

**ANNUAL  
REPORT 2024**  
**THE OITA BANK,LTD.**



## OITA BANK PROFILE

The Oita Bank, Ltd., was founded in 1893 in Oita Prefecture, Kyushu, in the southwest of the Japanese archipelago. For more than a century, the Bank has provided outstanding financial services to individual and corporate clients, contributing significantly to the economic growth and prosperity of Oita Prefecture and the greater Kyushu region.

In Oita Prefecture, there was a steady stream of capital investment from some of the world's most prominent enterprises in the high-tech and automotive industries, which has had a major impact on the economy of the prefecture. At the same time, the prefecture continues to reinforce infrastructure to support its development as a hub of international business.

As the leading bank native to Oita Prefecture, the Oita Bank strives to strengthen its management structure and enhance financial services, thereby contributing to the region's prosperity.

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HEAD OFFICE



RED BRICK BUILDING

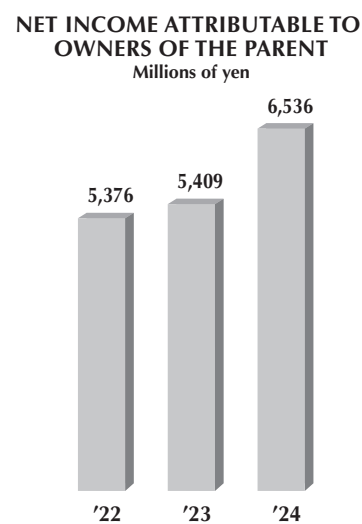
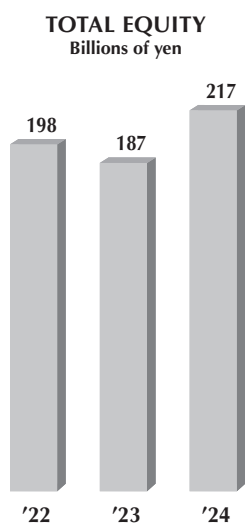
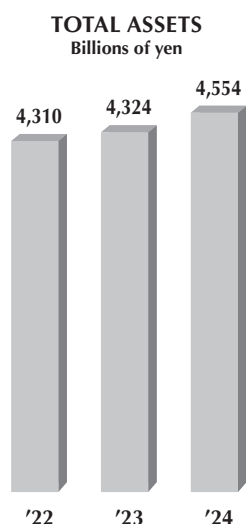


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## CONSOLIDATED FINANCIAL HIGHLIGHTS

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Years Ended March 31, 2024, 2023 and 2022

	Millions of Yen		
	2024	2023	2022
Deposits .....	¥3,619,630	¥3,540,319	¥3,457,890
Loans and bills discounted .....	2,154,042	2,092,111	1,972,040
Investment securities .....	1,396,627	1,388,202	1,287,683
Common stock .....	19,598	19,598	19,598
Total equity .....	217,880	187,520	198,072
Total assets .....	4,554,183	4,324,388	4,310,569
Net income attributable to owners of the parent .....	6,536	5,409	5,376
Number of branches (Nonconsolidated) .....	93	93	93
Number of employees (Nonconsolidated) .....	1,573	1,593	1,558



Note: All graph figures are for the years ended March 31.

### A Value-Creating Company that Enhances Regional Sustainability -Together with Stakeholders-

Oita Bank sincerely appreciates the continued patronage of all our stakeholders.

Since our founding in 1893, Oita Bank has continued to operate as a regional financial institution built on solid foundations. We extend our warmest thanks to all our stakeholders for your support over the years.

In April 2024, we embarked on our new Medium-Term Management Plan 2024. The basic theme of this plan is “Offering finance that goes above and beyond, as only we can - Turning challenges into expectations.” With this, we have refined the long-term vision that we developed in FY2021, creating the Oita Bank Group Vision 2031: “A Value-Creating Company that Enhances Regional Sustainability -Together with Stakeholders-.” We believe that, in order for our bank to grow sustainably, it is essential that we fully understand the values and aspirations of our stakeholders and then pursue business activities that resonate with them. To accelerate our transformation and achieve results that will enable the realization of Vision 2031, we are focused on three growth drivers: “Banking,” “Catalysts (addressing regional needs and promoting regional revitalization),” and “Human Capital Management.”

Under our new structure our management philosophy will remain one which is committed to making every effort to contribute to the prosperity of the regional community through our banking operations, and, in line with this, we will continue to pursue community-focused policies and undertake initiatives, human resources development and digital technology-related investment for the sake of a regional vision which addresses regional needs, all while providing the sort of value that only we can. As we work to fulfill our mission as a leading regional bank, we will strive to improve our corporate value through balanced management that is mindful of our stakeholders.

### FY2023 (Year Ended March 31, 2024) Consolidated Operating Performance

#### Deposits

As of March 31, 2024, total deposits, including negotiable certificates of deposit, amounted to ¥3,619.6 billion, up ¥79.3 billion from one year earlier.

#### Loans and Bills Discounted

Total loans and bills discounted outstanding amounted to ¥2,154.0 billion on March 31, 2024, up ¥61.9 billion from one year earlier, owing to an increase in business loans and individual loans.

#### Investment Securities

Investment securities on March 31, 2024 totaled ¥1,396.6 billion, ¥8.4 billion higher than the previous fiscal year-end, despite decreases in other securities, due to a rise in equity securities and Japanese government bonds.

#### Foreign Exchange

Foreign exchange transactions, including international trade transactions, overseas remittances and foreign currency deposits, totaled US\$1,427 million, US\$60 million higher than the previous fiscal year-end.

#### Earnings

Ordinary income was up ¥335 million year on year, to ¥73,240 million, due to such factors as gains on sales of stocks and other securities and an increase in interest on loans and discounts.

Ordinary profit was up ¥1,286 million year on year, to ¥9,083 million. Net income attributable to owners of the parent rose ¥1,127 million year on year to ¥6,536 million, partly due to an increase in ordinary profit.

#### Dividend Policy

In due consideration of its responsibility to the public as a financial institution, the Bank's fundamental dividend policy is stable and continuous profit distribution. To this end, we are striving to strengthen its financial structure by reinforcing the long-term stability of its management base, improving management efficiency and building sufficient reserves.

With regard to final dividend for this fiscal year, as this is the final year of our Medium-Term Management Plan 2021 and net income attributable to owners of the parent, our external indicator, significantly exceeded the planned value, we have decided to take this opportunity to show appreciation for our shareholders' continued support by increasing the dividend five yen to 50 yen per share, bringing the annual dividend to 95 yen.

#### Capital Adequacy Ratio

As of March 31, 2024, the Bank's capital adequacy ratio was 9.55% on a non-consolidated basis and 10.42% on a consolidated basis, both of which easily exceed the domestic standard of 4%.

For customers to be able to do transactions with us with peace of mind, we will strive to further increase our capital adequacy and strengthen our management structure.

#### Credit Rating

On September 29, 2000, the Bank attained an “A+” long-term issuer rating from Japan Credit Rating Agency, Ltd. (JCR), and the Bank has consistently maintained that rating for the 24 years since. This rank indicates “the highest level of certainty of an obligor to honor its financial obligations,” and, given that “A+” is the highest of the three kinds of “A,” the JCR rating attests to the stability and soundness of the Oita Bank.

#### Conclusion

Oita Bank recognizes its responsibilities as a regional bank with Oita Prefecture as its base of operations. Accordingly, we work proactively to contribute to regional communities through our banking operations.

We ask our stakeholders for their understanding and support of the Bank's endeavors.

August 2024

Tomiichiro Goto  
Chairman

Yasuhide Takahashi  
President



## Consolidated Balance Sheet

THE OITA BANK, LTD. and Consolidated Subsidiaries  
March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
<b>ASSETS:</b>			
Cash and due from banks (Notes 21 and 22) .....	¥ 872,896	¥ 725,874	\$ 5,765,114
Call loans .....	4,845	2,537	31,999
Commercial paper and other debt purchased .....	3,412	3,310	22,534
Money held in trust (Note 5).....	3,987	3,991	26,332
Investment securities (Notes 4, 6, 10 and 22).....	1,396,627	1,388,202	9,224,139
Loans and bills discounted (Notes 6, 11 and 22).....	2,154,042	2,092,111	14,226,550
Foreign exchange assets (Note 6) .....	4,605	4,331	30,414
Lease receivables and leased investment assets .....	17,061	16,022	112,680
Other assets (Notes 6 and 10) .....	62,608	54,031	413,499
Premises and equipment (Note 7) .....	29,499	30,286	194,828
Intangible assets (Note 8) .....	618	689	4,081
Asset for retirement benefits (Note 14).....	14,971	9,085	98,877
Deferred tax assets (Note 18).....	1,066	10,412	7,040
Customers' liabilities for acceptances and guarantees (Notes 6 and 9) .....	11,707	10,218	77,319
Reserve for loan losses (Notes 3 and 22).....	(23,769)	(26,717)	(156,984)
<b>TOTAL</b> .....	<b>¥4,554,183</b>	<b>¥4,324,388</b>	<b>\$30,078,482</b>
<b>LIABILITIES:</b>			
Deposits (Notes 10, 12 and 22).....	¥3,619,630	¥3,540,319	\$23,906,148
Payables under repurchase agreements (Note 10).....	72,927	47,902	481,652
Payables under securities lending transactions (Note 10).....	175,065	83,698	1,156,231
Borrowed money (Notes 10, 13 and 22).....	402,199	388,765	2,656,356
Foreign exchange liabilities .....	70	37	462
Other liabilities.....	41,949	54,108	277,055
Liability for retirement benefits (Note 14) .....	6,060	6,852	40,023
Reserve for reimbursement of deposits .....	840	879	5,547
Deferred tax liabilities (Note 18) .....	1,917	12	12,660
Deferred tax liabilities for land revaluation excess .....	3,933	4,074	25,975
Acceptances and guarantees (Note 9) .....	11,707	10,218	77,319
<b>Total liabilities</b> .....	<b>4,336,302</b>	<b>4,136,868</b>	<b>28,639,468</b>
<b>EQUITY (Notes 15 and 27):</b>			
Common stock- authorized, 30,000,000 shares; issued, 16,243,634 shares in 2024 and 2023.....	19,598	19,598	129,436
Capital surplus .....	13,768	13,768	90,931
Stock acquisition rights (Note 16) .....	254	246	1,677
Retained earnings .....	157,053	151,743	1,037,269
Treasury stock- at cost, 443,579 shares in 2024 and 460,533 shares in 2023 .....	(1,999)	(2,078)	(13,202)
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities (Note 4) .....	17,372	(2,941)	114,734
Deferred gain (loss) on derivatives under hedge accounting (Note 23) .....	(225)	(454)	(1,486)
Land revaluation excess.....	7,810	8,124	51,581
Defined retirement benefit plans (Note 14) .....	4,178	(554)	27,593
<b>Total</b> .....	<b>217,810</b>	<b>187,451</b>	<b>1,438,544</b>
Noncontrolling interests.....	69	68	455
<b>Total equity</b> .....	<b>217,880</b>	<b>187,520</b>	<b>1,439,006</b>
<b>TOTAL</b> .....	<b>¥4,554,183</b>	<b>¥4,324,388</b>	<b>\$30,078,482</b>

See notes to consolidated financial statements.



## Consolidated Statement of Comprehensive Income

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
<b>NET INCOME</b>	<b>¥ 6,538</b>	<b>¥ 5,410</b>	<b>\$ 43,180</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS) (Note 20):</b>			
Unrealized gain (loss) on available-for-sale securities.....	20,313	(12,082)	134,158
Deferred gain (loss) on derivatives under hedge accounting.....	228	(2,128)	1,505
Defined retirement benefit plans.....	4,733	(535)	31,259
Total other comprehensive income (loss) .....	25,275	(14,747)	166,930
<b>COMPREHENSIVE INCOME (LOSS) .....</b>	<b>¥31,814</b>	<b>¥(9,337)</b>	<b>\$210,118</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>			
Owners of the parent.....	¥31,813	¥(9,338)	\$210,111
Noncontrolling interests.....	1	0	6

See notes to consolidated financial statements.

## Consolidated Statement of Changes in Equity

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Year Ended March 31, 2024

	Thousands			Millions of Yen									
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Non- controlling Interests	Total Equity
							Unrealized Gain (Loss) on Available- for-Sale Securities	Deferred Gain (Loss) on Deriva- tives under Hedge Accounting	Land Revaluation Excess	Defined Retirement Benefit Plans	Total		
<b>BALANCE, MARCH 31, 2022</b>	15,773	¥19,598	¥13,768	¥220	¥147,390	¥(2,122)	¥9,141	¥1,673	¥8,353	¥(18)	¥198,005	¥67	¥198,072
Net income attributable to owners of the parent					5,409						5,409		5,409
Cash dividends, ¥80.00 per share					(1,262)						(1,262)		(1,262)
Purchase of treasury stock	(0)					(1)					(1)		(1)
Disposal of treasury stock	10		(22)			45					22		22
Transfer from land revaluation excess					228						228		228
Transfer from retained earnings to capital surplus			22		(22)								
Net change in the year				25			(12,082)	(2,128)	(228)	(535)	(14,950)	0	(14,949)
<b>BALANCE, MARCH 31, 2023</b>	15,783	19,598	13,768	246	151,743	(2,078)	(2,941)	(454)	8,124	(554)	187,451	68	187,520
Net income attributable to owners of the parent					6,536						6,536		6,536
Cash dividends, ¥95.00 per share					(1,500)						(1,500)		(1,500)
Purchase of treasury stock	(1)					(3)					(3)		(3)
Disposal of treasury stock	18		(41)			82					41		41
Transfer from land revaluation excess					314						314		314
Transfer from retained earnings to capital surplus			41		(41)								
Net change in the year				8			20,314	228	(314)	4,733	24,970	1	24,971
<b>BALANCE, MARCH 31, 2024</b>	15,800	¥19,598	¥13,768	¥254	¥157,053	¥(1,999)	¥17,372	¥(225)	¥7,810	¥4,178	¥217,810	¥69	¥217,880

	Thousands of U.S. Dollars (Note 1)											
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Non- controlling Interests	Total Equity
						Unrealized Gain (Loss) on Available- for-Sale Securities	Deferred Gain (Loss) on Deriva- tives under Hedge Accounting	Land Revaluation Excess	Defined Retirement Benefit Plans	Total		
<b>BALANCE, MARCH 31, 2023</b>	\$129,436	\$90,931	\$1,624	\$1,002,199	\$(13,724)	\$(19,424)	\$(2,998)	\$53,655	\$(3,658)	\$1,238,035	\$449	\$1,238,491
Net income attributable to owners of the parent				43,167						43,167		43,167
Cash dividends, \$0.62 per share				(9,906)						(9,906)		(9,906)
Purchase of treasury stock					(19)					(19)		(19)
Disposal of treasury stock			(270)		541					270		270
Transfer from land revaluation excess				2,073						2,073		2,073
Transfer from retained earnings to capital surplus		270		(270)								
Net change in the year			52			134,165	1,505	(2,073)	31,259	164,916	6	164,923
<b>BALANCE, MARCH 31, 2024</b>	\$129,436	\$90,931	\$1,677	\$1,037,269	\$(13,202)	\$114,734	\$(1,486)	\$51,581	\$27,593	\$1,438,544	\$455	\$1,439,006

See notes to consolidated financial statements.



## Consolidated Statement of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes .....	¥ 8,779	¥ 7,419	\$ 57,981
Adjustments for:			
Income taxes-refunded .....	1,592	595	10,514
Income taxes-paid .....	(2,033)	(2,981)	(13,427)
Depreciation and amortization .....	1,681	1,536	11,102
Impairment losses .....	268	325	1,770
Increase (decrease) in reserve for loan losses .....	(2,947)	(2,552)	(19,463)
Increase (decrease) in liability for retirement benefits .....	46	175	303
(Increase) decrease in asset for retirement benefits .....	76	80	501
Increase (decrease) in reserve for reimbursement of deposits .....	(38)	(237)	(250)
Interest income-accrued basis .....	(43,957)	(44,119)	(290,317)
Interest expenses-accrued basis .....	4,287	1,954	28,313
Net (gain) loss on investment securities .....	4,793	13,317	31,655
Net (gain) loss on money held in trust .....	(1)	59	(6)
Foreign exchange (gains) losses .....	(75)	24	(495)
Net (gain) loss on disposal of fixed assets .....	35	51	231
Net (increase) decrease in loans and bills discounted .....	(61,931)	(120,070)	(409,028)
Net increase (decrease) in deposits .....	79,311	82,429	523,816
Net increase (decrease) in borrowed money .....	13,433	(38,219)	88,719
Net (increase) decrease in due from banks (excluding due from the Bank of Japan) .....	(340)	(512)	(2,245)
Net (increase) decrease in call loans .....	(2,409)	(2,371)	(15,910)
Net increase (decrease) in call money .....		(3,671)	
Net increase (decrease) in payables under securities lending transactions .....	91,366	(54,707)	603,434
Net (increase) decrease in foreign exchange assets .....	(274)	7,259	(1,809)
Net increase (decrease) in foreign exchange liabilities .....	33	(8)	217
Net (increase) decrease in lease receivables and leased investment assets .....	(1,039)	515	(6,862)
Interest income-cash basis .....	43,551	43,420	287,636
Interest expenses-cash basis .....	(4,131)	(1,576)	(27,283)
Other-net .....	2,620	15,922	17,304
Total adjustments .....	123,915	(103,359)	818,406
Net cash provided by (used in) operating activities .....	132,694	(95,940)	876,388
<b>INVESTING ACTIVITIES:</b>			
Purchases of investment securities .....	(403,369)	(680,306)	(2,664,084)
Proceeds from sales of investment securities .....	195,068	288,856	1,288,342
Proceeds from maturities of investment securities .....	224,613	260,704	1,483,475
Payments for increase in money held in trust .....		(68)	
Proceeds from decrease in money held in trust .....		12,923	
Purchases of premises and equipment .....	(1,370)	(2,795)	(9,048)
Purchases of intangible assets .....	(148)	(136)	(977)
Proceeds from sales of premises and equipment .....	663	823	4,378
Payments for asset retirement obligations .....	(60)	(81)	(396)
Net cash provided by (used in) investing activities .....	15,394	(120,081)	101,670
<b>FORWARD</b> .....	<b>¥ 148,089</b>	<b>¥ (216,022)</b>	<b>\$ 978,066</b>

(Continued)

## Consolidated Statement of Cash Flows

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
<b>FORWARD</b> .....	<b>¥ 148,089</b>	<b>¥ (216,022)</b>	<b>\$ 978,066</b>
<b>FINANCING ACTIVITIES:</b>			
Dividends paid .....	(1,498)	(1,261)	(9,893)
Repayment of lease obligations .....	(23)	(22)	(151)
Purchases of treasury stock .....	(3)	(1)	(19)
Proceeds from sales of treasury stock .....	41	22	270
Net cash provided by (used in) financing activities .....	<b>(1,483)</b>	<b>(1,263)</b>	<b>(9,794)</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b> .....	<b>75</b>	<b>(24)</b>	<b>495</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> .....	<b>146,680</b>	<b>(217,310)</b>	<b>968,760</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b> .....	<b>723,685</b>	<b>940,996</b>	<b>4,779,638</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 21)</b> .....	<b>¥ 870,366</b>	<b>¥ 723,685</b>	<b>\$5,748,404</b>

See notes to consolidated financial statements.

(Concluded)

# Notes to Consolidated Financial Statements

THE OITA BANK, LTD. and Consolidated Subsidiaries  
Year Ended March 31, 2024

## 1 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of THE OITA BANK, LTD. (the “Bank”) and its seven consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, its related accounting regulations and the Enforcement Regulation for the Banking Law of Japan (the “Banking Law”), and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2023 consolidated financial statements to confirm to the classifications used in 2024.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. Amounts of less than one million yen have been omitted in the accompanying consolidated financial statements as permitted by the Japanese Financial Instruments and Exchange Act. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥151.41 to \$1, the approximate rate of exchange at March 31, 2024. Such translations should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**a. Consolidation** - The consolidated financial statements include the accounts of the Bank and its seven significant subsidiaries (together, the “Group”). The fiscal periods of all consolidated subsidiaries end on March 31.

Under the control and influence concepts, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in the remaining unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

**b. Cash and Cash Equivalents** - For the purpose of reporting cash flows, cash and cash equivalents represent cash and amounts due from the Bank of Japan.

**c. Trading Account Securities** - Trading account securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings. The cost of trading account securities sold is determined by the moving-average method.

**d. Investment Securities and Money Held in Trust** - All applicable securities are classified and accounted for, depending on management’s intent, as follows: (i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and (ii) available-for-sale securities, which are not classified as either of trading account securities or held-to-maturity debt securities, are re-

ported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of available-for-sale securities sold is determined based on the moving-average method.

Nonmarketable available-for-sale equity securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Securities managed through money held in trust accounts are reported at fair value and the related unrealized gains and losses are included in earnings.

**e. Premises and Equipment** - Premises and equipment are stated at cost less accumulated depreciation. Depreciation of premises and equipment is principally computed using the declining-balance method over the estimated useful lives of the assets and depreciation of leased premises and equipment is provided on the straight-line method over the lease periods.

**f. Software** - Cost of computer software obtained for internal use is amortized using the straight-line method over the estimated useful lives of five years.

**g. Long-Lived Assets** - The Group reviews their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

**h. Land Revaluation** - Under the “Law of Land Revaluation,” the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As of March 31, 2024 and 2023, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥8,681 million (\$57,334 thousand) and ¥8,988 million, respectively.

**i. Foreign Currency Items** - All assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date.

**j. Reserve for Loan Losses** - The Bank determines the amount of the reserve for loan losses by means of management’s judgment and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, and other pertinent indicators.

The Bank implemented the self-assessment system for its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the Bank’s asset review and inspection division in accordance with the Bank’s policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes such as “normal,” “caution,” “possible bankruptcy,” “virtual bankruptcy” and “legal bankruptcy.”

Reserve for loan losses is calculated based on the actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency including value of future cash flows for other self-assessment categories. For loans classified as possible bankruptcy, the reserve for loan losses is provided for in an amount deemed necessary to cover possible loan losses considering the customer's solvency and other factors, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted. For loans classified as virtual bankruptcy or legal bankruptcy, the reserve for loan losses is provided for based upon the loan amount, after the estimated fair value of the collateral real estate or guaranteed amount has been deducted.

In addition, for loans which are mainly classified into possible bankruptcy and restructured loans as defined in Note 6 below, if the exposure to an obligor exceeds a certain specific amount and if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is used to calculate the reserve for loan losses, under which method the reserve is determined as the difference between the book value of the loan and the present value of future cash flows discounted using the contractual interest rate before the loan is classified as one of the above loans.

The consolidated subsidiaries determine the amount of the reserve for loan losses by a comparable self-assessment system as the Bank.

- k. Retirement and Pension Plans** - The Bank has contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. Consolidated subsidiaries have unfunded retirement benefit plans.

The Bank accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over 10 years no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

Retirement allowances for directors of consolidated subsidiaries are recorded as a liability at the amount that would be required if all directors retired at the balance sheet date.

- l. Stock Options** - Under Accounting Standards Board of Japan ("ASBJ") Statement No. 8, "Accounting Standard for Share-based Payment," requires companies to measure the cost of employee stock options based on the fair value at the date of grant and recognize compensation expense over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock options or the goods or services received. In the balance sheet, stock options are presented as stock acquisition rights as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions.
- m. Revenue Recognition** - The Group recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for satisfying performance obligations to transfer the goods or services promised in contracts with customers. The nature of performance obligations for each of the Group's major business and when such obligations are satisfied are as follows:

Fees and commissions include administrative fees for deposit and loan businesses, exchange businesses operations and securities-related businesses, and are obligated to provide services based on contracts with customers.

These transactions are recognized as revenue as performance obligations are satisfied upon the completion of service delivery.

- n. Income Taxes** - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.
- o. Reserve for Reimbursement of Deposits** - Reserve for reimbursement of deposits is provided for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal.
- p. Leases** - As Lessor, lease revenue is recognized at the date of each lease payment according to the lease contracts. As Lessee, all finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet.
- q. Derivatives and Method of Hedge Accounting** - The Bank's policy is to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives as a part of its trading activities. Consolidated subsidiaries do not utilize any derivatives.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps, futures and options to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

The Bank applies deferred hedge accounting, which is stipulated in the "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry" (the Japanese Institute of Certified Public Accountants (the "JICPA") Industry Committee Practice Guidance No. 24), to the interest risk caused by its financial assets and liabilities.

In evaluating the effectiveness of a hedge, the hedged item, such as loans, and the hedge instruments, such as interest rate swaps, are specified and evaluated regarding the hedging approach. Effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedged item and the hedge instruments.

- r. Per Share Information** - Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period. The average number of common shares used in the computation was 15,796 thousand shares and 15,781 thousand shares for the years ended March 31, 2024 and 2023, respectively.

Diluted net income per share reflects the potential dilution that could occur if the outstanding stock options and convertible bonds were exercised. Diluted net income per share assumes full exercise of the outstanding stock options and convertible bonds at the beginning of the year (or at the time of grant).

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

### 3 SIGNIFICANT ACCOUNTING ESTIMATE

Item for which the amount was recorded in the consolidated financial statements for the covered consolidated fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year, was as follows:

## Reserve for loan losses

### (1) Carrying amount

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Reserve for loan losses .....	¥23,769	¥26,717	\$156,984

### (2) Information on the significant accounting estimate

#### (a) Calculation method

Debtor categories are determined based on the debtor's financial position and results of operations, as well as its future business plans, and the reserve for loan losses is recorded according to these debtor categories.

The specific method of calculating the reserve for loan losses for each debtor category is disclosed in Note 2.j, "Summary of Significant Accounting Policies - Reserve for Loan Losses."

#### (b) Significant assumptions

The significant assumptions are the assessment of the reasonableness of the debtors' future business plans, which are used as the basis for determining the debtor categories. In assessing the reasonableness of business plans, considers the achievability of the plans.

#### (c) Impact on the consolidated financial statements for the following consolidated fiscal year

If there are changes in the assumptions used in the initial estimates due to changes in the economic environment and the business conditions of debtor, etc., the balance of the reserve for loan losses may fluctuate, which may have an impact on profit or loss.

## 4 TRADING ACCOUNT SECURITIES AND INVESTMENT SECURITIES

There were no trading account securities as of March 31, 2024 and 2023.

Investment securities at March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Japanese government bonds .....	¥ 231,728	¥ 213,578	\$1,530,466
Local government bonds.....	302,502	314,585	1,997,899
Corporate bonds.....	241,122	251,387	1,592,510
Equity securities.....	116,577	79,321	769,942
Other.....	504,696	529,329	3,333,306
Total.....	¥1,396,627	¥1,388,202	\$9,224,139

The costs and aggregate fair value of securities at March 31, 2024 and 2023, were as shown in the table below.

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>March 31, 2024</b>				
Securities classified as:				
Available-for-sale:				
Equity securities.....	¥ 57,190	¥58,311	¥ 1,100	¥114,400
Debt securities.....	710,516	406	17,715	693,207
Other.....	509,233	5,456	21,449	493,240
Held-to-maturity:				
Debt securities.....	82,145	11	1,746	80,410
<b>March 31, 2023</b>				
Securities classified as:				
Available-for-sale:				
Equity securities.....	¥ 51,741	¥27,578	¥2,233	¥ 77,086
Debt securities.....	708,435	1,842	11,207	699,069
Other.....	539,422	2,162	23,387	518,197
Held-to-maturity:				
Debt securities.....	80,480	115	1,157	79,439

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>March 31, 2024</b>				
Securities classified as:				
Available-for-sale:				
Equity securities.....	\$ 377,716	\$385,119	\$ 7,265	\$ 755,564
Debt securities.....	4,692,662	2,681	117,000	4,578,343
Other.....	3,363,271	36,034	141,661	3,257,644
Held-to-maturity:				
Debt securities.....	542,533	72	11,531	531,074

The information related to available-for-sale securities which were sold during the years ended March 31, 2024 and 2023, was as follows:

	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
<b>March 31, 2024</b>			
Available-for-sale:			
Equity securities.....	¥ 22,380	¥6,171	¥ 283
Debt securities.....	4,772	67	2,318
Other.....	125,804	935	10,765
Total.....	¥152,957	¥7,175	¥13,367

	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
<b>March 31, 2023</b>			
Available-for-sale:			
Equity securities.....	¥ 7,463	¥1,592	¥ 312
Debt securities.....	152,955	65	8,223
Other.....	130,727	663	11,637
Total.....	¥291,145	¥2,321	¥20,173

	Thousands of U.S. Dollars		
	Proceeds	Realized Gains	Realized Losses
<b>March 31, 2024</b>			
Available-for-sale:			
Equity securities.....	\$ 147,810	\$40,756	\$ 1,869
Debt securities.....	31,517	442	15,309
Other.....	830,883	6,175	71,098
Total.....	\$1,010,217	\$47,387	\$88,283

Impairment losses on available-for-sale securities for the year ended March 31, 2024, were ¥3 million (\$19 thousand). Impairment losses on available-for-sale securities for the year ended March 31, 2023, were not recognized.

Net unrealized gain (loss) on available-for-sale securities for the years ended March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Valuation differences:			
Available-for-sale securities.....	¥23,909	¥(5,244)	\$157,908
Deferred tax liabilities.....	(6,509)	2,330	(42,989)
Noncontrolling interests.....	(26)	(27)	(171)
Net unrealized gain (loss) on available-for-sale securities.....	¥17,372	¥(2,941)	\$114,734

## 5 MONEY HELD IN TRUST

The carrying amounts and unrealized gains (losses) of money held in trust, as of March 31, 2024 and 2023, were as follows:

Money held in trust held for trading

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Carrying amounts.....	¥3,987	¥3,991	\$26,332
Unrealized gains (losses) credited to income.....			

## 6 LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Bills discounted .....	¥ 5,410	¥ 4,824	\$ 35,730
Loans on notes .....	64,207	60,968	424,060
Loans on deeds.....	1,921,377	1,868,059	12,689,894
Overdrafts.....	163,046	158,258	1,076,850
Total .....	<u>¥2,154,042</u>	<u>¥2,092,111</u>	<u>\$14,226,550</u>

Bills discounted are accounted for as financial transactions in accordance with the JICPA Industry Committee Practice Guidance No. 24. The Bank has rights to sell or pledge these bills discounted. The total of the face value of bills discounted was ¥5,410 million (\$35,730 thousand) and ¥4,824 million at March 31, 2024 and 2023, respectively.

Claims based on the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions are as follows. The receivables include corporate bonds (limited to the corporate bonds on which the payment of all or part of the principal and interest is guaranteed by financial institutions holding such bonds and which were issued through private placement as defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act), loans and bills discounted, foreign exchange assets, other assets booked as accrued interests, suspense payments or customers' liabilities for acceptance and guarantee, and securities if the Bank lent such securities which are required to be disclosed in a note to its balance sheets (they are limited to loans for use or lending under rental contract).

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Claims against bankrupt or de facto bankrupt borrowers .....	¥ 6,970	¥ 7,955	\$ 46,033
Doubtful claims .....	35,718	38,918	235,902
Accruing loans contractually past due three months or more .....			
Restructured loans .....	192	199	1,268
Total .....	<u>¥42,881</u>	<u>¥47,073</u>	<u>\$283,211</u>

Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation or other similar legal proceedings.

Doubtful claims are those against borrowers who have not yet failed but their financial condition and business performance have deteriorated, with a high possibility that the principal and interest on these claims will not be received as per agreement. Claims against bankrupt or de facto bankrupt borrower are excluded.

Accruing loans contractually past due three months or more are loans in which the principal or interest is three months or more past due. Claims against bankrupt or de facto bankrupt borrowers and doubtful claims are excluded.

Restructured loans, designed to assist in the recovery of the financial soundness of debtors, are loans on which the Group granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount). Claims against bankrupt or de facto bankrupt borrowers, doubtful claims and accruing loans contractually past due three months or more are excluded.

## 7 PREMISES AND EQUIPMENT

Premises and equipment as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Buildings .....	¥ 6,063	¥ 6,551	\$ 40,043
Land .....	19,876	20,389	131,272
Leased assets.....	17	25	112
Construction in progress.....	51	172	336
Other .....	3,489	3,147	23,043
Total .....	<u>¥29,499</u>	<u>¥30,286</u>	<u>\$194,828</u>

Accumulated depreciation at March 31, 2024 and 2023, amounted to ¥35,284 million (\$233,036 thousand) and ¥36,528 million, respectively.

As of March 31, 2024 and 2023, deferred gains for tax purposes of ¥1,564 million (\$10,329 thousand) and ¥1,659 million on premises and equipment sold and replaced with similar assets have been deducted from the cost of newly-acquired premises and equipment.

The Group reviews their long-lived assets for impairment continuously. As of March 31, 2024 and 2023, the Bank recognized impairment losses of ¥268 million (\$1,770 thousand) and ¥325 million as other expense for certain branches, idle fixed assets and assets held for sale due to the carrying amounts of the assets exceeding their recoverable amounts. As a result, the carrying amounts of the relevant assets were written down to the recoverable amount. The recoverable amount is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition. The discount rate used for computation of the present value of future cash flows was 9.2% at March 31, 2024 and ranged from 9.2% to 9.9% at March 31, 2023.

The Group principally groups operating assets by branch office, which is the minimum unit for management accounting. Idle fixed assets fixed assets and assets held for sale are individually assessed for impairment.

The recoverable amount of operating assets, idle fixed assets and assets held for sale are measured at their net selling price determined by quotations from third-party vendors.

## 8 INTANGIBLE ASSETS

Intangible assets as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Software.....	¥509	¥580	\$3,361
Other .....	108	109	713
Total .....	<u>¥618</u>	<u>¥689</u>	<u>\$4,081</u>

## 9 CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees" are shown on the asset side representing the Bank's right of indemnity from the applicants.

## 10 ASSETS PLEDGED

Assets pledged as collateral and their relevant liabilities at March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Assets pledged as collateral:			
Investment securities.....	¥722,582	¥581,110	\$4,772,353
Relevant liabilities to above assets:			
Deposits.....	12,673	14,820	83,699
Payables under repurchase agreements.....	72,927	47,902	481,652
Payables under securities lending transactions.....	175,065	83,698	1,156,231
Borrowed money.....	396,000	383,000	2,615,415

In addition, investment securities and others totaling ¥43,825 million (\$289,445 thousand) and ¥34,111 million were pledged as collateral or security deposits for exchange settlement and futures contracts at March 31, 2024 and 2023, respectively.

Guarantee deposits on office space amounting to ¥284 million (\$1,875 thousand) and ¥330 million were included in other assets at March 31, 2024 and 2023, respectively.

## 11 LOAN COMMITMENTS

Contracts of overdraft facilities and loan commitment limits are contracts where the Group lends to customers up to the prescribed limits in response to customers' applications for loans as long as there is no violation of any conditions in the contracts. The unused amounts within the limits totaled ¥648,099 million (\$4,280,424 thousand) at March 31, 2024, and ¥654,866 million at March 31, 2023, for these contracts. Of the above, the amounts for which the original agreement period was within a year or agreements which the Group could cancel at any time without penalty totaled ¥633,861 million (\$4,186,387 thousand) at March 31, 2024, and ¥643,961 million at March 31, 2023.

Since many of these commitments expire without being drawn upon, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions where the Group can refuse a customers' application for loans or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Group obtains real estate, securities, etc., as collateral if considered necessary. Subsequently, the Group performs periodic reviews of the customers' business results based on internal rules and take necessary measures to reconsider conditions in contracts and require additional collateral and guarantees, if necessary.

## 12 DEPOSITS

Deposits at March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Current deposits.....	¥ 165,555	¥ 145,289	\$ 1,093,421
Ordinary deposits.....	2,505,761	2,392,055	16,549,507
Savings at notice.....	24,687	24,917	163,047
Deposits at notice.....	4,657	4,792	30,757
Time deposits.....	782,943	827,941	5,171,012
Installment savings.....	9,798	10,282	64,711
Negotiable certificates of deposit..	83,154	95,248	549,197
Other deposits.....	43,070	39,792	284,459
Total.....	¥3,619,630	¥3,540,319	\$23,906,148

## 13 BORROWED MONEY

Borrowed money as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Borrowings from other financial institutions.....	¥402,199	¥388,765	\$2,656,356
Total.....	¥402,199	¥388,765	\$2,656,356

The weighted average interest rates of borrowings from other financial institutions were 0.00% and 0.00% at March 31, 2024 and 2023, respectively.

Annual maturities of long-term debt as of March 31, 2024, for the next five years and thereafter were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2025.....	¥ 53,395	\$ 352,651
2026.....	108,779	718,439
2027.....	189,254	1,249,943
2028.....	50,552	333,874
2029.....	217	1,433
2030 and thereafter.....		
Total.....	¥402,199	\$2,656,356

Please see Note 10 for assets pledged as collateral and their relevant borrowed money.

## 14 RETIREMENT AND PENSION PLANS

Consolidated subsidiaries have severance payment plans for employees, directors and Audit & Supervisory Board members. The Bank terminated its retirement benefits plan for directors and Audit & Supervisory Board members at the Bank's general shareholders meeting held on June 26, 2012.

Under most circumstances, employees whose service with the Group is terminated are entitled to retirement and pension benefits determined by reference to base rates of pay at the time of termination, length of service and conditions under which the termination occurs. If the termination is involuntary, caused by retirement at the mandatory retirement age or caused by death, the employee is entitled to greater payment than in the case of voluntary termination.

The liability for retirement benefits for directors of consolidated subsidiaries is ¥32 million (\$211 thousand) and ¥27 million at March 31, 2024 and 2023, respectively.

(1) The changes in defined benefit obligation for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Balance at beginning of year.....	¥32,030	¥32,611	\$211,544
Current service cost.....	927	979	6,122
Interest cost.....	447	194	2,952
Actuarial (gains) losses.....	(2,489)	(388)	(16,438)
Benefits paid.....	(1,543)	(1,366)	(10,190)
Balance at end of year.....	¥29,372	¥32,030	\$193,989

(2) The changes in plan assets for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Balance at beginning of year.....	¥34,289	¥35,896	\$226,464
Expected return on plan assets....	535	258	3,533
Actuarial gains (losses).....	4,372	(988)	28,875
Benefits paid.....	(881)	(877)	(5,818)
Balance at end of year.....	¥38,316	¥34,289	\$253,061

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Funded defined benefit obligation .....	¥ 29,083	¥ 31,756	\$ 192,081
Plan assets .....	(38,316)	(34,289)	(253,061)
Total .....	(9,232)	(2,533)	(60,973)
Unfunded defined benefit obligation .....	288	273	1,902
Net liability (asset) arising from defined benefit obligation .....	¥ (8,943)	¥ (2,259)	\$ (59,064)

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Liability for retirement benefits...	¥ 6,027	¥ 6,825	\$ 39,805
Asset for retirement benefits .....	(14,971)	(9,085)	(98,877)
Net liability (asset) arising from defined benefit obligation .....	¥ (8,943)	¥ (2,259)	\$(59,064)

(4) The components of net periodic benefit costs for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Service cost .....	¥ 927	¥ 979	\$ 6,122
Interest cost .....	447	194	2,952
Expected return on plan assets ..	(535)	(258)	(3,533)
Recognized actuarial (gains) losses .....	(55)	(170)	(363)
Net periodic benefit costs .....	¥ 785	¥ 744	\$ 5,184

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2024 and 2023

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Actuarial (gains) losses .....	¥6,806	¥(770)	\$44,950
Total .....	¥6,806	¥(770)	\$44,950

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2024 and 2023

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Unrecognized actuarial (gains) losses .....	¥(6,008)	¥797	\$(39,680)
Total .....	¥(6,008)	¥797	\$(39,680)

(7) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2024 and 2023, consisted of the following:

	2024	2023
	Debt investments .....	16%
Equity investments .....	44	40
Cash and cash equivalents .....	0	0
Others .....	40	45
Total .....	100%	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2024 and 2023, were set forth as follows:

	2024	2023
Discount rate .....	1.4%	1.4%
Expected rate of return on plan assets .....	2.0	0.8
Expected rate of salary increases .....	6.7	6.7

## 15 EQUITY

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

### (1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Audit & Supervisory Board members, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semi-annual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

### (2) Increases / Decreases and Transfer of Common Stock, Reserve and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 100% of the common stock. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

### (3) Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.



## 16 STOCK OPTIONS

The stock options outstanding as of March 31, 2024, were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
2013 Stock Option	10 directors (excluding outside directors) of the Bank	14,480 shares	August 19, 2013	¥1 (\$0.01)	From August 20, 2013 to August 19, 2043
2014 Stock Option	8 directors (excluding non-permanent directors) and 8 executive officers of the Bank	16,210 shares	August 18, 2014	¥1 (\$0.01)	From August 19, 2014 to August 18, 2044
2015 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	10,670 shares	August 17, 2015	¥1 (\$0.01)	From August 18, 2015 to August 17, 2045
2016 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	18,300 shares	August 22, 2016	¥1 (\$0.01)	From August 23, 2016 to August 22, 2046
2017 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	12,100 shares	August 28, 2017	¥1 (\$0.01)	From August 29, 2017 to August 28, 2047
2018 Stock Option	7 directors (excluding non-permanent directors) and 7 executive officers of the Bank	14,380 shares	August 27, 2018	¥1 (\$0.01)	From August 28, 2018 to August 27, 2048
2019 Stock Option	6 directors (excluding non-permanent directors) and 6 executive officers of the Bank	15,350 shares	August 26, 2019	¥1 (\$0.01)	From August 27, 2019 to August 26, 2049
2020 Stock Option	6 directors (excluding non-permanent directors) and 8 executive officers of the Bank	23,610 shares	August 24, 2020	¥1 (\$0.01)	From August 25, 2020 to August 24, 2050
2021 Stock Option	5 directors (excluding non-permanent directors) and 8 executive officers of the Bank	31,450 shares	August 23, 2021	¥1 (\$0.01)	From August 24, 2021 to August 23, 2051
2022 Stock Option	5 directors (excluding non-permanent directors) and 8 executive officers of the Bank	28,330 shares	August 22, 2022	¥1 (\$0.01)	From August 23, 2022 to August 22, 2052
2023 Stock Option	5 directors (excluding non-permanent directors) and 8 executive officers of the Bank	23,770 shares	August 21, 2023	¥1 (\$0.01)	From August 22, 2023 to August 21, 2053

The stock option activity during the year ended March 31, 2024, was as follows:

Year Ended March 31, 2024	2013 Stock	2014 Stock	2015 Stock	2016 Stock
	Option	Option	Option	Option
	(Shares)	(Shares)	(Shares)	(Shares)
<u>Non-vested</u>				
March 31, 2023- Outstanding	1,460	1,920	3,230	6,190
Granted				
Canceled				
Vested		770	550	1,140
March 31, 2024- Outstanding	1,460	1,150	2,680	5,050
<u>Vested</u>				
March 31, 2023- Outstanding				
Vested		770	550	1,140
Exercised		770	550	1,140
Canceled				
March 31, 2024- Outstanding				
Exercise price	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)
Average stock price at exercise		¥2,110 (\$13.93)	¥2,110 (\$13.93)	¥2,110 (\$13.93)
Fair value price at grant date	¥2,790 (\$18.42)	¥3,590 (\$23.71)	¥5,210 (\$34.40)	¥2,950 (\$19.48)
<hr/>				
Year Ended March 31, 2024	2017 Stock	2018 Stock	2019 Stock	2020 Stock
	Option	Option	Option	Option
	(Shares)	(Shares)	(Shares)	(Shares)
<u>Non-vested</u>				
March 31, 2023- Outstanding	6,090	7,250	9,290	15,860
Granted				
Canceled				
Vested	750	890	1,320	3,040
March 31, 2024- Outstanding	5,340	6,360	7,970	12,820
<u>Vested</u>				
March 31, 2023- Outstanding				
Vested	750	890	1,320	3,040
Exercised	750	890	1,320	3,040
Canceled				
March 31, 2024- Outstanding				
Exercise price	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)
Average stock price at exercise	¥2,110 (\$13.93)	¥2,110 (\$13.93)	¥2,110 (\$13.93)	¥2,110 (\$13.93)
Fair value price at grant date	¥3,910 (\$25.82)	¥3,632 (\$23.98)	¥2,819 (\$18.61)	¥2,143 (\$14.15)
<hr/>				
Year Ended March 31, 2024	2021 Stock	2022 Stock	2023 Stock	
	Option	Option	Option	
	(Shares)	(Shares)	(Shares)	
<u>Non-vested</u>				
March 31, 2023- Outstanding	27,480	28,330		
Granted				23,770
Canceled				
Vested	5,170	4,650		
March 31, 2024- Outstanding	22,310	23,680		23,770
<u>Vested</u>				
March 31, 2023- Outstanding				
Vested	5,170	4,650		
Exercised	5,170	4,650		
Canceled				
March 31, 2024- Outstanding				
Exercise price	¥1 (\$0.01)	¥1 (\$0.01)	¥1 (\$0.01)	
Average stock price at exercise	¥2,116 (\$13.97)	¥2,116 (\$13.97)		
Fair value price at grant date	¥1,513 (\$9.99)	¥1,701 (\$11.23)	¥2,078 (\$13.72)	

Shares and per share figures have been restated, as appropriate, to reflect a one-for-ten stock consolidation exercised on October 1, 2017.

#### The Assumptions Used to Measure the Fair Value of the 2023 Stock Option

Estimate method:	Black-Scholes option pricing model
Volatility of stock price:	23.1%
Estimated remaining outstanding period:	Two years and six months
Estimated dividend:	¥90 per share
Risk free interest rate:	0.04%

## 17 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Salary .....	¥12,057	¥11,941	\$ 79,631
Other .....	15,454	15,188	102,067
Total.....	¥27,512	¥27,130	\$181,705

## 18 INCOME TAXES

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 30.5% for the years ended March 31, 2024 and 2023.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Deferred tax assets:			
Reserve for loan losses .....	¥ 7,167	¥ 8,094	\$ 47,335
Liability for employees' retirement benefits .....	407	2,445	2,688
Depreciation .....	1,893	1,766	12,502
Unrealized loss on available-for-sale securities .....		2,330	
Other .....	3,496	3,491	23,089
Less valuation allowance .....	(5,795)	(6,212)	(38,273)
Total.....	7,169	11,915	47,348
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities .....	(6,509)		(42,989)
Unrealized gain on employees' retirement benefit trust .....	(1,448)	(1,448)	(9,563)
Other .....	(62)	(66)	(409)
Total .....	(8,020)	(1,514)	(52,968)
Net deferred tax assets (liability) .....	¥ (850)	¥10,400	\$ (5,613)

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2024, with the corresponding figures for 2023 was as follows:

	2024	2023
Normal effective statutory tax rate .....	30.5%	30.5%
Expenses not deductible for income tax purposes .....	0.6	0.7
Income not taxable for income tax purposes .....	(1.8)	(1.7)
Valuation allowance .....	(4.8)	(3.8)
Other-net .....	1.0	1.4
Actual effective tax rate .....	25.5%	27.1%

## 19 REVENUE

### (1) Disaggregation of Revenue

Revenues from contracts with customers on a disaggregated basis for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen					
	2024			Other	Recon-ciliations	Total
	Reportable Segment	Banking	Leasing			
Fees and commissions:						
Deposit and loan businesses .....	¥ 2,915	¥ 0	¥ 2,915	¥1,083		¥ 3,999
Exchange business .....	2,513		2,513			2,513
Securities-related businesses .....	1,504		1,504			1,504
Agency businesses .....	617		617			617
Other .....	1,116		1,116			1,116
Other than fees and commissions .....	93		93	591		685
Ordinary income from contracts with customers .....	8,761	0	8,761	1,675		10,437
Ordinary income other than above .....	52,671	9,007	61,679	1,321	¥(196)	62,803
Ordinary income from external customers .....	¥61,432	¥9,007	¥70,440	¥2,996	¥(196)	¥73,240

	Millions of Yen					
	2023			Other	Recon-ciliations	Total
	Reportable Segment	Banking	Leasing			
Fees and commissions:						
Deposit and loan businesses .....	¥ 2,844	¥ 0	¥ 2,844	¥1,044		¥ 3,888
Exchange business .....	2,477		2,477			2,477
Securities-related businesses .....	1,160		1,160			1,160
Agency businesses .....	1,102		1,102			1,102
Other .....	919		919			919
Other than fees and commissions .....	95		95	610		706
Ordinary income from contracts with customers .....	8,599	0	8,599	1,655		10,254
Ordinary income other than above .....	53,179	8,551	61,730	1,219	¥(299)	62,650
Ordinary income from external customers .....	¥61,778	¥8,551	¥70,329	¥2,874	¥(299)	¥72,905

	Thousands of U.S. Dollars					
	2024			Other	Recon-ciliations	Total
	Reportable Segment	Banking	Leasing			
Fees and commissions:						
Deposit and loan businesses .....	\$ 19,252	\$ 2	\$ 19,252	\$ 7,152		\$ 26,411
Exchange business .....	16,597		16,597			16,597
Securities-related businesses .....	9,933		9,933			9,933
Agency businesses .....	4,075		4,075			4,075
Other .....	7,370		7,370			7,370
Other than fees and commissions .....	614		614	3,903		4,524
Ordinary income from contracts with customers .....	57,862	2	57,862	11,062		68,932
Ordinary income other than above .....	347,870	59,487	407,364	8,724	\$(1,294)	414,787
Ordinary income from external customers .....	\$405,732	\$59,487	\$465,226	\$19,787	\$(1,294)	\$483,719

Notes: 1. The "Other" segment is a business segment that is not included in reportable segments and includes credit card services.

2. The "Ordinary income other than above" includes income according to ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" as well as revenue according to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

3. A downward reconciliation in ordinary income other than above of ¥196 million (\$1,294 thousand) and ¥299 million is made to adjust the gain on reversal of reserve for loan losses for the years ended March 31, 2024 and 2023, respectively.

## (2) Basic Information to Understand Revenues from Contracts with Customers

The information that provides the basis for understanding the revenue generated from contracts with customers is provided in Note 2.m, "Summary of Significant Accounting Policies - Revenue Recognition."

## (3) Contract Balances

Receivables from contract with customers and contract liabilities at the beginning and end of the year were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Receivables from contracts with customers:			
Balance at beginning of year ....	¥420	¥314	\$2,773
Balance at end of year .....	471	420	3,110
Contract liabilities:			
Balance at beginning of year ....	90	90	594
Balance at end of year .....	92	90	607

Receivables from contract with customers are mainly accounts receivable from fees and commissions received from customers.

Contract liabilities are a portion of the commission income received from customers. Contract liabilities are transferred to income as performance obligations are satisfied in connection with the provision of service transactions, etc.

Of the revenue recognized in the fiscal year, the amount included in the contract liabilities at the beginning of the fiscal year was ¥90 million (\$594 thousand) and ¥90 million at March 31, 2024 and 2023, respectively.

## (4) Transaction Prices Allocated to Remaining Performance Obligations

In the current consolidated fiscal year, there are no significant contracts with customers that are expected to have an initial term of more than 1 year, and accordingly, such notes are not stated in accordance with the treatment set forth in paragraph 80-22 of the ASBJ Statement No.29, "Accounting Standard for Revenue Recognition."

## 20 OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Unrealized gain (loss) on available-for-sale securities:			
Gains (losses) arising during the year .....	¥22,508	¥(35,615)	\$148,655
Reclassification adjustments to profit or loss .....	6,645	18,213	43,887
Amount before income tax effect .....	29,153	(17,402)	192,543
Income tax effect .....	(8,839)	5,319	(58,377)
Total .....	¥20,313	¥(12,082)	\$134,158
Deferred gain (loss) on derivatives under hedge accounting:			
Gains (losses) arising during the year .....	¥ 128	¥ (3,277)	\$ 845
Reclassification adjustments to profit or loss .....	200	216	1,320
Amount before income tax effect .....	329	(3,061)	2,172
Income tax effect .....	(100)	932	(660)
Total .....	¥ 228	¥ (2,128)	\$ 1,505

Defined retirement benefit plans:

Adjustments arising during the year .....	¥6,861	¥ (599)	\$ 45,314
Reclassification adjustments to profit or loss .....	(55)	(170)	(363)
Amount before income tax effect .....	6,806	(770)	44,950
Income tax effect .....	(2,073)	234	(13,691)
Total .....	¥ 4,733	¥ (535)	\$ 31,259

Total other comprehensive income (loss) .....	¥25,275	¥(14,747)	\$166,930
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## 21 CASH AND CASH EQUIVALENTS

The reconciliation of cash and due from banks in the consolidated balance sheet to cash and cash equivalents at March 31, 2024 and 2023, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Cash and due from banks .....	¥872,896	¥725,874	\$5,765,114
Less deposits in other banks except for the Bank of Japan .....	(2,529)	(2,189)	(16,702)
Cash and cash equivalents, end of year .....	¥870,366	¥723,685	\$5,748,404

## 22 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### (1) Bank Policy for Financial Instruments

The Bank's operations mainly include accepting deposits, providing loans, discounting bills, and buying and selling marketable securities and other financial instruments. Through these activities, the Bank holds substantial financial assets and financial liabilities that are subject to fluctuations in interest rates. To protect itself from the negative effects of interest rate fluctuations, the Bank conducts derivative transactions as part of its asset and liability management (ALM) activities.

In addition, the consolidated subsidiaries that engage in leasing and credit card businesses handle financial instruments as their principal business.

### (2) Nature and Extent of Risks Arising from Financial Instruments

Of the principal financial assets held by the Group, loans are subject to credit risk, or default on the part of the customer. The Group holds trading account securities and investment securities, for holding to maturity and for purely trading purposes, as well as to promote business activities. These securities are subject to issuer credit risk, interest rate fluctuation risk and market price fluctuation risk.

Of financial liabilities, deposits and borrowed money are subject to liquidity risk, or the possibility that the Group may become unable to meet payment obligations when due in the event that they become unable to utilize markets in certain circumstances.

Among derivative transactions, the Bank employs interest rate swap transactions to hedge risk using ALM. To offset the risk of interest rate increases, the Bank employs variable receipt/fixed payment and fixed receipt/variable payment interest rate swap transactions on loans bearing long-term, fixed rates of interest, and securities.

With respect to currencies, the Bank employs currency swap transactions, forward exchange contracts and coupon swap transactions, primarily to hedge the exchange rate fluctuation risks on foreign currency assets and liabilities.

The Bank engages in bond futures transactions, mainly as part of its dealing operations. With regard to the methods of hedge accounting for interest risks on financial assets and liabilities, the Bank employs deferred hedge accounting as provided in the JICPA Industry Committee Practice Guidance No. 24. To evaluate hedging effectiveness, for hedges designed to offset market fluctuations, the Bank performs specified evaluations of hedged loans at individual hedge stages grouped by (remaining) term.

The consolidated subsidiaries do not conduct derivative transactions.

### (3) Risk Management for Financial Instruments

#### Credit risk management

The Bank has in place various provisions, including a Credit Risk Management Policy and Credit Risk Management Provisions. These provisions, which extend beyond lending activities and include market transactions and off-balance-sheet assets, are in place to manage credit risks related to all manners of banking operations. For each activity, the Bank conducts credit screenings, manages credit limits, manages credit information and employs an internal rating system. The Bank also has in place a credit management system to support management improvements and handle loans that have become delinquent or present collection difficulties. The consolidated subsidiaries also have in place various credit risk management and other provisions. They act in accordance with these provisions to manage credit risks appropriately.

To manage these credit risks, the Group has established credit risk management divisions, including screening divisions, credit management divisions and problem loan management divisions. The Bank's Risk Management Division takes overall responsibility for credit risk management, including the status of credit risk and accompanying problems.

With regard to credit screening, the Bank's Audit Division checks the Bank's Risk Management Division and each risk management division to ascertain the appropriateness of credit risk management.

#### Market risk management

The Bank has in place a system for managing market risks. All items that require market risk management, including deposit and loan transactions, market transactions, and off-balance-sheet transactions, are managed in accordance with the Bank's Market Risk Management Policy and Market Risk Management Provisions. The ALM divisions manage market risk related to deposits and loans, while market-related divisions mainly manage market risk related to market transactions. The Bank's Risk Management Division provides comprehensive reports to the Risk Management Committee indicating risk amounts, stress test results and other information. Market Risk Management Policy and Provisions are also in place at consolidated subsidiaries, in line with each companies' risk profile. In this manner, systems are in place to ensure the appropriate management of market risk.

The market risk management divisions of the Group manage market risks in this way and the Bank's Risk Management Division serves as the central division for the management of market risk and addressing related problems.

With regard to audits of market risk management, the Bank's Audit Division checks the Bank's Risk Management Division and each market risk management divisions to ascertain the appropriateness of market risk management.

#### (Quantitative information concerning market risks)

Major financial instruments held by the Bank, which are subject to the primary risk parameters such as interest rate risk and price fluctuation risk, are loans, securities (held-to-maturity debt securities and other securities), deposits and negotiable certificates of deposit, and interest rate swap transactions in derivative transactions.

For these financial assets and financial liabilities, the Bank estimates the amount of loss that they will have after specific periods of time by using a statistical method and assumes it as the market risk quantities. Also, the Bank uses it as a quantitative analysis to manage the risk of interest rate and price fluctuation. Value at Risk (VaR) is used to calculate the amount of potential impact.

A historical simulation model has been adopted for the current fiscal year to measure VaR. The conditions are an observation period of 1,250 business days, a confidence interval of 99%, and a holding period of 60 business days (125 business days for strategic holdings).

As of March 31, 2024, the Bank's market risk (estimated loss value) on major financial instruments was ¥47,105 million (\$311,108 thousand). Of this amount, ¥33,475 million (\$221,088 thousand) was attributable to securities and ¥13,629 million (\$90,013 thousand) was attributable to instruments other than securities, such as deposits and loans.

The Bank also conducts back-testing, by comparing the VaR calculated using the model above with the actual profits or losses. During the consolidated fiscal year under review, back-testing demonstrated that the approximation model was sufficiently precise to capture market risk.

However, it is important to recognize that VaR estimation is a calculation based on a statistical process, and that results may differ depending on the preconditions and calculation methods used. Further, this process does not forecast maximum losses, and future market conditions may differ substantially from past conditions.

Furthermore, quantitative analysis is not applied to certain financial instruments whose impact is immaterial or those held by consolidated subsidiaries.

#### Liquidity risk management

The Bank manages liquidity risk in accordance with its Liquidity Risk Management Policy and Liquidity Risk Management Provisions. The Market Financing Division manages cash on a daily basis, and the Bank's Risk Management Division, which serves as the management division, monitors this risk, providing comprehensive reports to the Risk Management Committee including the status of risks, the status of assets available for payment, the results of stress tests and other information.

With regard to audits of liquidity risk management, the Bank's Audit Division checks the Bank's Risk Management Division and each liquidity risk management division to ascertain the appropriateness of liquidity risk management.

### (4) Fair Values of Financial Instruments

Fair values of financial instruments are as follows: Investments in equity instruments that do not have a quoted market price in an active market are not included in the following table. The fair values of cash and due from banks, payables under repurchase agreements, and payables under securities lending transactions are not disclosed because their maturities are short and the carrying values approximate fair value. Also, please see Note 23 for details of the fair values of derivatives.

#### (a) Fair value of financial instruments

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
<b>March 31, 2024</b>			
Investment securities:			
Held-to-maturity securities	¥ 82,145	¥ 80,410	¥ (1,735)
Available-for-sale securities	1,300,849	1,300,849	
Loans and bills discounted	2,154,042		
Reserve for loan losses (*1)	(19,416)		
	<u>2,134,626</u>	<u>2,112,213</u>	<u>(22,412)</u>
Total	<u>¥3,517,621</u>	<u>¥3,493,473</u>	<u>¥ (24,147)</u>

Deposits.....	¥3,619,630	¥3,619,610	¥ (20)
Borrowed money.....	402,199	402,158	(41)
Total.....	<u>¥4,021,829</u>	<u>¥4,021,768</u>	<u>¥ (61)</u>

Derivative instruments (*2):			
Hedge accounting is not applied.....	¥ (19,622)	¥ (19,622)	
Hedge accounting is applied.....	(60)	(60)	
Total.....	<u>¥ (19,683)</u>	<u>¥ (19,683)</u>	

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
March 31, 2023			
Investment securities:			
Held-to-maturity securities.....	¥ 80,480	¥ 79,439	¥ (1,041)
Available-for-sale securities.....	1,294,353	1,294,353	
Loans and bills discounted.....	2,092,111		
Reserve for loan losses (*1).....	(22,262)		
	<u>2,069,848</u>	<u>2,059,015</u>	<u>(10,832)</u>
Total.....	<u>¥3,444,683</u>	<u>¥3,432,808</u>	<u>¥(11,874)</u>
Deposits.....	¥3,540,319	¥3,540,370	¥ 51
Borrowed money.....	388,765	388,734	(30)
Total.....	<u>¥3,929,085</u>	<u>¥3,929,105</u>	<u>¥ 20</u>

Derivative instruments (*2):			
Hedge accounting is not applied.....	¥ (10,119)	¥ (10,119)	
Hedge accounting is applied.....	(289)	(289)	
Total.....	<u>¥ (10,409)</u>	<u>¥ (10,409)</u>	

	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
March 31, 2024			
Investment securities:			
Held-to-maturity securities.....	\$ 542,533	\$ 531,074	\$ (11,458)
Available-for-sale securities.....	8,591,565	8,591,565	
Loans and bills discounted.....	14,226,550		
Reserve for loan losses (*1).....	(128,234)		
	<u>14,098,315</u>	<u>13,950,287</u>	<u>(148,021)</u>
Total.....	<u>\$23,232,421</u>	<u>\$23,072,934</u>	<u>\$(159,480)</u>
Deposits.....	\$23,906,148	\$23,906,016	\$ (132)
Borrowed money.....	2,656,356	2,656,086	(270)
Total.....	<u>\$26,562,505</u>	<u>\$26,562,102</u>	<u>\$(402)</u>

Derivative instruments (*2):			
Hedge accounting is not applied.....	\$ (129,595)	\$ (129,595)	
Hedge accounting is applied.....	(396)	(396)	
Total.....	<u>\$ (129,998)</u>	<u>\$ (129,998)</u>	

(\*1) Reserve for loan losses relevant to loans and bills discounted have been deducted.  
(\*2) Derivative instruments are disclosed in the net amount of assets and liabilities.

**(b) Carrying amount of investments in equity instruments that do not have a quoted market price in an active market**

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Equity securities.....	¥ 2,176	¥ 2,235	\$14,371
Other.....	11,455	11,132	75,655
Total.....	<u>¥13,631</u>	<u>¥13,367</u>	<u>\$90,027</u>

**(5) Maturity Analysis for Financial Assets and Securities with Contractual Maturities**

	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2024				
Due from banks.....	¥ 845,174			
Investment securities:				
Held-to-maturity securities....	1,500	¥ 49,100	¥ 20,855	¥ 11,000
Available-for-sale securities ...	81,866	444,905	348,584	274,575
Loans and bills discounted (*)...	502,456	589,705	407,758	620,414
Total.....	<u>¥1,430,997</u>	<u>¥1,083,711</u>	<u>¥777,198</u>	<u>¥905,989</u>

	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2023				
Due from banks.....	¥ 696,147			
Investment securities:				
Held-to-maturity securities....		¥ 50,600	¥ 19,155	¥ 11,000
Available-for-sale securities ...	162,693	441,531	278,396	265,944
Loans and bills discounted (*)...	471,809	598,932	393,675	590,249
Total.....	<u>¥1,330,650</u>	<u>¥1,091,063</u>	<u>¥691,227</u>	<u>¥867,193</u>

	Thousands of U.S. Dollars			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2024				
Due from banks.....	\$5,582,022			
Investment securities:				
Held-to-maturity securities....	9,906	\$ 324,285	\$ 137,738	\$ 72,650
Available-for-sale securities ...	540,690	2,938,412	2,302,252	1,813,453
Loans and bills discounted (*)...	3,318,512	3,894,755	2,693,071	4,097,576
Total.....	<u>\$9,451,139</u>	<u>\$7,157,459</u>	<u>\$5,133,069</u>	<u>\$5,983,680</u>

(\*2) Excluded from the loan amount for the years ended March 31, 2024 and 2023, were ¥33,707 million (\$222,620 thousand) and ¥37,444 million, respectively, in loans classified as "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy" on which the redemption amount cannot be forecasted.

**(6) Maturity Analysis for Deposits with Contractual Maturities**

	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2024				
Deposits.....	¥3,428,737	¥189,773	¥1,119	

	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2023				
Deposits.....	¥3,339,486	¥199,640	¥1,192	

	Thousands of U.S. Dollars			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2024				
Deposits.....	\$22,645,380	\$1,253,371	\$7,390	

Please see Note 13 for annual maturities of borrowed money.

**(7) Financial Instruments Categorized by Fair Value Hierarchy**

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(a) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

March 31, 2024	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Japanese government bonds .....	¥220,819			¥ 220,819
Local government bonds .....		¥ 249,267		249,267
Corporate bonds .....		210,111	¥13,009	223,120
Equity securities .....	113,737	662		114,400
Other .....	71,590	391,935	29,714	493,240
Total assets .....	¥406,147	¥851,977	¥42,724	¥1,300,849

Derivative transactions (*):			
Interest rate swaps .....		¥ (60)	¥ (60)
Foreign currency forward contracts .....		(19,622)	(19,622)
Total liabilities .....		¥(19,683)	¥(19,683)

March 31, 2023	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Japanese government bonds .....	¥202,673			¥ 202,673
Local government bonds .....		¥ 263,014		263,014
Corporate bonds .....		221,669	¥11,712	233,381
Equity securities .....	75,701	1,384		77,086
Other .....	80,410	398,482	39,304	518,197
Total assets .....	¥358,786	¥884,551	¥51,016	¥1,294,353

Derivative transactions (*):			
Interest rate swaps .....		¥ (289)	¥ (289)
Foreign currency forward contracts .....		(10,119)	(10,119)
Total liabilities .....		¥(10,409)	¥ (10,409)

March 31, 2024	Thousands of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Japanese government bonds .....	\$1,458,417			\$1,458,417
Local government bonds .....		\$1,646,304		1,646,304
Corporate bonds .....		1,387,695	\$ 85,919	1,473,614
Equity securities .....	751,185	4,372		755,564
Other .....	472,822	2,588,567	196,248	3,257,644
Total assets .....	\$2,682,431	\$5,626,953	\$282,174	\$8,591,565

Derivative transactions (*):			
Interest rate swaps .....		\$ (396)	\$ (396)
Foreign currency forward contracts .....		(129,595)	(129,595)
Total liabilities .....		\$(129,998)	\$(129,998)

(\*) Derivative instruments are disclosed in the net amount of assets and liabilities.

(b) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

March 31, 2024	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Japanese government bonds .....	¥9,584			¥ 9,584
Local government bonds .....		¥ 52,874		52,874
Corporate bonds .....		17,951		17,951
Loans and bills discounted .....			¥2,112,213	2,112,213
Total assets .....	¥9,584	¥ 70,826	¥2,112,213	¥2,192,624
Deposits .....		¥3,619,610		¥3,619,610
Borrowed money .....		402,158		402,158
Total liabilities .....		¥4,021,768		¥4,021,768

March 31, 2023	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Japanese government bonds .....	¥10,047			¥ 10,047
Local government bonds .....		¥ 51,396		51,396
Corporate bonds .....		17,995		17,995
Loans and bills discounted .....			¥2,059,015	2,059,015
Total assets .....	¥10,047	¥ 69,391	¥2,059,015	¥2,138,454
Deposits .....		¥3,540,370		¥3,540,370
Borrowed money .....		388,734		388,734
Total liabilities .....		¥3,929,105		¥3,929,105

March 31, 2024	Thousands of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Japanese government bonds .....	\$63,298			\$ 63,298
Local government bonds .....		\$ 349,210		349,210
Corporate bonds .....		118,558		118,558
Loans and bills discounted .....			\$13,950,287	13,950,287
Total assets .....	\$63,298	\$ 467,776	\$13,950,287	\$14,481,368
Deposits .....		\$23,906,016		\$23,906,016
Borrowed money .....		2,656,086		2,656,086
Total liabilities .....		\$26,562,102		\$26,562,102

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

**Investment Securities**

Securities with unadjusted quoted prices in active markets are categorized as Level 1. Listed stocks, government bonds, and investment trusts are mainly included.

If the market is not active, even if the announced market price is used, it is categorized as Level 2. This mainly includes local government bonds and corporate bonds.

For investment trusts for which there is no market transaction price, if there are no significant restrictions to the extent that market participants are required to pay consideration for the risk in the event of cancellation or repurchase, the net asset value is used as fair value and categorized as Level 2.

In addition, privately placed bonds guaranteed by the Bank for which market prices are not available, the fair value is calculated by discounting the total amount of principal and interest by the interest rate assumed in the case of similar new issuance for each categorization based on internal ratings and maturity, and is categorized as Level 3.

Certain other securities with no published quoted prices are categorized as Level 2 or Level 3 based on the market prices obtained from external traders (brokers, etc.) and the inputs used therein.

**Loans and Bills Discounted**

The fair value of loans is calculated by discounting the total amount of principal and interest by the discount rate reflecting the credit risk, etc. in the market interest rate for each category based on the type of loan, internal rating and period. In the case of variable interest rates, the fair value is used to reflect market interest rates in a short period of time. Therefore, if the credit status of the borrower does not differ significantly after the loan is executed, the book value is used as the fair value because the book value is similar to the fair value.

The fair value of loans provided to entities that are classified as legal bankruptcy, virtual bankruptcy or possible bankruptcy are determined according to the current value of expected future cash flows or the amount of collateral that is expected to be recoverable or guarantee amounts that are determined to

be recoverable. As these amounts are nearly identical to the book value after deducting the allowance for doubtful accounts, these amounts are assumed to be their fair value.

These fair values are categorized as Level 3.

### Deposits

For demand deposits, fair value is assumed to be the amount to be paid when demanded on the balance sheet date (i.e., the book value). The fair value of time deposits is determined by segmenting such deposits by term and discounting future cash flows to their current value. The discount rate used is the rate of interest on new deposits of the same type. As the term on the deposits are short-term in nature, book value approximates fair value, so their book value is assumed to be their fair value.

These fair values are categorized as Level 2.

### Borrowed Money

For borrowed money, interest rates on floating-rate borrowings reflect short-term market interest rates. The credit conditions of the Group has not changed significantly since the time of borrowing, and as such, book value approximates fair value. So their book value is assumed to be their fair value. Such borrowings with fixed interest rates are segmented by term, the total amount of principal and interest on the borrowed money is divided by time period, and their present value is calculated by discounting according to the assumed interest rate. For items with a short commitment term (within three months), as their book value approximates fair value, their book value is assumed to be their fair value.

These fair values are categorized as Level 2.

### Derivatives

Exchange traded transactions are categorized as Level 1, with the fair value being the final price at the exchange.

Over-the-counter transactions are categorized as Level 2, with the fair value calculated using the present value of future cash flows using inputs such as interest rates and foreign exchange rates.

Information on the fair value of Level 3 financial instruments stated on the consolidated balance sheet at fair value.

### (c) Quantitative information on important unobservable inputs

	Valuation technique	Significant unobservable inputs	Range of inputs	Weighted-average of inputs
<b>March 31, 2024</b>				
Marketable and investment securities:				
Available-for-sale securities:				
Corporate bonds (privately placed bonds guaranteed by the Bank) .....	Discounted cash flow	Discount rate	From 0.3% to 1.6%	0.7%
<b>March 31, 2023</b>				
Marketable and investment securities:				
Available-for-sale securities:				
Corporate bonds (privately placed bonds guaranteed by the Bank) .....	Discounted cash flow	Discount rate	From 0.3% to 1.6%	0.8%

### (d) A reconciliation of the beginning balance and the ending balance and unrealized gain (loss) recognized in net income or loss

Millions of Yen								Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a
March 31, 2024	April 1, 2023	Included in net income (*1)	Included in other comprehensive income (loss) (*2)	Changes due to purchases, issues, sales and settlements	Transfers into fair value of Level 3	Transfers out of fair value of Level 3	March 31, 2024	
Marketable and investment securities:								Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a
Available-for-sale securities:								
Corporate bonds .....	¥11,712		¥ (38)	¥ 1,336			¥13,009	
Other .....	39,304	¥449	153	(10,193)			29,714	
March 31, 2023								Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a
Available-for-sale securities:								
Corporate bonds .....	¥11,348		¥ (45)	¥ 408			¥11,712	
Other .....	49,652	¥600	(158)	(10,791)			39,304	
Thousands of U.S. Dollars								Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a
March 31, 2024	April 1, 2023	Included in net income (*1)	Included in other comprehensive income (loss) (*2)	Changes due to purchases, issues, sales and settlements	Transfers into fair value of Level 3	Transfers out of fair value of Level 3	March 31, 2024	
Marketable and investment securities:								Change in unrealized gains (losses) included in net income for financial assets and liabilities still held a
Available-for-sale securities:								
Corporate bonds .....	\$ 77,352		\$ (250)	\$ 8,823			\$ 85,919	
Other .....	259,586	\$2,965	1,010	(67,320)			196,248	

(\*1) Included in "Other operating income" and "Other operating expenses" in the consolidated statement of income.

(\*2) Included in "Unrealized gain (loss) on available-for-sale securities" in "Other comprehensive income (loss)" in the consolidated statement of comprehensive income.

(e) *Explain about the valuation process of fair value*

At the Group, the back division and the middle division establish policies and procedures related to the calculation of fair values and procedures related to the use of the fair value model, and each division calculates fair values in accordance with these policies and procedures. The fair values calculated are verified by an independent valuation department to verify the appropriateness of the valuation techniques and inputs used to calculate the fair values and the appropriateness of the categorization of the level of fair values.

In cases where market prices obtained from third parties are used, the appropriateness of the prices is verified by appropriate methods such as confirmation of the valuation techniques and inputs used and comparison with the market prices of similar financial instruments.

(f) *Explanation about effect on fair value of changing a significant unobservable input*

The discount rate is an adjustment rate to standard market interest rates such as swap rates, and mainly consists of risk premiums, which are the amount of compensation required by market participants for the uncertainty of cash flows of financial instruments arising from credit risk. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

## 23 DERIVATIVES

The Bank's policy is to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risk associated with its assets and liabilities.

The Bank enters into interest rate swaps as a means of hedging its interest rate risk on certain loans and investment securities. The Bank also enters into foreign exchange forward contracts and currency swaps to hedge exchange risk associated with its assets and liabilities denominated in foreign currencies.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest and foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform under a contract. Because the counterparties to these derivatives are limited to major financial institutions and securities companies, the Bank does not anticipate material losses arising from credit risk.

Concerning risk management associated with derivative transactions, the front and back offices of the trading divisions (the Market Financing Division) are clearly separated, while the Asset and Liabilities Management Office synthetically manages the Bank's market risks. In this manner, an internal monitoring system is effectively secured. Derivative transactions entered into by the Bank have been made in accordance with internal policies, which regulate the trading activities, and credit risk management has formal risk limits and credit lines. The Bank's gains and losses on positions and other conditions are periodically reported to management.

(1) *Derivative Transactions to Which Hedge Accounting Is Not Applied*

	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
<b>March 31, 2024</b>				
Currency swaps.....	¥ 83,275	¥ 52,993	¥(17,479)	¥(17,479)
Coupon swaps.....	298,853	192,304	168	168
Foreign currency forward contracts:				
Selling .....	55,420		(2,315)	(2,315)
Buying.....	393		3	3

	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
<b>March 31, 2023</b>				
Currency swaps.....	¥114,835	¥ 66,765	¥(8,988)	¥(8,988)
Coupon swaps.....	170,329	127,805	167	167
Foreign currency forward contracts:				
Selling .....	59,502	462	(1,431)	(1,431)
Buying.....	8,820		132	132

	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
<b>March 31, 2024</b>				
Currency swaps.....	\$ 549,996	\$ 349,996	\$(115,441)	\$(115,441)
Coupon swaps.....	1,973,799	1,270,087	1,109	1,109
Foreign currency forward contracts:				
Selling .....	366,026		(15,289)	(15,289)
Buying.....	2,595		19	19

(2) *Derivative Transactions to Which Hedge Accounting Is Applied*

	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
<b>March 31, 2024</b>				
Interest rate swaps (floating rate payment, fixed rate receipt) .....	Available-for-sale securities (debt securities)			
(fixed rate payment, floating rate receipt) .....		¥20,000	¥20,000	¥(60)

	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
<b>March 31, 2023</b>				
Interest rate swaps (floating rate payment, fixed rate receipt) .....	Available-for-sale securities (debt securities)			
(fixed rate payment, floating rate receipt) .....		¥30,000	¥30,000	¥(289)

	Hedged Item	Thousands of U.S. Dollars		
		Contract Amount	Contract Amount Due after One Year	Fair Value
<b>March 31, 2024</b>				
Interest rate swaps (floating rate payment, fixed rate receipt) .....	Available-for-sale securities (debt securities)			
(fixed rate payment, floating rate receipt) .....		\$132,091	\$132,091	\$(396)

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.



## 24 SEGMENT INFORMATION

ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### (1) Description of Reportable Segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is performed in order to decide how management resources are allocated and in assessing performance. The Group concentrates on the banking business, and also conduct other financial services including the leasing and the credit card businesses. Therefore, the Group's reportable segments consist of Banking and Lease.

### (2) Methods of Measurement for the Amounts of Ordinary Income, Profit, Assets and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

### (3) Information about Ordinary Income, Profit, Assets and Other Items

	Millions of Yen						
	2024						Consolidated
	Reportable Segment			Other	Total	Reconciliations	
Banking	Leasing	Total	Total				
Ordinary income:							
Ordinary income from external customers	¥ 61,432	¥ 9,007	¥ 70,440	¥ 2,996	¥ 73,437	¥ (196)	¥ 73,240
Intersegment ordinary income	292	156	449	646	1,095	(1,095)	
Total	¥ 61,725	¥ 9,164	¥ 70,890	¥ 3,643	¥ 74,533	¥ (1,292)	¥ 73,240
Segment profit	¥ 7,604	¥ 343	¥ 7,948	¥ 1,146	¥ 9,094	¥ (11)	¥ 9,083
Segment assets	4,530,942	25,482	4,556,425	21,053	4,577,479	(23,296)	4,554,183
Other:							
Depreciation	1,520	108	1,628	53	1,681	(0)	1,681
Total interest income	42,826	12	42,839	1,169	44,008	(51)	43,957
Total interest expenses	4,263	63	4,326	3	4,329	(42)	4,287
Impairment losses of assets	1,283	210	1,493	31	1,524	(1)	1,523
Increase in premises and equipment and intangible assets	268		268		268		268

	Millions of Yen						
	2023						Consolidated
	Reportable Segment			Other	Total	Reconciliations	
Banking	Leasing	Total	Total				
Ordinary income:							
Ordinary income from external customers	¥ 61,778	¥ 8,551	¥ 70,329	¥ 2,874	¥ 73,204	¥ (299)	¥ 72,905
Intersegment ordinary income	255	150	406	641	1,047	(1,047)	
Total	¥ 62,033	¥ 8,702	¥ 70,736	¥ 3,516	¥ 74,252	¥ (1,347)	¥ 72,905
Segment profit	¥ 6,521	¥ 189	¥ 6,710	¥ 1,094	¥ 7,805	¥ (8)	¥ 7,796
Segment assets	4,303,547	22,922	4,326,469	19,988	4,346,457	(22,069)	4,324,388
Other:							
Depreciation	1,375	105	1,481	56	1,537	(0)	1,536
Total interest income	43,029	12	43,041	1,126	44,168	(48)	44,119
Total interest expenses	1,933	56	1,989	3	1,993	(38)	1,954
Impairment losses of assets	2,785	147	2,933	33	2,966	(0)	2,965
Increase in premises and equipment and intangible assets	325		325		325		325

	Thousands of U.S. Dollars						
	2024						Consolidated
	Reportable Segment			Other	Total	Reconciliations	
Banking	Leasing	Total	Total				
Ordinary income:							
Ordinary income from external customers	\$ 405,732	\$ 59,487	\$ 465,226	\$ 19,787	\$ 485,020	\$ (1,294)	\$ 483,719
Intersegment ordinary income	1,928	1,030	2,965	4,266	7,232	(7,232)	
Total	\$ 407,667	\$ 60,524	\$ 468,198	\$ 24,060	\$ 492,259	\$ (8,533)	\$ 483,719
Segment profit	\$ 50,221	\$ 2,265	\$ 52,493	\$ 7,568	\$ 60,062	\$ (72)	\$ 59,989
Segment assets	29,924,985	168,297	30,093,289	139,046	30,232,342	(153,860)	30,078,482
Other:							
Depreciation	10,038	713	10,752	350	11,102	(2)	11,102
Total interest income	282,847	79	282,933	7,720	290,654	(336)	290,317
Total interest expenses	28,155	416	28,571	19	28,591	(277)	28,313
Impairment losses of assets	8,473	1,386	9,860	204	10,065	(6)	10,058
Increase in premises and equipment and intangible assets	1,770		1,770		1,770		1,770

Notes: 1. The "Other" segment contains businesses that are not included in these reporting segments, such as the credit card business.

2. Adjustment amounts for the years ended March 31, 2024 and 2023, were as follows:

- (1) A downward reconciliation in ordinary income other than above of ¥196 million (\$1,294 thousand) and ¥299 million is made to adjust the gain on reversal of reserve for loan losses.
- (2) Segment profit reconciliations of ¥11 million (\$72 thousand) and ¥8 million were made to eliminate intersegment transactions.
- (3) A downward reconciliation in segment assets of ¥23,296 million (\$153,860 thousand) and ¥22,069 million was made to eliminate intersegment transactions.
- (4) A downward reconciliation in depreciation of ¥0 million (\$2 thousand) and ¥0 million was made to eliminate intersegment transactions.
- (5) A downward reconciliation in total interest income of ¥51 million (\$336 thousand) and ¥48 million was made to eliminate intersegment transactions.
- (6) A downward reconciliation in total interest expenses of ¥42 million (\$277 thousand) and ¥38 million was made to eliminate intersegment transactions.
- (7) A downward reconciliation in increase in premises and equipment and intangible assets of ¥1 million (\$6 thousand) and ¥0 million was made to eliminate intersegment transactions.

3. Segment profit is reflected as an adjustment to ordinary profit.

4. Ordinary profits, ordinary income and ordinary expenses are defined as follows:

"Ordinary profits" means "Ordinary income" less "Ordinary expenses."

"Ordinary income" represents total income less certain special income included in other income in the accompanying consolidated statement of income for the years ended March 31, 2024 and 2023.

"Ordinary expenses" represents total expenses less certain special expenses included in other expenses in the accompanying consolidated statement of income for the years ended March 31, 2024 and 2023.

## Related Information

### (1) Information by Services

Income regarding major service for the years ended March 31, 2024 and 2023, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Loan Businesses.....	¥24,333	¥22,372	\$160,709
Securities Investment Businesses..	27,759	28,627	183,336
Other .....	21,147	21,905	139,667
Total.....	¥73,240	¥72,905	\$483,719

### (2) Geographical Information

#### (a) Ordinary income

Ordinary income from external domestic customers exceeded 90% of total ordinary income on the consolidated statement of income for the years ended March 31, 2024 and 2023; therefore, geographical ordinary income information is not presented.

#### (b) Premises and equipment

The balance of domestic premises and equipment exceeded 90% of total balance of premises and equipment in the consolidated balance sheet at March 31, 2024 and 2023; therefore, geographical premises and equipment information is not presented.

### (3) Major Customer Information

Ordinary income from a specific customer did not reach 10% of total ordinary income in the consolidated statement of income for the years ended March 31, 2024 and 2023; therefore, major customer information is not presented.

## 25 RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the years ended March 31, 2024 and 2023.

## 26 NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2024 and 2023, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares*	EPS*	
<b>Year Ended March 31, 2024</b>				
Basic EPS—Net income available to common shareholders.....	¥6,536	15,796	¥413.80	\$ 2.73
Effect of dilutive securities:				
Stock Option.....		107	(2.79)	(0.01)
Diluted EPS—Net income for computation .....	¥6,536	15,904	¥411.01	\$ 2.71
<b>Year Ended March 31, 2023</b>				
Basic EPS—Net income available to common shareholders.....	¥5,409	15,781	¥342.76	
Effect of dilutive securities:				
Stock Option.....		98	(2.12)	
Diluted EPS—Net income for computation .....	¥5,409	15,879	¥340.64	

## 27 SUBSEQUENT EVENTS

### Appropriations of Retained Earnings

At the Bank's general shareholders meeting held on June 20, 2024, the Bank's shareholders' approved the following:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥50.0 (\$0.33) per share .....	¥790	\$5,217



Deloitte Touche Tohmatsu LLC  
Elgala  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of THE OITA BANK, LTD.:

### <Audit of Consolidated Financial Statements>

#### Opinion

We have audited the consolidated financial statements of THE OITA BANK, LTD. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

### **Calculation of Reserve for Loan Losses**

The Group provides banking and other financial services primarily in Oita Prefecture. In the lending business, which is the Group's core banking business, there is a risk that the Group may incur a loss in cases where all or part of a loan becomes uncollectible due to the debtor's credit events such as bankruptcy. The reserve for loan losses is recorded for the portion where such a loss is expected. The Group recorded the reserve for loan losses of ¥23,769 million on the consolidated balance sheet as of March 31, 2024.

The Group's accounting policy and calculation process of the reserve for loan losses are disclosed in Note 2.j, "Summary of Significant Accounting Policies - Reserve for Loan Losses," to the consolidated financial statements.

The reserve for loan losses is calculated on the basis of the debtor category, which is a significant input in the estimates. Significant assumptions and judgments used in the determination of a debtor category are disclosed in Note 3, "Significant Accounting Estimate."

#### **Key Audit Matter Description**

The Group estimates the reserve for loan losses in accordance with the internal rules for write-offs and provisions. The estimates include the determination of a debtor category based on the debtor's financial position and results of operations, as well as its reasonable future business plan, the valuation of the collateral pledged by the debtor, and the calculation of the actual past loss ratio adjusted for the future outlook.

Specifically, the determination of a debtor category may depend on significant judgments regarding the expected recovery of the debtor's financial performance in the future based on its business plan if the debtor is facing financial difficulties and its performance is deteriorating.

In Oita Prefecture, measures against the COVID-19 pandemic have gradually shifted to the status of a class 5 infectious disease under the infectious diseases act, and the situation is more stable than last year. On the other hand, there are certain debtors whose business conditions have deteriorated due to the continuing effects of rising raw material and energy prices and increasing labor costs and due to the difficult to pass these effects on to sales prices and absorb them (hereinafter referred to as the "Certain troubled debtors").

Regarding the determination of debtor categories for such Certain troubled debtors, future business plans often include significant assumptions such as sales forecasts which are subject to the external business environment and demand trends, including the impact of the COVID-19 pandemic, and cost reduction efforts which depend on the debtors' internal business environment.

Accordingly, as significant assumptions have high estimation uncertainty, the determination of debtor categories involves significant judgments.

There is a potential risk that the reserve for loan losses may not be appropriately calculated if a debtor category determined based on the debtor's future business plan does not appropriately reflect the debtor's credit risk. Accordingly, we identified the determination of debtor categories for the Certain troubled debtors, which involves significant assumptions used in their future business plans, as a key audit matter.

#### **How the Key Audit Matter Was Addressed in the Audit**

In order to address the key audit matter, we evaluated the effectiveness of the Group's controls over the determination of debtor categories of the Certain troubled debtors and tested the appropriateness of debtor categories based on the underlying information obtained.

We evaluated the effectiveness of the Group's controls, including review and approval, over the determination of debtor categories in accordance with the internal rules for write-offs and provisions. We also evaluated the effectiveness of the Group's controls over the accuracy and completeness of data, such as financial information about debtors, that was used in these internal controls.

In addition, for the Certain troubled debtors whose categories were highly dependent upon their future business plans, we tested the appropriateness of the information about these debtors underlying the determination of debtor categories. Also, we identified significant assumptions used in their future business plans and evaluated the reasonableness of such assumptions by performing the following:

- We evaluated the reasonableness of significant assumptions by comparing their business plans in prior periods to the recent actual results and analyzing the factors of differences. Also, we examined whether the factors of differences that needed to be reflected in the business plans for the following period were appropriately reflected.
- We evaluated the feasibility of sales forecasts which are subject to the external business environment and demand trends by examining the progress of measures to improve profits and comparing them to externally available information.
- We evaluated that the impact of rising raw material and energy prices and increasing in labor costs was fully reflected in their business plans by examining the recent costs incurred.
- We evaluated the feasibility of cost reduction efforts which depend on the debtors' internal business environment by examining the recent costs incurred, the progress of such measures and the ability for further cost reduction.

#### **Other Information**

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the ANNUAL REPORT, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **<Fee-Related Information>**

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to THE OITA BANK, LTD. and its subsidiaries were ¥64 million and ¥21 million, respectively.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC  
August 1, 2024

## Summary of Nonconsolidated Balance Sheet (Unaudited)

THE OITA BANK, LTD.  
March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
<b>ASSETS:</b>			
Cash and due from banks.....	¥ 871,733	¥ 725,866	\$ 5,757,433
Call loans .....	4,845	2,537	31,999
Commercial paper and other debt purchased .....	3,412	3,310	22,534
Money held in trust .....	3,987	3,991	26,332
Investment securities .....	1,400,720	1,392,387	9,251,172
Loans and bills discounted .....	2,161,906	2,098,204	14,278,488
Foreign exchange assets.....	4,605	4,331	30,414
Other assets.....	49,897	42,980	329,548
Premises and equipment .....	28,585	29,403	188,792
Intangible assets .....	522	573	3,447
Prepaid pension cost .....	9,494	9,540	62,703
Deferred tax assets.....		9,140	
Customers' liabilities for acceptances and guarantees.....	11,706	10,216	77,313
Reserve for loan losses .....	(21,192)	(23,963)	(139,964)
<b>TOTAL.....</b>	<b>¥4,530,227</b>	<b>¥4,308,521</b>	<b>\$29,920,262</b>
<b>LIABILITIES:</b>			
Deposits .....	¥3,634,295	¥3,555,417	\$24,003,005
Payables under repurchase agreements.....	72,927	47,902	481,652
Payables under securities lending transactions.....	175,065	83,698	1,156,231
Borrowed money .....	396,005	383,027	2,615,448
Foreign exchange liabilities .....	70	37	462
Other liabilities.....	32,162	44,769	212,416
Liability for retirement benefits .....	6,270	6,210	41,410
Reserve for reimbursement of deposits .....	840	879	5,547
Deferred tax liabilities.....	81		534
Deferred tax liabilities for land revaluation excess .....	3,933	4,074	25,975
Acceptances and guarantees .....	11,706	10,216	77,313
<b>Total liabilities.....</b>	<b>4,333,359</b>	<b>4,136,233</b>	<b>28,620,031</b>
<b>EQUITY:</b>			
Common stock- authorized, 30,000,000 shares; issued, 16,243,634 shares in 2024 and 2023.....	19,598	19,598	129,436
Capital surplus .....	10,582	10,582	69,889
Stock acquisition rights .....	254	246	1,677
Retained earnings:			
Legal reserve.....	10,431	10,431	68,892
Unappropriated.....	133,190	128,856	879,664
<b>Total retained earnings.....</b>	<b>143,621</b>	<b>139,287</b>	<b>948,556</b>
Unrealized gain (loss) on available-for-sale securities.....	17,225	(3,017)	113,763
Deferred gain (loss) on derivatives under hedge accounting .....	(225)	(454)	(1,486)
Land revaluation excess.....	7,810	8,124	51,581
Treasury stock- at cost, 443,579 shares in 2024 and 460,533 shares in 2023 .....	(1,999)	(2,078)	(13,202)
<b>Total equity.....</b>	<b>196,867</b>	<b>172,288</b>	<b>1,300,224</b>
<b>TOTAL.....</b>	<b>¥4,530,227</b>	<b>¥4,308,521</b>	<b>\$29,920,262</b>

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥151.41=U.S. \$1, the approximate exchange rate prevailing at March 31, 2024.



## Summary of Nonconsolidated Statement of Income (Unaudited)

THE OITA BANK, LTD.  
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
<b>INCOME:</b>			
Interest on:			
Loans and discounts.....	¥23,367	¥21,384	\$154,329
Securities.....	19,069	21,153	125,942
Other.....	388	490	2,562
Total interest income.....	42,826	43,029	282,847
Fees and commissions.....	8,965	8,763	59,210
Other operating income.....	1,860	5,518	12,284
Gain on reversal of reserve for loan losses.....	936	2,522	6,181
Gains on sales of stocks and other securities.....	6,724	1,950	44,409
Other income.....	468	923	3,090
Total income.....	61,781	62,706	408,037
<b>EXPENSES:</b>			
Interest on:			
Deposits.....	285	187	1,882
Securities sold under repurchase agreements.....	3,424	1,100	22,614
Borrowings and rediscounts.....	0	15	0
Other.....	553	630	3,652
Total interest expenses.....	4,263	1,933	28,155
Fees and commissions.....	1,949	1,922	12,872
Other operating expenses.....	20,893	24,479	137,989
General and administrative expenses.....	25,994	25,675	171,679
Losses on sales of stocks and other securities.....	303	538	2,001
Impairment losses on stocks and other securities.....	449	695	2,965
Provision for reimbursement of deposits.....	187		1,235
Impairment losses.....	268	325	1,770
Other expenses.....	177	410	1,169
Total expenses.....	54,488	55,980	359,870
<b>INCOME BEFORE INCOME TAXES</b> .....	7,292	6,726	48,160
<b>INCOME TAXES:</b>			
Current.....	1,553	1,159	10,256
Deferred.....	178	410	1,175
Total income taxes.....	1,731	1,569	11,432
<b>NET INCOME</b> .....	¥ 5,560	¥ 5,156	\$ 36,721
	Yen		U.S. Dollars
<b>PER SHARE OF COMMON STOCK:</b>			
Basic net income.....	¥352.01	¥326.77	\$ 2.32
Diluted net income.....	349.63	324.75	2.30
Cash dividends applicable to the year.....	95.00	90.00	0.62

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥151.41=U.S. \$1, the approximate exchange rate prevailing at March 31, 2024.

## Summary of Nonconsolidated Statement of Changes in Equity (Unaudited)

THE OITA BANK, LTD.  
Year Ended March 31, 2024

	Thousands Outstanding Number of Shares of Common Stock	Millions of Yen									Total Equity
		Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings		Unrealized Gain (Loss) on Available- for-sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	
<b>BALANCE, MARCH 31, 2022</b>	15,773	¥19,598	¥10,582	¥220	¥10,431	¥124,755	¥9,079	¥1,673	¥8,353	¥(2,122)	¥182,573
Net income						5,156					5,156
Cash dividends, ¥80.00 per share						(1,262)					(1,262)
Purchase of treasury stock	(0)									(1)	(1)
Disposal of treasury stock	10		(22)							45	22
Transfer from land revaluation excess						228					228
Transfer from retained earnings to capital surplus			22			(22)					
Net change in the year				25			(12,097)	(2,128)	(228)		(14,429)
<b>BALANCE, MARCH 31, 2023</b>	15,783	19,598	10,582	246	10,431	128,856	(3,017)	(454)	8,124	(2,078)	172,288
Net income						5,560					5,560
Cash dividends, ¥95.00 per share						(1,500)					(1,500)
Purchase of treasury stock	(1)									(3)	(3)
Disposal of treasury stock	18		(41)							82	41
Transfer from land revaluation excess						314					314
Transfer from retained earnings to capital surplus			41			(41)					
Net change in the year				8			20,243	228	(314)		20,166
<b>BALANCE, MARCH 31, 2024</b>	15,800	¥19,598	¥10,582	¥254	¥10,431	¥133,190	¥ 17,225	¥ (225)	¥7,810	¥(1,999)	¥196,867

	Thousands of U.S. Dollars										
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings		Unrealized Gain (Loss) on Available- for-sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Land Revaluation Excess	Treasury Stock	Total Equity	
<b>BALANCE, MARCH 31, 2023</b>	\$129,436	\$69,889	\$1,624	\$68,892	\$851,040	\$(19,926)	\$(2,998)	\$53,655	\$(13,724)	\$1,137,890	
Net income					36,721					36,721	
Cash dividends, \$0.62 per share					(9,906)					(9,906)	
Purchase of treasury stock									(19)	(19)	
Disposal of treasury stock			(270)						541	270	
Transfer from land revaluation excess					2,073					2,073	
Transfer from retained earnings to capital surplus			270		(270)						
Net change in the year				52		133,696	1,505	(2,073)		133,188	
<b>BALANCE, MARCH 31, 2024</b>	\$129,436	\$69,889	\$1,677	\$68,892	\$879,664	\$113,763	\$(1,486)	\$51,581	\$(13,202)	\$1,300,224	

Note: Amounts stated in U.S. dollars are translated from Japanese yen, solely for convenience, at the rate of ¥151.41=U.S. \$1, the approximate exchange rate prevailing at March 31, 2024.

## CORPORATE DATA

### HEAD OFFICE

4-1, Funaimachi 3-chome, Oita 870-0021  
Telephone: (097) 534-1111

### INTERNATIONAL BUSINESS OFFICE

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Fax: (097) 536-7071  
Swift: OITA JPJT

### Hong Kong Representative Office

Room 1108, 11/F, The Metropolis Tower,  
10 Metropolis Drive, Hung Hom,  
Kowloon, Hong Kong  
Telephone: 852-2522-8862  
Fax: 852-2522-7298

### FOREIGN EXCHANGE OFFICES

#### Main Office

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Telephone: (097) 534-1111

#### Osaka Branch

8-7, Hiranomachi 1-chome,  
Chuo-ku, Osaka 541-0046  
Telephone: (06) 6231-6067

### Saiki Branch

2-7, Jyokanishimachi,  
Saiki, Oita 876-0847  
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### Tokyo Branch

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Chuo-ku, Tokyo 103-0027  
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### Fukuoka Branch

10-10, Kamigofukumachi,  
Hakata-ku, Fukuoka 812-0036  
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### Kokura Branch

1-21, Komemachi 1-chome,  
Kokurakita-ku, Kita-Kyusyu 802-0003  
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### Beppu Branch

18-21, Noguchinakamachi,  
Beppu, Oita 874-0932  
Telephone: (0977) 21-2121

### Nakatsu Branch

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Nakatsu, Oita 871-0058  
Telephone: (0979) 24-2211

### Tsurusaki Branch

1-12, Minami-Tsurusaki 3-chome,  
Oita 870-0104  
Telephone: (097) 527-2121

### Hita Branch

1-2, Sanbonmatsu 1-chome,  
Hita, Oita 877-0016  
Telephone: (0973) 23-2101

### NUMBER OF MONEY EXCHANGE OFFICES

33

### NUMBER OF OFFICES BY DISTRICT

Oita Prefecture .....	82
Miyazaki Prefecture .....	2
Kumamoto Prefecture .....	1
Fukuoka Prefecture .....	6
Osaka .....	1
Tokyo .....	1
Total .....	93

(As of September 30, 2024)

## BOARD OF DIRECTORS AND AUDITORS

### Chairman

Tomiichiro Goto

### President

Yasuhide Takahashi

### Senior Managing Directors

Nobuhiko Okamatsu

### Managing Directors

Hiroaki Shimonomura  
Yasunori Sato  
Yu Ikeda

### Outside Director

Hisatsugu Wada

### Full-time Audit and Supervisory Committee Members

Masayuki Sagara  
Hiroyuki Hirakawa

### Outside Audit and Supervisory Committee Members

Mitsuo Kawano  
Sachiko Oro  
Akiko Yamamoto

### Managing Executive Officers

Yuji Watanabe  
Katsuhiko Ueki

### Executive Officers

Yusuke Anan  
Norio Hamada  
Takashi Inomata  
Noriyuki Nakama  
Masanobu Miura

(As of June 30, 2024)

感動を、シェアしたい。

Emotions with you.