

May 9, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (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 of annual general meeting of shareholders: June 20, 2024
 Scheduled date to commence dividend payments: June 21, 2024
 Scheduled date to file annual securities report: June 20, 2024
 Trading accounts: None
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%
Fiscal year ended Mar.31, 2024	200,356	13.5	43,788	14.3	31,125	11.4
Mar.31, 2023	176,589	17.6	38,316	(2.0)	27,933	5.7

Note: Comprehensive income For the fiscal year ended Mar.31, 2024 : 73,225 million yen [— %]
 For the fiscal year ended Mar.31, 2023 : (5,377) million yen [— %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar.31, 2024	78.43	—	5.7	0.4	21.9
Mar.31, 2023	68.19	—	5.3	0.4	21.7

Reference: Share of profit(loss) of entities accounted for using equity method

For the fiscal year ended Mar.31, 2024 : 141 million yen

For the fiscal year ended Mar.31, 2023 : 221 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar.31, 2024	10,818,218	573,095	5.3	1,460.16
Mar.31, 2023	10,662,300	515,810	4.8	1,268.77

Reference: Equity As of Mar.31, 2024 : 573,095 million yen As of Mar.31, 2023 : 515,810 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".

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of Mar.31, 2024	(394,524)	411,002	(15,929)	1,830,503
Mar.31, 2023	(656,166)	(153,319)	(8,066)	1,829,954

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2023	—	8.00	—	10.00	18.00	7,352	26.4	1.4
ended Mar. 31, 2024	—	10.00	—	12.00	22.00	8,677	28.1	1.5
ending Mar. 31, 2025(Forecast)	—	14.00	—	14.00	28.00		31.4	

Note: Fiscal year-end cash dividend of 10.00 yen for the fiscal year ended Mar. 31, 2023 includes a commemorative dividend of 1.00 yen for the 90th anniversary of the establishment of the Gunma Bank, Ltd.

3. Consolidated earnings forecast for the fiscal year 2024 (from April 1, 2024 to March 31, 2025)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2024 ending Sep. 30, 2024	25,500	29.6	17,500	17.8	44.59
ending Mar. 31, 2025	51,500	17.6	35,000	12.4	89.17

(Percentages indicate year-on-year changes.)

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

① Changes in accounting policies due to revisions to accounting standards and other regulations:

None

② Changes in accounting policies due to other reasons:

None

③ Changes in accounting estimates:

None

④ Restatement:

None

(3) Number of issued shares (common shares)

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

As of Mar. 31, 2024	425,888,177 shares
As of Mar. 31, 2023	425,888,177 shares

② Number of treasury shares at the end of the period

As of Mar. 31, 2024	33,399,503 shares
As of Mar. 31, 2023	19,344,421 shares

③ Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024	396,851,385 shares
Fiscal year ended Mar. 31, 2023	409,628,996 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar.31, 2024	166,740	16.4	39,186	16.7	28,153	14.3
Mar.31, 2023	143,243	22.8	33,567	(2.5)	24,622	5.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
Mar.31, 2024	70.94	—
Mar.31, 2023	60.11	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Mar.31, 2024	10,763,856	512,143	4.8	1,304.86
Mar.31, 2023	10,633,101	473,386	4.5	1,164.42

Reference: Equity As of Mar. 31, 2024 : 512,143 million yen

As of Mar. 31, 2023 : 473,386 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 the fiscal year 2024 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit		Basic earnings per share
Fiscal year 2024	Millions of yen	%	Millions of yen	%	Yen
ending Sep. 30, 2024	23,000	32.5	16,000	18.5	40.77
ending Mar. 31, 2025	45,500	16.1	31,000	10.1	78.98

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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. Operating results

(1) Analysis of the operating results	2
(2) Analysis of the financial conditions	2
(3) Analysis of the cash flows	2
(4) Earnings forecasts for the fiscal year 2024, ending March 31, 2025	2
(5) Basic policy on profit distribution and dividends for the current and next fiscal periods	2

2. Basic approach to the selection of accounting standards	2
--	---

3. Consolidated financial statements and notes

(1) Consolidated balance sheets	3
(2) Consolidated statements of income and comprehensive Income	5
(3) Consolidated statements of changes in net assets	7
(4) Consolidated statements of cash flows	9
(5) Notes to the consolidated financial statements	11

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets	13
(2) Non-consolidated statements of income	16
(3) Non-consolidated statements of changes in net assets	18

Supplementary information

1. Operating results

(1) Analysis of the operating results

Operating results for the consolidated fiscal year were as follows.

Ordinary income amounted to 200,356 million yen, an increase of 23,766 million yen compared with the previous fiscal year, mainly due to increases in interest income, etc.

Ordinary expenses amounted to 156,567 million yen, an increase of 18,294 million yen compared with the previous fiscal year, mainly due to increases in interest expenses, etc.

As a result, ordinary profit amounted to 43,788 million yen, a increase of 5,472 million yen compared with the previous fiscal year.

Also, profit attributable to owners of parent amounted to 31,125 million yen, an increase of 3,192 million yen compared with the previous fiscal year.

(2) Analysis of the financial conditions

The financial position as of the end of the consolidated fiscal year was as follows.

Total assets increased by 155.9 billion yen to 10,818.2 billion yen during the period. Total liabilities increased by 98.6 billion yen to 10,245.1 billion yen during the period. Also, net assets increased by 57.2 billion yen to 573.0 billion yen during the period.

As for the main accounts, loans and bills discounted increased by 414.7 billion yen to 6,406.0 billion yen during the period.

Securities decreased by 326.2 billion yen to 2,290.9 billion yen during the period.

Deposits increased by 258.4 billion yen to 8,303.2 billion yen during the period.

(3) Analysis of the cash flows

The cash flow status for the consolidated fiscal year was as follows.

The cash flow from operating activities was a net inflow of 394.5 billion yen during the period, mainly due to a decrease in cash collateral received for securities lent and an increase in loans and bills discounted.

The cash flow from investing activities was a net inflow of 411.0 billion yen during the period, mainly due to proceeds from sales of securities. The cash flow from financing activities was a net outflow of 15.9 billion yen during the period, mainly due to dividends paid and purchase of treasury shares.

As a result, cash and cash equivalents at end of period increased by 0.5 billion yen to 1,830.5 billion yen during the period.

(4) Earnings forecasts for the fiscal year 2024, ending March 31, 2025

Earnings forecasts for the fiscal year 2024, ending March 31, 2025 were as follows.

(Unit : Billions of yen)

	FY2024 ending Mar.31, 2025 【Consolidated】	Compared with FY2023 ended Mar.31, 2024	FY2024 ending Mar.31, 2025 【Non-Consolidated】	Compared with FY2023 ended Mar.31, 2024
Ordinary profit	51.5	7.8	45.5	6.4
(Attributable to owners of parent) Profit	35.0	3.9	31.0	2.9

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

(5) Basic policy on profit distribution and dividends for the current and next fiscal periods

As a regional financial institution, the Gunma Bank, Ltd. ("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.

As announced in November 2023, the Bank plans to pay a year-end dividend of 12 yen for the FY2023, ended Mar. 31, 2024.

The annual dividend will be 22 yen in total (up 4 yen compared with the previous year), including the interim dividend of 10 yen.

In the dividend forecast for the fiscal year 2024 ending March 31, 2025, the annual cash dividends per share is increased by 6 yen to 28 yen (14 yen as the interim cash dividends, 14 yen as the year-end cash dividends).

	FY2024 ending Mar.31,2025 forecast (a)	(a)-(b)	FY2023 ended Mar.31,2024 (b)
Annual cash dividends per share	28.00 yen	6.00 yen	22.00 yen
Interim cash dividends	14.00 yen	4.00 yen	10.00 yen
Year-end cash dividends	14.00 yen	2.00 yen	12.00 yen

2. Basic approach to the selection of accounting standards

In consideration for adapting to the International Financial Reporting Standards ("IFRS"), the Bank intend to respond appropriately in light of the environment surrounding the Bank and trends of other banks.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Assets:		
Cash and due from banks	1,833,043	1,844,728
Trading securities	541	268
Money held in trust	9,854	12,251
Securities	2,617,250	2,290,971
Loans and bills discounted	5,991,297	6,406,055
Foreign exchanges	10,045	8,445
Lease receivables and investments in leases	60,554	63,506
Other assets	74,120	109,746
Tangible fixed assets	65,013	64,772
Buildings, net	18,539	19,025
Land	38,233	37,584
Leased assets, net	530	463
Construction in progress	960	450
Other tangible fixed assets	6,748	7,250
Intangible fixed assets	8,053	8,162
Software	7,559	7,672
Other intangible fixed assets	494	490
Retirement benefit asset	16,963	40,728
Deferred tax assets	13,003	1,335
Customers' liabilities for acceptances and guarantees	8,527	8,609
Allowance for loan losses	(45,967)	(41,366)
Total assets	10,662,300	10,818,218
Liabilities:		
Deposits	8,044,837	8,303,258
Negotiable certificates of deposit	199,419	174,403
Call money and bills sold	28,708	40,880
Payables under repurchase agreements	86,565	136,841
Cash collateral received for securities lent	723,449	283,947
Borrowed money	926,993	1,122,729
Foreign exchanges	338	341
Bonds payable	50,000	50,000
Borrowed money from trust account	12,988	13,575
Other liabilities	55,774	95,309
Provision for bonuses for directors (and other officers)	56	61
Retirement benefit liability	358	342
Provision for retirement benefits for directors (and other officers)	167	140
Provision for reimbursement of deposits	264	154
Provision for contingent loss	926	915
Reserves under special laws	0	0
Deferred tax liabilities	—	6,708
Deferred tax liabilities for land revaluation	7,112	6,902
Acceptances and guarantees	8,527	8,609
Total liabilities	10,146,489	10,245,122

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,581	29,587
Retained earnings	429,438	452,960
Treasury shares	(9,233)	(17,146)
Total shareholders' equity	498,439	514,053
Valuation difference on available-for-sale securities	(2,920)	23,617
Deferred gains or losses on hedges	250	942
Revaluation reserve for land	13,022	12,593
Remeasurements of defined benefit plans	7,018	21,889
Total accumulated other comprehensive income	17,370	59,041
Total net assets	515,810	573,095
Total liabilities and net assets	10,662,300	10,818,218

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	FY2022 ended Mar. 31, 2023	FY2023 ended Mar. 31, 2024
Ordinary income	176,589	200,356
Interest income	87,076	105,807
Interest on loans and discounts	58,544	68,882
Interest and dividends on securities	26,381	35,820
Interest on call loans and bills bought	55	12
Interest on deposits with banks	2,024	1,002
Other interest income	69	89
Trust fees	36	37
Fees and commissions	22,763	28,239
Other ordinary income	37,385	33,504
Other income	29,328	32,767
Recoveries of written off receivables	4	9
Other	29,323	32,757
Ordinary expenses	138,273	156,567
Interest expenses	15,620	39,779
Interest on deposits	1,512	4,672
Interest on negotiable certificates of deposit	1,257	637
Interest on call money and bills sold	1,699	3,390
Interest expenses on payables under repurchase agreements	1,023	6,501
Interest expenses on cash collateral received for securities lent	2,790	3,291
Interest on borrowings and rediscounts	559	1,159
Interest on bonds	226	272
Other interest expenses	6,552	19,853
Fees and commissions payments	8,357	9,129
Other ordinary expenses	59,603	53,003
General and administrative expenses	51,549	51,547
Other expenses	3,141	3,107
Provision of allowance for loan losses	909	770
Other	2,232	2,337
Ordinary profit	38,316	43,788
Extraordinary income	1,597	210
Gain on disposal of non-current assets	1,597	210
Extraordinary losses	1,013	1,016
Loss on disposal of non-current assets	603	228
Impairment losses	409	787
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	38,901	42,982
Income taxes - current	8,426	11,850
Income taxes - deferred	2,542	6
Total income taxes	10,968	11,856
Profit	27,933	31,125
Profit attributable to owners of parent	27,933	31,125

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	FY2022 ended Mar. 31, 2023	FY2023 ended Mar. 31, 2024
Profit	27,933	31,125
Other comprehensive income	(33,310)	42,099
Valuation difference on available-for-sale securities	(36,479)	25,818
Deferred gains or losses on hedges	388	691
Remeasurements of defined benefit plans, net of tax	2,601	14,870
Share of other comprehensive income of entities accounted for using equity method	179	719
Comprehensive income	(5,377)	73,225
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(5,377)	73,225

(3) Consolidated statements of changes in net assets

FY2022 ended Mar. 31, 2023

(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)
Changes during period							
Dividends of surplus			(6,161)		(6,161)		
Profit attributable to owners of parent			27,933		27,933		
Purchase of treasury shares				(2,000)	(2,000)		
Disposal of treasury shares			(25)	119	94		
Reversal of revaluation reserve for land			393		393		
Net changes in items other than shareholders' equity						(36,300)	388
Total changes during period	—	—	22,138	(1,880)	20,257	(36,300)	388
Balance at end of period	48,652	29,581	429,438	(9,233)	498,439	(2,920)	250

	Accumulated other comprehensive income			Total net assets
	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,415	4,417	51,074	529,256
Changes during period				
Dividends of surplus				(6,161)
Profit attributable to owners of parent				27,933
Purchase of treasury shares				(2,000)
Disposal of treasury shares				94
Reversal of revaluation reserve for land				393
Net changes in items other than shareholders' equity	(393)	2,601	(33,703)	(33,703)
Total changes during period	(393)	2,601	(33,703)	(13,445)
Balance at end of period	13,022	7,018	17,370	515,810

FY2023 ended Mar. 31, 2024

(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	429,438	(9,233)	498,439	(2,920)	250
Changes during period							
Dividends of surplus			(8,033)		(8,033)		
Profit attributable to owners of parent			31,125		31,125		
Purchase of treasury shares				(8,001)	(8,001)		
Disposal of treasury shares		5		88	94		
Reversal of revaluation reserve for land			428		428		
Net changes in items other than shareholders' equity						26,538	691
Total changes during period	—	5	23,521	(7,913)	15,614	26,538	691
Balance at end of period	48,652	29,587	452,960	(17,146)	514,053	23,617	942

	Accumulated other comprehensive income			Total net assets
	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	13,022	7,018	17,370	515,810
Changes during period				
Dividends of surplus				(8,033)
Profit attributable to owners of parent				31,125
Purchase of treasury shares				(8,001)
Disposal of treasury shares				94
Reversal of revaluation reserve for land				428
Net changes in items other than shareholders' equity	(428)	14,870	41,670	41,670
Total changes during period	(428)	14,870	41,670	57,285
Balance at end of period	12,593	21,889	59,041	573,095

(4) Consolidated statements of cash flows

	(Unit: Millions of yen)	
	FY2022 ended Mar. 31, 2023	FY2023 ended Mar. 31, 2024
Cash flows from operating activities		
Profit before income taxes	38,901	42,982
Depreciation	6,572	6,193
Impairment losses	409	787
Share of loss (profit) of entities accounted for using equity method	(221)	(141)
Increase (decrease) in allowance for loan losses	(6,517)	(4,601)
Increase (decrease) in provision for bonuses for directors (and other officers)	(2)	4
Decrease (increase) in retirement benefit asset	(6,150)	(23,764)
Increase (decrease) in retirement benefit liability	(4)	(16)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(36)	(26)
Increase (decrease) in provision for reimbursement of deposits	(103)	(110)
Increase (decrease) in provision for contingent loss	25	(10)
Interest income	(87,076)	(105,807)
Interest expenses	15,620	39,779
Loss (gain) related to securities	1,772	(5,719)
Loss (gain) on money held in trust	11	(0)
Foreign exchange losses (gains)	(2,554)	(1,505)
Loss (gain) on disposal of non-current assets	(994)	18
Net decrease (increase) in trading securities	400	272
Net decrease (increase) in loans and bills discounted	(233,200)	(414,758)
Net increase (decrease) in deposits	85,504	258,420
Net increase (decrease) in negotiable certificates of deposit	(9,838)	(25,016)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(573,802)	195,736
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	523	(11,136)
Net decrease (increase) in call loans	6,119	—
Net increase (decrease) in call money	36,623	12,171
Net increase (decrease) in payables under repurchase agreements	—	50,275
Net increase (decrease) in cash collateral received for securities lent	(9,545)	(439,502)
Net decrease (increase) in foreign exchanges - assets	24,199	1,599
Net increase (decrease) in foreign exchanges - liabilities	(196)	3
Net decrease (increase) in lease receivables and investments in leases	(363)	(2,952)
Net increase (decrease) in borrowed money from trust account	931	587
Interest received	90,335	108,367
Interest paid	(14,451)	(38,513)
Other, net	(13,296)	(28,661)
Subtotal	(650,404)	(385,043)
Income taxes paid	(5,761)	(9,480)
Net cash provided by (used in) operating activities	(656,166)	(394,524)

(Unit: Millions of yen)

	FY2022 ended Mar. 31, 2023	FY2023 ended Mar. 31, 2024
Cash flows from investing activities		
Purchase of securities	(823,174)	(830,733)
Proceeds from sales of securities	519,392	1,065,544
Proceeds from redemption of securities	151,062	185,624
Increase in money held in trust	(1,600)	(2,400)
Decrease in money held in trust	14	2
Purchase of tangible fixed assets	(3,775)	(4,347)
Purchase of intangible fixed assets	(2,031)	(2,941)
Proceeds from sale of tangible fixed assets	2,356	252
Proceeds from sale of businesses	4,437	—
Net cash provided by (used in) investing activities	(153,319)	411,002
Cash flows from financing activities		
Issuance of subordinated bonds	10,000	10,000
Redemption of subordinated bonds	(10,000)	(10,000)
Purchase of treasury shares	(2,000)	(8,001)
Proceeds from sale of treasury shares	94	94
Dividends paid	(6,159)	(8,021)
Net cash provided by (used in) financing activities	(8,066)	(15,929)
Net increase (decrease) in cash and cash equivalents	(817,552)	548
Cash and cash equivalents at beginning of period	2,647,506	1,829,954
Cash and cash equivalents at end of period	1,829,954	1,830,503

(5) Notes to the consolidated financial statements

(Note on going concern assumption)

Not applicable.

(Changes in accounting principles)

Not applicable.

(Segment information)

1. Summary of reportable segments

The reportable segments of the Group are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the highest decision - making body of the Bank with respect to matters of management and execution of business to decide how to allocate management resources and assess performance.

In addition to its core banking services, the Group provides financial services such as leasing and manages its businesses through two reportable segments — Banking and Lease.

In Banking, the Bank offer deposit services, loan services, securities dealing, trading account securities services, securities investment services, domestic and foreign exchange services, and trust and other services.

In Lease, the Bank's consolidated subsidiary, Gungin Leasing Co., Ltd., offers leasing services.

2. Basis of measurement of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

The accounting methods applied to the business segments reported are the same as those described for the basis of presenting the consolidated financial statements. The figures for profit of reportable segments are based on ordinary profit. Inter - segment transaction prices are set under arm's length conditions, the same as transactions with parties external to the Group.

3. Information on the amount of reportable segment ordinary income, profit (loss), assets, liabilities, and other items

FY2023 ended Mar. 31, 2024

(Unit: Millions of yen)

	Reportable segments			Others	Total	Adjustment	Consolidated
	Banking	Lease	Total				
Ordinary income generated from businesses with							
External customers	166,040	29,256	195,296	5,059	200,356	—	200,356
Internal units	861	392	1,253	1,651	2,905	(2,905)	—
Total	166,902	29,648	196,550	6,711	203,262	(2,905)	200,356
Segment profit	39,348	1,226	40,575	3,275	43,850	(61)	43,788
Segment assets	10,797,074	87,562	10,884,637	52,386	10,937,023	(118,805)	10,818,218
Segment liabilities	10,258,142	71,092	10,329,235	23,104	10,352,340	(10,727)	10,245,122
Others							
Depreciation	5,320	691	6,012	64	6,076	117	6,193
Interest income	106,109	19	106,128	15	106,143	(335)	105,807
Interest expenses	39,770	320	40,090	—	40,090	(311)	39,779
Share of profit of entities accounted for using equity method	166	—	166	—	166	(24)	141
Extraordinary income	210	—	210	—	210	—	210
[Gain on disposal of non - current assets]	[210]	[—]	[210]	[—]	[210]	[—]	[210]
Extraordinary losses	1,013	—	1,013	2	1,016	—	1,016
[Loss on disposal of non - current assets]	[226]	[—]	[226]	[2]	[228]	[—]	[228]
[Impairment losses]	[787]	[—]	[787]	[—]	[787]	[—]	[787]
Tax	10,232	531	10,763	1,093	11,857	(1)	11,856
Investment of unconsolidated subsidiaries and associated companies	1,477	—	1,477	—	1,477	—	1,477
Increase of tangible fixed assets and intangible fixed assets	6,142	825	6,967	32	7,000	288	7,289

(Note 1) Ordinary income is presented in lieu of sales of companies in other industries.

(Note 2) "Others" include business segments not included in the reportable segments, such as the delivery of goods, etc., the maintenance of ATMs and operations of securities, guarantees and management consulting, the fund formation and management operations services.

(Note 3) Adjustments are as follows:

- (1) Adjustment for segment profit of (61) million yen was elimination of intersegment transactions.
- (2) Adjustment for segment assets of (118,805) million yen was elimination of intersegment transactions.
- (3) Adjustment for segment liabilities of (107,217) million yen was elimination of intersegment transactions.
- (4) Adjustment for depreciation of 117 million yen was elimination of intersegment transactions and the depreciation related to investments in leases classified as "tangible fixed assets" and "intangible fixed assets" on a consolidated basis.
- (5) Adjustment for interest income of (335) million yen, adjustment for interest expenses of (311) million yen, adjustment for share of profit of entities accounted for using equity method of (24) million yen and adjustment for tax of (1) million yen were elimination of intersegment transactions.
- (6) Adjustment for increase of tangible fixed assets and intangible fixed assets of 288 million yen were transferred from investment in leases.

(Note 4) Segment profit was adjusted with reference to ordinary profit as stated in the consolidated statements of income.

(Per share information)

(Unit: Yen)

	FY2023 ended Mar. 31, 2024
Total net assets per share	1,460.16
Profit per share	78.43
Diluted profit per share	—

(Note 1) Basis for computing net assets per share

(Unit: Millions of yen)

	As of Mar. 31, 2024
Total net assets	573,095
Amounts to be deducted from total net assets	—
Net assets attributable to common stock	573,095
Number of common stock outstanding at the end of the fiscal period	392,488 thousand shares

(Note 2) Basis for computing profit per share

(Unit: Millions of yen)

	FY2023 ended Mar. 31, 2024
Profit attributable to owners of parent	31,125
Amount that does not belong to common shareholders	—
Profit attributable to common stock	31,125
Average number of shares	396,851 thousand shares

(※) Diluted profit per share is not presented as there are no potentially dilutive shares.

(Material subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Assets:		
Cash and due from banks	1,831,185	1,843,327
Cash	64,771	61,223
Due from banks	1,766,413	1,782,104
Trading securities	541	268
Trading government bonds	187	56
Trading local government bonds	353	212
Money held in trust	3,354	3,351
Securities	2,623,820	2,296,691
Government bonds	783,825	340,465
Local government bonds	768,313	764,699
Corporate bonds	194,945	185,938
Stocks	208,419	226,336
Other securities	668,317	779,250
Loans and bills discounted	6,049,701	6,467,848
Bills discounted	23,195	20,553
Loans on bills	29,196	16,556
Loans on deeds	5,449,535	5,860,810
Overdrafts	547,774	569,927
Foreign exchanges	10,045	8,445
Due from foreign banks (our accounts)	10,045	8,445
Other assets	54,761	88,817
Prepaid expenses	82	66
Accrued revenue	8,845	9,506
Variation margins of futures markets	315	174
Financial derivatives	7,635	8,355
Cash collateral paid for financial instruments	3,213	29,785
Other	34,668	40,929
Tangible fixed assets	61,764	61,431
Buildings, net	18,297	18,792
Land	37,759	37,109
Leased assets, net	569	497
Construction in progress	960	450
Other tangible fixed assets	4,177	4,581
Intangible fixed assets	7,942	8,074
Software	7,461	7,594
Other intangible fixed assets	481	480
Prepaid pension costs	6,864	9,233
Deferred tax assets	14,652	2,898
Customers' liabilities for acceptances and guarantees	8,527	8,609
Allowance for loan losses	(40,060)	(35,412)
Total assets	10,633,101	10,763,586

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities :		
Deposits	8,053,786	8,316,236
Current deposits	355,509	378,843
Ordinary deposits	5,670,979	5,936,551
Savings deposits	104,582	104,733
Deposits at notice	25,034	24,182
Time deposits	1,782,391	1,787,491
Installment savings	279	220
Other deposits	115,010	84,213
Negotiable certificates of deposit	230,319	206,003
Call money	28,708	40,880
Payables under repurchase agreements	86,565	136,841
Cash collateral received for securities lent	723,449	283,947
Borrowed money	924,693	1,120,429
Borrowings from other banks	924,693	1,120,429
Foreign exchanges	338	341
Foreign bills sold	35	154
Foreign bills payable	302	187
Bonds payable	50,000	50,000
Borrowed money from trust account	12,988	13,575
Other liabilities	31,831	66,426
Income taxes payable	3,663	5,861
Accrued expenses	4,734	6,219
Unearned revenue	1,711	1,576
Reserve for interest on installment savings	0	0
Financial derivatives	13,293	39,591
Cash collateral received for financial instruments	2,470	4,049
Lease liabilities	569	496
Other	5,388	8,632
Provision for bonuses for directors (and other officers)	56	61
Provision for retirement benefits for directors (and other officers)	145	116
Provision for reimbursement of deposits	264	154
Provision for contingent loss	926	915
Deferred tax liabilities for land revaluation	7,112	6,902
Acceptances and guarantees	8,527	8,609
Total liabilities	10,159,715	10,251,442

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar.31, 2024
Net assets:		
Share capital	48,652	48,652
Capital surplus	29,114	29,120
Legal capital surplus	29,114	29,114
Other capital surplus	—	5
Retained earnings	396,033	416,582
Legal retained earnings	43,548	43,548
Other retained earnings	352,485	373,034
Reserve for tax purpose reduction entry	2,006	1,209
General reserve	314,650	329,650
Retained earnings brought forward	35,828	42,174
Treasury shares	(9,233)	(17,146)
Total shareholders' equity	464,567	477,208
Valuation difference on available-for-sale securities	(4,453)	21,399
Deferred gains or losses on hedges	250	942
Revaluation reserve for land	13,022	12,593
Total valuation and translation adjustments	8,819	34,934
Total net assets	473,386	512,143
Total liabilities and net assets	10,633,101	10,763,586

(2) Non-consolidated statements of income

	FY2022 ended Mar.31, 2023	FY2023 ended Mar.31, 2024
(Unit: Millions of yen)		
Ordinary income	143,243	166,740
Interest income	87,335	106,113
Interest on loans and discounts	58,795	69,180
Interest and dividends on securities	26,389	35,287
Interest on call loans	55	12
Interest on deposits with banks	2,024	1,002
Other interest income	69	89
Trust fees	36	37
Fees and commissions	20,889	24,550
Fees and commissions on domestic and foreign exchanges	4,270	4,203
Other fees and commissions	16,618	20,347
Other ordinary income	6,017	3,611
Gain on foreign exchange transactions	2,797	1,719
Gain on sale of bonds	3,220	1,317
Gain on financial derivatives	—	574
Other income	28,964	32,427
Recoveries of written off receivables	4	9
Gain on sale of equity securities	28,578	32,059
Other	381	358
Ordinary expenses	109,675	127,553
Interest expenses	15,611	39,770
Interest on deposits	1,512	4,672
Interest on negotiable certificates of deposit	1,257	637
Interest on call money	1,699	3,390
Interest expenses on payables under repurchase agreements	1,023	6,501
Interest expenses on cash collateral received for securities lent	2,790	3,291
Interest on borrowings and rediscounts	549	1,149
Interest on bonds	226	272
Interest expenses on interest rate swaps	6,295	19,171
Other interest expenses	256	682
Fees and commissions payments	9,123	9,649
Fees and commissions on domestic and foreign exchanges	393	403
Other fees and commissions	8,730	9,246
Other ordinary expenses	32,379	25,887
Net loss on trading securities transactions	19	8
Loss on sale of bonds	31,483	25,376
Loss on redemption of bonds	530	501
Loss on devaluation of bonds	—	0
Loss on financial derivatives	345	—
General and administrative expenses	49,618	49,706
Other expenses	2,942	2,540
Provision of allowance for loan losses	810	293
Written-off of loans	—	5
Loss on sale of equity securities	1,382	1,749
Loss on devaluation of equity securities	170	23
Loss on money held in trust	11	0
Other	567	468
Ordinary profit	33,567	39,186

(Unit: Millions of yen)

	FY2022 ended Mar.31, 2023	FY2023 ended Mar.31, 2024
Extraordinary income	1,645	210
Gain on disposal of non - current assets	1,597	210
Other	47	—
Extraordinary losses	1,012	1,013
Loss on disposal of non - current assets	603	226
Impairment losses	409	787
Profit before income taxes	34,200	38,382
Income taxes - current	7,103	10,334
Income taxes - deferred	2,475	(104)
Total income taxes	9,578	10,229
Profit	24,622	28,153

(3) Non-consolidated statements of changes in net assets
FY2022 ended Mar. 31, 2023

(Unit: Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	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
Changes during period									
Dividends of surplus								(6,161)	(6,161)
Provision of reserve for tax purpose reduction entry						880		(880)	
Reversal of reserve for tax purpose reduction entry						(1,835)		1,835	
Provision of general reserve							10,000	(10,000)	
Profit								24,622	24,622
Purchase of treasury shares									
Disposal of treasury shares								(25)	(25)
Reversal of revaluation reserve for land								393	393
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	(954)	10,000	9,782	18,827
Balance at end of period	48,652	29,114	—	29,114	43,548	2,006	314,650	35,828	396,033

	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
Changes during period							
Dividends of surplus		(6,161)					(6,161)
Provision of reserve for tax purpose reduction entry							
Reversal of reserve for tax purpose reduction entry							
Provision of general reserve							
Profit		24,622					24,622
Purchase of treasury shares	(2,000)	(2,000)					(2,000)
Disposal of treasury shares	119	94					94
Reversal of revaluation reserve for land		393					393
Net changes in items other than shareholders' equity			(36,427)	388	(393)	(36,432)	(36,432)
Total changes during period	(1,880)	16,946	(36,427)	388	(393)	(36,432)	(19,485)
Balance at end of period	(9,233)	464,567	(4,453)	250	13,022	8,819	473,386

FY2023 ended Mar. 31, 2024

(Unit: Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	48,652	29,114	—	29,114	43,548	2,006	314,650	35,828	396,033
Changes during period									
Dividends of surplus								(8,033)	(8,033)
Provision of reserve for tax purpose reduction entry						84		(84)	
Reversal of reserve for tax purpose reduction entry						(880)		880	
Provision of general reserve							15,000	(15,000)	
Profit								28,153	28,153
Purchase of treasury shares									
Disposal of treasury shares			5	5					
Reversal of revaluation reserve for land								428	428
Net changes in items other than shareholders' equity									
Total changes during period	—	—	5	5	—	(796)	15,000	6,345	20,549
Balance at end of period	48,652	29,114	5	29,120	43,548	1,209	329,650	42,174	416,582

	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	(9,233)	464,567	(4,453)	250	13,022	8,819	473,386
Changes during period							
Dividends of surplus		(8,033)					(8,033)
Provision of reserve for tax purpose reduction entry							
Reversal of reserve for tax purpose reduction entry							
Provision of general reserve							
Profit		28,153					28,153
Purchase of treasury shares	(8,001)	(8,001)					(8,001)
Disposal of treasury shares	88	94					94
Reversal of revaluation reserve for land		428					428
Net changes in items other than shareholders' equity			25,853	691	(428)	26,115	26,115
Total changes during period	(7,913)	12,641	25,853	691	(428)	26,115	38,757
Balance at end of period	(17,146)	477,208	21,399	942	12,593	34,934	512,143

Supplementary Information
for the Fiscal Year 2023,
Ended March 31, 2024

The Gunma Bank, Ltd.

【 Table of contents 】

I Financial Highlights for the Fiscal Year 2023, Ended March 31, 2024	...	1
II Financial Data for the Fiscal Year 2023, Ended March 31, 2024		
1. Profit and Loss Conditions	...	8
2. Main Account Conditions	...	9
3. Interest Rate Spread	...	9
4. Capital Ratio (International Standard)	...	10
5. Earnings Forecasts	...	10
6. Allowance for Loan Losses	...	11
(1) Written-off／allowance criteria		
(2) Breakdown of allowance for loan losses		
7. Disclosed Claims under the Financial Reconstruction Law ("FRL")	...	12
(1) Balance of disclosed claims under the FRL and ratio to the total claims		
(2) Status of coverage on disclosed claims under the FRL	...	13
8. Relationship between Self-Assessment, Disclosed Claims under the FRL and Risk-Monitored Loans("RML")	...	13
9. Loans Breakdown by Industry, etc.	...	14
(1) Loans breakdown by industry		
(2) Disclosed Claims under the "FRL"		
(3) Balance of small and medium-sized enterprises, etc. loans and ratio	...	15
10. Loans Breakdown by Domicile of Borrower, etc.	...	15
(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 Fiscal Year 2023, Ended March 31, 2024

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

- Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts increased compared with the previous fiscal year due to increases in interest on loans and discounts and non-interest business profit.
- Profit increased compared with the previous fiscal year due to an increase in gains (losses) on investment securities and a decrease in net credit cost. Record profits on both consolidated and non-consolidated.

(Unit : Billions of yen)

	FY2023 ended Mar.31, 2024 【Consolidated】	compared with FY2022	FY2023 ended Mar. 31, 2024 【Non-Consolidated】	compared with FY2022
Core net business profit	38.0	(2.2)	33.2	(2.4)
excluding gains (losses) on bonds				
excluding cancellation of investment trusts	45.4	5.5	40.6	5.3
Ordinary profit	43.7	5.4	39.1	5.6
(Attributable to owners of parent) Profit	31.1	3.1	28.1	3.5

2. Main Account Conditions 【Non-consolidated】

- Loans and bills discounted increased due to general increase in loans to retail, cross-boarder, structured finance, large enterprises.
- Deposits and negotiable certificates of deposit steadily increased individual deposits and corporate deposits.

(Unit : Billions of yen)

	As of Mar. 31, 2024 (a)	(a) - (b)	As of Mar.31, 2023 (b)
Loans and bills discounted	6,467.8	418.1	6,049.7
Deposits and negotiable certificates of deposit	8,522.2	238.1	8,284.1

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

- Ratio to the total claims amounted to 1.58%, down 0.23 point compared with the previous fiscal year-end.

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	As of Mar.31, 2023 (b)
Disclosed claims under the FRL	103.5	(7.1)	110.7
Ratio to the total claims	1.58%	(0.23)%	1.81%

4. Capital Ratio 【Consolidated】

- Total capital ratio amounted to 14.86%, and maintained a high level.

	As of Mar.31, 2024 (a)	(a) - (b)	As of Mar.31, 2023 (b)
Total capital ratio	14.86%	1.04%	13.82%

*The Gunma Bank, Ltd. has early adopted the new "International convergence of capital measurement and capital standards(finalising Basel III reforms)" from the end of Mar. 2023.

5. Earnings Forecasts 【Consolidated / Non-consolidated】

- Profit for fiscal year 2024, ending March 31, 2025 will be 35.0 billion yen on a consolidated basis and 31.0 billion yen on a non-consolidated basis, exceeding the level of the previous fiscal year.

(Unit : Billions of yen)

	FY2024 ending Mar.31,2025 【Consolidated】	compared with FY2023	FY2024 ending Mar.31,2025 【Non-Consolidated】	compared with FY2023
Core net business profit	46.0	8.0	40.0	6.8
excluding gains (losses) on bonds				
excluding cancellation of investment trusts	50.0	4.6	44.0	3.4
Ordinary profit	51.5	7.8	45.5	6.4
(Attributable to owners of parent) Profit	35.0	3.9	31.0	2.9

6. Shareholder Return

- As announced in November 2023, the Gunma Bank, Ltd. ("the Bank") plans to pay a year-end dividend of 12 yen for FY2023, ended Mar. 31 2024. The annual dividend will be 22 yen in total, including the interim dividend of 10 yen.
- In addition, the Bank have resolved to acquire treasury shares (up to 5.0 billion yen) at today's board meeting. As a result, total shareholder return combining cash dividends payments and the acquisition of treasury shares will be 53% degree.
- The annual cash dividends per share for FY 2024, ending Mar. 31, 2025 is planned to be 28 yen, up 6 yen compared with the previous year. The dividend has increased for four consecutive fiscal years.

	FY2023 ended Mar.31,2024	compared with FY2022	FY2024 ending Mar.31,2025 【forecast】	compared with FY2023
Annual cash dividends per share	22.00yen	4.00yen	28.00yen	6.00yen
Interim cash dividends	10.00yen	2.00yen	14.00yen	4.00yen
Year-end cash dividends	12.00yen	2.00yen	14.00yen	2.00yen

1. Profit and Loss, etc. Conditions

- Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts amounted to 45.4 billion yen, up 5.5 billion yen compared with the previous year, due to increases in interest on loans resulting from increase in loans and in non-interest business profit through operating activities based on corporate purpose.
- Ordinary profit amounted to 43.7 billion yen, up 5.4 billion yen compared with the previous year, due to an increase in gains or losses on investment securities and a decrease net credit cost.
- As a result, profit attributable to owners of parent amounted 31.1 billion yen, up 3.1 billion yen compared with the previous year. We achieved the target of 30.0 billion yen set in medium-term business plan one year ahead of schedule. The 31.1 billion yen is a record high, exceeding the 28.6 billion yen in the fiscal year ended Mar. 31, 2016.

【Consolidated】

(Unit : Millions of yen)

		FY2023 ended Mar. 31, 2024 (a)	(a)-(b)	FY2022 ended Mar. 31, 2023(b)	FY2023 ended Mar. 31, 2024 forecast
Gross business profits	1	65,676	1,996	63,679	
Core gross business profits(1-12)	2	90,243	(2,234)	92,478	91,200
Net interest income	3	66,028	(5,426)	71,455	67,900
Of which, gains (losses) on cancellation of investment trusts	4	(7,446)	(7,804)	357	
Non-interest business profit (refer to marginal table)	5	24,214	3,191	21,022	23,300
Net fees and commissions income	6	19,147	4,704	14,442	
Profit from other business transactions	7	5,067	(1,512)	6,580	
Expenses (excluding non-recurrent expenses) [-]	8	52,191	(23)	52,215	52,700
Core net business profit excluding gains (losses) on bonds(2-8)	9	38,052	(2,210)	40,263	38,500
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	10	45,498	5,593	39,905	43,300
Gains or losses on investment securities	11	5,719	7,492	(1,772)	
Gains (losses) on bonds	12	(24,566)	4,231	(28,798)	
Gains (losses) on stocks and other securities	13	30,286	3,261	27,025	
Net credit costs [-]	14	1,180	(92)	1,272	1,800
Others	15	1,197	97	1,099	
Ordinary profit	16	43,788	5,472	38,316	42,000
Extraordinary income (losses)	17	(806)	(1,390)	584	
Of which, gains (losses) on disposal of non-current assets	18	(18)	(1,012)	994	
Profit before income taxes	19	42,982	4,081	38,901	
Total income taxes [-]	20	11,856	888	10,968	
Profit	21	31,125	3,192	27,933	
Profit attributable to owners of parent	22	31,125	3,192	27,933	30,000

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)

Non-interest business profit	23	24,214	3,191	21,022	23,300
Corporate service revenue	24	7,571	1,562	6,008	7,100
Deposit financial asset, etc. revenue	25	7,624	773	6,850	7,600
Others	26	9,018	855	8,163	8,600

(Related items regarding consolidated companies)

(Unit 27, 28 : number of companies / Unit 29 : million yen)

Number of consolidated subsidiaries	27	6	—	6
Number of affiliated companies applicable to the equity method	28	3	—	3
Total profit of the bank group companies *Profit attributable to owners of parent—profit(non-consolidated)	29	2,972	(338)	3,311

Over head ratio(8 / 2)	30	57.8%	1.4%	56.4%
excluding cancellation of investment trusts(8 / (2-4))	31	53.4%	(3.2)%	56.6%
Return on equity	32	5.7%	0.4%	5.3%

【Non-consolidated】

(Unit: Millions of yen)

		FY2023 ended Mar. 31, 2024 (a)	(a)-(b)	FY2022 ended Mar. 31, 2023(b)	FY2023 ended Mar. 31, 2024 forecast
Gross business profits	1	59,006	1,841	57,164	
Core gross business profits(1-20)	2	83,567	(2,390)	85,958	84,700
Net interest income	3	66,343	(5,381)	71,724	68,200
Domestic business	4	60,852	(5,965)	66,818	
Of which, interest on loans and discounts	5	53,055	1,704	51,350	
Of which, interest and dividends on securities	6	7,165	(6,637)	13,802	
Of which, gains (losses) on cancellation of investment trusts	7	(7,446)	(7,804)	357	
International business	8	5,490	584	4,906	
Non-interest business profit	9	17,224	2,990	14,233	16,500
Net fees and commissions income	10	14,938	3,136	11,802	
Profit from other business transactions	11	2,285	(145)	2,431	
Expenses (excluding non-recurrent expenses) [-]	12	50,358	64	50,293	50,800
Personnel expenses	13	27,775	(221)	27,997	
Non-personnel expenses	14	19,765	173	19,591	
Taxes	15	2,817	112	2,705	
Core net business profit excluding gains (losses) on bonds(2-12)	16	33,209	(2,455)	35,664	33,900
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	17	40,656	5,349	35,306	38,700
Real net business profit(16+20)	18	8,648	1,777	6,870	
Gains or losses on investment securities	19	5,725	7,493	(1,768)	
Gains (losses) on bonds	20	(24,561)	4,232	(28,793)	
Gains (losses) on stocks and other securities	21	30,286	3,261	27,025	
Net credit costs [-]	22	614	(460)	1,075	1,300
Other non-recurrent gains (losses)	23	866	119	746	
Ordinary profit	24	39,186	5,618	33,567	37,500
Extraordinary income (losses)	25	(803)	(1,436)	632	
Of which, gains (losses) on disposal of non-current assets	26	(16)	(1,010)	994	
Profit before income taxes	27	38,382	4,182	34,200	
Total income taxes [-]	28	10,229	651	9,578	
Profit	29	28,153	3,531	24,622	27,000

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 conditions

(Unit: Millions of yen)

		FY2023 ended Mar. 31, 2024 (a)	(a)-(b)	FY2022 ended Mar. 31, 2023(b)
Gains or losses on investment securities	30	5,725	7,493	(1,768)
Gains (losses) on bonds	31	(24,561)	4,232	(28,793)
Gain on sales	32	1,317	(1,902)	3,220
Gain on redemption	33	—	—	—
Loss on sales [-]	34	25,376	(6,107)	31,483
Loss on redemption [-]	35	501	(28)	530
Loss on devaluation [-]	36	0	0	—
Gains (losses) on stocks and other securities	37	30,286	3,261	27,025
Gain on sales	38	32,059	3,480	28,578
Loss on sales [-]	39	1,749	366	1,382
Loss on devaluation [-]	40	23	(147)	170

(Reference) Net credit costs conditions

(Unit: Millions of yen)

		FY2023 ended Mar. 31, 2024 (a)	(a)-(b)	FY2022 ended Mar. 31, 2023(b)
Net credit costs(42+43-49)	[-] 41	614	(460)	1,075
Net transfer to general allowance for loan losses	[-] 42	(1,567)	302	(1,869)
Disposal of non-performing loans	[-] 43	2,192	(757)	2,949
Written-off of loans	44	5	5	—
Provision of specific allowance for loan losses	45	1,861	(818)	2,680
Provision of accident loss	46	(10)	(36)	25
Losses on sales of loans	47	8	(20)	29
Cost born under joint responsibility system of guarantee corporations	48	327	112	214
Recoveries of written off receivables	49	9	4	4

2. Main Account Conditions

- Loans and bills discounted amounted to 6,467.8 billion yen, up 418.1 billion yen (+6.9%) compared with the previous fiscal year-end, due to general increase in loans to retail, cross-boarder loans, structured finance, large enterprises.
In FY 2023, the Bank executed sustainable finance of 414.7 billion yen. The cumulative total during 2 years was 680.9 billion yen, and the progress rate towards the cumulative total during 3 years target of 800.0 billion yen was 85.1%.
- Deposits and negotiable certificates of deposit amounted to 8,522.2 billion yen, up 238.1 billion yen compared with the previous fiscal year-end, due to an steadily increase individual deposits and corporate deposits.
- Deposit financial assets amounted to 1,154.2 billion yen, up 95.0 billion yen compared with the previous fiscal year-end, due to an increase in the balance of investment trust and life insurance.
- Unrealized gains on valuation of other securities amounted 30.5 billion yen.

(1) Loans 【Non-consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
		(a) - (b)	(a) - (c)		
Loans and bills discounted	6,467.8	223.0	418.1	6,244.7	6,049.7
Retail loans	4,824.5	92.4	135.1	4,732.0	4,689.3
Small and medium-sized enterprises	2,399.0	61.6	83.4	2,337.4	2,315.5
Individuals	2,425.4	30.8	51.7	2,394.6	2,373.7
Of which, housing-related loans	2,333.3	25.7	44.7	2,307.6	2,288.5
Housing loans	1,416.2	17.7	34.6	1,398.4	1,381.6
Apartment loans	677.3	10.4	17.1	666.8	660.1
Others	239.7	(2.5)	(7.0)	242.2	246.7
Of which, unsecured consumer loans	71.3	4.7	8.3	66.6	62.9
Other loans	1,643.3	130.6	282.9	1,512.6	1,360.3
cross-boarder loans and structured finance	304.6	46.3	118.6	258.2	185.9
Corporations(large / second-tier enterprises, etc.)	1,131.8	69.5	140.2	1,062.2	991.6
Public sectors	103.1	(0.4)	(3.9)	103.6	107.1
Overseas branch	103.6	15.1	28.0	88.5	75.6

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)

	cumulative total during 2 years (Apr.2022-Mar.2024)			Medium-term business plan final year target (cumulative total during 3 years) (Apr.2022-Mar.2025)
	FY2022	FY2023		
Amount of sustainable finance executed	266.2	414.7	680.9	800.0

Note: 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 Mar.31, 2024 (a)			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
		(a) - (b)	(a) - (c)		
Deposits and negotiable certificates of deposit	8,522.2	168.5	238.1	8,353.6	8,284.1
Deposits	8,316.2	219.2	262.4	8,096.9	8,053.7
Of which, individuals	5,732.7	68.6	137.9	5,664.0	5,594.7
Of which, corporations	2,028.0	11.7	94.7	2,016.3	1,933.2
Negotiable certificates of deposit	206.0	(50.7)	(24.3)	256.7	230.3

(3) Deposit financial assets 【Consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Deposit financial assets	1,154.2	52.8	95.0	1,101.4	1,059.2
(Of which, individual deposit financial assets)	1,063.6	51.3	97.5	1,012.3	966.1
Bank, non-consolidated	898.6	40.1	93.7	858.4	804.8
Investment trust	289.7	22.6	44.4	267.0	245.3
Public bonds (Government bonds, etc.)	35.5	(1.9)	(3.2)	37.4	38.7
Life insurance	573.3	19.4	52.6	553.9	520.7
Gungin Securities (including intermediation)	255.6	12.6	1.2	242.9	254.3

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

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)	As of Mar.31, 2024 balance sheet value
Other securities	30.5	38.8	37.1	(8.2)	(6.6)	2,241.2
Stocks	75.9	13.1	21.4	62.7	54.5	215.2
Bonds	(28.3)	7.6	6.3	(36.0)	(34.7)	1,250.0
Others	(16.9)	17.9	9.4	(34.9)	(26.4)	775.9
Foreign securities	3.6	15.7	4.0	(12.1)	(0.4)	557.2
Investment trusts, etc.	(20.6)	2.1	5.3	(22.8)	(25.9)	218.7

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

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Disclosed claims under the FRL ①	103.5	(3.1)	(7.1)	106.7	110.7
Normal claims	6,423.1	224.3	425.2	6,198.7	5,997.9
Total claims ②	6,526.6	221.2	418.0	6,305.4	6,108.6
Ratio to the total claims ① / ②	1.58 %	(0.11)%	(0.23)%	1.69 %	1.81 %
Coverage rate	73.2 %	0.1 %	2.8 %	73.1 %	70.4 %

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	85.4	(2.4)	(9.4)	87.8	94.8
Ratio to the total claims	1.31 %	(0.08)%	(0.24)%	1.39 %	1.55 %

4. Capital Ratio(International Standard) 【Consolidated】

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Total capital ratio	14.86 %	1.43 %	1.04 %	13.43 %	13.82 %
Tier1 ratio	13.79 %	1.42 %	1.31 %	12.37 %	12.48 %
Common equity Tier1 ratio	13.52 %	1.15 %	1.04 %	12.37 %	12.48 %

*The Bank has early adopted the new "International convergence of capital measurement and capital standards (finalising Basel III reforms)" from the end of Mar. 2023.

5. Earning Forecasts【Consolidated / Non-consolidated】

(Unit : Billions of yen)

	FY2024 ending Mar.31,2025 forecast 【Consolidated】	compared with FY2023	FY2024 ending Mar.31,2025 forecast 【Non-consolidated】	compared with FY2023
Core net business profit excluding gains (losses) on bonds	46.0	8.0	40.0	6.8
excluding cancellation of investment trusts	50.0	4.6	44.0	3.4
Ordinary profit	51.5	7.8	45.5	6.4
(Attributable to owners of parent) Profit	35.0	3.9	31.0	2.9

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

- As announced in November 2023, the Bank plans to pay a year-end dividend of 12 yen for the FY 2023, ended Mar. 31, 2024. The annual dividend will be 22 yen in total, including the interim dividend of 10 yen.
- In addition, the Bank has resolved to acquire treasury shares at today's board meeting.
【Total cost of acquisition : Up to 5.0 billion yen / Total number of shares to be acquired : Up to 6.5 million shares /
Period of acquisition : from May 10, 2024 to June 14, 2024】
- Total shareholder return combining cash dividends payments (8.6 billion yen in total) and the acquisition of treasury shares (8.0 billion yen, total of 3.0 billion yen already acquired and 5.0 billion yen of the above acquisition limit) will be 53% degree.
- The annual cash dividends per share for FY 2024, ended Mar. 31, 2025 is planned to be 28 yen, up 6 yen compared with the previous year. The dividend has increased for four consecutive fiscal years.

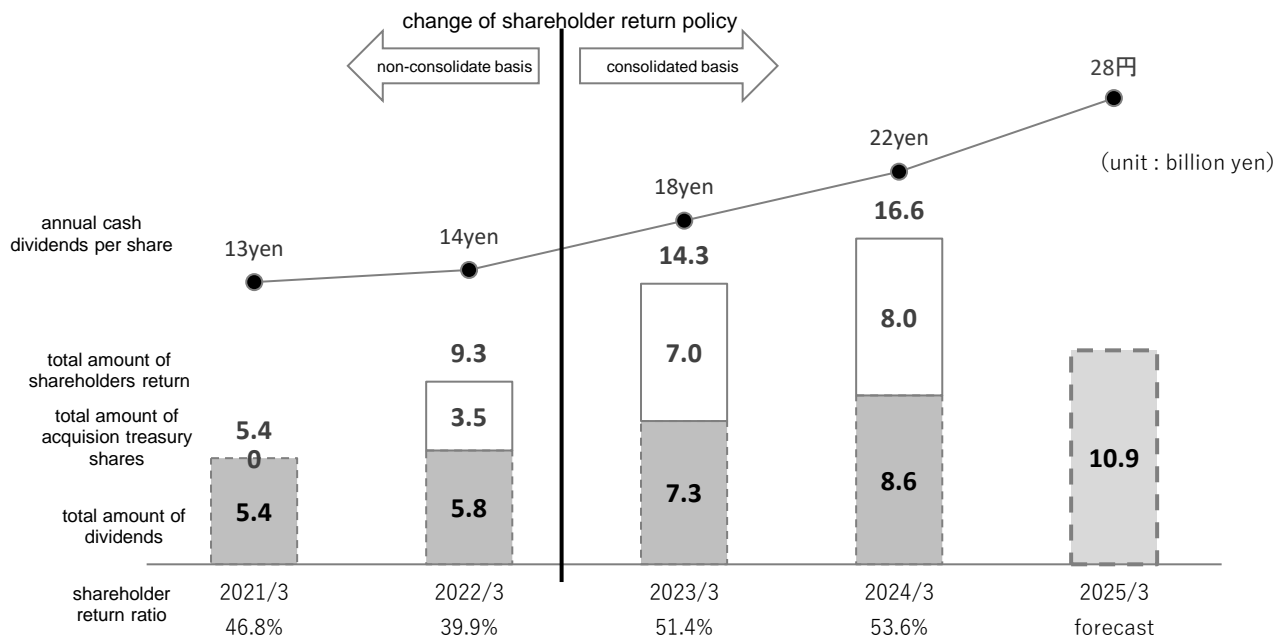
	2021/3	2022/3	2023/3	2024/3
Total amount of shareholders return	5.4billion yen	9.3billion yen	14.3billion yen	16.6billion yen
Consolidated shareholder return ratio *1	—	—	51.4%	53.6%
Non-consolidate shareholder return ratio *1	46.8%	39.9%	—	—
Total amount of dividends	5.4billion yen	5.8billion yen	7.3billion yen	8.6billion yen
Consolidated dividend payout ratio	40.4%	22.1%	26.4%	28.1%
Annual cash dividends per share	13yen	14yen	18yen	22yen
Of which, interim cash dividends	6yen	7yen	8yen	10yen
Of which, year-end cash dividends	7yen	7yen	*2 10yen	12yen
Total amount of acquisition treasury shares *2	—	3.5billion yen	7.0billion yen	8.0billion yen

*1 The Bank is setting a target of 40% of the profit for the shareholders return ratio combining cash dividend payments and the acquisition cost of treasury shares. From the fiscal year ended Mar. 31, 2023, the Bank changed its profit, which is the basis for shareholder returns, from a non-consolidated basis to a consolidated basis.

*2 The amount of acquisition treasury shares is rounded up. In calculating the shareholder return ratio, the amount of acquisition treasury stock is calculated based on the amount of stock buybacks during the one-year period starting from the date of the annual general meeting of shareholders. The amount of 5.0 billion yen (up to) announced today is included in the FY 2023, ended Mar. 31, 2024.

*3 Cash dividend of 10 yen for the FY ended Mar. 31, 2023 included a commemorative dividend of 1 yen for the 90th anniversary of the establishment of the Bank.

(reference) Changes in total amount of shareholders return



(Reference) Reduction status of shares for policy purpose

- The bank has set and announced the following reduction target in November 9, 2022 in order to further accelerate the reduction of its shares for policy purposes for the purpose of sound development of the capital markets, further improvement of its capital efficiency, and strengthening of its financial position.

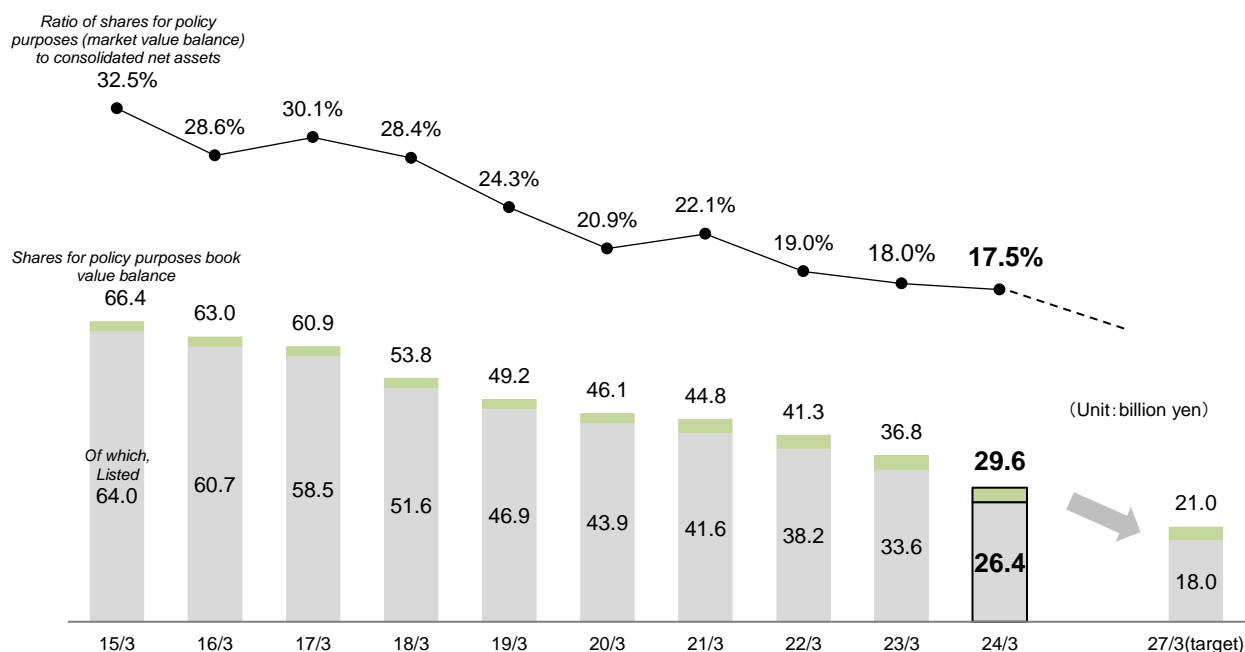
Reduction target : reduction of listed shares for policy purposes with a book value of 20.0 billion yen
(approx. 50% of the book value of shares for policy purposes at the end of March 2022)

Time frame : Five years from the fiscal year ended March 31, 2023 (the current fiscal year) to the fiscal year ending March 31, 2027

- Listed shares for policy purposes with a book value in FY2023 were reduced by 7.2 billion yen to 26.4 billion yen.

Also, the progress rate is 59% towards the reduction target of 20.0 billion yen.

- In addition, ratio of shares for policy purposes (market value balance) to consolidated net assets was 17.5%.



*including unlisted stocks excluding stocks related to subsidiaries・affiliates

*there are no stocks related to retirement benefit trust contributions after the FY2022, ended Mar. 31 2023.

II Financial Data for the Fiscal Year 2023, Ended March 31, 2024

1. Profit and Loss Conditions

【Non-consolidated】

(Unit : Millions of yen)

		FY2023 ended Mar.31, 2024 (a)		FY2022 ended Mar.31, 2023 (b)
			(a) - (b)	
Gross business profits	1	59,006	1,841	57,164
(excluding gains (losses) on bonds)	2	83,567	(2,390)	85,958
Domestic gross business profits	3	53,135	(26,438)	79,573
Net interest income	4	60,852	(5,965)	66,818
Net fees and commissions income	5	14,712	3,074	11,637
Profit from other business transactions	6	(22,429)	(23,547)	1,117
(Of which, gains (losses) on bonds)	7	(22,522)	(23,598)	1,075
International gross business profits	8	5,870	28,279	(22,409)
Net interest income	9	5,490	584	4,906
Net fees and commissions income	10	226	61	164
Profit from other business transactions	11	154	27,633	(27,479)
(Of which, gains (losses) on bonds)	12	(2,038)	27,830	(29,869)
Expenses (excluding non-recurrent expenses) [-]	13	50,358	64	50,293
Personnel expenses	14	27,775	(221)	27,997
Non-personnel expenses	15	19,765	173	19,591
Taxes	16	2,817	112	2,705
Core net business profit(1-13)	17	8,648	1,777	6,870
Core net business profit excluding gains (losses) on bonds (2-13)	18	33,209	(2,455)	35,664
Core net business profit excluding gains(losses) on bonds and cancellation of investment trusts	19	40,656	5,349	35,306
Provision of general allowance for loan losses [-]	20	(1,567)	302	(1,869)
Net business profit (1-13-20)	21	10,215	1,475	8,740
(Of which, gains (losses) on bonds)	22	(24,561)	4,232	(28,793)
Non-recurrent gains (losses)	23	28,971	4,143	24,827
Disposal of non-performing loans [-]	24	2,192	(757)	2,949
Written-off of loans	25	5	5	—
Provision of specific allowance for loan losses	26	1,861	(818)	2,680
Provision of accident loss	27	(10)	(36)	25
Losses on sales of loans	28	8	(20)	29
Cost born under joint responsibility system of guarantee corporations	29	327	112	214
Recoveries of written off receivables	30	9	4	4
(Net credit costs) (20+24-30) [-]	31	614	(460)	1,075
Gains (losses) on stocks and other securities	32	30,286	3,261	27,025
Other non-recurrent gains (losses)	33	866	119	746
Of which, retirement benefit costs [-]	34	(751)	24	(776)
Ordinary profit	35	39,186	5,618	33,567
Extraordinary income (losses)	36	(803)	(1,436)	632
Of which, gains (losses) on disposal of non-current assets	37	(16)	(1,010)	994
Of which, impairment losses [-]	38	787	377	409
Profit before income taxes	39	38,382	4,182	34,200
Total income taxes [-]	40	10,229	651	9,578
Income taxes-current	41	10,334	3,231	7,103
Income taxes-deferred	42	(104)	(2,579)	2,475
Profit	43	28,153	3,531	24,622

2. Main Account Conditions 【Non-consolidated】

(Unit : Billions of yen)

		As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Loans and bills discounted	Term-end balance	6,467.8	223.0	418.1	6,244.7	6,049.7
	Average balance	6,181.3	103.6	345.8	6,077.6	5,835.5
Securities	Term-end balance	2,296.6	(36.0)	(327.1)	2,332.7	2,623.8
	Average balance	2,347.5	(108.4)	(100.7)	2,455.9	2,448.2
Deposits	Term-end balance	8,316.2	219.2	262.4	8,096.9	8,053.7
	Average balance	8,065.7	29.2	174.2	8,036.4	7,891.4

3. Interest Rate Spread 【Non-consolidated】

(All branches)

(Unit : %)

		FY2023 ended Mar. 31, 2024 (a)	(a) - (b)	FY2022 ended Mar. 31, 2023 (b)
① Average yield on interest earning assets		1.22	0.22	1.00
	Average yield on loans and bills discounted	1.11	0.11	1.00
	Average yield on securities	1.52	0.45	1.07
② Average yield on interest bearing liabilities		0.87	0.21	0.66
	Average yield on deposits and negotiable certificates of deposit	0.06	0.03	0.03
	Average yield on external liabilities	0.33	0.14	0.19
③ Average interest rate spread (①-②)		0.35	0.01	0.34

(Domestic segment)

(Unit : %)

		FY2023 ended Mar. 31, 2024 (a)	(a) - (b)	FY2022 ended Mar. 31, 2023 (b)
① Average yield on interest earning assets		0.74	(0.06)	0.80
	Average yield on loans and bills discounted	0.90	(0.01)	0.91
	Average yield on securities	0.39	(0.27)	0.66
② Average yield on interest bearing liabilities		0.49	(0.02)	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)		0.25	(0.04)	0.29

4. Capital Ratio (International Standard)

【Consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Total capital ratio	14.86%	1.43%	1.04%	13.43%	13.82%
Tier1 ratio	13.79%	1.42%	1.31%	12.37%	12.48%
Common equity Tier1 ratio	13.52%	1.15%	1.04%	12.37%	12.48%
Core CET 1 ratio (Note4)	12.91%	0.54%	0.43%	12.37%	12.48%
Total capital	570.6	46.7	40.6	523.9	529.9
Tier1 capital	529.5	46.7	50.7	482.8	478.7
Common equity Tier1 capital	519.5	36.7	40.7	482.8	478.7
Risk weighted assets	3,840.1	(61.2)	5.4	3,901.3	3,834.6
Total required capital	307.2	(4.9)	0.4	312.1	306.7

【Non-consolidated】

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Total capital ratio	14.14%	1.32%	0.91%	12.82%	13.23%
Tier1 ratio	13.07%	1.31%	1.19%	11.76%	11.88%
Common equity Tier1 ratio	12.80%	1.04%	0.92%	11.76%	11.88%
Total capital	529.1	44.4	37.1	484.6	492.0
Tier1 capital	489.1	44.4	47.1	444.6	442.0
Common equity Tier1 capital	479.1	34.4	37.1	444.6	442.0
Risk weighted assets	3,741.3	(39.0)	23.3	3,780.3	3,718.0
Total required capital	299.3	(3.1)	1.8	302.4	297.4

Note1: The Gunma Bank has early adopted the new "International convergence of capital measurement and capital standards (finalising Basel III reforms)" from the end of Mar. 2023.

Note2: "Total required capital" = "Risk weighted assets" × 8%

Note3: 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 measurement approach.

Note4: calculated by deducting valuation difference on available-for-sale securities from common equity Tier1. (If negative, no deduction.)

5. Earnings Forecasts

【Consolidated】

(Unit : Billions of yen)

		FY2024 ending Sep.30, 2024 forecast	compared with FY2023 ended Sep.30, 2023	FY2024 ending Mar.31, 2025 forecast	compared with FY2023 ended Mar.31, 2024
Core gross business profits	1	49.7	2.1	100.0	9.8
Net interest income	2	36.6	1.7	74.0	8.0
Non-interest business profit	3	13.1	0.4	26.0	1.8
Of which, corporate service revenue	4	4.1	0.7	8.2	0.7
Of which, deposit financial assets, etc. revenue	5	4.2	0.4	9.3	1.7
Expenses (excluding non-recurrent expenses) [-]	6	27.7	1.8	54.0	1.9
Core net business profit excluding gains(losses) on bonds (1-6)	7	22.0	0.3	46.0	8.0
excluding cancellation of investment trusts	8	24.0	0.6	50.0	4.6
Net credit costs [-]	9	1.8	2.6	3.4	2.3
Ordinary profit	10	25.5	5.9	51.5	7.8
Profit attributable to owners of parent	11	17.5	2.7	35.0	3.9

【Non-consolidated】

(Unit : Billions of yen)

		FY2024 ending Sep.30, 2024 forecast	compared with FY2023 ended Sep.30, 2023	FY2024 ending Mar.31, 2025 forecast	compared with FY2023 ended Mar.31, 2024
Core gross business profits	12	46.1	1.9	91.9	8.4
Net interest income	13	36.8	1.8	74.4	8.1
Non-interest business profit	14	9.3	0.2	17.5	0.3
Expenses (excluding non-recurrent expenses) [-]	15	26.6	1.7	51.9	1.6
Core net business profit excluding gains (losses) on bonds (12-15)	16	19.5	0.3	40.0	6.8
excluding cancellation of investment trusts	17	21.5	0.6	44.0	3.4
Net credit costs [-]	18	1.6	2.7	3.0	2.4
Ordinary profit	19	23.0	5.7	45.5	6.4
Profit	20	16.0	2.6	31.0	2.9

Note1: Gains or losses on bonds are excluded from "Non-interest business profit".

Note2: 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 claims	The amount of possible loan losses over the next one year calculated based on the historical rate of credit losses is reserved.
Claims requiring caution	The amount of possible loan losses calculated for each category is reserved.
Substandard claims, etc.	The amount of possible loan losses over the next three years calculated based on the historical rate of credit losses is reserved.
Other claims 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 claims, etc. are "Substandard claims" and "claims to borrowers, etc. classified as borrowers requiring caution, excluding substandard claims 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 claims	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 claims	The entire amount of a claim not secured by collateral or guarantees, etc., is reserved.
Bankrupt claims	

(2) Breakdown of allowance for loan losses

【Consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Allowance for loan losses	41,366	(1,711)	(4,601)	43,078	45,967
General allowance	13,597	18	(1,948)	13,578	15,546
Specific allowance	27,768	(1,730)	(2,652)	29,499	30,421

【Non-consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Allowance for loan losses	35,412	(1,564)	(4,648)	36,976	40,060
General allowance	11,872	34	(1,567)	11,838	13,439
Specific allowance	23,539	(1,598)	(3,080)	25,138	26,620

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. 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.

(1) Balance of disclosed claims under the "FRL" and ratio to the total claims

【Consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	29,228	(2,085)	3,724	31,313	25,504
Doubtful claims	36,684	(592)	(5,022)	37,276	41,706
Substandard claims	42,163	(905)	(6,605)	43,069	48,768
Loans past due 3 months or more	6,385	2,598	2,739	3,786	3,645
Restructured loans	35,778	(3,504)	(9,344)	39,282	45,122
Total	108,076	(3,583)	(7,903)	111,659	115,979
Normal claims	6,419,241	224,877	421,339	6,194,363	5,997,902
Total claims	6,527,317	221,294	413,436	6,306,023	6,113,881

Ratio to the total claims

	As of Mar.31, 2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	0.44%	(0.05) %	0.03 %	0.49%	0.41%
Doubtful claims	0.56%	(0.03) %	(0.12) %	0.59%	0.68%
Substandard claims	0.64%	(0.04) %	(0.15) %	0.68%	0.79%
Loans past due 3 months or more	0.09%	0.03 %	0.04 %	0.06%	0.05%
Restructured loans	0.54%	(0.08) %	(0.19) %	0.62%	0.73%
Total	1.65%	(0.12) %	(0.24) %	1.77%	1.89%

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"	89,496	(2,923)	(10,283)	92,420	99,780
Ratio to the total claims	1.37%	(0.10) %	(0.26) %	1.47%	1.63%

【Non-consolidated】

(Unit : Millions of yen)

	As of Mar.31, 2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	28,610	(2,165)	3,622	30,775	24,988
Doubtful claims	36,671	(593)	(5,025)	37,264	41,697
Substandard claims	38,283	(381)	(5,753)	38,664	44,037
Loans past due 3 months or more	6,385	2,598	2,739	3,786	3,645
Restructured loans	31,898	(2,979)	(8,493)	34,877	40,391
Total	103,566	(3,139)	(7,157)	106,705	110,723
Normal claims	6,423,121	224,352	425,219	6,198,768	5,997,902
Total claims	6,526,687	221,213	418,061	6,305,473	6,108,625

Ratio to the total claims

	As of Mar.31, 2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and substantially bankrupt claims	0.43%	(0.05) %	0.03 %	0.48%	0.40%
Doubtful claims	0.56%	(0.03) %	(0.12) %	0.59%	0.68%
Substandard claims	0.58%	(0.03) %	(0.14) %	0.61%	0.72%
Loans past due 3 months or more	0.09%	0.03 %	0.04 %	0.06%	0.05%
Restructured loans	0.48%	(0.07) %	(0.18) %	0.55%	0.66%
Total	1.58%	(0.11) %	(0.23) %	1.69%	1.81%

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"	85,420	(2,410)	(9,462)	87,830	94,882
Ratio to the total claims	1.31%	(0.08) %	(0.24) %	1.39%	1.55%

(2) Status of coverage on disclosed claims under the "FRL"

【Consolidated】

(Unit : Millions of yen)

	As of Mar.31,2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage ①	76,495	(2,087)	(2,079)	78,583	78,575
Value covered by collateral and guarantees	49,871	(638)	1,312	50,510	48,559
Allowance for loan losses	26,624	(1,448)	(3,391)	28,072	30,015
Disclosed claims under the "FRL" ②	108,076	(3,583)	(7,903)	111,659	115,979
Coverage ratio ①/②	70.7 %	0.4 %	3.0 %	70.3 %	67.7 %

【Non-consolidated】

(Unit : Millions of yen)

	As of Mar.31,2024			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage ①	75,865	(2,167)	(2,184)	78,033	78,049
Value covered by collateral and guarantees	49,691	(643)	1,280	50,334	48,411
Allowance for loan losses	26,173	(1,524)	(3,464)	27,698	29,638
Disclosed claims under the "FRL" ②	103,566	(3,139)	(7,157)	106,705	110,723
Coverage ratio ①/②	73.2 %	0.1 %	2.8 %	73.1 %	70.4 %

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 7.3		Bankrupt and substantially bankrupt claims 28.6		9.9	18.6 (Allowance ratio 100%)	100.0%
Effectively bankrupt borrowers 21.2						
Potentially bankrupt borrowers 36.6		Doubtful claims 36.6		21.6	4.8 (Allowance ratio 32.4%)	72.4%
Borrowers requiring caution	Substandard borrowers 53.3	Substandard claims 38.2	Loans past due 3 months or more 6.3	18.0	2.6 (Allowance ratio against substandard claims 6.8%)	54.0%
	Restructured Loans 31.8					
		Normal claims 6,423.1				
Normal Borrowers 5,963.8						
Others 103.2						
Total 6,526.6		Total 6,526.6				

○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. Loans Breakdown by Industry, etc. 【Non-consolidated】

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

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
Domestic branches	6,364.1	207.9	390.0	6,156.1	5,974.0
Manufacturing	759.5	2.8	36.2	756.7	723.3
Agriculture and forestry	9.8	0.0	0.4	9.8	9.3
Fishery	3.4	(0.0)	(0.3)	3.5	3.8
Mining, quarrying and gravel	6.5	(0.0)	0.3	6.6	6.1
Construction	220.3	12.2	7.0	208.1	213.3
Electricity, gas, heat supply and water	126.9	16.8	28.2	110.1	98.7
Information and communications	28.2	3.7	4.7	24.5	23.5
Transport and postal service	219.9	22.7	39.7	197.1	180.1
Wholesale and retail trade	515.5	15.5	30.6	500.0	484.9
Financial and insurance	259.8	31.9	53.1	227.8	206.6
Real estate and leasing	918.1	50.8	90.5	867.2	827.6
Medical, welfare	326.1	1.2	0.5	324.8	325.6
Other services	265.4	4.1	3.0	261.3	262.4
Local public sector	103.1	(0.4)	(3.9)	103.6	107.1
Others	2,600.8	46.3	99.7	2,554.4	2,501.1
Of which, individuals	2,425.4	30.8	51.7	2,394.6	2,373.7

(2) Disclosed Claims under the "FRL"

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)	(a) - (b)	(a) - (c)	As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
All branches	103.5	(3.1)	(7.1)	106.7	110.7
Manufacturing	28.8	(3.7)	(4.3)	32.6	33.2
Agriculture and forestry	1.0	(0.3)	(0.2)	1.4	1.3
Fishery	—	—	—	—	—
Mining, quarrying and gravel	—	—	—	—	—
Construction	3.9	0.1	0.3	3.7	3.5
Electricity, gas, heat supply and water	0.2	0.0	0.0	0.2	0.2
Information and communications	0.6	(0.2)	0.2	0.9	0.4
Transport and postal service	3.1	(1.1)	(1.2)	4.2	4.3
Wholesale and retail trade	14.7	(1.1)	(2.0)	15.8	16.7
Financial and insurance	0.0	0.0	0.0	0.0	0.0
Real estate and leasing	7.6	0.0	(1.0)	7.6	8.6
Medical, welfare	14.0	0.7	0.7	13.2	13.2
Other services	15.7	0.2	(0.9)	15.5	16.6
Local public sector	—	—	—	—	—
Others	13.3	2.2	1.4	11.0	11.9

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

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
		(a) - (b)	(a) - (c)		
Balance of small and medium-sized enterprises, etc. loans	5,124.4	146.8	231.4	4,977.6	4,893.0
Loans to individuals	2,425.4	30.8	51.7	2,394.6	2,373.7
Loans to small and medium-sized enterprises	2,698.9	116.0	179.6	2,582.9	2,519.3
Small and medium-sized enterprises, etc. loans ratio	80.5 %	(0.3) %	(1.4) %	80.8 %	81.9 %

Note1: In loans to individuals, apartment loans are included.

Note2: In loans to small and medium-sized enterprises, loans to regional public corporations are included.

Note3: 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 Mar.31, 2024 (a)			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
		(a) - (b)	(a) - (c)		
Balance of loans to Asian countries	91.3	9.4	30.9	81.9	60.4
Of which, disclosed claims under the "FRL"	—	—	—	—	—

(3) Balance of loans to Latin American countries

(Unit : Billions of yen)

	As of Mar.31, 2024 (a)			As of Sep.30, 2023 (b)	As of Mar.31, 2023 (c)
		(a) - (b)	(a) - (c)		
Balance of loans to Latin American countries	11.0	(1.1)	1.3	12.1	9.6
Of which, disclosed claims under the "FRL"	—	—	—	—	—

(4) Balance of loans to Russia

Not applicable.