan losses (d)	41,648	(13,104)	(6,963)	54,753	48,612
Collateral / guarantee coverage (e)	42,397	(25,743)	(13,465)	68,140	55,862
Coverage ratio (c/a)	91.6%	(2.1%)	(0.4%)	93.7%	92.0%
Allowance ratio (d/(a-e))	84.5%	(2.5%)	0.3%	87.0%	84.2%

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

☐ After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	-	(18)	(6)	18	6
Doubtful credit	75,558	(42,733)	(18,716)	118,292	94,275
Special attention credit	15,413	3,264	(3,428)	12,149	18,842
Loans overdue for three months or more	6,088	(272)	90	6,361	5,998
Restructured loans	9,325	3,537	(3,518)	5,788	12,843
Subtotal (a)	90,972	(39,487)	(22,150)	130,459	113,123
Normal credit	3,834,605	15,970	95,927	3,818,635	3,738,678
Total credit (b)	3,925,578	(23,516)	73,776	3,949,094	3,851,801
NPL ratio (a/b)	2.3%	(1.0%)	(0.6%)	3.3%	2.9%

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	83,333	(39,193)	(20,721)	122,526	104,054
Allowance for loan losses (d)	40,991	(13,419)	(7,213)	54,410	48,204
Collateral / guarantee coverage (e)	42,341	(25,773)	(13,507)	68,115	55,849
Coverage ratio (c/a)	91.6%	(2.3%)	(0.4%)	93.9%	92.0%
Allowance ratio (d/(a-e))	84.3%	(3.0%)	0.1%	87.3%	84.2%

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

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

【Consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	71,025	(16,903)	(6,031)	87,929	77,057
General allowance	37,809	333	(428)	37,475	38,237
Specific allowance	33,216	(17,236)	(5,603)	50,453	38,820
Allowance for loans to restructuring countries	-	-	-	-	-

☐ After partial and direct write-off

【Non-consolidated】

(Millions of yen)

	March 31, 2025			March 31, 2024	September 30, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	69,850	(17,521)	(6,412)	87,371	76,262
General allowance	37,261	84	(570)	37,177	37,831
Specific allowance	32,589	(17,605)	(5,842)	50,194	38,431
Allowance for loans to restructuring countries	-	-	-	-	-

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

☐ After partial and direct write-off

【Consolidated】

(Billions of yen)

Borrower categories for self-assessment	NPLs based on the FRA		Allowance & Coverage	Allowance ratio	Coverage ratio
	Loans	other			
Bankrupt borrowers	Bankrupt and similar credit -		<div>Collateral / Guarantee coverage -</div>		-
De facto bankrupt borrowers					
In Danger of Bankruptcy borrowers	Doubtful credit 76.2		<div>Collateral / Guarantee coverage 42.3 Allowance 33.2 Estimated collections 0.6</div>		98.1%
Need Attention borrowers	Special attention credit 15.4		<div>Collateral / Guarantee coverage - Allowance 8.4 Estimated collections 7.0</div>		54.5%
Normal borrowers	(Normal credit) (4,176.1)				

NPL credit 91.7	Collateral / Guarantee coverage 42.3 Allowance 41.6 Estimated collections 7.6	NPLs based on the FRA Allowance ratio 84.5%	NPLs based on the FRA Coverage ratio 91.6%
Total credit 4,267.9	Total allowance 71.0	Allowance ratio = Allowance / (NPL credit – Collateral, Guarantees, etc.) Coverage ratio = (Collateral, Guarantees + Allowance) / NPL credit	
Allowance ratio for the unsecured portion of special attention credit		54.3%	
Allowance ratio for the need attention credit		7.7%	
Allowance ratio for the normal credit		0.3%	

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

4. Off-Balancing of NPLs based on the FRA [Non-consolidated]

① Balance of doubtful credit, and bankrupt and similar credit

(Billions of yen)

	As of March 31, 2022	As of March 31, 2023	As of March 31, 2024 (B)	increase (decrease) (A)-(B)	As of March 31, 2025 (A)
Amount Categorized as above up to Fiscal 2021	18.3	7.1	3.2	(3.1)	0.1
Amount Newly Categorized as above during Fiscal 2022		25.7	23.3	(17.5)	5.8
Amount Newly Categorized as above during Fiscal 2023			91.6	(36.3)	55.3
Amount Newly Categorized as above during Fiscal 2024				14.3	14.3

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

(Note2) Balance as of March 31, 2025 includes those borrowers (0.0 billion yen) for whom measures are undertaken which will lead to eventual off-balancing.

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

(Billions of yen)

	FY 2024
Total	(32.9)
Liquidation-type disposition	(1.0)
Restructuring-type disposition	(10.8)
Loan sales	(7.3)
Direct write-off	3.1
Other	(16.9)

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

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

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

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

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

5. Breakdown of Loans and Bills Discounted Classified by Industry 【Consolidated】

□ After partial and direct write-off

① Loans and Bills Discounted Classified by Industry

(Millions of yen)

	March 31, 2025	March 31, 2024
Loans by domestic offices (excluding Japan offshore market accounts)	3,298,786	3,098,275
Manufacturing	369,666	300,950
Agriculture, forestry and fisheries	883	152
Mining, quarry and gravel extraction	-	-
Construction	25,765	16,668
Electricity, gas, heat supply and water	140,184	126,090
Information and communications	117,077	128,199
Transport and postal service	58,669	42,792
Wholesale and retail trade	75,646	85,987
Finance and insurance	411,033	363,825
Real estate	748,573	758,169
Leasing	208,079	183,255
Various services	168,009	162,957
Local government	4,931	813
Others	970,263	928,411
Loans by overseas offices (including Japan offshore market accounts)	907,777	973,019
Government	-	-
Financial institutions	-	-
Others	907,777	973,019
Total	4,206,564	4,071,295

② NPLs based on the FRA Classified by Industry

(Millions of yen)

	March 31, 2025	March 31, 2024
NPL credit by domestic offices (excluding Japan offshore market accounts)	90,039	129,357
Manufacturing	12,556	6,806
Agriculture, forestry and fisheries	0	108
Mining, quarry and gravel extraction	-	-
Construction	119	111
Electricity, gas, heat supply and water	0	8
Information and communications	80	63
Transport and postal service	59	16
Wholesale and retail trade	404	212
Finance and insurance	0	1
Real estate	39	33
Leasing	-	-
Various services	354	417
Local government	-	-
Others	76,423	121,577
NPL credit by overseas offices (including Japan offshore market accounts)	1,674	1,748
Government	-	-
Financial institutions	-	-
Others	1,674	1,748
Total	91,713	131,105

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

III. Deferred Tax Assets

1. Decision on Recoverability of Deferred Tax Asset

We have categorized the Bank under Category 3 in accordance with Paragraph 29 of 'Guidance on Recoverability of Deferred Tax Assets' (ASBJ Guidance on Corporate Accounting Standard No.26) and have calculated recoverable deferred tax assets based on a scheduling of the reversals of temporary differences and the estimation of future taxable income for the next 5 years.

Reference) Past Taxable income

(Billions of yen)

	FY 2022	FY 2023	FY 2024
Taxable income (before offsetting of tax loss carryforwards)	(2.7)	(*) (59.5)	7.9

(*) The tax-losses were recognized mainly due to the liquidation of an overseas subsidiary. For accounting purposes, the impairment losses have already been recorded in the past profit and loss statements.

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

(Billions of yen)

	March 31, 2025		March 31, 2024
	(A)	(A) - (B)	(B)
Deferred tax assets	55.6	6.5	49.1
Provision of allowance for loan losses	22.1	(4.7)	26.8
Provision for retirement benefits	3.2	(0.0)	3.2
Write-offs for securities	4.4	0.1	4.2
Valuation difference on available-for-sale securities	18.1	(0.4)	18.5
Tax loss carryforwards	17.7	(1.1)	18.8
Other	17.2	4.7	12.5
Subtotal	82.8	(1.4)	84.2
Less valuation allowance	(27.1)	7.9	(35.0)
Deferred tax liabilities	3.6	(0.7)	4.3
Valuation difference on available-for-sale securities	0.7	0.5	0.2
Net deferred tax assets	52.0	7.2	44.7