

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 9, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: The Gunma Bank, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8334
 URL: <https://www.gunmabank.co.jp/>
 Representative: Akihiko Fukai, President
 Inquiries: Hideyuki Saito, Managing Executive Officer and General Manager, Corporate Planning Department
 Scheduled date to file quarterly securities report: November 22, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Trading accounts: None
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
Sep.30, 2022	91,507	18.0	18,200	(23.0)	13,793	(10.3)
Sep.30, 2021	77,559	4.9	23,635	43.9	15,371	24.9

Note: Comprehensive income For the six months ended Sep.30, 2022 : (28,560) million yen [— %]
 For the six months ended Sep.30, 2021 : 18,071 million yen [(43.8) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Sep.30, 2022	33.58	—
Sep.30, 2021	36.56	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Sep.30, 2022	9,981,040	497,915	5.0
Mar.31, 2022	11,148,539	529,256	4.7

Reference: Equity As of Sep. 30, 2022 : 497,915 million yen
 As of Mar. 31, 2022 : 529,256 million yen

Note: "Equity-to-asset ratio" represents "Net assets"/ "Total assets" at term end.
 "Equity-to-asset ratio" stated above was not calculated based on the public notice of "Equity-to-asset ratio".

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
ended Mar. 31, 2022	—	7.00	—	7.00	14.00
ending Mar. 31, 2023	—	8.00			
ending Mar. 31, 2023(Forecast)			—	10.00	18.00

- Note:
- Revisions to the forecast of cash dividends most recently announced: Yes
 - Cash dividend of 10.00 yen for the fiscal year ending March 31, 2023(forecast) includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Gunma Bank, Ltd.
 - For more details, please refer to "Notice Concerning Revision to Dividend Forecasts (Dividend Increase and Commemorative Dividend) for the Fiscal Year Ending March 31, 2023" published today (November 9, 2022).

3. Consolidated earnings forecast for fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2022					
ending Mar. 31, 2023	37,500	(4.1)	27,000	2.1	65.72

Note: Revisions to the forecast of earnings most recently announced: Yes

Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement: None

(3) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

As of Sep. 30, 2022	425,888,177 shares
As of Mar. 31, 2022	425,888,177 shares

② Number of treasury shares at the end of the period

As of Sep. 30, 2022	14,976,950 shares
As of Mar. 31, 2022	15,224,436 shares

③ Average number of shares outstanding during the period

Six months ended Sep. 30, 2022	410,759,822 shares
Six months ended Sep. 30, 2021	420,441,894 shares

Overview of non-consolidated financial results

1. Non-consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended						
Sep.30, 2022	74,164	22.1	15,425	(27.4)	11,829	(14.6)
Sep.30, 2021	60,735	6.8	21,252	45.3	13,854	26.1

	Basic earnings per share
Six months ended	Yen
Sep.30, 2022	28.80
Sep.30, 2021	32.95

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Sep.30, 2022	9,953,662	460,008	4.6
Mar.31, 2022	11,126,926	492,871	4.4

Reference: Equity As of Sep. 30, 2022 : 460,008 million yen

As of Mar. 31, 2022 : 492,871 million yen

Note: "Equity-to-asset ratio" represents "Net assets"/"Total assets" at term end.

"Equity-to-asset ratio" stated above was not calculated based on the public notice of "Equity-to-asset ratio".

2. Non-consolidated earnings forecast for fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2022					
ending Mar.31, 2023	33,000	(4.2)	23,500	0.5	57.20

Note: Revisions to the forecast of earnings most recently announced: Yes

* Semi-annual financial results reports are exempt from semi-annual review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

·The Gunma Bank, Ltd. falls under the category of "Specified Business Corporation" under Article 17-15-2 of the Cabinet Office Ordinance Concerning Disclosure of Public Companies; accordingly, it has prepared its interim consolidated financial statements and interim non-consolidated financial statements for the six months ended September 30, 2022.

·The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts depending on various future factors.

Table of contents

1. Qualitative information related to the interim financial results

(1) Qualitative information related to the operating results	2
(2) Qualitative information related to the financial position	2
(3) Qualitative information related to the consolidated earnings forecast, etc	2

2. Consolidated interim financial statements and notes

(1) Consolidated interim balance sheets	3
(2) Consolidated interim statements of income and comprehensive Income	4
(3) Consolidated interim statements of changes in net assets	5
(4) Notes to the consolidated interim financial statements	7

3. Non-consolidated interim financial statements

(1) Non-consolidated interim balance sheets	8
(2) Non-consolidated interim statements of income	10
(3) Non-consolidated interim statements of changes in net assets	11

Supplementary information

1. Qualitative information related to the interim financial results

(1) Qualitative information related to the operating results

Operating results for the first half of the consolidated fiscal year under review were as follows.

Ordinary income amounted to 91,507 million yen, an increase of 13,948 million yen year on year, mainly due to increases in other income such as gain on sales of stock and other securities, etc. Ordinary expenses amounted to 73,307 million yen, an increase of 19,383 million yen year on year, mainly due to increases in other ordinary expenses such as loss on sales of bonds, etc.

As a result, ordinary profit amounted to 18,200 million yen, a decrease of 5,435 million yen year on year. Also, profit attributable to owners of parent amounted to 13,793 million yen, a decrease of 1,578 million yen year on year.

(2) Qualitative information related to the financial position

The financial position as of the end of the first half of the consolidated fiscal year under review was as follows.

Total assets decreased by 1,167.4 billion yen to 9,981.0 billion yen during the period under review, whereas total liabilities decreased by 1,136.1 billion yen to 9,483.1 billion yen during the period under review. Also, net assets decreased by 31.3 billion yen to 497.9 billion yen during the period under review. As for the main accounts, loans and bills discounted increased by 45.8 billion yen to 5,803.9 billion yen during the period under review. Securities decreased by 137.9 billion yen to 2,363.0 billion yen during the period under review. Deposits decreased by 69.5 billion yen to 7,889.7 billion yen during the period under review.

(3) Qualitative information related to the consolidated earnings forecast, etc

Earnings forecasts for fiscal year 2022, ending March 31, 2023 has been revised as follows based on the performance up to the first half period, etc. Note that profit has not been revised for either consolidated or non-consolidated.

(Unit : Billions of yen)

	FY2022 ending Mar.31,2023 【Consolidated】 (a)	(a) - (b)	Forecast at the beginning of the period (b)	FY2022 ending Mar.31,2023 【Non-Consolidated】 (c)	(c) - (d)	Forecast at the beginning of the period (d)
Ordinary profit	37.5	(1.5)	39.0	33.0	(1.5)	34.5
(Attributable to owners of parent) Profit	27.0	—	27.0	23.5	—	23.5

Note: Earnings forecasts are based on information available at the present time.

Actual results may differ from the forecasts due to various of economic situation and stock price level, etc.

2. Consolidated interim financial statements and notes

(1) Consolidated interim balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Assets:		
Cash and due from banks	2,651,118	1,556,287
Call loans and bills bought	6,119	21,721
Monetary claims bought	5,706	—
Trading securities	942	871
Money held in trust	8,268	11,857
Securities	2,501,019	2,363,052
Loans and bills discounted	5,758,096	5,803,941
Foreign exchanges	34,244	16,054
Lease receivables and investments in leases	60,191	59,456
Other assets	78,824	85,225
Tangible fixed assets	66,191	65,733
Intangible fixed assets	9,236	8,378
Retirement benefit asset	10,813	11,735
Deferred tax assets	1,488	18,095
Customers' liabilities for acceptances and guarantees	8,764	8,685
Allowance for loan losses	(52,485)	(50,056)
Total assets	11,148,539	9,981,040
Liabilities:		
Deposits	7,959,333	7,889,747
Negotiable certificates of deposit	209,258	222,295
Call money and bills sold	70,496	79,806
Securities sold under repurchase agreements	8,153	17,931
Cash collateral received for securities lent	732,995	278,428
Borrowed money	1,500,795	833,766
Foreign exchanges	534	349
Bonds payable	50,000	50,000
Borrowed money from trust account	12,056	12,995
Other liabilities	57,106	80,017
Provision for bonuses for directors (and other officers)	59	26
Retirement benefit liability	362	362
Provision for retirement benefits for directors (and other officers)	204	185
Provision for reimbursement of deposits	367	312
Provision for point card certificates	155	—
Provision for contingent loss	900	925
Reserves under special laws	0	0
Deferred tax liabilities	359	—
Deferred tax liabilities for land revaluation	7,377	7,290
Acceptances and guarantees	8,764	8,685
Total liabilities	10,619,283	9,483,125
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,581
Retained earnings	407,300	418,392
Treasury shares	(7,352)	(7,232)
Total shareholders' equity	478,181	489,393
Valuation difference on available-for-sale securities	33,379	(8,716)
Deferred gains or losses on hedges	(137)	(126)
Revaluation reserve for land	13,415	13,216
Remeasurements of defined benefit plans	4,417	4,147
Total accumulated other comprehensive income	51,074	8,521
Total net assets	529,256	497,915
Total liabilities and net assets	11,148,539	9,981,040

(2) Consolidated interim statements of income and comprehensive income

Consolidated interim statements of income

For the six months ended

(Unit: Millions of yen)

	For the six months ended Sep.30, 2021	For the six months ended Sep.30, 2022
Ordinary income	77,559	91,507
Interest income	38,372	40,719
Interest on loans and discounts	26,611	28,017
Interest and dividends on securities	10,871	12,311
Trust fees	25	22
Fees and commissions	11,608	11,784
Other ordinary income	20,430	21,229
Other income	7,122	17,752
Ordinary expenses	53,923	73,307
Interest expenses	872	4,083
Interest on deposits	171	507
Fees and commissions payments	4,214	4,182
Other ordinary expenses	16,231	35,285
General and administrative expenses	27,921	26,305
Other expenses	4,683	3,450
Ordinary profit	23,635	18,200
Extraordinary income	0	1,529
Gain on disposal of non-current assets	0	1,529
Extraordinary losses	1,210	305
Loss on disposal of non-current assets	48	273
Impairment losses	1,162	32
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	22,425	19,424
Income taxes - current	3,348	4,134
Income taxes - deferred	3,704	1,495
Total income taxes	7,053	5,630
Profit	15,371	13,793
Profit attributable to owners of parent	15,371	13,793

Consolidated interim statements of comprehensive income

For the six months ended

(Unit: Millions of yen)

	For the six months ended Sep.30, 2021	For the six months ended Sep.30, 2022
Profit	15,371	13,793
Other comprehensive income	2,699	(42,354)
Valuation difference on available-for-sale securities	2,362	(42,016)
Deferred gains or losses on hedges	94	11
Foreign currency translation adjustment	98	—
Remeasurements of defined benefit plans, net of tax	61	(269)
Share of other comprehensive income of entities accounted for using equity method	82	(79)
Comprehensive income	18,071	(28,560)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	18,071	(28,560)

(3) Consolidated interim statements of changes in net assets

For the six months ended Sep.30, 2021

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	391,382	(8,838)	460,778	71,541	(231)
Cumulative effects of changes in accounting policies			(38)		(38)		0
Restated balance	48,652	29,581	391,344	(8,838)	460,740	71,541	(231)
Changes during period							
Dividends of surplus			(2,942)		(2,942)		
Profit attributable to owners of parent			15,371		15,371		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares			(55)	147	92		
Reversal of revaluation reserve for land			(350)		(350)		
Net changes in items other than shareholders' equity						2,445	94
Total changes during period	—	—	12,023	147	12,171	2,445	94
Balance at end of period	48,652	29,581	403,368	(8,690)	472,911	73,987	(136)

	Accumulated other comprehensive income				Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,715	(98)	2,387	87,314	548,093
Cumulative effects of changes in accounting policies				0	(37)
Restated balance	13,715	(98)	2,387	87,315	548,055
Changes during period					
Dividends of surplus					(2,942)
Profit attributable to owners of parent					15,371
Purchase of treasury shares					(0)
Disposal of treasury shares					92
Reversal of revaluation reserve for land					(350)
Net changes in items other than shareholders' equity	350	98	61	3,050	3,050
Total changes during period	350	98	61	3,050	15,221
Balance at end of period	14,065	—	2,449	90,365	563,277

For the six months ended Sep.30, 2022

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)
Cumulative effects of changes in accounting policies							
Restated balance	48,652	29,581	407,300	(7,352)	478,181	33,379	(137)
Changes during period							
Dividends of surplus			(2,874)		(2,874)		
Profit attributable to owners of parent			13,793		13,793		
Purchase of treasury shares				(0)	(0)		
Disposal of treasury shares			(25)	119	94		
Reversal of revaluation reserve for land			198		198		
Net changes in items other than shareholders' equity						(42,095)	11
Total changes during period	—	—	11,092	119	11,211	(42,095)	11
Balance at end of period	48,652	29,581	418,392	(7,232)	489,393	(8,716)	(126)

	Accumulated other comprehensive income				Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,415	—	4,417	51,074	529,256
Cumulative effects of changes in accounting policies					
Restated balance	13,415	—	4,417	51,074	529,256
Changes during period					
Dividends of surplus					(2,874)
Profit attributable to owners of parent					13,793
Purchase of treasury shares					(0)
Disposal of treasury shares					94
Reversal of revaluation reserve for land					198
Net changes in items other than shareholders' equity	(198)	—	(269)	(42,553)	(42,553)
Total changes during period	(198)	—	(269)	(42,553)	(31,341)
Balance at end of period	13,216	—	4,147	8,521	497,915

(4) Notes to the consolidated interim financial statements

(Note on going concern assumption)

Not applicable.

(Changes in accounting principles)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Gunma Bank, Ltd. ("the Bank") has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, Jun 17, 2021) from the beginning of the first half of the consolidated fiscal year. In accordance with Article 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Bank decided to apply the new accounting policy stipulated in "Implementation Guidance on Accounting Standard for Fair Value Measurement" in the future.

There is no impact on the consolidated financial statements for the current period.

(Additional information)

With respect to loan losses due to the impact of COVID-19, the Bank estimates allowance for loan losses assuming that loan losses will not significantly increase thanks to economic measures by the government and local public organizations as well as financing support from financial institutions.

However, since it is still uncertain when the spread of this infectious disease will subside, there may be a significant effect on future loan losses due to its impact on economic activities.

There has been no significant change in estimate assumptions on the impact of COVID-19 as noted in "Significant Accounting Estimates" in the previous securities report.

3. Non-consolidated interim financial statements

(1) Non-consolidated interim balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Assets:		
Cash and due from banks	2,650,108	1,554,678
Call loans	6,119	21,721
Monetary claims bought	5,706	—
Trading securities	942	871
Money held in trust	3,368	3,357
Securities	2,507,918	2,370,044
Loans and bills discounted	5,818,127	5,861,132
Foreign exchanges	34,244	16,054
Other assets	59,759	66,035
Other	59,759	66,035
Tangible fixed assets	62,957	62,549
Intangible fixed assets	9,089	8,256
Prepaid pension costs	4,457	5,768
Deferred tax assets	1,591	18,414
Customers' liabilities for acceptances and guarantees	8,764	8,685
Allowance for loan losses	(46,229)	(43,907)
Total assets	11,126,926	9,953,662
Liabilities:		
Deposits	7,970,410	7,897,372
Negotiable certificates of deposit	238,958	252,495
Call money	70,496	79,806
Securities sold under repurchase agreements	8,153	17,931
Cash collateral received for securities lent	732,995	278,428
Borrowed money	1,498,595	831,466
Foreign exchanges	534	349
Bonds payable	50,000	50,000
Borrowed money from trust account	12,056	12,995
Other liabilities	34,047	55,407
Income taxes payable	781	2,842
Lease liabilities	651	606
Other	32,614	51,958
Provision for bonuses for directors (and other officers)	59	26
Provision for retirement benefits for directors (and other officers)	180	162
Provision for reimbursement of deposits	367	312
Provision for point card certificates	155	—
Provision for contingent loss	900	925
Deferred tax liabilities for land revaluation	7,377	7,290
Acceptances and guarantees	8,764	8,685
Total liabilities	10,634,054	9,493,654

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022
Net assets :		
Share capital	48,652	48,652
Capital surplus	29,114	29,114
Legal capital surplus	29,114	29,114
Retained earnings	377,205	386,333
Legal retained earnings	43,548	43,548
Other retained earnings	333,657	342,785
Reserve for tax purpose reduction entry	2,961	2,961
General reserve	304,650	314,650
Retained earnings brought forward	26,046	25,174
Treasury shares	(7,352)	(7,232)
Total shareholders' equity	447,620	456,867
Valuation difference on available-for-sale securities	31,973	(9,949)
Deferred gains or losses on hedges	(137)	(126)
Revaluation reserve for land	13,415	13,216
Total valuation and translation adjustments	45,251	3,140
Total net assets	492,871	460,008
Total liabilities and net assets	11,126,926	9,953,662

(2) Non-consolidated interim statements of income

	For the six months ended Sep.30, 2021	For the six months ended Sep.30, 2022
	(Unit: Millions of yen)	
Ordinary income	60,735	74,164
Interest income	38,576	40,857
Interest on loans and discounts	26,733	28,141
Interest and dividends on securities	10,953	12,325
Trust fees	25	22
Fees and commissions	10,839	11,019
Other ordinary income	4,317	4,692
Other income	6,977	17,572
Ordinary expenses	39,483	58,739
Interest expenses	867	4,078
Interest on deposits	171	507
Fees and commissions payments	4,596	4,584
Other ordinary expenses	2,806	21,335
General and administrative expenses	26,963	25,337
Other expenses	4,250	3,404
Ordinary profit	21,252	15,425
Extraordinary income	0	1,577
Extraordinary losses	1,210	305
Profit before income taxes	20,041	16,696
Income taxes - current	2,566	3,387
Income taxes - deferred	3,620	1,480
Total income taxes	6,186	4,867
Profit	13,854	11,829

(3) Non-consolidated interim statements of changes in net assets
For the six months ended Sep.30, 2021

(Unit: Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings					Total retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward		
Balance at beginning of period	48,652	29,114	29,114	43,548	1,052	299,650	20,096	364,346	
Cumulative effects of changes in accounting policies							(38)	(38)	
Restated balance	48,652	29,114	29,114	43,548	1,052	299,650	20,058	364,308	
Changes during period									
Dividends of surplus							(2,942)	(2,942)	
Provision of general reserve						5,000	(5,000)		
Profit							13,854	13,854	
Purchase of treasury shares									
Disposal of treasury shares							(55)	(55)	
Reversal of revaluation reserve for land							(350)	(350)	
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	5,000	5,506	10,506	
Balance at end of period	48,652	29,114	29,114	43,548	1,052	304,650	25,564	374,815	

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,838)	433,275	70,307	(231)	13,715	83,790	517,066
Cumulative effects of changes in accounting policies		(38)		0		0	(37)
Restated balance	(8,838)	433,237	70,307	(231)	13,715	83,791	517,028
Changes during period							
Dividends of surplus		(2,942)					(2,942)
Provision of general reserve							
Profit		13,854					13,854
Purchase of treasury shares	(0)	(0)					(0)
Disposal of treasury shares	147	92					92
Reversal of revaluation reserve for land		(350)					(350)
Net changes in items other than shareholders' equity			2,399	94	350	2,844	2,844
Total changes during period	147	10,654	2,399	94	350	2,844	13,499
Balance at end of period	(8,690)	443,891	72,707	(136)	14,065	86,636	530,527

For the six months ended Sep.30, 2022

(Unit: Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205
Cumulative effects of changes in accounting policies								
Restated balance	48,652	29,114	29,114	43,548	2,961	304,650	26,046	377,205
Changes during period								
Dividends of surplus							(2,874)	(2,874)
Provision of general reserve						10,000	(10,000)	
Profit							11,829	11,829
Purchase of treasury shares								
Disposal of treasury shares							(25)	(25)
Reversal of revaluation reserve for land							198	198
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	—	10,000	(872)	9,127
Balance at end of period	48,652	29,114	29,114	43,548	2,961	314,650	25,174	386,333

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(7,352)	447,620	31,973	(137)	13,415	45,251	492,871
Cumulative effects of changes in accounting policies							
Restated balance	(7,352)	447,620	31,973	(137)	13,415	45,251	492,871
Changes during period							
Dividends of surplus		(2,874)					(2,874)
Provision of general reserve							
Profit		11,829					11,829
Purchase of treasury shares	(0)	(0)					(0)
Disposal of treasury shares	119	94					94
Reversal of revaluation reserve for land		198					198
Net changes in items other than shareholders' equity			(41,923)	11	(198)	(42,111)	(42,111)
Total changes during period	119	9,247	(41,923)	11	(198)	(42,111)	(32,863)
Balance at end of period	(7,232)	456,867	(9,949)	(126)	13,216	3,140	460,008

Supplementary Information
for the Six Months
Ended September 30, 2022

The Gunma Bank, Ltd.

【 Table of contents 】

I Financial Highlights for the Six Months Ended September 30, 2022	...	1
II Financial Data for the Six Months Ended September 30, 2022		
1. Profit and Loss Conditions	...	6
2. Main Account Conditions	...	7
3. Interest Rate Spread	...	7
4. Capital Ratio (International Standard)	...	8
5. Earnings Forecasts	...	8
6. Allowance for Loan Losses	...	9
(1) Written-off /allowance criteria		
(2) Breakdown of allowance for loan losses		
7. Disclosed Claims under the Financial Reconstruction Law ("FRL")	...	10
(1) Balance of disclosed claims under the FRL and non-performing loan ratio ("NPL ratio")		
(2) Status of coverage on disclosed claims under the FRL	...	11
8. Relationship between Self-Assessment, Disclosed Claims under the FRL and Risk-Monitored Loans("RML")	...	11
9. Loan Breakdown by Industry, etc.	...	12
(1) Loan breakdown by industry		
(2) FRL on loan breakdown by industry		
(3) Balance of small and medium-sized enterprises, etc. loans and ratio	...	13
10. Loan Breakdown by Domicile of Borrower, etc.	...	13
(1) Balance of loans to specific foreign countries		
(2) Balance of loans to Asian countries		
(3) Balance of loans to Latin American countries		
(4) Balance of loans to Russia		

I Financial Highlights for the Six Months, Ended September 30, 2022

1. Profit and Loss Conditions 【Consolidated / Non-consolidated】

- Core net business profit excluding gains (losses) on bonds increased year on year due to increases in non-interest business profit and as well as to cutting down on expenses.
- Although profit decreased year on year mainly due to a decrease in gains or losses on investment securities, it remains steady compared with forecast at the beginning of the period.

(Unit : Billions of yen)

	Six months ended Sep.30, 2022			Six months ended Sep.30, 2022		
	【Consolidated】	compared with forecast at the beginning of the period	compared with first half of FY2021	【Non-Consolidated】	compared with forecast at the beginning of the period	compared with first half of FY2021
Core net business profit excluding gains (losses) on bonds	21.7	2.2	1.1	19.0	2.0	1.1
Ordinary profit	18.2	(0.7)	(5.4)	15.4	(1.5)	(5.8)
(Attributable to owners of parent) Profit	13.7	0.7	(1.5)	11.8	0.3	(2.0)

2. Main Account Conditions 【Non-consolidated】

- Loans and bills discounted increased compared with the previous fiscal year-end due to increases in housing loans, loans to corporations of large enterprises, etc. and loans to non-residents, etc.
- Deposits and negotiable certificates of deposit decreased compared with the previous fiscal year, due to a decrease in public money deposits, regardless of steadily increases in individual deposits and corporation deposits.

(Unit : Billions of yen)

	As of Sep.30, 2022		As of Mar.31, 2022
	(a)	(a) - (b)	(b)
Loans and bills discounted	5,861.1	43.0	5,818.1
Deposits and negotiable certificates of deposit	8,149.8	(59.5)	8,209.3

3. Disclosed Claims under the Financial Reconstruction Law 【Non-consolidated】

- Non-performing loan ratio amounted to 1.94%, down 0.09 point compared with the previous fiscal year-end.

(Unit : Billions of yen)

	As of Sep.30, 2022		As of Mar.31, 2022
	(a)	(a) - (b)	(b)
Disclosed claims under the FRL	115.4	(4.9)	120.3
Non-performing loan ratio	1.94%	(0.09)%	2.03%

4. Capital Ratio 【Consolidated】

- Total capital ratio amounted to 12.23%, and maintained a high level.

	As of Sep.30, 2022		As of Mar.31, 2022
	(a)	(a) - (b)	(b)
Total capital ratio	12.23%	(0.17)%	12.40%

5. Earnings Forecasts 【Consolidated / Non-consolidated】

- Earnings forecasts for FY 2022, ending March 31, 2023 has been revised as follows based on the performance up to the first half period, etc. In addition, profit will be 27.0 billion yen on a consolidated basis and 23.5 billion yen on a non-consolidated basis, unchanged from the forecasts at the beginning of the period.

(Unit : Billions of yen)

	FY2022 ending Mar.31,2023			FY2022 ending Mar.31,2023		
	【Consolidated】	compared with forecast at the beginning of the period	compared with FY2021	【Non-Consolidated】	compared with forecast at the beginning of the period	compared with FY2021
Core net business profit excluding gains (losses) on bonds	38.0	0.7	0.7	33.5	1.5	1.6
Ordinary profit	37.5	(1.5)	(1.6)	33.0	(1.5)	(1.4)
(Attributable to owners of parent) Profit	27.0	—	0.6	23.5	—	0.2

(Note) Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various factors of economic situation and stock price level, etc.

6. Shareholder Return

- As published today in "Notice Concerning Revision to Dividend Forecasts (Dividend Increase and Commemorative Dividend) for the Fiscal Year Ending March 31, 2023", the annual cash dividends per share has been increased by 2 yen from the original forecast and revised to 18.00 yen. Those dividends are increased by 4 yen compared with FY2021.
- In addition, the Gunma Bank, Ltd. ("the Bank") have resolved to acquire treasury shares at today's board meeting as follows.

Total number of shares to be acquired : Up to **6.0 million shares** Total cost of acquisition : Up to **2.0 billion yen**

Period of acquisition : **November 10, 2022 ~ January 31, 2023**

For more details, please refer to "Announcement regarding acquisition of treasury shares" published today.

	FY2022 ending Mar.31,2023 forecast (a)			FY2022 ending Mar.31,2023 forecast at the beginning of the period (b)	FY2021 ended Mar.31,2022 (c)
	(a)-(b)	(a)-(c)			
Annual cash dividends per share	2.00yen	4.00yen	16.00yen	14.00yen	
Interim cash dividends	—	1.00yen	8.00yen	7.00yen	
Year-end cash dividends	2.00yen	3.00yen	8.00yen	7.00yen	

* Cash dividend of 10.00 yen for the fiscal year ending March 31, 2023 (forecast) includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Bank.

1. Profit and Loss Conditions

- Consolidated core net business profit excluding gains (losses) on bonds amounted to 21.7 billion yen, up 1.1 billion yen year on year, due to increases in non-interest business profit such as corporate service revenue as well as cutting down on expenses, regardless of a decrease in net interest income due to a decrease gains (losses) on cancellation of investment trusts. In addition, core net business profit excluding gains (losses) on bonds and cancellation of investment trusts amounted to 21.2 billion yen, up 2.3 billion yen year on year.
- Ordinary profit amounted to 18.2 billion yen, down 5.4 billion yen year on year, mainly due to a decrease in gains or losses on investment securities caused by promoting the restructuring of the securities portfolio, such as chiefly foreign securities, amid rapidly rising foreign interest rates.
- Profit attributable to owners of parent decreased 1.5 billion yen year on year to 13.7 billion yen. It was an increase of 0.7 billion yen compared with the consolidated earnings forecast of 13.0 billion yen announced in May 2022.

【Consolidated】

		Six months ended Sep. 30, 2022 (a)		Six months ended Sep. 30, 2021 (b)	Six months ending Sep.30,2022 Forecast
		(a)-(b)			
Gross business profits	1	30,204	(18,913)	49,117	
Core gross business profits(1 – 13)	2	48,345	(29)	48,375	46,800
Net interest income	3	36,636	(863)	37,499	35,500
Of which, gains (losses) on cancellation of investment trusts	4	428	(1,251)	1,680	
Non-interest business profit (refer to marginal table)	5	11,709	834	10,875	11,300
Net fees and commissions income	6	7,624	205	7,419	
Profit from other business transactions	7	4,085	629	3,456	
Expenses (excluding non-recurrent expenses) [-]	8	26,636	(1,139)	27,775	27,300
Over head ratio (8/2)	9	55.0%	(2.4)%	57.4%	58.3%
Core net business profit excluding gains (losses) on bonds(2-8)	10	21,709	1,109	20,600	19,500
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	11	21,280	2,361	18,919	
Gains or losses on investment securities	12	(1,742)	(7,266)	5,524	
Gains (losses) on bonds	13	(18,141)	(18,883)	742	
Gains (losses) on stocks and other securities	14	16,398	11,616	4,781	
Net credit costs [-]	15	2,372	(556)	2,928	
Others	16	605	165	440	
Ordinary profit	17	18,200	(5,435)	23,635	19,000
Extraordinary income (losses)	18	1,223	2,434	(1,210)	
Of which, gains (losses) on disposal of non-current assets	19	1,256	1,303	(47)	
Of which, impairment losses [-]	20	32	(1,130)	1,162	
Profit before income taxes	21	19,424	(3,000)	22,425	
Total income taxes [-]	22	5,630	(1,422)	7,053	
Profit	23	13,793	(1,578)	15,371	
Profit attributable to owners of parent	24	13,793	(1,578)	15,371	13,000

(Note) Gains (losses) on bonds are excluded from "Profit from other business transactions" and included in "Gains or losses on investment securities".

(Breakdown of non-interest business profit by business)

		(Unit : Millions of yen)			
Corporate service revenue	25	2,984	1,176	1,808	2,300
Deposit financial asset revenue	26	3,685	(263)	3,948	3,800
Others	27	5,039	(79)	5,118	5,200

(Number of consolidated companies)

		(Unit : number of companies)		
Number of consolidated subsidiaries	28	6	—	6
Number of affiliated companies applicable to the equity method	29	3	—	3

(Unit : Millions of yen)

Total profit of the bank group companies *Profit attributable to owners of parent—profit(non-consolidated)	30	1,964	447	1,517
Return on equity (annualized rate)	31	5.4%	(0.1)%	5.5%

[Non-consolidated]

(Unit: Millions of yen)

		Six months ended		Six months ended Sep. 30, 2021 (b)	Six months ended Sep. 30, 2022 Forecast
		Sep. 30, 2022 (a)	(a)-(b)		
Gross business profits	1	26,593	(18,894)	45,488	
Core gross business profits(1-20)	2	44,732	(13)	44,746	43,200
Net interest income	3	36,779	(930)	37,709	35,600
Domestic business	4	33,483	(1,817)	35,301	
Of which, interest on loans and discounts	5	25,585	(107)	25,692	
Of which, interest and dividends on securities	6	7,703	(1,288)	8,991	
Of which, gains (losses) on cancellation of investment trusts	7	428	(1,251)	1,680	
International business	8	3,295	887	2,408	
Non-interest business profit	9	7,953	916	7,036	7,500
Net fees and commissions income	10	6,457	189	6,268	
Profit from other business transactions	11	1,495	727	768	
Expenses (excluding non-recurrent expenses) [-]	12	25,672	(1,150)	26,823	26,200
Personnel expenses	13	14,223	(67)	14,290	
Non-personnel expenses	14	9,952	(1,018)	10,971	
Taxes	15	1,496	(64)	1,561	
Core net business profit excluding gains (losses) on bonds(2-12)	16	19,060	1,137	17,922	17,000
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	17	18,631	2,388	16,242	
Real net business profit(16+20)	18	921	(17,744)	18,665	
Gains or losses on investment securities	19	(1,740)	(7,290)	5,549	
Gains (losses) on bonds	20	(18,139)	(18,881)	742	
Gains (losses) on stocks and other securities	21	16,398	11,590	4,807	
Net credit costs [-]	22	2,326	(196)	2,523	2,800
Other non-recurrent gains (losses)	23	432	129	302	
Ordinary profit	24	15,425	(5,826)	21,252	17,000
Extraordinary income (losses)	25	1,271	2,482	(1,210)	
Of which, gains (losses) on disposal of non-current assets	26	1,256	1,303	(47)	
Of which, impairment losses [-]	27	32	(1,130)	1,162	
Profit before income taxes	28	16,696	(3,344)	20,041	
Total income taxes [-]	29	4,867	(1,319)	6,186	
Profit	30	11,829	(2,025)	13,854	11,500

(Note) Gains (losses) on bonds are excluded from "Profit from other business transactions" and included in "Gains or losses on investment securities".

(Reference) Gains or losses on investment securities condition

(Unit: Millions of yen)

		Six months ended		Six months ended Sep. 30, 2021 (b)
		Sep. 30, 2022 (a)	(a)-(b)	
Gains or losses on investment securities	31	(1,740)	(7,290)	5,549
Gains (losses) on bonds	32	(18,139)	(18,881)	742
Gain on sales	33	3,158	(388)	3,547
Gain on redemption	34	—	—	—
Loss on sales [-]	35	21,044	18,239	2,805
Loss on redemption [-]	36	252	252	—
Loss on devaluation [-]	37	—	—	—
Gains (losses) on stocks and other securities	38	16,398	11,590	4,807
Gain on sales	39	17,360	11,283	6,076
Loss on sales [-]	40	814	(379)	1,194
Loss on devaluation [-]	41	146	72	74

(Reference) Net credit costs condition

(Unit: Millions of yen)

		Six months ended		Six months ended Sep. 30, 2021 (b)
		Sep. 30, 2022 (a)	(a)-(b)	
Net credit costs (43 + 44 - 50) [-]	42	2,326	(196)	2,523
Net transfer to general allowance for loan losses [-]	43	14	(105)	120
Disposal of non-performing loans [-]	44	2,312	(91)	2,404
Written-off of loans	45	—	(6)	6
Net transfer to specific allowance for loan losses	46	2,155	(60)	2,215
Net transfer to accident loss	47	24	1	23
Losses on sales of loans	48	4	(43)	48
Cost born under joint responsibility system of guarantee corporations	49	127	17	110
Recoveries of written off claims	50	1	(0)	1

2. Main Account Conditions

- Loans and bills discounted amounted to 5,861.1 billion yen, up 43.0 billion yen compared with the previous fiscal year-end, due to increases in housing loans, loans to corporations of large enterprises, etc. and loans to non-residents, etc.
- Deposits and Negotiable certificates of deposit amounted to 8,149.8 billion yen, down 59.5 billion yen compared with the previous fiscal year-end, due to a decrease public money deposits, regardless of steadily increases individual deposits and corporation deposits.
- Deposit financial assets amounted to 1,028.8 billion yen, up 22.2 billion yen compared with the previous fiscal year-end, due to an increase in the balance owned by Gungin Securities.
- Unrealized gains and losses on valuation of other securities decreased by 60.3 billion yen compared with the previous fiscal year-end, resulting in an unrealized losses on valuation of 14.5 billion yen.

(1) Loans 【Non-consolidated】

(Unit : Billions of yen)

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Loans and bills discounted	5,861.1	43.0	127.2	5,818.1	5,733.9
Retail loans	4,638.7	(11.5)	(0.9)	4,650.2	4,639.6
Small and medium-sized enterprises	2,287.7	(25.5)	(27.1)	2,313.2	2,314.8
Individuals	2,351.0	13.9	26.2	2,337.0	2,324.7
Of which, housing-related loans	2,269.8	12.7	23.6	2,257.0	2,246.2
Housing loans	1,367.4	11.9	26.2	1,355.4	1,341.2
Apartment loans	653.6	3.6	4.1	650.0	649.4
Others	248.7	(2.8)	(6.7)	251.5	255.5
Of which, unsecured consumer loans	58.7	1.3	3.2	57.3	55.4
Other loans	1,222.4	54.5	128.1	1,167.8	1,094.2
Corporations	910.6	16.4	90.3	894.2	820.3
Public sectors	110.6	(3.8)	1.7	114.4	108.8
Overseas branch and non-residents	201.1	41.9	36.0	159.1	165.1

(Note) Regional public corporations and Tokyo, Osaka Branch accounts are not included in "Small and medium-sized enterprises" but are classified into "Corporations".

(Reference)

(Unit : Billions of yen)

	Six months ended Sep. 30, 2022 (Apr.2022-Sep.2022)	Medium-term business plan final year target (cumulative total during 3 years) (Apr.2022-Mar.2025)
Amount of sustainable finance excuted	84.0	500.0

(Note 1) The medium-term business plan [Innovation for "Purpose"] targets a cumulative total of 500.0 billion yen for sustainable finance during 3 years.

(Note 2) Sustainable finance targets finance that contributes to solving environmental and social issues such as renewable energy-related, start-up financing and business succession-related, etc. (including investment by Gunma Regional Advanced Solution Partners, an investment specialized subsidiary).

(2) Deposits and negotiable certificates of deposit 【Non-consolidated】

(Unit : Billions of yen)

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Deposits and negotiable certificates of deposit	8,149.8	(59.5)	187.6	8,209.3	7,962.2
Deposits	7,897.3	(73.0)	175.2	7,970.4	7,722.1
Of which, individuals	5,567.1	42.9	116.3	5,524.1	5,450.7
Of which, corporations	1,919.1	15.1	25.6	1,904.0	1,893.5
Of which, public money	296.6	(124.1)	37.0	420.8	259.5
Negotiable certificates of deposit	252.4	13.5	12.4	238.9	240.0

(3) Deposit financial assets 【Consolidated】

(Unit : Billions of yen)

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Bank, non-consolidated	795.3	(0.8)	6.2	796.2	789.1
Investment trust	241.2	(17.5)	(18.2)	258.8	259.5
Public bonds (Government bonds, etc.)	41.4	(3.3)	(6.6)	44.8	48.1
Life insurance	512.6	20.1	31.1	492.5	481.4
Gungin Securities (including intermediation)	233.5	23.1	49.3	210.3	184.1
Deposit financial assets	1,028.8	22.2	55.6	1,006.6	973.2
Of which, individual deposit financial assets	940.1	14.1	38.6	926.0	901.5

(4) Unrealized gains and losses on valuation of other securities 【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of	2022/9 balance sheet value
	Sep.30, 2022 (a)	(a) - (b)	(a) - (c)	Mar.31, 2022 (b)	Sep.30, 2021 (c)	
Other securities	(14.5)	(60.3)	(118.9)	45.7	104.3	2,354.7
Stocks	49.8	(17.8)	(33.5)	67.7	83.3	177.5
Bonds	(32.9)	(19.1)	(39.4)	(13.8)	6.4	1,695.1
Foreign securities	(15.1)	(6.7)	(21.7)	(8.3)	6.6	341.0
Investment trusts, etc.	(16.2)	(16.5)	(24.1)	0.2	7.8	141.0

3. Disclosed claims under the Financial Reconstruction Law ("FRL") 【Non-consolidated】

With the implementation of the Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc. on March 31, 2022, the categories of Risk-monitored Loans under the Banking Act and the scope of claims subject to disclosure were aligned with the Disclosed Claims under the FRL stipulated under the Act on Emergency Measures for the Revitalization of Financial Functions.

(Unit : Billions of yen)

		As of			As of	As of
		Sep.30, 2022 (a)	(a) - (b)	(a) - (c)	Mar.31, 2022 (b)	Sep.30, 2021 (c)
Disclosed claims under the FRL	①	115.4	(4.9)	(4.5)	120.3	120.0
Normal claims		5,810.8	25.6	116.4	5,785.1	5,694.3
Total claims	②	5,926.2	20.7	111.8	5,905.5	5,814.3
Non-performing loan ratio	①/②	1.94 %	(0.09)%	(0.12)%	2.03 %	2.06 %
Coverage rate		69.7 %	(1.3)%	0.2 %	71.0 %	69.5 %

(Note) The Bank does not apply partial direct written-off. The below figures are presented if the Bank had applied the partial direct written-off.

Disclosed claims under the FRL	99.6	(2.2)	(1.9)	101.9	101.5
Non-performing loan ratio	1.68 %	(0.05)%	(0.07)%	1.73 %	1.75 %

4. Capital Ratio(International Standard) 【Consolidated】

	As of			As of	As of
	Sep.30, 2022 (a)	(a) - (b)	(a) - (c)	Mar.31, 2022 (b)	Sep.30, 2021 (c)
Total capital ratio	12.23 %	(0.17)%	(0.97)%	12.40 %	13.20 %
Tier1 ratio	11.05 %	(0.18)%	(0.98)%	11.23 %	12.03 %
Common equity Tier1 ratio	11.05 %	(0.18)%	(0.98)%	11.23 %	12.03 %

5. Earning Forecasts【Consolidated / Non-consolidated】

○Earnings forecasts for FY 2022, ending March 31, 2023 has been revised as follows based on the performance up to te first half period, etc. In addition, profit will be 27.0 billion yen on a consolidated basis and 23.5 billion yen on a non-consolidated basis, unchanged from the forecasts at the beginning of the period.

(Unit : Billions of yen)

	FY2022 ending			FY2022 ending		
	Mar.31,2023 forecast 【Consolidated】	compared with forecast at the beginning of the period	compared with FY2021	Mar.31,2023 forecast 【Non-consolidated】	compared with forecast at the beginning of the period	compared with FY2021
Core net business profit excluding gains (losses)	38.0	0.7	0.7	33.5	1.5	1.6
Ordinary profit	37.5	(1.5)	(1.6)	33.0	(1.5)	(1.4)
(Attributable to owners of parent) Profit	27.0	—	0.6	23.5	—	0.2

(Note) Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various of economic situation, etc.

6. Shareholder Return

○The annual cash dividend per share for the fiscal year ending Mar.31,2023(forecast) will be 18 yen, an increase of 2 yen from the original forecast announced on May.11, 2022. Compared with the FY 2021, the dividend will increase by 4 yen. Of this amount, 1 yen will be a commemorative dividend for the 90th anniversary of the of the Bank.

○In addition, the Bank have resolved to acquire treasury shares at today's board meeting as follows.

Total number of shares to be acquired : Up to **6.0 million shares** Total cost of acquisition : Up to **2.0 billion yen**
Period of acquisition : **November 10, 2022 ~ January 31, 2023**

	FY2022 ending			FY2022 ending	FY2021 ended
	Mar.31,2023 forecast (a)	(a)-(b)	(a)-(c)	Mar.31,2023 forecast(at the beginning of the period) (b)	Mar.31,2022 (c)
Annual cash dividends per share	18.00yen	2.00yen	4.00yen	16.00yen	14.00yen
Interim cash dividends	8.00yen	—	1.00yen	8.00yen	7.00yen
Year-end cash dividends	10.00yen	2.00yen	3.00yen	8.00yen	7.00yen

(Shareholder return policy)

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth. Specifically, the Bank is setting a target of 40% of the profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

II Financial Data for the Six Months Ended September 30, 2022

1. Profit and Loss Conditions

【Non-consolidated】

(Unit : Millions of yen)

		Six months ended Sep.30, 2022		Six months ended Sep.30, 2021
		(a)	(a) - (b)	(b)
Gross business profits	1	26,593	(18,894)	45,488
(excluding gains (losses) on bonds)	2	44,732	(13)	44,746
Domestic gross business profits	3	42,854	(1,082)	43,936
Net interest income	4	33,483	(1,817)	35,301
Net fees and commissions income	5	6,345	112	6,232
Profit from other business transactions	6	3,025	623	2,402
(Of which, gains (losses) on bonds)	7	3,000	668	2,331
International gross business profits	8	(16,260)	(17,812)	1,551
Net interest income	9	3,295	887	2,408
Net fees and commissions income	10	112	77	35
Profit from other business transactions	11	(19,669)	(18,777)	(891)
(Of which, Gains (losses) on bonds)	12	(21,139)	(19,550)	(1,589)
Expenses (excluding non-recurrent expenses)	[-] 13	25,672	(1,150)	26,823
Personnel expenses	14	14,223	(67)	14,290
Non-personnel expenses	15	9,952	(1,018)	10,971
Taxes	16	1,496	(64)	1,561
Core net business profit(1-13)	17	921	(17,744)	18,665
Core net business profit excluding gains(losses)on bonds (2-13)	18	19,060	1,137	17,922
Core net business profit excluding gains(losses) on bonds and cancellation of investment trusts	19	18,631	2,388	16,242
Net transfer to general allowance for loan losses	[-] 20	14	(105)	120
Net business profit (1-13-20)	21	906	(17,638)	18,544
(Of which, gains (losses) on bonds)	22	(18,139)	(18,881)	742
(Corresponding loss on money held in trust)	23	0	(0)	0
Non-recurrent gains (losses)	24	14,518	11,811	2,707
Disposal of non-performing loans	[-] 25	2,312	(91)	2,404
Written-off of loans	26	—	(6)	6
Net transfer to specific allowance for loan losses	27	2,155	(60)	2,215
Net transfer to accident loss	28	24	1	23
Losses on sales of loans	29	4	(43)	48
Cost born under joint responsibility system of guarantee corporations	30	127	17	110
Recoveries of written off claims	31	1	(0)	1
(Net credit costs) (20+25-31)	[-] 32	2,326	(196)	2,523
Gains (losses) on stocks and other securities	33	16,398	11,590	4,807
Other non-recurrent gains (losses)	34	432	129	302
Of which, retirement benefit costs	[-] 35	(388)	(477)	89
Ordinary profit	36	15,425	(5,826)	21,252
Extraordinary income (losses)	37	1,271	2,482	(1,210)
Of which, gains (losses) on disposal of non-current assets	38	1,256	1,303	(47)
Of which, impairment losses	[-] 39	32	(1,130)	1,162
Profit before income taxes	40	16,696	(3,344)	20,041
Total income taxes	[-] 41	4,867	(1,319)	6,186
Income taxes-current	42	3,387	820	2,566
Income taxes-deferred	43	1,480	(2,139)	3,620
Profit	44	11,829	(2,025)	13,854

2. Main Account Conditions 【Non-consolidated】

(Unit : Billions of yen)

		As of Sep.30, 2022		As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)	
		(a)	(a) - (b)			(a) - (c)
Loans and bills discounted	Term-end balance	5,861.1	43.0	127.2	5,818.1	5,733.9
	Average balance	5,799.6	99.6	104.8	5,700.0	5,694.8
Securities	Term-end balance	2,370.0	(137.8)	(108.8)	2,507.9	2,478.8
	Average balance	2,418.7	31.0	88.0	2,387.6	2,330.6
Deposits	Term-end balance	7,897.3	(73.0)	175.2	7,970.4	7,722.1
	Average balance	7,906.1	189.3	228.3	7,716.8	7,677.8

3. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

	Six months ended Sep.30, 2022 (a)	(a) - (b)	Six months ended Sep.30, 2021 (b)
① Average yield on interest earning assets	0.92	0.07	0.85
Average yield on loans and bills discounted	0.96	0.03	0.93
Average yield on securities	1.01	0.08	0.93
② Average yield on interest bearing liabilities	0.58	0.05	0.53
Average yield on deposits and negotiable certificates of deposit	0.02	0.02	0.00
Average yield on external liabilities	0.10	0.10	0.00
③ Average interest rate spread (①-②)	0.34	0.02	0.32

(Domestic segment)

(Unit : %)

	Six months ended Sep.30, 2022 (a)	(a) - (b)	Six months ended Sep.30, 2021 (b)
① Average yield on interest earning assets	0.79	(0.02)	0.81
Average yield on loans and bills discounted	0.91	(0.02)	0.93
Average yield on securities	0.74	(0.13)	0.87
② Average yield on interest bearing liabilities	0.50	(0.01)	0.51
Average yield on deposits and negotiable certificates of deposit	0.00	—	0.00
Average yield on external liabilities	(0.00)	—	(0.00)
③ Average interest rate spread (①-②)	0.29	(0.01)	0.30

4. Capital Ratio (International Standard)

【Consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Sep.30,2022	(a)-(b)	(a)-(c)	Mar.31,2022	Sep.30,2021
	(a)			(b)	(c)
Total capital ratio	12.23%	(0.17)%	(0.97)%	12.40%	13.20%
Tier1 ratio	11.05%	(0.18)%	(0.98)%	11.23%	12.03%
Common equity Tier1 ratio	11.05%	(0.18)%	(0.98)%	11.23%	12.03%
Total capital	507.4	(33.8)	(67.4)	541.3	574.9
Tier1 capital	458.4	(31.6)	(65.3)	490.1	523.7
Common equity Tier1 capital	458.4	(31.6)	(65.3)	490.1	523.7
Risk weighted assets	4,146.2	(216.0)	(206.7)	4,362.2	4,352.9
Total required capital	331.6	(17.2)	(16.5)	348.9	348.2

【Non-consolidated】

(Unit : Billions of yen)

	As of			As of	As of
	Sep.30,2022	(a)-(b)	(a)-(c)	Mar.31,2022	Sep.30,2021
	(a)			(b)	(c)
Total capital ratio	11.44%	(0.32)%	(1.18)%	11.76%	12.62%
Tier1 ratio	10.34%	(0.27)%	(1.12)%	10.61%	11.46%
Common equity Tier1 ratio	10.34%	(0.27)%	(1.12)%	10.61%	11.46%
Total capital	466.0	(39.9)	(75.9)	506.0	542.0
Tier1 capital	421.4	(34.9)	(70.5)	456.3	491.9
Common equity Tier1 capital	421.4	(34.9)	(70.5)	456.3	491.9
Risk weighted assets	4,072.8	(227.3)	(219.8)	4,300.2	4,292.6
Total required capital	325.8	(18.1)	(17.5)	344.0	343.4

(Note 1) " Total required capital " = " Risk weighted assets " x 8%

(Note 2) Of the amount of " Risk weighted assets ", credit risk is calculated by the foundation internal rating-based approach, and operational risk is calculated by the standardized approach.

5. Earnings Forecasts

【Consolidated】

(Unit : Billions of yen)

		FY2022 ending			FY2022 ending	FY2021 ended
		Mar.31, 2023	(a)-(b)	(a)-(c)	forecast at the	Mar.31,2022 (c)
		forecast (a)			beginning of the period	
					(b)	
Core gross business profits	1	91.1	(0.1)	(1.4)	91.2	92.5
Net interest income	2	69.5	(0.4)	(2.5)	69.9	72.0
Non-interest business profit	3	21.6	0.3	1.1	21.3	20.5
Of which, corporate service revenue	4	6.1	1.2	1.8	4.9	4.3
Of which, deposit financial assets revenue	5	7.0	(0.8)	(0.7)	7.8	7.7
Expenses (excluding non-recurrent expenses) [-]	6	53.1	(0.8)	(2.1)	53.9	55.2
Core net business profit excluding gains(losses) on bonds (1-6)	7	38.0	0.7	0.7	37.3	37.3
Ordinary profit	8	37.5	(1.5)	(1.6)	39.0	39.1
Profit attributable to owners of parent	9	27.0	—	0.6	27.0	26.4

【Non-consolidated】

(Unit : Billions of yen)

		FY2022 ending			FY2022 ending	FY2021 ended
		Mar.31, 2023	(a)-(b)	(a)-(c)	forecast at the	Mar.31,2022 (c)
		forecast (a)			beginning of the period	
					(b)	
Core gross business profits	10	84.7	0.9	(0.5)	83.8	85.2
Net interest income	11	69.8	(0.3)	(2.5)	70.1	72.3
Non-interest business profit	12	14.9	1.2	2.0	13.7	12.9
Expenses (excluding non-recurrent expenses) [-]	13	51.2	(0.6)	(2.1)	51.8	53.3
Core net business profit excluding gains (losses) on bonds (10-13)	14	33.5	1.5	1.6	32.0	31.9
Net credit costs [-]	15	3.5	(1.5)	(3.8)	5.0	7.3
Ordinary profit	16	33.0	(1.5)	(1.4)	34.5	34.4
Profit	17	23.5	—	0.2	23.5	23.3

(Note 1) Gains or losses on bonds is excluded from "Non-interest business profit".

(Note 2) Earnings forecasts are based on information available at the present time. Actual results may differ from the forecasts due to various of economic situation, etc.

6. Allowance for Loan Losses 【Consolidated／Non-consolidated】

(1) Written-off /allowance criteria

○ General allowance

	Allowance criteria
Normal assets	The amount of possible loan losses over the next one year calculated based on the historical rate of credit losses is reserved.
Assets requiring caution	The amount of possible loan losses calculated for each category is reserved.
Substandard assets, etc.	The amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved.
Other assets requiring caution	However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the Discounted Cash Flow (DCF) method.

(Note) Substandard assets, etc. are "Substandard Assets" and "claims to borrowers, etc. classified as borrowers requiring caution, excluding substandard assets due to failing to correspond to restructured loans in the management improvement plan, etc. even after changing the lending terms".

○ Specific allowance

	Allowance criteria
Potentially bankrupt assets	For the part of a claim not secured by collateral or guarantees, etc., the amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved. However, for claims to large borrowers with credit exceeding a certain amount, provisions are reserved using the cash-flow deduction method.
Effectively bankrupt assets	The entire amount of a claim not secured by collateral or guarantees, etc., is reserved.
Bankrupt assets	

(2) Breakdown of Allowance for Loan Losses

【Consolidated】

(Unit : Millions of yen)

	As of			As of	As of
	Sep.30, 2022	(a) - (b)	(a) - (c)	Mar.31, 2022	Sep.30, 2021
	(a)			(b)	(c)
Allowance for loan losses	50,056	(2,428)	(1,805)	52,485	51,861
General allowance	17,580	(188)	(1,902)	17,769	19,483
Specific allowance	32,476	(2,239)	97	34,715	32,378

【Non-consolidated】

(Unit : Millions of yen)

	As of			As of	As of
	Sep.30, 2022	(a) - (b)	(a) - (c)	Mar.31, 2022	Sep.30, 2021
	(a)			(b)	(c)
Allowance for loan losses	43,907	(2,321)	(2,002)	46,229	45,910
General allowance	15,324	14	(1,636)	15,309	16,961
Specific allowance	28,583	(2,336)	(365)	30,920	28,948

7. Disclosed Claims under the Financial Reconstruction Law ("FRL")【Consolidated/Non-consolidated】

With the implementation of the Cabinet Office Order to Amend the Ordinance for Enforcement of the Banking Act, etc. (Cabinet Office Ordinance No.3, January 24, 2020) on March 31, 2022, the categories of risk-managed claims under the Banking Act and the scope of claims subject to disclosure were aligned with the Disclosed Claims under the FRL stipulated under the Act on Emergency Measures for the Revitalization of Financial Functions (hereinafter referred to as the FRL), which led to substantial consolidation of disclosure.

Disclosed Claims under the FRL are listed under this heading, but from the viewpoint of enhancing disclosure, claims in arrears for three months or more and restructured claims, which are categories of risk-managed claims, are also included as a breakdown of claims requiring close observation.

(1) Balance of disclosed claims under the FRL and non-performing loan ratio("NPL ratio")

【Consolidated】

(Unit : Millions of yen)

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	25,870	(2,223)	(2,951)	28,094	28,822
Doubtful claims	45,566	(2,830)	2,112	48,397	43,454
Substandard claims	49,685	(1,178)	(5,459)	50,864	55,145
Loans past due 3 months or more	1,869	346	(308)	1,522	2,178
Restructured loans	47,815	(1,525)	(5,151)	49,341	52,967
Total	121,123	(6,233)	(6,299)	127,356	127,422
Normal claims	5,810,818	25,640	116,436	5,785,178	5,694,381
Total claims	5,931,941	19,406	110,137	5,912,534	5,821,803

NPL ratio

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and Substantially Bankrupt Claims	0.43%	(0.04) %	(0.06) %	0.47%	0.49%
Doubtful Claims	0.76%	(0.05) %	0.02 %	0.81%	0.74%
Substandard Claims	0.83%	(0.03) %	(0.11) %	0.86%	0.94%
Loans past due 3 months or more	0.03%	0.01 %	—	0.02%	0.03%
Restructured Loans	0.80%	(0.03) %	(0.10) %	0.83%	0.90%
Total	2.04%	(0.11) %	(0.14) %	2.15%	2.18%

(Note) Balance of disclosed claims under the FRL and NPL ratio in the case where partial direct written-off are applied.

Disclosed claims under the FRL	104,855	(3,621)	(3,546)	108,476	108,401
NPL ratio	1.77%	(0.07) %	(0.09) %	1.84%	1.86%

【Non-consolidated】

(Unit : Millions of yen)

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	25,171	(2,224)	(2,855)	27,395	28,026
Doubtful claims	45,552	(2,833)	2,113	48,385	43,438
Substandard claims	44,710	153	(3,842)	44,557	48,552
Loans past due 3 months or more	1,869	346	(308)	1,522	2,178
Restructured loans	42,840	(193)	(3,533)	43,034	46,374
Total	115,433	(4,904)	(4,583)	120,338	120,016
Normal claims	5,810,818	25,640	116,436	5,785,178	5,694,381
Total claims	5,926,251	20,735	111,853	5,905,516	5,814,398

NPL ratio

	As of Sep.30, 2022			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	0.42%	(0.04) %	(0.06) %	0.46%	0.48%
Doubtful claims	0.76%	(0.05) %	0.02 %	0.81%	0.74%
Substandard claims	0.75%	—	(0.08) %	0.75%	0.83%
Loans past due 3 months or more	0.03%	0.01 %	—	0.02%	0.03%
Restructured loans	0.72%	—	(0.07) %	0.72%	0.79%
Total	1.94%	(0.09) %	(0.12) %	2.03%	2.06%

(Note) Balance of disclosed claims under the FRL and NPL ratio in the case where partial direct written-off are applied.

Disclosed claims under the FRL	99,673	(2,273)	(1,923)	101,946	101,597
NPL ratio	1.68%	(0.05) %	(0.07) %	1.73%	1.75%

(2) Status of Coverage on Disclosed Claims under the FRL

【Consolidated】

(Unit : Millions of yen)

	As of Sep.30,2022 (a)	As of Mar.31, 2022 (b)		As of Sep.30, 2021 (c)
		(a) - (b)	(a) - (c)	
Total coverage ①	81,216	(4,974)	(3,076)	84,293
Value covered by collateral and guarantees	49,072	(2,595)	(1,933)	51,006
Allowance for loan losses	32,144	(2,378)	(1,142)	33,286
Disclosed claims under the FRL ②	121,123	(6,233)	(6,299)	127,422
Coverage ratio ①/②	67.0 %	(0.6)%	0.9 %	66.1 %

【Non - consolidated】

(Unit : Millions of yen)

	As of Sep.30,2022 (a)	As of Mar.31, 2022 (b)		As of Sep.30, 2021 (c)
		(a) - (b)	(a) - (c)	
Total coverage ①	80,502	(4,977)	(2,978)	83,480
Value covered by collateral and guarantees	48,895	(2,578)	(1,928)	50,824
Allowance for loan losses	31,606	(2,399)	(1,050)	32,656
Disclosed claims under the FRL ②	115,433	(4,904)	(4,583)	120,338
Coverage ratio ①/②	69.7 %	(1.3)%	0.2 %	69.5 %

8. Relationship between Self-Assessment, Disclosed Claims under the FRL and Risk-Monitored Loans("RML") 【Non-consolidated】

(Unit : Billions of yen)

Borrowers classification under the self-assessment guideline	A Credit-related assets		B Total coverage		B/A
	Disclosed claims under the FRL	RML	Covered by collaterals and guarantees	Allowance for loan losses	Coverage ratio
Bankrupt borrowers 9.6	Bankrupt and substantially bankrupt claims	25.1	8.2	16.9 (Allowance ratio 100%)	100.0%
Effectively bankrupt borrowers 15.5					
Potentially bankrupt borrowers 45.5	Doubtful claims	45.5	21.9	11.6 (Allowance ratio 49.2%)	73.6%
Borrowers requiring caution	Substandard claims 65.0	Loans past due 3 months or more 1.8	18.7	3.0 (Allowance ratio against substandard claims 6.7%)	48.6%
		Restructured Loans 42.8			
Other borrowers requiring caution 391.0	Normal claims	5,810.8			
Normal Borrowers 5,288.6					
Others 110.6					
Total 5,926.2	Total	5,926.2			

○The scope of disclosed claims under the FRL and RML

The claims include loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchange, securities loaned, accrued interest, suspense payments and bank guaranteed private placement bonds. Note that substandard claims include only loans and bills discounted.

9. Loan Breakdown by Industry, etc. 【Non-consolidated】

(1) Loan breakdown by industry (domestic branches excluding loans booked at offshore markets)

(Unit : Billions of yen)

	As of			As of	As of
	Sep.30, 2022	(a) - (b)	(a) - (c)	Mar.31, 2022	Sep.30, 2021
	(a)			(b)	(c)
Domestic branches	5,786.8	29.0	115.0	5,757.8	5,671.7
Manufacturing	698.0	(5.3)	(0.8)	703.4	698.8
Agriculture and forestry	9.4	0.7	0.6	8.6	8.8
Fishery	5.5	3.3	3.3	2.1	2.1
Mining, quarrying and gravel	3.5	(0.3)	(0.4)	3.9	3.9
Construction	204.1	0.6	2.5	203.5	201.6
Electricity, gas, heat supply and water	81.1	4.2	7.5	76.9	73.6
Information and communications	23.6	(0.8)	(1.5)	24.4	25.2
Transport and postal service	169.8	(3.0)	8.4	172.8	161.3
Wholesale and retail trade	473.6	(0.1)	12.2	473.8	461.4
Financial and insurance	190.0	8.5	23.1	181.4	166.8
Real estate and leasing	763.4	4.9	31.9	758.4	731.4
Medical, welfare	327.4	(6.9)	(8.1)	334.3	335.5
Other services	259.7	(10.8)	(13.0)	270.5	272.8
Local public sector	110.6	(3.8)	1.7	114.4	108.8
Others	2,466.5	37.7	47.3	2,428.7	2,419.1
Of which, individuals	2,351.0	13.9	26.2	2,337.0	2,324.7

(2) FRL on loan breakdown by industry

(Unit : Billions of yen)

	As of			As of	As of
	Sep.30, 2022	(a) - (b)	(a) - (c)	Mar.31, 2022	Sep.30, 2021
	(a)			(b)	(c)
All branches	115.4	(4.8)	(4.5)	120.3	119.9
Manufacturing	33.9	(1.2)	3.8	35.2	30.1
Agriculture and forestry	1.3	(0.0)	(0.0)	1.3	1.4
Fishery	—	—	—	—	—
Mining, quarrying and gravel	—	(0.5)	(0.5)	0.5	0.5
Construction	3.6	(0.3)	(0.3)	3.9	4.0
Electricity, gas, heat supply and water	0.2	(0.0)	0.0	0.2	0.2
Information and communications	0.4	(0.0)	(0.1)	0.5	0.6
Transport and postal service	4.1	1.2	1.2	2.9	2.9
Wholesale and retail trade	17.4	(1.0)	(3.7)	18.5	21.2
Financial and insurance	0.4	(0.5)	(0.6)	1.0	1.0
Real estate and leasing	8.8	(1.3)	(1.6)	10.2	10.5
Medical, welfare	12.8	(0.1)	0.5	13.0	12.3
Other services	20.0	(0.0)	(1.3)	20.0	21.4
Local public sector	—	—	—	—	—
Others	11.7	(0.7)	(1.5)	12.4	13.2

(3) Balance of small and medium-sized enterprises, etc. loans and ratio

(Unit : Billions of yen)

	As of Sep.30, 2022 (a)			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
		(a) - (b)	(a) - (c)		
Balance of small and medium-sized enterprises, etc. loans	4,801.4	(1.5)	28.0	4,803.0	4,773.3
Loans to individuals	2,351.0	13.9	26.2	2,337.0	2,324.7
Loans to small and medium-sized enterprises	2,450.4	(15.5)	1.8	2,466.0	2,448.5
Small and medium-sized enterprises, etc. loans ratio	82.9 %	(0.5) %	(1.2) %	83.4 %	84.1 %

(Note 1) In loans to individuals, apartment loans are included.

(Note 2) In loans to small and medium-sized enterprises, loans to regional public corporations are included.

(Note 3) Small and medium-sized enterprises, etc. loans ratio is the ratio of balance of small and medium-sized enterprises, etc. loans to domestic loans and bills discounted.

10. Loan Breakdown by Domicile of Borrower, etc. 【Non-consolidated】

(1) Balance of loans to specific foreign countries

Not applicable.

(2) Balance of loans to Asian countries

(Unit : Billions of yen)

	As of Sep.30, 2022 (a)			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
		(a) - (b)	(a) - (c)		
Balance of loans to Asian countries	56.5	9.6	3.7	46.8	52.7
Of which, disclosed claims under the FRL	—	—	—	—	—

(3) Balance of loans to Latin American countries

(Unit : Billions of yen)

	As of Sep.30, 2022 (a)			As of Mar.31, 2022 (b)	As of Sep.30, 2021 (c)
		(a) - (b)	(a) - (c)		
Balance of loans to Latin American countries	6.5	0.9	2.0	5.6	4.5
Of which, disclosed claims under the FRL	—	—	—	—	—

(4) Balance of loans to Russia

Not applicable.