

## Overview of the Japanese regional banks' financial results for six months ended September 30, 2023

### 1. Profitability

- Net income for six month ended September 30, 2023 decreased by 5% year on year, mainly due to the decrease in net interest income and the increase in operating expenses, despite the decreased net loss on debt securities.

(Unit: 100 million yen)

|   | Six months ended Sep 30, 2021 | Six months ended Sep 30, 2022 | Six months ended Sep 30, 2023 | YoY     |
|---|-------------------------------|-------------------------------|-------------------------------|---------|
| Gross profits   | 21,809                        | 20,796                        | 20,622                        | (174)   |
| Net interest income   | 18,676                        | 19,522                        | 19,247                        | (275)   |
| Net fees and commissions  | 3,028                         | 3,157                         | 3,310                         | 153     |
| Net other business profits  | 87                            | (1,911)                       | (1,958)                       | (47)    |
| Net gains on debt securities  | (175)                         | (2,677)                       | (1,791)                       | 887     |
| Operating expenses  | (14,518)                      | (14,015)                      | (14,224)                      | (209)   |
| Pre-provision operating profit  | 7,290                         | 6,780                         | 6,397                         | (383)   |
| Core net business profits   | 7,465                         | 9,457                         | 8,189                         | (1,268) |
| Core net business profits (excluding gains and losses from cancellation of investment trusts) | 7,070                         | 8,817                         | 7,975                         | (842)   |
| Credit costs*   | (968)                         | (575)                         | (645)                         | (70)    |
| Net gains on equity securities  | 1,003                         | 1,826                         | 2,095                         | 269     |
| Net income  | 5,468                         | 5,938                         | 5,633                         | (305)   |

\* Positive figures on credit costs indicate gains such as a reversal of loan loss reserves.

|  | Sep 30, 2021 | Sep 30, 2022 | Sep 30, 2023 |
|--|--------------|--------------|--------------|
| Loans (Period-end balance)<br>(¥ trillion) | 294.2        | 305.5        | 317.7        |

## 2. Non-Performing Loans

- While the balance of NPLs were flat, the NPL ratio decreased from March 31, 2023.

|                              | Sep 30, 2022 | Mar 31, 2023 | Sep 30, 2023 |
|------------------------------|--------------|--------------|--------------|
| Balance of NPLs (¥ trillion) | 5.5          | 5.6          | 5.6          |
| NPL ratio (%)                | 1.78         | 1.76         | 1.73         |

## 3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks decreased from March 31, 2023, while the capital ratio of domestically active banks increased from March 31, 2023.

(Internationally active banks: 10 banks)

|  | Mar 31, 2023 | Sep 30, 2023 |
|--|--------------|--------------|
| Total capital ratio (%)                | 13.90        | 13.79        |
| Tier I capital ratio (%)               | 13.50        | 13.44        |
| Common Equity Tier I capital ratio (%) | 13.50        | 13.44        |

(Domestically active banks: 90 banks)

|                   | Mar 31, 2023 | Sep 30, 2023 |
|-------------------|--------------|--------------|
| Capital ratio (%) | 9.98         | 10.05        |

1. Figures are rounded off.
2. Non-consolidated basis in general, but the credit costs and the NPL-related data partially incorporate the information of a bank's subsidiary company established for restructuring its corporate clients.