Summary of the Financial Statements for the First Six Months of FY2026 [JGAAP] (Consolidated)

November 11, 2026

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304	URL	https://www.aozorabank.co.jp/
Representative	Hideto Oomi, President and CEO		
Contact person	Norihide Tate, Joint General Manager of Financial Management Division		
Scheduled filing date of securities report	November 26, 2026	Dividend payable date	December 11, 2026
Reference material	Affirmative	Trading accounts	Affirmative
Investor meeting	Affirmative	TEL	(03)6752-1111

(Unit: JPY millions, rounded down)

1. Business highlights for the first six months of FY2026

(1) Consolidated business results

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	136,131	16.2	23,312	51.6	18,956	39.2
September 30, 2025	117,144	1.8	15,380	53.9	13,613	14.2

(Note) Comprehensive income JPY 33,943 million 73.0 % (Six months ended September 30, 2026)
JPY 19,624 million 14.6 % (Six months ended September 30, 2025)

	Net income per common share (basic)	Net income per common share (diluted)
Six months ended	Yen	Yen
September 30, 2026	136.89	136.70
September 30, 2025	98.37	98.20

(2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
September 30, 2026	8,928,229	518,683	5.7	3,649.81
March 31, 2026	8,601,673	491,611	5.6	3,463.73

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 505,459 million (September 30, 2026)
JPY 479,315 million (March 31, 2026)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights - Non-controlling interests) / Total assets
The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

2. Dividend

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2025 (common share)	22.00	22.00	22.00	25.00	91.00
FY2026 (common share)	25.00	25.00			
FY2026 (common share) (Forecast)			–	–	100.00

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

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

3. Consolidated earnings forecast for the year ending March 31, 2027 (FY2026)

(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
FY2026 (Full Year)	37,000	36.1	27,000	5.0	194.96

(Note) Revision of consolidated earnings forecast to the latest announcement None

*Notes

(1) Significant changes in the scope of consolidation during the first six months Affirmative
Excluded: 7 companies (Aozora Securities Co., Ltd., AZB Funding, etc.)

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

(3) The number of common shares issued

	September 30, 2026	March 31, 2026
(a) The number of common shares issued (including treasury shares)	139,789,418	139,789,418
(b) The number of treasury shares	1,300,152	1,408,342

	Six months ended September 30, 2026	Six months ended September 30, 2025
(c) The average number of common shares outstanding (6 months)	138,471,750	138,381,097

(Summary of non-consolidated financial statements)

Business highlights for the first six months of FY2026

(1) Business results

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

	Ordinary income		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	112,282	9.4	15,245	6.8	12,938	0.2
September 30, 2025	102,604	(0.2)	14,276	75.2	12,917	67.6

	Net income per common share (basic)
Six months ended	Yen
September 30, 2026	93.43
September 30, 2025	93.34

(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
September 30, 2026	7,670,488	449,332	5.9	3,241.31
March 31, 2026	7,329,934	430,391	5.9	3,105.65

(Reference) Total net assets (less Share acquisition rights): JPY 448,887 million (September 30, 2026)
JPY 429,764 million (March 31, 2026)

(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 the Financial Statements for the First Six Months is out of scope of interim audit (by CPAs or audit firms) .

※Notes and remarks for the proper use of earnings projection

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

[Attachment]

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※Financial Results for the First Six Months of FY2026

1. Overview of operating results

For more details, please refer to ‘FY2026 Interim Financial Results and Progress on the Mid-term Plan’ that was announced today (November 11, 2026) on TDnet or the Bank’s website (https://www.aozorabank.co.jp/english/ir/library/results/).

2. Interim consolidated financial statements and main notes

(1) Interim consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Cash and due from banks	1,508,492	1,433,639
Call loans and bills bought	81,283	141,070
Monetary claims bought	55,280	49,810
Trading account assets	501,566	724,954
Money held in trust	11,053	7,966
Securities	1,434,823	1,515,771
Loans and bills discounted	4,486,392	4,568,840
Foreign exchanges	46,837	46,806
Other assets	411,740	377,760
Tangible fixed assets	22,874	23,379
Intangible fixed assets	18,091	18,482
Retirement benefit asset	12,319	12,563
Deferred tax assets	49,790	42,549
Customers' liabilities for acceptances and guarantees	16,218	17,061
Allowance for loan losses	(52,974)	(50,476)
Allowance for investment loss	(2,119)	(1,952)
Total assets	8,601,673	8,928,229
Liabilities		
Deposits	6,030,775	6,243,726
Negotiable certificates of deposit	63,700	45,000
Call money and bills sold	50,993	47,863
Securities sold under repurchase agreements	38,123	34,216
Cash collateral received for securities lent	375,943	359,472
Trading account liabilities	482,295	670,104
Borrowed money	784,400	781,800
Bonds payable	57,962	—
Other liabilities	192,791	196,200
Provision for bonuses	5,515	2,986
Provision for bonuses for directors (and other officers)	110	75
Retirement benefit liability	9,875	9,432
Provision for credit losses on off-balance-sheet instruments	1,348	1,598
Reserves under special laws	8	8
Acceptances and guarantees	16,218	17,061
Total liabilities	8,110,061	8,409,545
Net assets		
Share capital	125,966	125,966
Capital surplus	113,483	113,509
Retained earnings	254,992	267,027
Treasury shares	(2,894)	(2,672)
Total shareholders' equity	491,547	503,831
Valuation difference on available-for-sale securities	(24,972)	(17,213)
Deferred gains or losses on hedges	(545)	4,500
Foreign currency translation adjustment	9,674	11,083
Remeasurements of defined benefit plans	3,611	3,257
Total accumulated other comprehensive income	(12,232)	1,628
Share acquisition rights	626	445
Non-controlling interests	11,669	12,778
Total net assets	491,611	518,683
Total liabilities and net assets	8,601,673	8,928,229

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

(Interim consolidated statement of income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Ordinary income	117,144	136,131
Interest income	78,802	90,271
Interest on loans and discounts	59,082	66,792
Interest and dividends on securities	12,793	14,542
Trust fees	215	257
Fees and commissions	19,191	21,345
Gain on trading account transactions	1,922	2,396
Other ordinary income	13,991	17,963
Other income	3,021	3,897
Ordinary expenses	101,764	112,819
Interest expenses	54,484	55,745
Interest on deposits	13,980	21,307
Fees and commissions payments	3,656	4,799
Loss on trading account transactions	341	387
Other ordinary expenses	3,491	12,634
General and administrative expenses	31,653	33,339
Other expenses	8,136	5,913
Ordinary profit	15,380	23,312
Extraordinary income	—	0
Gain on disposal of non-current assets	—	0
Extraordinary losses	6	1
Loss on disposal of non-current assets	6	1
Profit before income taxes	15,374	23,310
Income taxes - current	807	1,603
Income taxes - deferred	822	1,573
Total income taxes	1,629	3,176
Profit	13,744	20,134
Profit attributable to non-controlling interests	130	1,178
Profit attributable to owners of parent	13,613	18,956

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	13,744	20,134
Other comprehensive income	5,879	13,808
Valuation difference on available-for-sale securities	12,831	7,707
Deferred gains or losses on hedges	(2,956)	5,045
Foreign currency translation adjustment	433	(420)
Remeasurements of defined benefit plans, net of tax	(339)	(353)
Share of other comprehensive income of entities accounted for using equity method	(4,089)	1,830
Comprehensive income	19,624	33,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,467	32,817
Comprehensive income attributable to non-controlling interests	156	1,126

(3) Interim consolidated statement of changes in net assets

For the six months ended September 30, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	125,966	113,483	241,485	(2,894)	478,040
Changes during period					
Dividends of surplus			(6,088)		(6,088)
Profit attributable to owners of parent			13,613		13,613
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	—	7,524	0	7,524
Balance at end of period	125,966	113,483	249,009	(2,894)	485,565

	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	(39,532)	517	9,604	2,286	(27,123)	501	8,267	459,685
Changes during period								
Dividends of surplus								(6,088)
Profit attributable to owners of parent								13,613
Disposal of treasury shares								0
Net changes in items other than shareholders' equity	12,805	(2,956)	(3,656)	(339)	5,853	125	133	6,112
Total changes during period	12,805	(2,956)	(3,656)	(339)	5,853	125	133	13,637
Balance at end of period	(26,727)	(2,438)	5,948	1,947	(21,270)	626	8,400	473,322

For the six months ended September 30, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	125,966	113,483	254,992	(2,894)	491,547
Changes during period					
Dividends of surplus			(6,920)		(6,920)
Change in scope of consolidation			(0)		(0)
Profit attributable to owners of parent			18,956		18,956
Disposal of treasury shares		26		222	248
Net changes in items other than shareholders' equity					
Total changes during period	—	26	12,035	222	12,283
Balance at end of period	125,966	113,509	267,027	(2,672)	503,831

	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	(24,972)	(545)	9,674	3,611	(12,232)	626	11,669	491,611
Changes during period								
Dividends of surplus								(6,920)
Change in scope of consolidation								(0)
Profit attributable to owners of parent								18,956
Disposal of treasury shares								248
Net changes in items other than shareholders' equity	7,759	5,045	1,409	(353)	13,860	(181)	1,109	14,788
Total changes during period	7,759	5,045	1,409	(353)	13,860	(181)	1,109	27,072
Balance at end of period	(17,213)	4,500	11,083	3,257	1,628	445	12,778	518,683

(4) Notes to interim consolidated financial statements

(Information on going concern assumption)

None

3. Interim non-consolidated financial statements

(1) Interim non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Cash and due from banks	742,046	704,825
Call loans	81,283	141,070
Monetary claims bought	26,609	22,586
Trading account assets	501,566	724,954
Money held in trust	5,610	4,045
Securities	1,388,150	1,446,307
Loans and bills discounted	4,084,018	4,170,629
Foreign exchanges	46,837	46,806
Other assets	398,147	356,499
Other	398,147	356,499
Tangible fixed assets	21,949	22,495
Intangible fixed assets	7,500	7,641
Prepaid pension costs	7,894	8,558
Deferred tax assets	49,535	42,061
Customers' liabilities for acceptances and guarantees	22,218	23,061
Allowance for loan losses	(51,316)	(49,104)
Allowance for investment loss	(2,119)	(1,952)
Total assets	7,329,934	7,670,488
Liabilities		
Deposits	4,842,262	5,090,808
Negotiable certificates of deposit	63,700	45,000
Call money	50,993	47,863
Securities sold under repurchase agreements	38,123	34,216
Cash collateral received for securities lent	375,943	359,472
Trading account liabilities	482,295	670,104
Borrowed money	784,400	781,800
Bonds payable	57,962	—
Other liabilities	165,951	155,349
Income taxes payable	407	815
Lease liabilities	865	767
Asset retirement obligations	2,590	2,610
Other	162,087	151,156
Provision for bonuses	4,445	2,592
Provision for bonuses for directors (and other officers)	106	75
Provision for retirement benefits	9,816	9,223
Provision for credit losses on off-balance-sheet instruments	1,324	1,589
Acceptances and guarantees	22,218	23,061
Total liabilities	6,899,543	7,221,156

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Share capital	125,966	125,966
Capital surplus	113,483	113,509
Legal capital surplus	113,280	113,280
Other capital surplus	203	229
Retained earnings	218,707	224,725
Legal retained earnings	12,686	12,686
Other retained earnings	206,020	212,038
Retained earnings brought forward	206,020	212,038
Treasury shares	(2,894)	(2,672)
Total shareholders' equity	455,263	461,529
Valuation difference on available-for-sale securities	(24,953)	(17,142)
Deferred gains or losses on hedges	(545)	4,500
Total valuation and translation adjustments	(25,498)	(12,641)
Share acquisition rights	626	445
Total net assets	430,391	449,332
Total liabilities and net assets	7,329,934	7,670,488

(2) Interim non-consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Ordinary income	102,604	112,282
Interest income	73,988	79,174
Interest on loans and discounts	54,138	59,400
Interest and dividends on securities	14,670	14,188
Trust fees	215	258
Fees and commissions	11,345	11,738
Gain on trading account transactions	1,921	2,396
Other ordinary income	13,430	17,006
Other income	1,703	1,708
Ordinary expenses	88,327	97,036
Interest expenses	53,593	54,698
Interest on deposits	13,088	20,260
Fees and commissions payments	833	1,000
Loss on trading account transactions	341	387
Other ordinary expenses	4,980	12,523
General and administrative expenses	22,894	23,139
Other expenses	5,683	5,287
Ordinary profit	14,276	15,245
Extraordinary income	—	0
Gain on disposal of non-current assets	—	0
Extraordinary losses	5	1
Loss on disposal of non-current assets	5	1
Profit before income taxes	14,271	15,244
Income taxes - current	45	694
Income taxes - deferred	1,309	1,612
Total income taxes	1,354	2,306
Profit	12,917	12,938

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

For the six months ended September 30, 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	Total retained earnings		
						Retained earnings brought forward			
Balance at beginning of period	125,966	113,280	203	113,483	12,686	195,944	208,631	(2,894)	445,186
Changes during period									
Dividends of surplus						(6,088)	(6,088)		(6,088)
Profit						12,917	12,917		12,917
Disposal of treasury shares								0	0
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	6,828	6,828	0	6,828
Balance at end of period	125,966	113,280	203	113,483	12,686	202,772	215,459	(2,894)	452,015

	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	(39,478)	517	(38,961)	501	406,726
Changes during period					
Dividends of surplus					(6,088)
Profit					12,917
Disposal of treasury shares					0
Net changes in items other than shareholders' equity	12,779	(2,956)	9,823	125	9,948
Total changes during period	12,779	(2,956)	9,823	125	16,777
Balance at end of period	(26,699)	(2,438)	(29,138)	626	423,504

For the six months ended September 30, 2026

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
						Retained earnings brought forward			
Balance at beginning of period	125,966	113,280	203	113,483	12,686	206,020	218,707	(2,894)	455,263
Changes during period									
Dividends of surplus						(6,920)	(6,920)		(6,920)
Profit						12,938	12,938		12,938
Disposal of treasury shares			26	26				222	248
Net changes in items other than shareholders' equity									
Total changes during period	—	—	26	26	—	6,017	6,017	222	6,266
Balance at end of period	125,966	113,280	229	113,509	12,686	212,038	224,725	(2,672)	461,529

	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	(24,953)	(545)	(25,498)	626	430,391
Changes during period					
Dividends of surplus					(6,920)
Profit					12,938
Disposal of treasury shares					248
Net changes in items other than shareholders' equity	7,811	5,045	12,856	(181)	12,675
Total changes during period	7,811	5,045	12,856	(181)	18,941
Balance at end of period	(17,142)	4,500	(12,641)	445	449,332

Financial Results for the First Six Months of FY2026

AOZORA BANK, LTD.

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

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Ⅰ. Overviews of the Financial Results for the Six Months Ended September 30, 2026

1. Summary of Revenue and Expenses

【Consolidated】

(Millions of yen)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Consolidated net revenue ※1	58,667	6,518	52,149
Net interest income	34,525	10,207	24,317
Net fees and commissions	16,803	1,052	15,750
Net gains on trading account transactions	2,009	428	1,580
Net other ordinary income	5,329	(5,171)	10,500
General and administrative expenses	(33,856)	(1,753)	(32,102)
Gains (losses) on equity method investments	1,438	423	1,015
Business profit (excluding gains/losses on stock transactions, etc.) ※2	26,250	5,187	21,062
Credit-related expenses	(4,057)	1,990	(6,047)
Write-off of loans	(1,649)	3,888	(5,537)
Net provision of specific allowance for loan losses	(548)	1,683	(2,231)
Net provision of general allowance for loan losses	(1,842)	(4,526)	2,683
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(629)	437	(1,067)
Recoveries of written-off receivables	863	721	141
Net provision of allowance for credit losses on off-balance-sheet instruments	(250)	(214)	(36)
Gains (losses) on stock transactions	619	84	535
Other	499	669	(169)
Ordinary profit	23,312	7,931	15,380
Extraordinary profit (loss)	(1)	4	(6)
Profit before income taxes	23,310	7,936	15,374
Income taxes-current	(1,603)	(795)	(807)
Income taxes-deferred	(1,573)	(751)	(822)
Profit	20,134	6,390	13,744
Profit attributable to non-controlling interests	(1,178)	(1,047)	(130)
Profit attributable to owners of parent	18,956	5,343	13,613

Reference

Business profit (including gains/losses on stock transactions, etc.)	26,677	5,278	21,398

※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 (excluding gains/losses on stock transactions, etc.) = Consolidated net revenue- General and administrative expenses
+ Gains (losses) on equity method investments

※3 Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Net provision of allowance for investment losses
+ Gains/losses on equity derivatives

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

(Scope of Consolidation and Equity-Method Application) (Number of companies)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Consolidated subsidiaries	16	(8)	24
Subsidiaries and affiliated companies applying equity-method	1	0	1

※ The decrease in the number of consolidated subsidiaries was mainly due to the exclusion from the scope of consolidation of overseas special purpose companies (SPCs) that acquired and held loan receivables in North America.

【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Net revenue	41,982	819	41,162
(Excluding gains (losses) on bond transactions)	51,164	10,716	40,448
Net interest income	24,493	4,087	20,406
Net fees and commissions ※1	10,996	269	10,727
Net gains on trading account transactions	2,009	429	1,579
Net other ordinary income	4,482	(3,966)	8,449
(Gains (losses) on bond transactions)	(9,182)	(9,896)	713
General and administrative expenses	(23,656)	(313)	(23,343)
Personnel	(11,960)	(154)	(11,805)
Property and equipment	(10,375)	128	(10,503)
Taxes	(1,321)	(286)	(1,034)
Business profit before provision of general allowance for loan losses	18,325	506	17,819
Core business profit ※2	27,508	10,403	17,105
Core business profit excluding cancellation on investment trusts	27,122	10,646	16,476
Credit-related expenses	(4,002)	(65)	(3,936)
Write-off of loans	(2,140)	2,221	(4,362)
Net provision of specific allowance for loan losses	(412)	1,585	(1,998)
Net provision of general allowance for loan losses	(2,037)	(4,793)	2,756
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	348	(348)
Recoveries of written-off receivables	852	803	49
Net provision of allowance for credit losses on off-balance-sheet instruments	(264)	(231)	(32)
Gains (losses) on stock transactions	619	84	535
Other	302	443	(141)
Ordinary profit	15,245	969	14,276
Extraordinary profit (loss)	(1)	4	(5)
Profit before income taxes	15,244	973	14,271
Income taxes-current	(694)	(649)	(45)
Income taxes-deferred	(1,612)	(303)	(1,309)
Profit	12,938	21	12,917

Business profit ※3	16,024	(1,761)	17,786

※1 Trust fees are included.
※2 Core business profit = Business profit before provision of general allowance for loan losses - Gains (losses) on bond transactions
※3 Business profit = Net revenue - (Provision of general allowance for loan losses + Provision of allowance for credit losses on off-balance-sheet instruments + General and administrative expenses)
(Note) The amounts are rounded down to the nearest million yen.

2. Profit Margins【Non-consolidated】

(Total)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
（１）Yield on total investments （Ａ）	2.52%	(0.03%)	2.55%
Yield on loans （Ｂ）	2.89%	0.07%	2.82%
Yield on securities	1.89%	(0.22%)	2.11%
（２）Rate of funding cost（including general and administrative expenses） （Ｃ）	2.47%	(0.05%)	2.52%
Cost of deposits & certificates of deposit（including general and administrative expenses） （Ｄ）	1.76%	0.25%	1.51%
Yield on deposits & certificates of deposit （Ｅ）	0.82%	0.27%	0.55%
Yield on borrowings	1.05%	0.39%	0.66%
（３）Profit margins （Ａ）－（Ｃ）	0.05%	0.02%	0.03%
（４）Loan margin （Ｂ）－（Ｄ）	1.13%	(0.18%)	1.31%
（５）Yield spread （Ｂ）－（Ｅ）	2.07%	(0.20%)	2.27%

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

(Domestic operations)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
（１）Yield on total investments （Ａ）	1.51%	0.39%	1.12%
Yield on loans （Ｂ）	2.03%	0.54%	1.49%
Yield on securities	1.45%	0.09%	1.36%
（２）Rate of funding cost（including general and administrative expenses） （Ｃ）	1.59%	0.29%	1.30%
Cost of deposits & certificates of deposit（including general and administrative expenses） （Ｄ）	1.67%	0.26%	1.41%
Yield on deposits & certificates of deposit （Ｅ）	0.77%	0.28%	0.49%
Yield on borrowings	1.02%	0.38%	0.64%
（３）Profit margins （Ａ）－（Ｃ）	(0.08%)	0.10%	(0.18%)
（４）Loan margin （Ｂ）－（Ｄ）	0.36%	0.28%	0.08%
（５）Yield spread （Ｂ）－（Ｅ）	1.26%	0.26%	1.00%

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

3. Business Profit【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Core net business profit	18,325	506	17,819
per employee (thousand yen)	9,236	136	9,100

4. ROE【Non-consolidated】

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Core net business profit basis	8.31%	(0.26%)	8.57%
Profit basis	5.87%	(0.34%)	6.21%

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

5. Gains (losses) on Securities Transactions【Non-consolidated】

(Millions of yen)

	For the six months ended September 30, 2026 (A)	(A)-(B)	For the six months ended September 30, 2025 (B)
Gains (losses) on bond transactions	(9,182)	(9,896)	713
Gain on sale of bonds	363	(1,615)	1,978
Gain on redemption of bonds	-	-	-
Loss on sale of bonds	(8,579)	(7,441)	(1,137)
Loss on redemption of bonds	(966)	(844)	(121)
Loss on devaluation of bonds	-	5	(5)
Gains (losses) on stock transactions	619	84	535
Gain on sale of equity securities	619	(9)	629
Loss on sale of equity securities	-	32	(32)
Loss on devaluation of equity securities	-	60	(60)

6. Investments and Funding

【Consolidated】
(Total) (Millions of yen)

	For the six months ended September 30, 2026 (A)		(A) - (B)		For the six months ended September 30, 2025 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	6,512,113	2.56%	538,835	0.07%	5,973,277	2.49%
Due from banks	63,538	0.80%	14,254	(0.77%)	49,283	1.57%
Call loans and bills bought	82,505	1.06%	45,029	0.41%	37,475	0.65%
Securities purchased under resale agreements	13	0.97%	3	0.51%	9	0.46%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,537,679	1.88%	124,568	0.08%	1,413,111	1.80%
Loans and bills discounted	4,529,577	2.94%	369,138	0.11%	4,160,438	2.83%
Total funding	7,487,935	1.48%	404,205	(0.05%)	7,083,729	1.53%
Deposits	6,094,839	0.69%	330,976	0.21%	5,763,862	0.48%
Negotiable certificates of deposit	90,018	0.92%	36,866	0.30%	53,152	0.62%
Call money and bills sold	54,545	1.32%	24,053	0.33%	30,492	0.99%
Securities sold under repurchase agreements	36,572	3.81%	9,813	(0.70%)	26,759	4.51%
Cash collateral received for securities lent	379,804	3.65%	44,053	(0.67%)	335,750	4.32%
Borrowed money	770,628	1.03%	36,663	0.39%	733,964	0.64%
Bonds payable	43,526	5.47%	(78,735)	0.66%	122,261	4.81%

【Non-consolidated】
(Total) (Millions of yen)

	For the six months ended September 30, 2026 (A)		(A) - (B)		For the six months ended September 30, 2025 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	6,011,259	2.52%	404,066	(0.03%)	5,607,193	2.55%
Due from banks	12,452	3.60%	(3,477)	(0.67%)	15,930	4.27%
Call loans	82,505	1.06%	45,029	0.41%	37,475	0.65%
Securities purchased under resale agreements	13	0.97%	3	0.51%	9	0.46%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	1,491,316	1.89%	107,628	(0.22%)	1,383,687	2.11%
Loans and bills discounted	4,154,081	2.85%	271,458	0.07%	3,882,623	2.78%
Total funding	6,293,248	1.73%	226,452	(0.03%)	6,066,795	1.76%
Deposits	4,900,151	0.82%	153,223	0.28%	4,746,928	0.54%
Negotiable certificates of deposit	90,018	0.92%	36,866	0.30%	53,152	0.62%
Call money	54,545	1.32%	24,053	0.33%	30,492	0.99%
Securities sold under repurchase agreements	36,572	3.81%	9,813	(0.70%)	26,759	4.51%
Cash collateral received for securities lent	379,804	3.65%	44,053	(0.67%)	335,750	4.32%
Borrowed money	770,628	1.03%	36,663	0.39%	733,964	0.64%
Bonds payable	43,526	5.47%	(78,735)	0.66%	122,261	4.81%

(Domestic operations) (Millions of yen)

	For the six months ended September 30, 2026 (A)		(A) - (B)		For the six months ended September 30, 2025 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	5,393,113	1.51%	389,365	0.39%	5,003,748	1.12%
Due from banks	37	0.82%	(263)	0.36%	301	0.46%
Call loans	80,907	1.04%	45,371	0.49%	35,535	0.55%
Securities purchased under resale agreements	13	0.97%	3	0.51%	9	0.46%
Cash collateral provided for securities borrowed	-	-	-	-	-	-
Securities	536,094	1.45%	78,199	0.09%	457,895	1.36%
Loans and bills discounted	2,759,724	2.02%	189,313	0.53%	2,570,410	1.49%
Total funding	5,715,635	0.82%	210,452	0.31%	5,505,182	0.51%
Deposits	4,805,678	0.77%	136,188	0.28%	4,669,490	0.49%
Negotiable certificates of deposit	90,018	0.92%	36,866	0.30%	53,152	0.62%
Call money	48,157	0.96%	20,706	0.38%	27,451	0.58%
Securities sold under repurchase agreements	-	-	-	-	-	-
Cash collateral received for securities lent	-	-	-	-	-	-
Borrowed money	770,622	1.03%	36,663	0.39%	733,959	0.64%
Bonds payable	1,420	0.44%	(18,579)	0.05%	20,000	0.39%

7. Unrealized Gains and Losses on Securities

【Consolidated】 (Millions of yen)

		September 30, 2026				March 31, 2026		
		Unrealized gains and losses				Unrealized gains and losses		
		(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds		-	-	-	-	-	-	-
Available-for-sale securities		(25,416)	11,207	61,232	86,648	(36,623)	32,037	68,661
	Japanese stocks	35,742	17,143	35,796	53	18,599	18,720	120
	Japanese debt securities	(13,549)	(4,880)	48	13,598	(8,669)	150	8,819
	Other	(47,609)	(1,055)	25,386	72,996	(46,554)	13,166	59,720

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

【Non-consolidated】 (Millions of yen)

		September 30, 2026				March 31, 2026		
		Unrealized gains and losses				Unrealized gains and losses		
		(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds		-	-	-	-	-	-	-
Available-for-sale securities		(25,209)	11,350	61,231	86,440	(36,559)	32,036	68,596
	Japanese stocks	35,742	17,143	35,796	53	18,599	18,720	120
	Japanese debt securities	(13,341)	(4,737)	47	13,389	(8,604)	150	8,754
	Other	(47,610)	(1,055)	25,386	72,996	(46,554)	13,166	59,720

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

8. Sales of Investment Trusts, etc. to Retail Customers and Related Assets under Management 【Non-consolidated】

(Billions of yen)

	For the six months ended September 30, 2026		For the six months ended September 30, 2025
	(A)	(A)-(B)	(B)
Sales of investment trusts ,etc.	72.0	26.1	45.8

(Note) The sales amount of financial instruments brokerage consigned by Daiwa Securities Co., Ltd. based on the business alliance with Daiwa Securities Group is included.

Assets under management of investment trusts ,etc.	403.3	72.1	331.1

(Note) The balance of brokerage accounts for financial instruments intermediation services consigned by Daiwa Securities Co., Ltd. based on the business alliance with Daiwa Securities Group is included.

9. Employees' Retirement Benefits

① Provision for retirement benefits

【Consolidated】 (Millions of yen)

		September 30, 2026 (A)	(A) - (B)	March 31, 2026 (B)
Defined retirement benefit obligation	(A)	(31,356)	713	(32,069)
Fair value of plan assets	(B)	34,487	(25)	34,513
Unfunded retirement benefit obligation	(C)=(A)+(B)	3,130	687	2,443
Retirement benefit asset	(D)	12,563	243	12,319
Retirement benefit liability	(C)-(D)	(9,432)	443	(9,875)
Unrecognized actuarial losses	(E)	4,757	(516)	5,274
Unrecognized prior-service cost	(F)	-	-	-
Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	4,757	(516)	5,274

【Non-consolidated】 (Millions of yen)

		September 30, 2026 (A)	(A) - (B)	March 31, 2026 (B)
Defined retirement benefit obligation	(A)	(30,395)	766	(31,161)
Fair value of plan assets	(B)	34,487	(25)	34,513
Unfunded retirement benefit obligation	(C)=(A)+(B)	4,092	740	3,351
Unrecognized actuarial losses	(D)	(4,757)	516	(5,274)
Unrecognized prior-service cost	(E)	-	-	-
Net liability recognized	(F)=(C)+(D)+(E)	(665)	1,256	(1,922)
Prepaid pension costs	(G)	8,558	664	7,894
Provision for retirement benefits	(F)-(G)	(9,223)	592	(9,816)

② Net periodic retirement benefit costs

【Consolidated】 (Millions of yen)

	For the six months ended September 30, 2026 (A)	(A) - (B)	For the six months ended September 30, 2025 (B)
Net periodic retirement benefit costs regarding defined benefit pension plans	(13)	(102)	89

【Non-consolidated】 (Millions of yen)

	For the six months ended September 30, 2026 (A)	(A) - (B)	For the six months ended September 30, 2025 (B)
Net periodic retirement benefit costs	(107)	(95)	(11)
Service cost	499	(89)	589
Interest cost	427	104	323
Expected return on plan assets	(517)	(88)	(429)
Amortization of prior-service cost	-	-	-
Recognized actuarial losses	(516)	(21)	(495)
Other	-	-	-

10. Capital Adequacy Ratio (under Japanese domestic standards)

■Basel Ⅲ

【Consolidated】 (Millions of yen)

		September 30, 2026 preliminary (A)	(A) - (B)	(A) - (C)	March 31, 2026 (B)	September 30, 2025 (C)
(1) Capital adequacy ratio	(4)/(5)	10.73%	(0.14%)	0.29%	10.87%	10.44%
(2) Core capital: instruments and reserves		544,861	15,557	14,065	529,304	530,795
(3) Core capital: regulatory adjustments		47,600	2,369	4,604	45,230	42,995
(4) Regulatory capital	(2)-(3)	497,261	13,188	9,461	484,073	487,800
(5) Risk-weighted assets		4,630,170	179,051	(42,014)	4,451,119	4,672,184
(6) Total required capital	(5)*4%	185,206	7,162	(1,680)	178,044	186,887

【Non-consolidated】 (Millions of yen)

		September 30, 2026 preliminary (A)	(A) - (B)	(A) - (C)	March 31, 2026 (B)	September 30, 2025 (C)
(1) Capital adequacy ratio	(4)/(5)	9.93%	(0.24%)	0.02%	10.17%	9.91%
(2) Core capital: instruments and reserves		483,206	8,142	(1,743)	475,063	484,949
(3) Core capital: regulatory adjustments		31,588	2,134	2,402	29,453	29,186
(4) Regulatory capital	(2)-(3)	451,617	6,008	(4,145)	445,609	455,763
(5) Risk-weighted assets		4,547,884	168,108	(46,808)	4,379,775	4,594,692
(6) Total required capital	(5)*4%	181,915	6,724	(1,872)	175,191	183,787

The 'Composition of Capital Disclosure' is available on our website at
https://www.aozorabank.co.jp/english/ir/library/results/

Ⅱ. Status of Loans, etc.

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

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

☐ After partial and direct write-off

【Consolidated】 (Millions of yen)

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	344	(92)	(48)	437	393
Doubtful credit	35,182	(10,520)	(14,875)	45,702	50,057
Special attention credit	4,828	(4,230)	(10,875)	9,058	15,703
Loans overdue for three months or more	270	270	(3,204)	-	3,474
Restructured loans	4,557	(4,500)	(7,671)	9,058	12,228
Subtotal (a)	40,355	(14,842)	(25,800)	55,197	66,155
Normal credit	4,591,434	95,610	426,901	4,495,823	4,164,532
Total credit (b)	4,631,789	80,767	401,101	4,551,021	4,230,688
NPL ratio (a/b)	0.9%	(0.3%)	(0.7%)	1.2%	1.6%

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	38,349	(11,900)	(18,358)	50,249	56,708
Allowance for loan losses (d)	17,902	(5,628)	(10,554)	23,531	28,457
Collateral / guarantee coverage (e)	20,446	(6,271)	(7,804)	26,718	28,250
Coverage ratio (c/a)	95.0%	4.0%	9.3%	91.0%	85.7%
Allowance ratio (d/(a-e))	89.9%	7.3%	14.8%	82.6%	75.1%

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

☐ After partial and direct write-off

【Non-consolidated】 (Millions of yen)

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	344	(92)	(48)	437	393
Doubtful credit	34,387	(10,391)	(14,846)	44,779	49,234
Special attention credit	4,710	(4,216)	(10,919)	8,926	15,630
Loans overdue for three months or more	270	270	(3,204)	-	3,474
Restructured loans	4,440	(4,486)	(7,715)	8,926	12,155
Subtotal (a)	39,443	(14,699)	(25,815)	54,142	65,258
Normal credit	4,197,784	94,162	253,609	4,103,621	3,944,174
Total credit (b)	4,237,227	79,462	227,794	4,157,764	4,009,433
NPL ratio (a/b)	0.9%	(0.4%)	(0.7%)	1.3%	1.6%

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	37,503	(11,761)	(18,344)	49,265	55,847
Allowance for loan losses (d)	17,086	(5,526)	(10,510)	22,613	27,597
Collateral / guarantee coverage (e)	20,417	(6,234)	(7,833)	26,652	28,250
Coverage ratio (c/a)	95.1%	4.1%	9.5%	91.0%	85.6%
Allowance ratio (d/(a-e))	89.8%	7.5%	15.2%	82.3%	74.6%

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

2. Allowance for Loan Losses

☐ After partial and direct write-off

【Consolidated】 (Millions of yen)

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	50,476	(2,498)	(6,849)	52,974	57,326
General allowance	35,395	1,842	270	33,552	35,125
Specific allowance	15,080	(4,341)	(7,120)	19,421	22,200
Allowance for loans to restructuring countries	-	-	-	-	-

☐ After partial and direct write-off

【Non-consolidated】 (Millions of yen)

	September 30, 2026			March 31, 2026	September 30, 2025
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	49,104	(2,211)	(6,777)	51,316	55,882
General allowance	34,789	2,037	284	32,752	34,505
Specific allowance	14,315	(4,248)	(7,061)	18,564	21,377
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 De facto bankrupt borrowers	Bankrupt and similar credit 0.3		Collateral / Guarantee coverage 0.3	-	-
In Danger of Bankruptcy borrowers	Doubtful credit 35.1		Collateral / Guarantee coverage 20.1 Allowance 15.0 Estimated collections -	-	-
Need Attention borrowers	Special attention credit 4.8		Collateral / Guarantee coverage - Allowance 2.8 Estimated collections 2.0	58.5%	58.5%
Normal borrowers	(Normal credit) (4,591.4)				

NPL credit	Collateral / Guarantee coverage 20.4 Allowance 17.9 Estimated collections 2.0	NPLs based on the FRA Allowance ratio	NPLs based on the FRA Coverage ratio
40.3		89.9%	95.0%

Total credit	Total allowance
4,631.7	50.4

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	58.4%
Allowance ratio for the need attention credit	9.2%
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, 2024	As of March 31, 2025	As of March 31, 2026 (B)	increase (decrease) (A)-(B)	As of September 30, 2026 (A)
Amount Categorized as above up to FY2023	118.3	61.2	34.9	(11.9)	23.0
Amount Newly Categorized as above for FY2024		14.3	7.0	(0.1)	6.9
Amount Newly Categorized as above for FY2025			3.1	(0.1)	3.0
Amount Newly Categorized as above for the six months ended September 30, 2026				1.6	1.6

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

(Note2) Balance as of September 30, 2026 includes those borrowers (0.3 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)

		For the six months ended September 30, 2026
Total		(12.1)
	Liquidation-type disposition	-
	Restructuring-type disposition	(1.8)
	Loan sales	(7.0)
	Direct write-off	0.8
	Other	(4.1)

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

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

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

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

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

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

☐ After partial and direct write-off

① Loans and Bills Discounted Classified by Industry (Millions of yen)

	September 30, 2026	March 31, 2026
Loans by domestic offices (excluding Japan offshore market accounts)	3,547,364	3,473,238
Manufacturing	455,726	417,717
Agriculture, forestry and fisheries	1,719	781
Mining, quarry and gravel extraction	-	-
Construction	28,368	24,929
Electricity, gas, heat supply and water	186,495	176,833
Information and communications	128,879	126,853
Transport and postal service	81,239	79,214
Wholesale and retail trade	146,772	133,078
Finance and insurance	415,402	417,242
Real estate	875,552	814,864
Leasing	237,843	207,534
Various services	226,622	213,468
Local government	31,839	6,982
Others	730,902	853,737
Loans by oversea offices (including Japan offshore market accounts)	1,021,476	1,013,154
Government	-	-
Financial institutions	-	-
Others	1,021,476	1,013,154
Total	4,568,840	4,486,392

② NPLs based on the FRA Classified by Industry (Millions of yen)

	September 30, 2026	March 31, 2026
NPL credit by domestic offices (excluding Japan offshore market accounts)	38,705	53,470
Manufacturing	1,864	6,362
Agriculture, forestry and fisheries	-	0
Mining, quarry and gravel extraction	-	-
Construction	107	130
Electricity, gas, heat supply and water	271	0
Information and communications	125	120
Transport and postal service	32	36
Wholesale and retail trade	783	656
Finance and insurance	4	4
Real estate	40	54
Leasing	0	-
Various services	1,881	487
Local government	-	-
Others	33,593	45,617
NPL credit by oversea offices (including Japan offshore market accounts)	1,649	1,727
Government	-	-
Financial institutions	-	-
Others	1,649	1,727
Total	40,355	55,197

(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 2023	FY 2024	FY 2025
Taxable income (before offsetting of tax loss carryforwards)	(*) (59.5)	10.4	(9.6)

(*) 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)

	September 30, 2026		March 31, 2026
	(A)	(A) - (B)	(B)
Deferred tax assets	48.2	(5.1)	53.4
Provision of allowance for loan losses	15.7	(2.8)	18.6
Provision for retirement benefits	2.9	(0.1)	3.0
Write-offs for securities	4.1	(0.1)	4.2
Valuation difference on available-for-sale securities	8.4	(3.4)	11.8
Tax loss carryforwards	18.9	(0.6)	19.5
Other	14.3	(0.1)	14.4
Subtotal	64.4	(7.4)	71.9
Less valuation allowance	(16.1)	2.3	(18.5)
Deferred tax liabilities	6.2	2.3	3.8
Valuation difference on available-for-sale securities	0.3	0.1	0.2
Net deferred tax assets	42.0	(7.4)	49.5