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Trends in Principal Financial Indicators (Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Operating Income	¥ 167.0	¥ 161.0	¥ 149.3	¥ 151.7	¥ 153.8
Income before Income Taxes and Other	22.3	31.4	30.6	8.5	21.6
Net Income Attributable to Owners of Parent	15.6	23.3	18.5	9.2	14.5
Comprehensive Income	39.6	21.2	13.6	24.6	5.3
Net Assets	1,040.2	1,005.1	988.4	979.5	959.4
Total Assets	13,308.6	13,049.9	12,787.7	13,083.2	11,219.5
Net Assets per Share (Yen)	232.63	216.48	208.80	204.71	195.44
Net Income per Share (Yen)	7.20	10.72	8.51	4.24	6.68
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	7.78	7.67	7.69	7.45	8.51
Consolidated Tier 1 (Common Stock etc.) Ratio (%)	11.15	11.56	11.72	11.74	11.67
Consolidated Tier 1 Ratio (%)	11.83	11.92	11.72	11.74	11.67
Consolidated Total Capital Ratio (%)	13.03	13.19	12.77	12.68	12.37
Return on Equity (%)	1.53	2.34	1.88	0.95	1.51
Price Earnings Ratio	—	—	—	—	—
Cash Flows from Operating Activities	131.0	(38.4)	(370.5)	502.6	(582.5)
Cash Flows from Investing Activities	(246.5)	223.7	236.1	(184.5)	73.7
Cash Flows from Financing Activities	25.4	45.4	0.4	5.4	(10.0)
Cash and Cash Equivalents at the End of the Year	1,633.1	1,723.1	1,492.4	1,626.2	1,302.7
Number of Employees (Persons)	3,701	3,712	3,765	3,909	4,020
[Average Number of Temporary Employees excluded from Above]	[1,024]	[1,008]	[1,010]	[1,018]	[1,018]

Notes: 1. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

2. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Share award rights as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end - Minority Interests as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100

3. The Consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines. From effective fiscal 2022, the finalized Basel III framework has been early adopted for the calculation of the figures.

4. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.

5. Number of Employees refers to the number of persons employed (excluding seconded workers).



Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
ASSETS				
Cash and Due from Banks	¥ 1,660,626	¥ 1,741,181	\$ 10,967	\$ 13,039
Call Loans and Bills Purchased	452,271	377,420	2,987	2,826
Monetary Claims Purchased	33,329	23,816	220	178
Trading Assets	20,922	18,465	138	138
Investment Securities	1,216,561	974,629	8,034	7,298
Loans	9,612,074	9,628,093	63,483	72,104
Foreign Exchange	25,487	22,925	168	171
Other Assets	196,854	197,128	1,300	1,476
Tangible Fixed Assets	37,689	39,793	248	298
Buildings	14,124	15,213	93	113
Land	21,207	21,868	140	163
Construction in Progress	—	209	—	1
Other Tangible Fixed Assets	2,357	2,502	15	18
Intangible Fixed Assets	29,347	16,938	193	126
Software	7,532	8,237	49	61
Other Intangible Fixed Assets	21,814	8,700	144	65
Net Defined Benefit Asset	41,144	23,464	271	175
Deferred Income Taxes	34,336	40,231	226	301
Customers' Liabilities for Acceptances and Guarantees	143,441	131,426	947	984
Reserve for Possible Loan Losses	(195,423)	(185,519)	(1,290)	(1,389)
Total Assets	¥ 13,308,663	¥ 13,049,997	\$ 87,898	\$ 97,730



Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. and Subsidiaries As of March 31, 2024 and 2023

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-2 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's consolidated financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

The consolidated financial statements presented below are not audited or certified. They have been reproduced from audited and certified consolidated financial statements above.

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
LIABILITIES				
Deposits	¥ 6,229,368	¥ 5,781,137	\$ 41,142	\$ 43,294
Negotiable Certificates of Deposit	508,780	689,176	3,360	5,161
Shoko Chukin Bank Debentures	3,296,000	3,448,450	21,768	25,825
Call Money and Bills Sold	102,271	—	675	—
Payables under Securities Lending Transactions	283,989	200,687	1,875	1,502
Trading Liabilities	11,650	10,356	76	77
Borrowed Money	1,469,987	1,583,148	9,708	11,856
Foreign Exchange	1,300	492	8	3
Corporate Bonds	100,000	80,000	660	599
Other Liabilities	74,642	69,098	492	517
Reserve for Bonuses	4,691	4,907	30	36
Net Defined Benefit Liability	658	2,075	4	15
Reserve for Retirement Benefits for Directors	202	174	1	1
Reserve for Losses on Refund for Dormant Bonds	41,203	43,526	272	325
Reserve for Environmental Measures	66	65	0	0
Other Reserves	90	81	0	0
Deferred Tax Liabilities	52	50	0	0
Acceptances and Guarantees	143,441	131,426	947	984
Total Liabilities	12,268,396	12,044,854	81,027	90,203
NET ASSETS				
Capital	218,653	218,653	1,444	1,637
Crisis Response Reserve	129,500	129,500	855	969
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	2,647	3,001
Capital Surplus	0	0	0	0
Retained Earnings	256,462	245,274	1,693	1,836
Treasury Stock	(1,159)	(1,153)	(7)	(8)
Total Shareholders' Equity	1,004,267	993,086	6,632	7,437
Unrealized Gains on Other Securities	27,666	16,233	182	121
Deferred Hedge Gains	111	2	0	0
Remeasurements of Defined Benefit Plans	4,423	(7,976)	29	(59)
Total Accumulated Other Comprehensive Income	32,201	8,259	212	61
Non-controlling Interests	3,796	3,796	25	28
Total Net Assets	1,040,266	1,005,142	6,870	7,527
Total Liabilities and Net Assets	¥ 13,308,663	¥ 13,049,997	\$ 87,898	\$ 97,730



Consolidated Statements of Operations

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
Operating Income	¥ 167,053	¥ 161,030	\$ 1,103	\$ 1,205
Interest Income	121,103	115,759	799	866
Interest on Loans	108,997	105,290	719	788
Interest and Dividends on Securities	5,448	4,007	35	30
Interest on Call Loans and Interest on Bills Purchased	272	543	1	4
Interest on Deposits	1,280	1,232	8	9
Interest on Interest Swaps	0	3	0	0
Other Interest Income	5,103	4,681	33	35
Fees and Commissions	14,532	11,970	95	89
Trading Revenue	6,577	8,425	43	63
Other Operating Income	22,050	22,595	145	169
Other Income	2,789	2,277	18	17
Collection of Written-off Claims	133	36	0	0
Other Income	2,656	2,241	17	16
Operating Expenses	144,696	129,603	955	970
Interest Expenses	10,668	8,420	70	63
Interest on Deposits	2,860	2,521	18	18
Interest on Negotiable Certificates of Deposit	941	1,300	6	9
Interest on Debentures	2,677	2,108	17	15
Interest on Call Money and Interest on Bills Sold	(30)	(4)	(0)	(0)
Interest on Payables under Repurchase Agreements	2	—	0	—
Interest on Securities Lending Transactions	139	—	0	—
Interest on Borrowed Money	3,191	1,955	21	14
Interest on Corporate Bonds	766	524	5	3
Interest on Interest Swaps	2	—	0	—
Other Interest Expenses	116	14	0	0
Fees and Commissions	2,880	3,280	19	24
Trading Expenses	13	—	0	—
Other Operating Expenses	25,361	22,902	167	171
General and Administrative Expenses	76,569	73,197	505	548
Other Expenses	29,202	21,803	192	163
Provision for Possible Loan Losses	27,276	19,131	180	143
Other Expenses	1,926	2,671	12	20
Profit before Income Taxes and Other	22,356	31,426	147	235
Other Gains	79	355	0	2
Gains on Disposal of Fixed Assets	79	355	0	2
Other Losses	1,088	236	7	1
Losses on Disposal of Fixed Assets	40	159	0	1
Impairment Losses	1,047	77	6	0
Profit before Income Taxes	21,347	31,544	140	236
Provision for Income Taxes	10,265	10,503	67	78
Adjustment for Income Taxes	(4,605)	(2,295)	(30)	(17)
Total Income Taxes	5,660	8,208	37	61
Profit	15,687	23,336	103	174
Profit Attributable to Non-controlling Interests	3	3	0	0
Profit Attributable to Owners of Parent	¥ 15,683	¥ 23,332	\$ 103	\$ 174

Consolidated Statements of Comprehensive Income

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
Profit	¥ 15,687	¥ 23,336	\$ 103	\$ 174
Other Comprehensive Income	23,942	(2,127)	158	(15)
Unrealized Gains on Other Securities	11,433	(1,107)	75	(8)
Deferred Hedge Gains	108	(0)	0	(0)
Remeasurements of Defined Benefit Plans	12,399	(1,019)	81	(7)
Comprehensive Income	39,629	21,209	261	158
Total Comprehensive Income Attributable to Owners of Parent	39,625	21,205	261	158
Non-controlling Interests	¥ 3	¥ 3	\$ 0	\$ 0

Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2024 and 2023

Millions of yen

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2023	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 245,274	¥ (1,153)	¥ 993,086
Changes during the Period							
Dividends from Surplus					(4,495)		(4,495)
Profit Attributable to Owners of Parent					15,683		15,683
Acquisition of Treasury Stock						(6)	(6)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	11,187	(6)	11,181
Balance, March 31, 2024	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 256,462	¥ (1,159)	¥ 1,004,267

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2023	¥ 16,233	¥ 2	¥ (7,976)	¥ 8,259	¥ 3,796	¥ 1,005,142
Changes during the Period						
Dividends from Surplus						(4,495)
Profit Attributable to Owners of Parent						15,683
Acquisition of Treasury Stock						(6)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	11,433	108	12,399	23,942	—	23,942
Total Changes during the Period	11,433	108	12,399	23,942	—	35,123
Balance, March 31, 2024	¥ 27,666	¥ 111	¥ 4,423	¥ 32,201	¥ 3,796	¥ 1,040,266



	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2022	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 226,437	¥ (1,146)	¥ 974,255
Changes during the Period							
Dividends from Surplus					(4,495)		(4,495)
Profit Attributable to Owners of Parent					23,332		23,332
Acquisition of Treasury Stock						(7)	(7)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	18,837	(6)	18,830
Balance, March 31, 2023	¥ 218,653	¥ 129,500	¥ 400,811	¥ 0	¥ 245,274	¥ (1,153)	¥ 993,086

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2022	¥ 17,340	¥ 2	¥ (6,956)	¥ 10,386	¥ 3,796	¥ 988,439
Changes during the Period						
Dividends from Surplus						(4,495)
Profit Attributable to Owners of Parent						23,332
Acquisition of Treasury Stock						(7)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(1,107)	(0)	(1,019)	(2,127)	—	(2,127)
Total Changes during the Period	(1,107)	(0)	(1,019)	(2,127)	—	16,703
Balance, March 31, 2023	¥ 16,233	¥ 2	¥ (7,976)	¥ 8,259	¥ 3,796	¥ 1,005,142



Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. and Subsidiaries For the years ended March 31, 2024 and 2023

Millions of U.S. dollars

	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2023	\$ 1,444	\$ 855	\$ 2,647	\$ 0	\$ 1,619	\$ (7)	\$ 6,558
Changes during the Period							
Dividends from Surplus					(29)		(29)
Profit Attributable to Owners of Parent					103		103
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	73	(0)	73
Balance, March 31, 2024	\$ 1,444	\$ 855	\$ 2,647	\$ 0	\$ 1,693	\$ (7)	\$ 6,632

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2023	\$ 107	\$ 0	\$ (52)	\$ 54	\$ 25	\$ 6,638
Changes during the Period						
Dividends from Surplus						(29)
Profit Attributable to Owners of Parent						103
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	75	0	81	158	—	158
Total Changes during the Period	75	0	81	158	—	231
Balance, March 31, 2024	\$ 182	\$ 0	\$ 29	\$ 212	\$ 25	\$ 6,870



	Shareholders' Equity						Total Shareholders' Equity
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	Retained Earnings	Treasury Stock	
Balance, April 1, 2022	\$ 1,637	\$ 969	\$ 3,001	\$ 0	\$ 1,695	\$ (8)	\$ 7,296
Changes during the Period							
Dividends from Surplus					(33)		(33)
Profit Attributable to Owners of Parent					174		174
Acquisition of Treasury Stock						(0)	(0)
Disposition of Treasury Stock				0		0	0
Net Changes of Items Other Than Shareholders' Equity							
Total Changes during the Period	—	—	—	0	141	(0)	141
Balance, March 31, 2023	\$ 1,637	\$ 969	\$ 3,001	\$ 0	\$ 1,836	\$ (8)	\$ 7,437

	Accumulated Other Comprehensive Income				Non-controlling Interests	Total Net Assets
	Unrealized Gains on Other Securities	Deferred Hedge Gains	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance, April 1, 2022	\$ 129	\$ 0	\$ (52)	\$ 77	\$ 28	\$ 7,402
Changes during the Period						
Dividends from Surplus						(33)
Profit Attributable to Owners of Parent						174
Acquisition of Treasury Stock						(0)
Disposition of Treasury Stock						0
Net Changes of Items Other Than Shareholders' Equity	(8)	(0)	(7)	(15)	—	(15)
Total Changes during the Period	(8)	(0)	(7)	(15)	—	125
Balance, March 31, 2023	\$ 121	\$ 0	\$ (59)	\$ 61	\$ 28	\$ 7,527



BASIS OF PRESENTATION

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Law and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥151.41=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2024, has been used for translation purposes for the year ended March 31, 2024, and ¥133.53=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2023, has been used for translation purposes for the year ended March 31, 2023. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

(1) Consolidated subsidiaries: 8 companies

Names of consolidated subsidiaries:

YAESU SHOKO, LTD.
SHOKOCHUKIN COMPUTER SYSTEMS CO., LTD.
SHOKO SERVICE, LTD.
YAESU KOSAN CO., LTD.
THE SHOKO CHUKIN BANK INSTITUTE of
COMMERCE, INDUSTRY & ECONOMICS, LTD.
SHOKO CHUKIN LEASE CO., LTD.
SHOKO CHUKIN CARD CO., LTD.
SHOKO CHUKIN CAPITAL CO., LTD.

(Change in scope of consolidation)

SHOKO CHUKIN CAPITAL CO., LTD. has been included in the scope of consolidation from the current fiscal year due to its new establishment.

(2) Non-consolidated subsidiary: 2 companies

Names of non-consolidated subsidiary:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
Tsunagaru Mirai Fund (silent partnership)

Non-consolidated subsidiary is excluded from the scope of consolidation because its total amounts in terms of total assets, operating income and profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) are immaterial and do not hinder a rational judgment of the Shoko Chukin Bank, Ltd.

Group's financial position and results of operations when excluded from the scope of consolidation.

2. Application of the equity method

(1) Non-consolidated subsidiaries accounted for by the equity method:

None

(2) Affiliated companies accounted for by the equity method:

None

(3) Non-consolidated subsidiary that is not accounted for by the equity method: 2 companies

Names of non-consolidated subsidiary that is not accounted for by the equity method:

YAESU MIDORI KANREN JIGYOU KYOUDOUKUMIAI
Tsunagaru Mirai Fund (silent partnership)

(4) Affiliated companies that are not accounted for by the equity method: 1 company

Name of affiliated company that is not accounted for by the equity method:

Sazankapartners, Limited

Non-consolidated subsidiary that is not accounted for by the equity method is excluded from the scope of the equity method because its total amounts in terms of profit (the amounts equivalent to equity shareholdings), retained earnings (the amounts equivalent to equity shareholdings) and accumulated other comprehensive income (the amounts equivalent to equity shareholdings) do not have a material impact on consolidated financial statements when excluded from the scope of the equity method.

(5) Other companies, etc., not classified as affiliated companies in spite of the Bank's ownership of between 20% and 50% of the voting rights based on its accounting

Number of such other companies: 2 companies
Reason for not being classified as affiliated companies
The Bank and its consolidated subsidiaries engaged in the investment business, etc., invested in these companies for the purpose of expanding investments, etc., and not for the purpose of placing them under control. Therefore, such companies are not classified as affiliated companies.

3. Fiscal period-end of consolidated subsidiaries

The fiscal period-end of consolidated subsidiaries is as follows:

March 31 8 companies

4. Special purpose entities subject to disclosure

(1) Overview of special purpose entities subject to disclosure and transactions with these special purpose entities:

None

(2) Transaction amounts with special purpose entities subject to disclosure:

None

5. Accounting policies

(1) Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses

Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency



values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the Consolidated Balance Sheets as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the Consolidated Statements of Operations as "Trading Revenue" or "Trading Expenses."

Trading Assets and Trading Liabilities are valued at market prices on the consolidated balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the consolidated balance sheet date for derivative products such as swaps, futures and options.

In the Consolidated Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding interest received and paid and other items during the fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and current fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.

For derivatives, the Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.

(2) Basis and methods for valuation of securities

The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method). Stocks of non-consolidated subsidiaries and affiliated companies that are not accounted for by the equity method are stated at cost based on the moving average method. Other securities are valued using the mark-to-market method (cost of sales are primarily calculated with the moving average method). However, stocks, etc. that do not have market prices are valued using the cost method on the basis of a moving average.

Unrealized Gains on Other Securities are all directly incorporated into Net Assets.

(3) Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.

The Bank holds groups of financial assets and financial liabilities that are exposed to market risks and credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.

(4) Amortization of Fixed Assets

(a) Tangible Fixed Assets (excluding Leased Assets)

Tangible Fixed Assets are subject to declining balance depreciation.

Expected useful lives for major items are as follows:

Buildings: 2 to 60 years

Other Tangible Fixed Assets: 2 to 20 years

Tangible Fixed Assets owned by consolidated subsidiaries are depreciated using primarily the straight-line method over the estimated useful lives of the respective Tangible Fixed Assets.

(b) Intangible Fixed Assets (excluding Leased Assets)

Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank and its consolidated subsidiaries (principally 5 years).

(c) Leased Assets

Leased Assets relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.

(5) Accounting standard for Reserve for Possible Loan Losses:

The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.

Normal loans and the loans that require special attention are defined in "Operational Guidelines for Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4, April 14, 2022), and are grouped into secured loans relating to crisis response operations and other loans. Additionally, among loans that require special attention, loans other than those requiring special management (hereinafter, "other loans requiring special attention") are grouped by whether they have been restructured or not. For each of these groups, reserve provisions are made respectively, mainly based on the amount of expected loss for the subsequent year or the amount of expected loss for the subsequent 3 years. The amount of expected loss is determined by calculating a loss rate based on the average default rate over a specific period based on defaults over 1 year or 3 years, to which necessary adjustments are made including reflecting future estimates. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of Bankruptcy with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by the division in charge of asset examination, which is independent from the business departments, to comply with the standard for self-assessment of assets.

Reserve for Possible Loan Losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on historical loan loss ratios, and for doubtful claims in the amount deemed uncollectible based on an assessment of each individual claim.

- (6) Accounting standard for Reserve for Bonuses
Reserves for Bonuses are set up for the payment of employees' bonuses and appropriate an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.
- (7) Accounting standard for Reserve for Retirement Benefits for Directors
Reserves for Retirement Benefits for Directors are set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefits amount estimated to be paid to directors.
- (8) Accounting standard for Reserve for Losses on Refund for Dormant Bonds
Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.
- (9) Accounting standard for Reserve for Environmental Measures
Reserves for Environmental Measures are set up for the estimated payment for disposal of PCB (polychlorinated biphenyl) waste.
- (10) Accounting standard for Other Reserves
Other Reserve is the estimated amount of Reserve for Sales Promotion to provide for the exchange of items.
- (11) Accounting method for Retirement Benefits
Upon the calculation of retirement benefit obligations, the estimated retirement benefit obligation attributable up to the end of this fiscal period are accounted for by the benefit formula basis.
Unrecognized past service costs and unrecognized actuarial difference are amortized as follows:
Unrecognized past service costs:
By the straight-line method over a fixed number of years that does not exceed the remaining service years (14 years) of employees of the fiscal period when the past service costs were incurred.
Unrecognized actuarial difference:
By the straight-line method over a fixed number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred. This amortization starts from the subsequent fiscal period.

Moreover, consolidated subsidiaries have adopted the simplified method, where retirement benefit obligations are the amount to be paid when all the employees voluntarily retired at the end of the fiscal periods, to calculate Net Defined Benefit Liability and retirement benefit expenses.

- (12) Translation standard for assets and liabilities denominated in foreign currencies
Assets and liabilities of the Bank denominated in foreign currencies and accounts of the Bank's overseas branches are translated into Japanese yen mainly at exchange rates prevailing as of the consolidated balance sheet date.
Assets and liabilities of consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at exchange rates prevailing as of their respective balance sheet dates.
- (13) Accounting method for significant hedge transactions
 - (a) Interest rate risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of interest fluctuations arising from financial assets and liabilities of the Bank, as stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guideline No. 24, March 17, 2022). Interest swap transactions are carried out for the purpose of offsetting the risk of market fluctuations arising from financial assets and liabilities. The effectiveness of the hedge is identified and evaluated by grouping the loans as hedged items and interest rate swap transactions as hedged instruments by a certain remaining period.
 - (b) Currency risk hedging
Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated financial assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guideline No. 25, October 8, 2020). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.
 - (c) Transactions between consolidated subsidiaries
Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between consolidated subsidiaries, special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge



operations that eliminate arbitrary decision-making were recognized as possible under the JICPA Industry Committee Practical Guideline No. 24. For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

The special treatment for interest rate swaps is applied to certain assets and liabilities of consolidated subsidiaries.

SIGNIFICANT ACCOUNTING ESTIMATES

Amounts recorded in the consolidated financial statements of the current fiscal year based on accounting estimates that may materially impact the consolidated financial statements of the following fiscal year are as follows.

1. Reserve for Possible Loan Losses

- (1) Amount of Reserve for Possible Loan Losses recorded in the consolidated financial statements for the current fiscal year totaled ¥195,423 million.

- (2) Information that will facilitate the understanding of significant accounting estimates related to identified items

(a) Calculation method

The calculation method of the Reserve for Possible Loan Losses is as stated in “(5) Accounting standard for Reserve for Possible Loan Losses” of “5. Accounting policies.”

(b) Major assumptions

Major assumptions are made for “Future results forecasts of the borrowers in determining business partner category” and “Future estimates, etc. of expected loss.” The former is determined by individually evaluating the revenue-generating capability of each debtor. “Future estimates, etc. of expected loss” incorporate credit risk that has not been reflected in the default rates, etc. in individual categories for which provisions are calculated as of the consolidated balance sheet date.

For normal loans and loans requiring special attention, additional reserve is provided on the basis of the balance of receivables from major customers as of the consolidated balance sheet date remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees, to incorporate the unexpected default risks after the consolidated balance sheet date. For other loans requiring special attention that have been rescheduled, the Bank focuses on the increase in the default rate for the year ended March 31, 2024, and the Reserve for Possible Loan Losses to which the necessary adjustments are made, including future estimates, is calculated by approximating the amount of

expected loss based on the actual results for that year in estimating the expected loss rate for the subsequent 3 years. In the previous fiscal year, the Bank adjusted the expected loss rate for other loans requiring special attention in consideration of the risk of increase in rescheduling of loans and defaults in line with factors including the start of repayment of COVID-19 Related Loans. However, because the actual results of these risks were observed during the year ended March 31, 2024, the Bank has changed the method of calculation to one based on such actual results.

The expected loss rate of loans to debtors at risk of bankruptcy (excluding those to which the discounted cash flow (DCF) method has been applied) is based on a historical default rate on which the medium- to long-term effects of the business cycle have been leveled through the extension of the calculation period. Subsequently, the relationship between the actual values of economic indicators and the loss rate of loans to debtors at risk of bankruptcy in the past are analyzed. If the loss rate estimated from the latest actual values of the economic indicators exceeds the historical default rate, the Reserve for Possible Loan Losses is calculated using the obtained loss rate as the expected loss rate, to reflect the current conditions of the deteriorating economy. Based on this calculation method, the historical default rate is used as the expected loss rate for the year ended March 31, 2024.

- (c) Impact on the consolidated financial statements of the following fiscal year

Any changes to “Future results forecasts of the borrowers in determining business partner category” and the “Future estimates, etc. of expected loss” used in the initial estimates due to changes in the business results of individual borrowers or other economic environment may significantly impact the Reserves for Possible Loan Losses in the consolidated financial statements of the following fiscal year.



ADDITIONAL INFORMATION

1. Special Reserve

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to the Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Law (hereinafter referred to as "Supplementary Provisions").

The special reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Law (hereinafter referred to as "Law"), in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Law, the amount of special reserve may be reduced in the event a deficit is compensated, if the total amount of capital reserve and earnings reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law.
- (3) Pursuant to the provisions of Article 45 of the Law, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness has been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law.

2. Crisis Response Reserve

Pursuant to the Article 2-6 of the Supplementary Provisions, in order for smooth implementation of crisis response operations, the Bank accounts for capital contributed by the government as crisis response reserve.

The crisis response reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, in the calculation of the amount of surplus, the amount of crisis response reserves shall be included in the total amount of capital and reserves.
- (2) Pursuant to the Article 2-7 of the Supplementary Provisions, the amount of crisis response reserves may be reduced in the event a deficit is compensated, if the total amount of special reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserves, the amount of crisis response reserves must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions. The increase in the amount of the crisis response reserves shall, pursuant to the Article 2-9, Paragraph 2 of the Supplementary Provisions, be undertaken prior to the increase in the amount of the special reserve.

- (3) Pursuant to the provisions of Article 45 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-8 and 2-9, Paragraph 1 of the Supplementary Provisions, when the Bank deems it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response operations, an amount of money equivalent to all or a portion of the amount of crisis response reserves may, pursuant to a resolution of the general meeting of shareholders, be repaid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserves shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law, which are applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, and the Article 2-9, Paragraph 3 of the Supplementary Provisions.



CONSOLIDATED BALANCE SHEETS

- The total amount of shares and investments in capital of non-consolidated subsidiaries and affiliated companies is ¥24 million of shares and ¥964 million of investments.
 - The total amount of Investment Securities lent through unsecured loan agreements, which are included in Government Bonds and Local Government Bonds under "Investment Securities," is ¥120,101 million.
 - Loans based on the Shoko Chukin Bank Law and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Loans include the following items in the Consolidated Balance Sheets: Corporate Bonds, presented as a sub-item of "Investment Securities" (limited to privately-offered corporate bonds (defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) for which redemption of principal and payment of interest are guaranteed in whole or in part); Loans; Foreign Exchange; Accrued Interest and Suspense Payments, presented as sub-items of "Other Assets"; and Customers' Liabilities for Acceptances and Guarantees, and also include Investment Securities lent that are described in the notes (limited to investment securities under loan for consumption or leasing agreements).
- | | |
|--|--------------------|
| Loans to legally bankrupt and substantially bankrupt companies | ¥117,076 million |
| Loans with collection risk | ¥185,874 million |
| Loans requiring special management | ¥69,427 million |
| Loans overdue by three months or longer | ¥1,559 million |
| Rescheduled loans | ¥67,867 million |
| Subtotal: | ¥372,378 million |
| Normal loans | ¥9,497,977 million |
| Total: | ¥9,870,356 million |

Loans to legally bankrupt and substantially bankrupt companies are loans to debtors that are in business failure due to a petition for the commencement of bankruptcy proceedings, the corporate reorganization proceedings, or rehabilitation proceedings, etc., and loans equivalent to such loans.

Loans with collection risk are loans to debtors, while not yet in a state of business failure but whose financial position and result of operations have deteriorated, and from whom the contractual collection of loan principal and receipt of interest are unlikely, excluding loans to legally bankrupt and substantially bankrupt companies.

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to legally bankrupt and substantially bankrupt companies and loans with collection risk are excluded from this category.

Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, excluding loans to legally bankrupt and substantially bankrupt companies, loans with

collection risk, and loans overdue by three months or longer.

Normal loans are loans to debtors who have no problems in terms of their financial position and result of operations that are not classified as loans to legally bankrupt and substantially bankrupt companies, loans with collection risk, loans overdue by three months or longer, or rescheduled loans.

The above figures represent the amounts of loans before the deduction of Reserve for Possible Loan Losses.

- Bills discounted are handled as financial transactions in accordance with JICPA Industry Committee Practical Guideline No. 24. With regards to bills accepted through the transactions, the Bank has the right to freely sell or use as collateral any bank acceptance bills, trade bills, documentary bills, or foreign bills bought, the aggregate face value of which is ¥103,171 million.
- Assets provided as collateral are as follows.

Assets provided as collateral:	
Securities	¥689,498 million
Liabilities corresponding to collateral assets:	
Deposits	¥441 million
Payables under Securities Lending Transactions	¥283,989 million
Borrowed Money	¥225,423 million

In addition to the above amounts, securities worth ¥2,660 million have been substituted for futures margin money, etc.

Other Assets include ¥81,469 million of Cash Collateral Received for Financial Instruments and ¥1,198 million of guarantees and deposits.

- Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is a breach of the conditions stipulated in the relevant contract. The outstanding credit facility ready for claims under such agreements is ¥1,838,537 million. Of this amount, ¥1,615,555 million has original contract duration of one year or less (or can be dissolved without condition at any point in time).

Most of these contracts are terminated before the amount of the credit facility determined in the agreement is fully utilized. Accordingly, the outstanding credit facility itself does not always affect the future cash flows of the Bank and its consolidated subsidiaries. Most of these agreements have provisions that allow the Bank and its consolidated subsidiaries to cancel customers' claims and / or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover, when necessary, the Bank and its consolidated subsidiaries require customers to provide property, securities and other collateral when signing the contract. After the Bank and its consolidated subsidiaries enter into the agreement, periodical checks of customers' business condition are undertaken in accordance with internally established procedures as well as reviews of the conditions of the agreement where necessary. In this context, measures are taken to protect the assets of the Bank and its consolidated subsidiaries.

Notes to Consolidated Financial Statements

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2024

7. Accumulated depreciation of Tangible Fixed Assets is ¥71,919 million.
8. Advanced depreciation of Tangible Fixed Assets is ¥16,136 million.
(There is no advanced depreciation for the current fiscal period.)
9. Borrowed Money includes subordinated borrowings under subordination covenant totaling ¥10,000 million.
10. Corporate Bonds include subordinated bonds totaling ¥100,000 million.
11. Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Act, Article 2, Paragraph 3) amounted to ¥8,347 million.

CONSOLIDATED STATEMENTS OF OPERATIONS

1. Other Income includes ¥1,022 million of Revenue from Sales of Stocks and Other Securities and ¥4 million of revenue from dormant bonds.
2. General and Administrative Expenses include ¥38,443 million of salaries and allowances and ¥9,065 million of outsourcing expenses.
3. Other Expenses include ¥424 million of Write-off of Loans, ¥49 million of Write-off of Stocks, ¥390 million of provision for reserves for losses on refund for dormant bonds.
4. Impairment Losses

Regarding the following assets held by the Bank in the Tokyo metropolitan and other areas, the Bank recognized impairment losses because the amount invested in the assets are no longer expected to be recovered due to a decrease in cash flows from operating activities, continuous decline in land prices, changes to their intended use, and planned disposal of the assets. The impairment losses on Land and Buildings, etc. consist of ¥273 million for three branch offices and ¥774 million for assets planned for disposal and idle assets in one location.

Upon the calculation of impairment losses on Tangible Fixed Assets, the Bank groups the assets based on individual branch unit, which is the smallest unit used in managerial accounting. Each asset planned for disposal and idle asset is treated as an individual unit, and head office, administration centers, and residences are treated as jointly used assets since they do not generate cash flow independently.

The recoverable amount used for the calculation of impairment losses on Tangible Fixed Assets is principally calculated based on net realizable value. The net realizable value is calculated by deducting the estimated disposal cost from appraisal value determined in accordance with the real estate appraisal standards.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects allocated to each component of Other Comprehensive Income

	Millions of yen	
	2024	2023
Unrealized Gains on Other Securities		
Amount arising during the current fiscal year	¥ 14,149	¥ (3,272)
Reclassification Adjustments	2,299	1,679
Before adjustment of Deferred Income Tax	16,448	(1,592)
Deferred Income Tax	(5,015)	485
Unrealized Gains on Other Securities	11,433	(1,107)
Deferred Hedge Gains		
Amount arising during the current fiscal year	157	3
Reclassification Adjustments	(0)	(3)
Before adjustment of Deferred Income Tax	156	(0)
Deferred Income Tax	(47)	0
Deferred Hedge Gains	108	(0)
Remeasurements of Defined Benefit Plans		
Amount arising during the current fiscal year	16,619	(3,657)
Reclassification Adjustments	1,219	2,190
Before adjustment of Deferred Income Tax	17,838	(1,467)
Deferred Income Tax	(5,439)	447
Remeasurements of Defined Benefit Plans	12,399	(1,019)
Total Other Comprehensive Income	¥ 23,942	¥ (2,127)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

- (1) Matters relating to the type and number of shares issued

	Number of Shares as of April 1, 2023	Increase	Decrease	Number of Shares as of March 31, 2024	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,704	39	1	10,743	(Note)
Total	10,704	39	1	10,743	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

- (2) Matters Relating to Dividends

- (a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2023	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2023	June 22, 2023
	Common stock (nongovernment portion)	3,479	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).



- (b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2024 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2024

Resolution	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2024	Common stock (government portion)	3,048	Retained earnings	3.0 (Note 1)	March 31, 2024	Ordinary General Meeting of Shareholders held on June 20, 2024 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,479		3.0		

Notes:

- With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 10:10 (ten-tenths). In the "Cabinet Order for Partial Revision of the Regulation Enforcing the Shoko Chukin Bank Law (Cabinet Order No. 245)," the ratio stipulated by the Cabinet Order was revised to 10:10 effective July 24, 2023.
- Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

2. Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

- (1) Matters relating to the type and number of shares issued

(Thousand shares)

	Number of Shares as of April 1, 2022	Increase	Decrease	Number of Shares as of March 31, 2023	Remarks
Number of shares issued and outstanding					
Common stock	2,186,531	—	—	2,186,531	
Total	2,186,531	—	—	2,186,531	
Treasury stock					
Common stock	10,666	39	0	10,704	(Note)
Total	10,666	39	0	10,704	

Note: The increase in the common stock is due to claims by shareholders for repurchase of shares less than one unit. The decrease in common stock is due to claims by shareholders for additional purchase of shares less than one unit.

(2) Matters Relating to Dividends

- (a) Amount of cash dividends paid during the fiscal year

Resolution	Type of Capital Subscription Unit	Total Amount of Cash Dividends Paid (Millions of Yen)	Cash Dividend per Capital Subscription Unit (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 21, 2022	Common stock (government portion)	1,016	1.0 (Note)	March 31, 2022	June 23, 2022
	Common stock (nongovernment portion)	3,479	3.0		

Note: With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).

- (b) Cash dividends for which the effective date falls after the fiscal year ended March 31, 2023 included in cash dividends for which the base date falls within the fiscal year ended March 31, 2023

Resolution	Type of Shares	Total Amount of Cash Dividends Paid (Millions of Yen)	Source of Cash Dividend Payment	Cash Dividend per Common Stock (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 20, 2023	Common stock (government portion)	1,016	Retained earnings	1.0 (Note 1)	March 31, 2023	Ordinary General Meeting of Shareholders held on June 20, 2023 and after competent minister authorization (Note 2)
	Common stock (nongovernment portion)	3,479		3.0		

Notes:

- With respect to the payment of cash dividends applicable to shares held by the government, the amount that must be paid per share is stipulated under Article 50 of the Shoko Chukin Bank Law. This cash dividend amount is obtained by multiplying the amount that does not exceed a ratio of one the cash dividend paid for each share held by subscribers other than the government by the ratio stipulated under the Regulation Enforcing the Shoko Chukin Bank Law. This ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third).
- Pursuant to Article 49 of the Shoko Chukin Bank Law, resolutions with regard to the dividends from surplus and the appropriation of other retained earnings come into effect following authorization by the competent minister.

Capital Account Details (Consolidated)

The Shoko Chukin Bank, Ltd. and Subsidiaries For the year ended March 31, 2024

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2024)
1. Total Risk-weighted Capital Ratio (4/7)	13.03
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.83
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	11.15
4. Total Capital	11,458
5. Tier 1 Capital	10,407
6. Common Equity Tier 1 Capital	9,807
7. Risk-weighted Assets	87,910
8. Total Required Capital	7,032

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2024)
Leverage Ratio	8.82



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Trends in Principal Financial Indicators (Non-Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Total Operating Income	¥ 145.1	¥ 139.8	¥ 128.5	¥ 117.9	¥ 119.0
Income (Loss) before Income Taxes and Other	21.9	30.8	30.2	7.6	20.5
Net Income (Loss)	15.3	22.9	18.3	8.7	13.7
Capital	218.6	218.6	218.6	218.6	218.6
[Total Number of Shares Issued in Thousands of Units]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]
Total Capital Funds	1,019.5	997.1	979.7	969.9	956.6
Total Assets	13,226.7	12,980.4	12,719.3	13,012.6	11,149.3
Outstanding Deposits	6,235.2	5,786.3	5,707.9	5,893.6	5,082.0
Outstanding Debentures	3,296.4	3,448.8	3,542.5	3,787.1	3,990.1
Outstanding Loans	9,627.4	9,639.0	9,607.8	9,521.4	8,294.1
Balance of Investment Securities	1,219.6	977.9	1,215.1	1,464.4	1,283.3
Net Assets per Share (Yen)	224.86	214.56	206.56	202.05	195.91
Dividends per Share (Yen)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)
	3.00	3.00	3.00	3.00	3.00
	(government portion)	(government portion)	(government portion)	(government portion)	(government portion)
	3.00	1.00	1.00	1.00	1.00
Net Income per Share (Yen)	7.06	10.56	8.41	4.03	6.31
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	7.70	7.68	7.70	7.45	8.58
Non-consolidated Tier 1 (Common Stock etc.) Ratio (%)	11.10	11.53	11.71	11.74	11.69
Non-consolidated Tier 1 Ratio (%)	11.79	11.89	11.71	11.74	11.69
Non-consolidated Total Capital Ratio (%)	12.99	13.16	12.76	12.68	12.38
Return on Equity (%)	1.52	2.32	1.87	0.91	1.43
Price Earnings Ratio	—	—	—	—	—
Dividend Payment Ratio (%)	42.48	19.54	24.55	51.24	32.73
Number of Employees (Persons)	3,383	3,377	3,419	3,599	3,703
[Average Number of Temporary Employees excluded from Above]	[902]	[883]	[886]	[890]	[879]

Notes: 1. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

2. Dividends per Share are classified and presented in two separate categories, namely, Cash Dividend per Common Stock (government portion) and Cash Dividend per Common Stock (non-government portion). This separate classification is pursuant to Article 50 of the Shoko Chukin Bank Limited Act, which stipulates that the dividend per share applicable to Common Stock held by the government shall not exceed the dividend per share applicable to Common Stock held by parties other than the government. From the 91st fiscal term to the 94th fiscal term, this ratio stipulated under Article 15 of the Regulation Enforcing the Shoko Chukin Bank Law is 1:3 (one-third). For the 95th fiscal term, however, the ratio stipulated in the Cabinet Order Partially Amending Regulation Enforcing the Shoko Chukin Bank Law (Cabinet Order No. 245) is 10:10 (ten-tenths).

3. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Share award rights as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100.

4. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered. From effective fiscal 2022, the finalized Basel III framework has been early adopted for the calculation of the figures.

5. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

6. Dividend Payment Ratio is calculated by dividing average dividends per share (as calculated by dividing dividends by the number of shares outstanding at the end of the period) by net income per share.

7. Number of employees refers to the number of persons employed (excluding seconded workers).

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
ASSETS				
Cash and Due from Banks	¥ 1,660,378	¥ 1,741,022	\$ 10,966	\$ 13,038
Cash	20,436	17,692	134	132
Due from Banks	1,639,941	1,723,329	10,831	12,905
Call Loans	452,271	377,420	2,987	2,826
Monetary Claims Purchased	33,329	23,816	220	178
Trading Assets	20,922	18,465	138	138
Trading-related Financial Derivatives	20,922	18,465	138	138
Investment Securities	1,219,610	977,951	8,055	7,323
Government Bonds	560,085	340,828	3,699	2,552
Local Government Bonds	428,971	445,354	2,833	3,335
Short-term corporate bonds	19,999	—	132	—
Corporate Bonds	75,094	84,378	495	631
Stocks	56,516	46,208	373	346
Other Securities	78,943	61,180	521	458
Loans	9,627,443	9,639,065	63,585	72,186
Bills Discounted	102,583	99,386	677	744
Loans on Notes	287,033	371,450	1,895	2,781
Loans on Deeds	7,568,054	7,675,971	49,983	57,484
Overdrafts	1,669,772	1,492,257	11,028	11,175
Foreign Exchange	25,487	22,925	168	171
Due from Foreign Banks	15,883	13,715	104	102
Foreign Exchange Bills Purchased	587	726	3	5
Foreign Exchange Bills Receivable	9,015	8,483	59	63
Other Assets	101,624	107,572	671	805
Prepaid Expenses	7,824	10,263	51	76
Accrued Income	7,009	6,135	46	45
Financial Derivatives	1,523	1,277	10	9
Cash Collateral Received for Financial Instruments	81,469	86,308	538	646
Other Assets	3,797	3,588	25	26
Tangible Fixed Assets	36,743	38,832	242	290
Buildings	13,715	14,784	90	110
Land	20,684	21,346	136	159
Construction in Progress	—	209	—	1
Other Tangible Fixed Assets	2,343	2,492	15	18
Intangible Fixed Assets	29,720	17,219	196	128
Software	7,596	8,334	50	62
Other Intangible Fixed Assets	22,123	8,885	146	66
Prepaid Pension Cost	34,779	33,490	229	250
Deferred Income Taxes	35,546	36,150	234	270
Customers' Liabilities for Acceptances and Guarantees	143,441	131,426	947	984
Customers' Liabilities for Acceptances and Guarantees	142,618	130,543	941	977
Customers' Liabilities for Guaranteeing Agency Loans	822	882	5	6
Reserve for Possible Loan Losses	(194,504)	(184,859)	(1,284)	(1,384)
Total Assets	¥ 13,226,795	¥ 12,980,499	\$ 87,357	\$ 97,210



Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2024 and 2023

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-1 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

The non-consolidated financial statements presented below are not audited or certified. They have been reproduced from audited and certified non-consolidated financial statements above.

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
LIABILITIES				
Deposits	¥ 6,235,221	¥ 5,786,324	\$ 41,181	\$ 43,333
Current Deposits	609,672	548,211	4,026	4,105
Ordinary Deposits	1,985,822	1,739,647	13,115	13,028
Deposits at Notice	33,215	33,046	219	247
Time Deposits	3,527,160	3,396,472	23,295	25,436
Other Deposits	79,351	68,946	524	516
Negotiable Certificates of Deposit	508,780	689,176	3,360	5,161
Shoko Chukin Bank Debentures	3,296,400	3,448,850	21,771	25,828
Shoko Chukin Bank Debentures Issued	3,296,400	3,448,850	21,771	25,828
Call Money	102,271	—	675	—
Payables under Securities Lending Transactions	283,989	200,687	1,875	1,502
Trading Liabilities	11,650	10,356	76	77
Trading-related Financial Derivatives	11,650	10,356	76	77
Borrowed Money	1,409,872	1,523,823	9,311	11,411
Borrowings	1,409,872	1,523,823	9,311	11,411
Foreign Exchange	1,300	492	8	3
Due to Foreign Banks	0	2	0	0
Foreign Exchange Bills Payable	1,300	489	8	3
Corporate Bonds	100,000	80,000	660	599
Other Liabilities	68,408	63,793	451	477
Corporate Taxes Payable	5,701	7,643	37	57
Accrued Expenses	7,613	7,346	50	55
Unearned Income	4,688	6,845	30	51
Financial Derivatives	8,623	2,635	56	19
Cash Collateral Received for Financial Instruments	7,182	3,928	47	29
Asset Retirement Obligations	1,477	1,733	9	12
Other Liabilities	33,122	33,660	218	252
Reserve for Bonuses	4,450	4,680	29	35
Reserve for Retirement Benefits for Directors	167	131	1	0
Reserve for Losses on Refund for Dormant Bonds	41,203	43,526	272	325
Reserve for Environmental Measures	66	65	0	0
Acceptances and Guarantees	143,441	131,426	947	984
Acceptances and Guarantees	142,618	130,543	941	977
Guarantees for Agency Loans	822	882	5	6
Total Liabilities	¥ 12,207,222	¥ 11,983,333	\$ 80,623	\$ 89,742
NET ASSETS				
Capital	218,653	218,653	1,444	1,637
Crisis Response Reserve	129,500	129,500	855	969
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	2,647	3,001
Capital Surplus	0	0	0	0
Other Capital Surplus	0	0	0	0
Retained Earnings	243,992	233,123	1,611	1,745
Earnings Reserve	26,907	26,008	177	194
Other Retained Earnings	217,084	207,115	1,433	1,551
Reserve for Advanced Depreciation of Noncurrent Assets	313	332	2	2
Reserve for Particular Purposes	49,570	49,570	327	371
Retained Earnings Brought Forward	167,200	157,211	1,104	1,177
Treasury Stock	(1,159)	(1,153)	(7)	(8)
Total Shareholders' Equity	991,797	980,935	6,550	7,346
Unrealized Gains on Other Securities	27,664	16,227	182	121
Deferred Hedge Gains	111	2	0	0
Total Valuation and Translation Adjustments	27,775	16,229	183	121
Total Net Assets	1,019,572	997,165	6,733	7,467
Total Liabilities and Net Assets	¥ 13,226,795	¥ 12,980,499	\$ 87,357	\$ 97,210

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
Operating Income	¥ 145,144	¥ 139,806	\$ 958	\$ 1,047
Interest Income	121,123	115,778	799	867
Interest on Loans	109,023	105,312	720	788
Interest and Dividends on Securities	5,443	4,005	35	29
Interest on Call Loans	272	543	1	4
Interest on Deposits	1,280	1,232	8	9
Interest on Interest Swaps	0	3	0	0
Other Interest Income	5,102	4,681	33	35
Fees and Commissions	14,140	11,571	93	86
Domestic and Foreign Exchange Commissions	1,078	1,221	7	9
Other Fees and Commissions	13,061	10,350	86	77
Trading Revenue	6,577	8,425	43	63
Revenue from Trading-related Securities	—	1	—	0
Revenue from Trading-related Financial Derivatives	6,577	8,424	43	63
Other Operating Income	252	1,491	1	11
Revenue from Foreign Exchange Trading	64	1,139	0	8
Revenue from Sales of Government and Other Bonds	187	351	1	2
Other Income	3,050	2,539	20	19
Collection of Written-off Claims	133	36	0	0
Revenue from Sales of Stocks and Other Securities	1,022	1,148	6	8
Other Income	1,893	1,355	12	10
Operating Expenses	123,226	108,969	813	816
Interest Expenses	10,513	8,267	69	61
Interest on Deposits	2,860	2,521	18	18
Interest on Negotiable Certificates of Deposit	941	1,300	6	9
Interest on Debentures	2,677	2,109	17	15
Interest on Call Money	(30)	(4)	(0)	(0)
Interest on Payables under Repurchase Agreements	2	—	0	—
Interest on Debenture Rental Transactions	139	—	0	—
Interest on Borrowed Money	3,035	1,802	20	13
Interest on Corporate Bonds	766	524	5	3
Interest on Interest Swaps	2	—	0	—
Other Interest Expenses	116	14	0	0
Fees and Commissions	2,941	3,255	19	24
Domestic and Foreign Exchange Commissions	308	257	2	1
Other Fees and Commissions	2,632	2,998	17	22
Trading Expenses	13	—	0	—
Expenses on Securities and Derivatives Related to Trading Transactions	13	—	0	—
Other Operating Expenses	5,728	3,877	37	29
Losses on Sales of Government and Other Bonds	3,482	3,099	22	23
Amortization of Government and Other Bonds	—	0	—	0
Amortization of Debenture Issue Expenses	31	13	0	0
Expenses on Financial Derivatives	2,185	758	14	5
Other Operating Expenses	28	4	0	0
General and Administrative Expenses	75,103	71,728	496	537
Other Expenses	28,925	21,841	191	163
Provision for Possible Loan Losses	27,001	19,175	178	143
Write-off of Loans	424	694	2	5
Losses on Sales of Stocks and Other Securities	—	30	—	0
Write-off of Stocks	49	169	0	1
Other Expenses	1,450	1,772	9	13
Profit before Income Taxes and Other	21,918	30,836	144	230

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2024 and 2023

	Millions of yen		Millions of U.S. dollars	
	2024	2023	2024	2023
Other Gains	79	354	0	2
Gains on Disposal of Fixed Assets	79	354	0	2
Other Losses	1,088	223	7	1
Losses on Disposal of Fixed Assets	40	155	0	1
Impairment Losses	1,047	67	6	0
Profit before Income Taxes	20,908	30,967	138	231
Provision for Income Taxes	10,004	10,339	66	77
Adjustment for Income Taxes	(4,460)	(2,370)	(29)	(17)
Total Income Taxes	5,544	7,969	36	59
Profit	¥ 15,363	¥ 22,998	\$ 101	\$ 172



CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2024)
1. Total Risk-weighted Capital Ratio (4/7)	12.99
2. Tier 1 Risk-weighted Capital Ratio (5/7)	11.79
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	11.10
4. Total Capital	11,326
5. Tier 1 Capital	10,281
6. Common Equity Tier 1 Capital	9,681
7. Risk-weighted Assets	87,138
8. Total Required Capital	6,971

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2024)
Leverage Ratio	8.77

The Bank's Capital Ratio, etc.:

The Bank's capital ratio is calculated in accordance with the formula stipulated in "Standard for Assessment of Management Soundness under Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law." In addition to applying the uniform international standard, the Bank adopts the standard method for Credit Risk-weighted Assets calculation and Operational Risk calculation. Market Risk is not calculated according to special provision for exclusion.

In addition, the Bank's leverage ratio, an indicator that supplements the capital ratio, is calculated in accordance with the formula stipulated in "Standard for Assessment of Soundness Concerning Leverage that is Stipulated as Indicator that Supplements Standard for Assessment of Management Soundness under Announcement No. 3 of 2019 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law."



SUMMARY OF INCOME

(¥100 million)

Fiscal period ended	March 31, 2024	March 31, 2023
Gross Operating Profit	1,228	1,218
General and Administrative Expenses (Excluding Nonrecurring Items)	737	693
Net operating profit	491	525
Provision for the General Reserve for Possible Loan Losses	(8)	7
Operating Profit	500	518
Nonrecurring Loss (Including Nonrecurring Expenses)	(281)	(209)
Income before Income Taxes and Other	219	308
Other Gains and Losses	(10)	1
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	100	103
Adjustment of Income Taxes	(44)	(23)
Net Income	153	229

Note: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:

Operating Profit = Gross Operating Profit - (Provision for the General Reserve for Possible Loan Losses + General and Administrative Expenses (Excluding Nonrecurring Items))

Net operating profit = (Gross operating profit) - (General and administrative expenses (excluding nonrecurring items))

GROSS OPERATING PROFIT

(¥100 million, %)

Fiscal period ended	March 31, 2024			March 31, 2023		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	1,032	73	1,106	1,026	48	1,075
Fees and Commissions	100	11	111	73	9	83
Trading Revenue	27	37	65	15	68	84
Other Operating Income	(33)	(21)	(54)	(27)	3	(23)
Gross Operating Profit	1,127	101	1,228	1,087	131	1,218
Gross Operating Profit Ratio (%)	0.87	3.97	0.94	0.85	4.89	0.95

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic offices. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic offices and those operated through the New York branch.

2. Gross Operating Profit Ratio = $\frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$

Operating profit, etc.

(¥100 million)

	March 31, 2024	March 31, 2023
Operating profit	500	518
Net operating profit	491	525
Core operating profit	524	552
Core operating profit (excluding gains (losses) on cancellation of investment trusts)	523	552

(Note) Core operating profit = (Gross operating profit) - (General and administrative expenses (excluding nonrecurring items)) - (Net gains (losses) related to bonds, including Japanese government bonds)



BALANCE OF LOANS

(¥100 million)

Fiscal period ended		March 31, 2024			March 31, 2023		
		Domestic	International	Total	Domestic	International	Total
Fiscal Period-end Balance	Loans on Deeds	74,114	1,565	75,680	75,262	1,497	76,759
	Loans on Notes	2,211	659	2,870	3,086	628	3,714
	Overdraft	16,697	—	16,697	14,922	—	14,922
	Bills Discounted	1,025	—	1,025	993	—	993
	Total	94,049	2,225	96,274	94,264	2,125	96,390
Average Balance	Loans on Deeds	74,208	1,520	75,728	76,161	1,585	77,746
	Loans on Notes	2,638	659	3,298	3,030	600	3,630
	Overdraft	15,719	—	15,719	14,118	—	14,118
	Bills Discounted	867	—	867	947	—	947
	Total	93,433	2,180	95,613	94,258	2,185	96,443

Note: The average balance of foreign currency loans with domestic offices stated in the International column is calculated by the monthly current method.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY

(¥100 million, %)

	As of March 31, 2024	As of March 31, 2023
Manufacturing	28,560 (29.7)	29,051 (30.1)
Machinery and Metal Product Manufacturing	15,102 (15.7)	15,419 (16.0)
Agriculture and Forestry	319 (0.3)	311 (0.3)
Fisheries	74 (0.1)	67 (0.1)
Mining and Quarrying of Stone and Gravel	113 (0.1)	108 (0.1)
Construction	2,913 (3.0)	2,955 (3.1)
Electricity, Gas, Heat Supply and Water	471 (0.5)	357 (0.4)
Information and Communications, Transport and Postal Activities	12,649 (13.2)	12,514 (13.0)
Wholesale and Retail	26,767 (27.8)	27,447 (28.5)
Finance and Insurance	607 (0.6)	416 (0.4)
Real Estate and Goods Rental and Leasing	8,144 (8.5)	7,776 (8.1)
Various Services	14,954 (15.5)	14,747 (15.3)
Local Governments	2 (0.0)	2 (0.0)
Others	84 (0.1)	95 (0.1)
Overseas and Special International Financial Accounts	612 (0.6)	538 (0.5)
Total	96,274	96,390

Note: The figures in parentheses represent percentages of the total.

LOANS BASED ON FINANCIAL RECONSTRUCTION ACT AND PROBLEM LOANS (Non-consolidated)

(¥100 million, %)

		As of March 31, 2024	As of March 31, 2023
Bankrupt or de facto bankrupt loans	(A)	1,166	1,061
Doubtful loans	(B)	1,853	1,749
Special Attention Loans	(C)	694	546
Loans Overdue for 3 Months or Longer		15	4
Rescheduled Loans		678	541
Subtotal	(D) = (A) + (B) + (C)	3,714	3,356
Loss Classification Loans	(G)	690	616
(Other than Loss Classification Loans)	(D) - (G)	(3,023)	(2,739)
Normal Loans		94,210	94,593
Total	(H)	97,924	97,949
Percentage to Total Credit (%)	((D) - (G)) / ((H) - (G))	3.1	2.8

(Reference) Coverage of Assets Other than Loss Classification Loans

Amount of (D) Expected to Be Recovered through Collateral and Guarantees	(E)	1,697	1,544
Reserve for Possible Loan Losses Recorded for (D)	(F)	1,413	1,291
Allowance Ratio (%)	$\frac{(F) - (G)}{((D) - (G)) - (E)}$	54.5	56.4
Coverage Ratio (%)	$\frac{((E) + (F)) - (G)}{(D) - (G)}$	80.0	81.0

Notes: 1. The above represents the four categories of "Bankrupt or de facto bankrupt loans," "Doubtful loans," "Special attention loans," and "Normal loans," classified through the assessment based on the Act on Emergency Measures for the Revitalization of the Financial Functions.

2. Categories of disclosed loans

- (1) Bankrupt or de facto Bankrupt Loans Loans to debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto
- (2) Doubtful Loans Loans whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal and receipt of interest in accordance with the contract is impossible
- (3) Special Attention Loans Loans overdue for three months or longer and rescheduled loans excluding loans under (1) and (2) above
- (4) Normal Loans Loans categorized as loans other than those under (1), (2), and (3) above, whose debtors are not found to be problematic in terms of the financial status and business performance

3. Loss Classification Loans are loans categorized as unrecoverable based on self-assessment and for which a reserve for possible loan losses is reported for the entire amount of the loan.

4. Other than Loss Classification Loans represents the total amount of disclosed loans under (1) through (3) of Note 2 less the amount of Note 3.

