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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)



Company name: The 77 Bank, Ltd.
 Listing: Tokyo Stock Exchange / Sapporo Securities Exchange
 Securities code: 8341
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 Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Establishment of specified transaction account: None
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts and percentages are rounded down to the nearest unit, unless otherwise noted.)

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

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	150,552	23.3	44,241	23.6	29,802	18.9
March 31, 2023	122,053	3.2	35,777	8.4	25,056	12.6

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥104,875 million [—%]
 For the fiscal year ended March 31, 2023: ¥(2,971) million [—%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of ordinary profit to ordinary income
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	402.40	—	5.3	0.4	29.3
March 31, 2023	338.74	—	4.9	0.3	29.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥— million
 For the fiscal year ended March 31, 2023: ¥— million

(2) Consolidated financial position

	Total assets	Total net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	10,501,098	601,700	5.7	8,121.61
March 31, 2023	10,200,848	504,487	4.9	6,818.61

Reference: Total capital
 As of March 31, 2024: ¥601,700 million
 As of March 31, 2023: ¥504,487 million

Note: “Capital adequacy ratio” is calculated by dividing total net assets at the end of the period by total assets at the end of the period.
 “Capital adequacy ratio” stated above is not calculated based on the public notice of capital adequacy ratio.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	(103,721)	80,187	(7,837)	1,279,596
March 31, 2023	(681,807)	43,071	(5,974)	1,310,932

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
ended March 31, 2023	—	40.00	—	50.00	90.00	6,723	26.5	1.3
ended March 31, 2024	—	55.00	—	67.50	122.50	9,151	30.4	1.6
ending March 31, 2025 (Forecast)	—	70.00	—	70.00	140.00		31.4	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
First half	26,500	4.4	18,000	1.7	242.96
Full year	48,500	9.6	33,000	10.7	445.43

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	76,655,746 shares
As of March 31, 2023	76,655,746 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	2,569,419 shares
As of March 31, 2023	2,668,854 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	74,059,563 shares
Fiscal year ended March 31, 2023	73,969,653 shares

Note: Please refer to (Per share information) on page 10 of Attachments for the shares used as the basis for calculating Basic earnings per share (consolidated).

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	135,590	25.1	42,468	23.4	28,834	18.3
March 31, 2023	108,304	3.4	34,401	12.8	24,373	17.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	389.33	—
March 31, 2023	329.50	—

(2) Non-consolidated financial position

	Total assets	Total net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	10,471,167	576,703	5.5	7,784.20
March 31, 2023	10,179,535	490,750	4.8	6,632.94

Reference: Total capital

As of March 31, 2024: ¥576,703 million

As of March 31, 2023: ¥490,750 million

Note: “Capital adequacy ratio” is calculated by dividing total net assets at the end of the period by total assets at the end of the period.

“Capital adequacy ratio” stated above is not calculated based on the public notice of capital adequacy ratio.

2. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
First half	26,000	4.8	18,000	2.7	242.96
Full year	47,000	10.6	32,000	10.9	431.93

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

* Explanation on proper use of earnings forecasts and other special matters

The financial result forecasts herein are based on information available to the Company as of the date of the announcement. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results and Financial Position

(1) Operating Results

(i) Overview and operating results of the fiscal year under review

During the fiscal year under review, the Japanese economy showed a moderate recovery trend, driven by strong corporate earnings and pent-up demand, despite being pressured by a slowdown in overseas economies and high prices. On the other hand, economic conditions in Miyagi Prefecture, our main operating base, showed signs of a lull in construction investment, and the labor shortage and high prices weighed on businesses and households, resulting in a generally sluggish recovery.

Amid such a situation, as for the interest rate conditions, the Bank of Japan set the upper limit of the long-term interest rates at 1.0% in October, leading to a rise in the domestic long-term interest rate to the 0.9% range in November. Subsequently, domestic interest rates fell to the 0.5% range as U.S. interest rates declined due to growing expectations of a halt in U.S. interest rate hikes. However, from January onward, as the market factored in adjustments to the Bank of Japan's monetary policy, interest rates remained at the 0.7% range toward the end of the period. On the other hand, short-term interest rates rose toward the end of the period following the Bank of Japan's lifting of its negative interest rate policy in March. In the foreign exchange market, yen selling and dollar buying advanced, influenced by the widening interest rate differential with the U.S. against the backdrop of diminishing expectations of a rate cut by the Federal Reserve, moving from the 133 yen per dollar range at the beginning of the period to the 151 yen per dollar range by the end.

Additionally, regarding stock prices, driven by the Tokyo Stock Exchange's request for listed companies to improve their Price to Book Ratios (PBR) and robust corporate performance, the Nikkei Stock Average rose significantly from the 28,000 yen range at the beginning of the period to the 40,000 yen range by the end.

Under such economic conditions, the Bank and its consolidated subsidiaries, with the support of shareholders and business partners, have made concerted efforts to promote business activities. As a result, the performance of the Bank and its consolidated subsidiaries for the fiscal year under view is as follows.

As for the profit and loss, ordinary income increased by ¥28,499 million year-on-year to ¥150,552 million mainly due to an increase in interest income resulting from increases in interest on loans and discounts and interest and dividends on securities as well as an increase in other income resulting from an increase in gains on sales of equity securities. On the other hand, ordinary expenses increased by ¥20,036 million year-on-year to ¥106,311 million mainly due to an increase in other ordinary expenses resulting from increases in loss on sales of bonds and loss on foreign exchange transactions.

As a result, ordinary profit increased by ¥8,464 million year-on-year to ¥44,241 million. Profit attributable to owners of parent increased by ¥4,746 million year-on-year to ¥29,802 million, and basic earnings per share was 402.40 yen.

(ii) Outlook of the next fiscal year

Despite risk factors such as overseas political and economic situations and domestic labor supply constraints, the Japanese economy is expected to continue its moderate recovery, driven by the recovery in increased digital-related investments and improvements in labor distribution against the backdrop of a labor shortage and other factors in addition to recovery of global semiconductor demand and strong corporate earnings. Meanwhile, the economy in Miyagi Prefecture, our main operating base, is expected to move toward a gradual recovery in general due to the progress of redevelopment projects in the Sendai area and increased investment appetite associated with the entry of semiconductor factories, although recovery is slow from sluggish improvements in corporate earnings and household real incomes.

Under such an economic environment, the Bank expects an ordinary profit of ¥48.5 billion and profit attributable to owners of parent of ¥33.0 billion for the fiscal year ending March 31, 2025. On a non-consolidated basis, the Bank expects ordinary profit of ¥47.0 billion and net income of ¥32.0 billion.

(2) Financial Position

(i) Status of Assets and Liabilities

Deposits (including negotiable certificates of deposit)

Deposits (including negotiable certificates of deposit) increased by ¥49.3 billion during the period, to ¥8,935.1 billion at the end of the period, mainly due to increases in retail and corporate deposits, despite a decrease in public deposits.

Loans and bills discounted

Loans and bills discounted increased by ¥297.1 billion during the period, to ¥5,854.5 billion at the end of the period, mainly due to increases in loans to SMEs and loans to individuals, mainly for housing loans.

Investment securities

Investment securities increased by ¥30.3 billion during the period, to ¥3,077.1 billion at the end of the period, mainly due to increases in national government bonds, Investment trusts, and equity securities, despite a decrease in local government bonds and corporate bonds.

Total assets

Total assets increased ¥300.2 billion during the period, reaching ¥10,501 billion at the end of the period.

(ii) Status of Cash Flows

Cash flows from operating activities resulted in a negative figure of ¥103,721 million mainly due to an increase in loans and bills discounted. Compared to the previous fiscal year, there was an increase of ¥578,086 million, mainly due to an increase in borrowed money.

Cash flows from investing activities resulted in a positive figure of ¥80,187 million, mainly due to proceeds from maturity and sales of investment securities. Compared to the previous fiscal year, there was an increase of ¥37,116 million, mainly due to an increase in proceeds from sales of investment securities.

Cash flows from financing activities resulted in a negative figure of ¥7,837 million mainly due to the payment of dividends. Compared to the previous fiscal year, there was a decrease of ¥1,863 million, mainly due to an increase in dividends paid.

As a result of the above, cash and cash equivalents decreased by ¥31,336 million during the period and resulted to ¥1,279,596 million at the end of the period.

(3) Basic Policy on Profit Distribution and Dividends for the Current and the Next Fiscal Year

Considering the public nature of the banking business and maintaining sound management, etc., the Bank aims to raise its dividend payout ratio to 35% or more of net income attributable to owners of the parent by the fiscal year ending March 31, 2026, through progressive dividend payments based on the premise of strengthening its financial base and to improve shareholder returns and capital profitability by flexibly purchasing treasury shares. The Bank intends to utilize retained earnings for future business development and to strengthen its financial position.

Based on the above policy, for the fiscal year under review, taking into consideration the business performance and other factors comprehensively, the Bank has decided to increase the year-end dividend by 12.50 yen per share from the dividend forecast announced on November 10, 2023, to 67.50 yen per share. As a result, the annual dividend for the fiscal year under review, including the interim dividend, will be 122.50 yen per share.

For the fiscal year ending March 31, 2025, the annual dividend is expected to be 140.00 yen per share (including an interim dividend of 70.00 yen per share) based on the earnings forecast and the target payout ratio of 35% or more by the fiscal year ending March 31, 2026.

(Note) In the shareholder return policy established in January 2022, the Bank's target dividend payout ratio as a percentage of net income attributable to shareholders of the parent company was set at 30% for the fiscal year ended March 31, 2024, and in November 2023, the Bank revised the policy to increase the payout ratio to 35% or more by the fiscal year ending March 31, 2026.

In addition, the dividend payout ratio for the fiscal year under review was 30.4%, which is on track to meet the target for the fiscal year ended March 31, 2024.

2. Basic Policy on Selection of Accounting Standards

The Group applies Japanese GAAP. The Group will take appropriate measures for the adoption of International Financial Reporting Standards (IFRS), taking into consideration circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	1,322,376	1,288,993
Monetary claims bought	4,000	800
Trading securities	20,210	16,328
Money held in trust	114,557	120,536
Securities	3,046,780	3,077,129
Loans and bills discounted	5,557,388	5,854,516
Foreign exchanges	12,206	5,178
Lease receivables and investments in leases	20,948	22,614
Other assets	104,953	108,983
Tangible fixed assets	30,672	30,779
Buildings	7,642	7,028
Land	18,260	18,140
Lease assets	45	44
Construction in progress	24	919
Other tangible fixed assets	4,698	4,646
Intangible fixed assets	134	112
Software	29	10
Other Intangible fixed assets	105	102
Asset for employees' retirement benefits	—	6,119
Deferred tax assets	852	766
Customers' liabilities for acceptances and guarantees	27,155	30,254
Allowance for loan losses	(61,388)	(62,015)
Total assets	10,200,848	10,501,098
Liabilities		
Deposits	8,649,291	8,702,134
Negotiable certificates of deposit	236,500	232,970
Call money and bills sold	27,026	—
Cash collateral received for securities lent	1,293	9,020
Borrowed money	642,303	808,703
Foreign exchanges	338	292
Borrowed money from trust account	—	1,037
Other liabilities	90,063	69,173
Provision for bonuses for directors (and other officers)	77	97
Retirement benefit liability	15,960	7,720
Provision for retirement benefits for directors (and other officers)	38	33
Provision for stocks payment	941	931
Provision for reimbursement of deposits	186	126
Provision for contingent loss	739	876
Reserves under special laws	0	1
Deferred tax liabilities	4,443	36,024
Acceptances and guarantees	27,155	30,254
Total liabilities	9,696,360	9,899,398
Net assets		
Share capital	24,658	24,658
Capital surplus	20,075	20,076
Retained earnings	411,622	433,580
Treasury shares	(6,325)	(6,145)
Total shareholders' equity	450,030	472,169
Valuation difference on available-for-sale securities	59,919	125,123
Deferred gains or losses on hedges	(66)	(95)
Remeasurements of defined benefit plans	(5,396)	4,503
Total accumulated other comprehensive income	54,457	129,530
Total net assets	504,487	601,700
Total liabilities and net assets	10,200,848	10,501,098

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Ordinary income	122,053	150,552
Interest income	79,107	94,959
Interest on loans and discounts	46,663	51,971
Interest and dividends on securities	31,301	42,177
Interest on call loans and bills bought	49	68
Interest on deposits with banks	982	673
Other interest income	110	68
Trust fees	—	20
Fees and commissions	19,896	21,410
Other ordinary income	14,407	14,470
Other income	8,642	19,691
Ordinary expenses	86,275	106,311
Interest expenses	1,237	2,231
Interest on deposits	417	645
Interest on negotiable certificates of deposit	8	7
Interest on call loans and bills sold	225	647
Interest expenses on cash collateral received for securities lent	344	723
Interest on borrowings and rediscounts	107	130
Other interest expenses	133	77
Fees and commissions payments	5,670	5,654
Other ordinary expenses	22,785	37,670
General and administrative expenses	53,475	54,384
Other expenses	3,107	6,370
Provision of allowance for loan losses	809	3,235
Other	2,297	3,135
Ordinary profit	35,777	44,241
Extraordinary income	—	—
Extraordinary losses	364	34
Impairment losses	364	34
Provision of reserve for financial instruments transaction liabilities	0	0
Profit before income taxes	35,412	44,206
Income taxes - current	8,948	14,308
Income taxes - deferred	1,407	96
Total income taxes	10,355	14,404
Profit	25,056	29,802
Profit attributable to owners of parent	25,056	29,802

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	25,056	29,802
Other comprehensive income	(28,027)	75,073
Valuation difference on available-for-sale securities	(27,506)	65,203
Deferred gains or losses on hedges	68	(29)
Remeasurements of defined benefit plans, net of tax	(590)	9,899
Comprehensive income	(2,971)	104,875
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,971)	104,875

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at the start of current period	24,658	20,075	392,541	(6,445)	430,831
Changes of items during the period					
Dividends from surplus			(5,976)		(5,976)
Profit attributable to owners of parent			25,056		25,056
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		(0)		123	123
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	19,080	119	19,199
Balance at the end of current period	24,658	20,075	411,622	(6,325)	450,030

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income	
Balance at the start of current period	87,425	(134)	(4,805)	82,485	513,316
Changes of items during the period					
Dividends from surplus					(5,976)
Profit attributable to owners of parent					25,056
Purchase of treasury stock					(4)
Disposal of treasury stock					123
Net changes of items other than shareholders' equity	(27,506)	68	(590)	(28,027)	(28,027)
Total changes of items during the period	(27,506)	68	(590)	(28,027)	(8,828)
Balance at the end of current period	59,919	(66)	(5,396)	54,457	504,487

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at the start of current period	24,658	20,075	411,622	(6,325)	450,030
Changes of items during the period					
Dividends from surplus			(7,844)		(7,844)
Profit attributable to owners of parent			29,802		29,802
Purchase of treasury stock				(7)	(7)
Disposal of treasury stock		0		187	187
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	21,958	180	22,138
Balance at the end of current period	24,658	20,076	433,580	(6,145)	472,169

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income	
Balance at the start of current period	59,919	(66)	(5,396)	54,457	504,487
Changes of items during the period					
Dividends from surplus					(7,844)
Profit attributable to owners of parent					29,802
Purchase of treasury stock					(7)
Disposal of treasury stock					187
Net changes of items other than shareholders' equity	65,203	(29)	9,899	75,073	75,073
Total changes of items during the period	65,203	(29)	9,899	75,073	97,212
Balance at the end of current period	125,123	(95)	4,503	129,530	601,700

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Operating activities:		
Profit before income taxes and minority interests	35,412	44,206
Depreciation and amortization	3,010	3,150
Impairment loss	364	34
Change in reserve for loan losses	(1,726)	627
Change in reserve for contingent losses	(49)	136
Change in liability for bonus for directors and corporate auditors	(9)	20
Change in asset for employees' retirement benefits	—	(596)
Change in liability for employees' retirement benefits	(681)	460
Change in liability for directors' and corporate auditors retirement benefits	(5)	(4)
Change in reserve for stock benefits	48	(10)
Change in reserve for reimbursement of deposits	(52)	(60)
Interest income	(79,107)	(94,959)
Interest expense	1,237	2,231
Losses(gains) on investment securities - net	1,401	(608)
Losses (gains) on money held in trust - net	(778)	(2,308)
Foreign exchange gains (losses) -net	(10,532)	(25,135)
Losses (gains) on disposals of fixed assets	(85)	(53)
Net change in loans and bills discounted	(228,045)	(297,128)
Net change in deposits	42,367	52,843
Net change in negotiable certificates of deposit	23,680	(3,530)
Net change in borrowed money	(525,789)	166,399
Net change in due from banks	939	2,046
Net change in call loans and others	(2,000)	3,199
Net change in call money and others	(2,102)	(27,026)
Net change in payable under securities lending transactions	42	7,726
Net change in trading account securities	150	3,882
Net change in foreign exchange assets	(5,168)	7,028
Net change in foreign exchange liabilities	157	(45)
Net change in lease receivables and investments in leases	(424)	(1,666)
Net change in borrowed money from trust account	—	1,037
Interest received	80,104	94,869
Interest paid	(1,184)	(2,230)
Other - net	(1,493)	(28,842)
Subtotal	(670,320)	(94,306)
Income taxes—paid	(11,487)	(9,415)
Net cash provided by (used in) operating activities	(681,807)	(103,721)
Investing activities:		
Purchases of investment securities	(469,309)	(544,082)
Proceeds from sales of investment securities	189,338	294,734
Proceeds from maturity of investment securities	334,190	331,619
Increase in money held in trust	(20,700)	(5,000)
Decrease in money held in trust	11,584	5,940
Purchases of tangible fixed assets	(2,647)	(3,403)
Proceeds from sales of tangible fixed assets	702	464
Purchases of intangible fixed assets	(0)	(0)
Payments for asset retirement obligations	(88)	(86)
Net cash provided by (used in) investing activities	43,071	80,187
Financing activities:		
Purchases of treasury stock	(4)	(7)
Proceeds from sales of treasury stock	0	0
Dividends paid	(5,970)	(7,830)
Net cash provided by (used in) financing activities	(5,974)	(7,837)
Foreign currency translation adjustments on cash and cash equivalents	21	35
Net increase (decrease) in cash and cash equivalents	(644,689)	(31,336)
Cash and cash equivalents, beginning of term	1,955,622	1,310,932
Cash and cash equivalents, end of term	1,310,932	1,279,596

(5) Notes on Going Concern assumption
Not applicable.

(6) Notes to Consolidated Financial Statements

(Segment information)

The Companies are principally engaged in the banking business and also leasing business and other financial services. The reportable segments of the Bank are the segments for which separate financial information is available and are subject to periodic review by the chief operating decision maker to determine the allocation of management resources and assess performance.

Segment information is omitted because the reportable segments of the Companies consist only of the “Banking” segment and since the “Other” segment is immaterial.

(Per share information)

	For the fiscal year ended March 31, 2024
Net assets per share (yen)	8,121.61
Basic earnings per share (yen)	402.40

- (Notes) 1. Diluted earnings per share is not shown because there were no potential shares.
2. The basis for the calculation of net assets per share is as follows.

(i) Net assets per share

	For the fiscal year ended March 31, 2024
Total amount of net assets (millions of yen)	601,700
Amount to be deducted from total net assets (millions of yen)	—
Net assets related to common share at the end of the current period (millions of yen)	601,700
Number of shares of common shares used in the calculation of net assets per share at the end of the current period (thousand shares)	74,086

- (Note) The Bank’s shares held by the directors’ compensation BIP trust that are recorded as treasury stock under “Equity” are included in the treasury stock to be deducted from the total number of shares issued and outstanding at the end of the period for the calculation of net assets per share. The number of shares of the treasury stock deducted in the calculation of net assets per share at the end of the period was 617 thousand shares.

(ii) Basic earnings per share

	For the fiscal year ended March 31, 2024
Basic earnings per share	
Profit attributable to owners of parent (millions of yen)	29,802
Amount not attributable to common shareholders (millions of yen)	—
Profit attributable to owners of parent relating to common shares (millions of yen)	29,802
Average number of common shares outstanding during the period (thousand shares)	74,059

(Note) The Bank's shares held by the directors' compensation BIP trust that are recorded as treasury stock under "Equity" are included in the treasury stock to be deducted when computing the average number of shares during the fiscal year for the calculation of basic earnings per share. The average number of shares of the treasury stock deducted in the calculation of basic earnings per share at the end of the period was 645 thousand shares.

(Significant subsequent events)

Not applicable.

4. Non-Consolidated Financial Statements**(1) Non-Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	1,322,287	1,288,883
Cash	64,949	56,551
Due from banks	1,257,338	1,232,332
Monetary claims bought	4,000	800
Trading securities	20,210	16,328
Trading government bonds	197	52
Trading local government bonds	14,012	10,275
Other trading securities	6,000	5,999
Money held in trust	114,557	120,536
Securities	3,056,164	3,086,419
Government bonds	300,273	385,773
Local government bonds	915,231	791,099
Corporate bonds	835,210	718,304
Equity securities	154,963	218,925
Other securities	850,485	972,316
Loans and bills discounted	5,570,150	5,867,380
Bills discounted	7,330	5,508
Loans on bills	122,666	122,631
Loans on deeds	4,765,888	5,009,566
Overdrafts	674,264	729,674
Foreign exchanges	12,206	5,178
Due from foreign banks (our accounts)	12,206	5,178
Other assets	79,460	82,761
Prepaid expenses	658	4,264
Accrued revenue	6,244	8,063
Financial derivatives	9,956	10,703
Cash collateral paid for financial instruments	4,547	5,671
Other	58,053	54,058
Tangible fixed assets	30,433	30,527
Buildings	7,622	7,011
Land	18,260	18,140
Lease assets	8	12
Construction in progress	24	919
Other tangible fixed assets	4,515	4,443
Intangible fixed assets	104	101
Other Intangible fixed assets	104	101
Prepaid pension costs	467	596
Customers' liabilities for acceptances and guarantees	27,155	30,254
Allowance for loan losses	(57,662)	(58,601)
Total assets	10,179,535	10,471,167
Liabilities		
Deposits	8,661,142	8,716,822
Current deposits	251,857	282,436
Ordinary deposits	6,193,654	6,348,603
Savings deposits	147,218	146,575
Deposits at notice	10,660	7,442
Time deposits	1,957,960	1,853,007
Installment savings	14,711	14,440
Other deposits	85,079	64,317
Negotiable certificates of deposit	249,500	245,970
Call money	27,026	—
Cash collateral received for securities lent	1,293	9,020
Borrowed money	632,389	797,668
Borrowings from other banks	632,389	797,668
Foreign exchanges	338	292

	As of March 31, 2023	As of March 31, 2024
Foreign bills sold	120	40
Foreign bills payable	217	252
Borrowed money from trust account	–	1,037
Other liabilities	72,834	49,129
Domestic exchange settlement account, credit	56	15
Income taxes payable	2,272	7,265
Accrued expenses	3,386	3,758
Unearned revenue	1,942	1,785
Reserve for interest on installment savings	0	0
Financial derivatives	11,391	15,759
Cash collateral received for financial instruments	5,431	7,652
Lease liabilities	9	12
Asset retirement obligations	608	596
Other	47,735	12,281
Provision for bonuses for directors (and other officers)	58	74
Retirement benefit liability	8,515	8,518
Provision for stocks payment	941	931
Provision for reimbursement of deposits	186	126
Provision for contingent loss	739	876
Deferred tax liabilities	6,662	33,741
Acceptances and guarantees	27,155	30,254
Total liabilities	9,688,784	9,894,463
Net assets		
Share capital	24,658	24,658
Capital surplus	8,496	8,496
Legal capital surplus	7,835	7,835
Other capital surplus	661	661
Retained earnings	403,886	424,876
Legal retained earnings	24,658	24,658
Other retained earnings	379,228	400,218
Reserve for advanced depreciation of noncurrent assets	626	598
General reserve	350,805	366,805
Retained earnings brought forward	27,796	32,814
Treasury shares	(5,485)	(5,305)
Total shareholders' equity	431,556	452,726
Valuation difference on available-for-sale securities	59,260	124,072
Deferred gains or losses on hedges	(66)	(95)
Total valuation and translation adjustments	59,194	123,976
Total net assets	490,750	576,703
Total liabilities and net assets	10,179,535	10,471,167

(2) Non-Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Ordinary income	108,304	135,590
Interest income	79,821	95,630
Interest on loans and discounts	46,646	51,965
Interest and dividends on securities	32,032	42,853
Interest on call loans	49	68
Interest on deposits with banks	982	673
Other interest income	110	68
Trust fees	—	20
Fees and commissions	18,943	19,705
Fees and commissions on domestic and foreign exchanges	5,529	5,576
Other fees and commissions	13,413	14,128
Other ordinary income	828	541
Gain on sale of bonds	805	391
Gain on redemption of bonds	20	31
Gain on financial derivatives	—	114
Other	3	4
Other income	8,710	19,692
Gain on sale of equity securities	6,031	14,555
Gain on money held in trust	1,547	4,339
Other	1,131	797
Ordinary expenses	73,902	93,121
Interest expenses	1,203	2,189
Interest on deposits	417	645
Interest on negotiable certificates of deposit	9	8
Interest on call money	225	647
Interest expenses on cash collateral received for securities lent	344	723
Interest on borrowings and rediscounts	73	87
Interest expenses on interest rate swaps	129	74
Other interest expenses	4	3
Fees and commissions payments	6,720	6,757
Fees and commissions on domestic and foreign exchanges	1,547	1,540
Other fees and commissions	5,172	5,216
Other ordinary expenses	12,795	26,818
Loss on foreign exchange transactions	4,971	12,574
Net loss on trading securities transactions	76	44
Loss on sale of bonds	1,482	10,564
Loss on redemption of bonds	6,154	3,528
Loss on devaluation of bonds	91	103
Loss on financial derivatives	17	—
Other	1	1
General and administrative expenses	50,177	50,950
Other expenses	3,005	6,406
Provision of allowance for loan losses	767	3,325
Write-off of loans	12	—
Loss on sale of equity securities	531	172
Loss on money held in trust	878	2,179
Other	816	729
Ordinary profit	34,401	42,468
Extraordinary income	—	—
Extraordinary losses	364	34
Impairment losses	364	34
Profit before income taxes	34,036	42,434
Income taxes - current	8,304	13,565
Income taxes - deferred	1,358	34
Total income taxes	9,663	13,600
Profit	24,373	28,834

(3) Non-Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
Balance at the start of current period	24,658	7,835	661	8,496	24,658	668	337,305	22,858	385,490
Changes of items during the period									
Dividends from surplus								(5,976)	(5,976)
Reversal of reserve for advanced depreciation of noncurrent assets						(42)		42	—
Provision of general reserve							13,500	(13,500)	—
Net income of current period								24,373	24,373
Purchase of treasury stock									
Disposal of treasury stock			(0)	(0)					
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	(0)	(0)	—	(42)	13,500	4,938	18,396
Balance at the end of current period	24,658	7,835	661	8,496	24,658	626	350,805	27,796	403,886

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury share	Total stockholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the start of current period	(5,605)	413,040	86,866	(134)	86,731	499,771
Changes of items during the period						
Dividends from surplus		(5,976)				(5,976)
Reversal of reserve for advanced depreciation of noncurrent assets		—				—
Provision of general reserve		—				—
Net income of current period		24,373				24,373
Purchase of treasury stock	(4)	(4)				(4)
Disposal of treasury stock	123	123				123
Net changes of items other than shareholders' equity			(27,605)	68	(27,537)	(27,537)
Total changes of items during the period	119	18,516	(27,605)	68	(27,537)	(9,020)
Balance at the end of current period	(5,485)	431,556	59,260	(66)	59,194	490,750

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
Balance at the start of current period	24,658	7,835	661	8,496	24,658	626	350,805	27,796	403,886
Changes of items during the period									
Dividends from surplus								(7,844)	(7,844)
Reversal of reserve for advanced depreciation of noncurrent assets						(27)		27	—
Provision of general reserve							16,000	(16,000)	—
Net income of current period								28,834	28,834
Purchase of treasury stock									
Disposal of treasury stock			0	0					
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	0	0	—	(27)	16,000	5,017	20,990
Balance at the end of current period	24,658	7,835	661	8,496	24,658	598	366,805	32,814	424,876

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury share	Total stockholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the start of current period	(5,485)	431,556	59,260	(66)	59,194	490,750
Changes of items during the period						
Dividends from surplus		(7,844)				(7,844)
Reversal of reserve for advanced depreciation of noncurrent assets		—				—
Provision of general reserve		—				—
Net income of current period		28,834				28,834
Purchase of treasury stock	(7)	(7)				(7)
Disposal of treasury stock	187	187				187
Net changes of items other than shareholders' equity			64,811	(29)	64,782	64,782
Total changes of items during the period	180	21,170	64,811	(29)	64,782	85,952
Balance at the end of current period	(5,305)	452,726	124,072	(95)	123,976	576,703

Explanatory Materials on Financial Report
for Fiscal Year 2023 (Ended March 31, 2024)

The 77 Bank, Ltd.

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I Overview of Financial Figures for the Fiscal Year Ended March 31, 2024 [Non-consolidated]

1. Profit and Loss

- (1) Ordinary income increased by 25.1% or ¥27,286 million year-on-year, mainly due to increases in interest on loans and bills discounted and investment income on securities.
- (2) Core net operating income increased by 20.4% or ¥7,635 million year-on-year, mainly due to an increase in net interest income, despite a deterioration in gains (losses) on foreign exchange transactions.
- (3) Ordinary profits increased by 23.4% or ¥8,067 million year-on-year, mainly due to an increase in gain (losses) on equity securities, despite a deterioration in gains (losses) on debt securities.
- (4) Profit increased by 18.3% or ¥4,461 million year-on-year.

(Millions of Yen)				
	For the fiscal year ended Mar. 31, 2024	YoY change		For the fiscal year ended Mar. 31, 2023
		Amount	%	
Ordinary income	135,590	27,286	25.1%	108,304
Gross operating profit	80,133	1,257	1.5%	78,876
[Core gross operating profit]	[93,908]	[8,129]	[9.4%]	[85,779]
Net interest income	93,442	14,822	18.8%	78,620
Net fees and commissions income	12,968	746	6.1%	12,222
Net other operating income	(26,276)	(14,310)		(11,966)
Gains (losses) on debt securities	(13,774)	(6,871)		(6,903)
Gains (losses) on foreign exchange transactions	(12,574)	(7,603)		(4,971)
Expenses	49,007	493	1.0%	48,514
Personnel expenses	25,968	459		25,509
Non-personnel expenses	19,695	(97)		19,792
Substantial net operating income	31,126	765	2.5%	30,361
[Core net operating income]	[44,900]	[7,635]	[20.4%]	[37,265]
[Core net operating income (excluding gains (losses) on cancellation of investment trusts)]	[35,199]	[5,635]	[19.0%]	[29,564]
Provision of general reserve for loan losses (a)	3,915	6,891		(2,976)
Net operating income	27,210	(6,128)	(18.3)%	33,338
Special income and losses	15,258	14,193		1,065
Bad debt disposals (losses) (b)	(196)	(4,425)		4,229
Reversal of reserve for contingent losses (c)	-	(49)		49
Recoveries of written off receivables (d)	5	5		-
Gain (losses) on equity securities	14,383	8,883		5,500
Gains (losses) on investments in money held in trust	2,160	1,492		668
Ordinary profits	42,468	8,067	23.4%	34,401
Extraordinary income (loss)	(34)	330		(364)
Impairment losses (losses)	34	(330)		364
Total income taxes	13,600	3,937		9,663
Profit	28,834	4,461	18.3%	24,373
Credit-related expenses [(a)+(b)-(c)-(d)]	3,713	2,510		1,203

- (Notes) 1. Core gross operating profit = Gross operating profit - Gains (losses) on debt securities
2. Substantial net operating income = Net operating income + Provision of general reserve for loan losses
3. Core net operating income = Net operating income + Provision of general reserve for loan losses - Gains (losses) on debt securities
4. Core net operating income (excluding gains (losses) on cancellation of investment trusts) = Core net operating income - Gains on cancellation of investment trusts

(Reference-1) Net income/expenses on consolidated basis (Millions of Yen)				
	For the fiscal year ended Mar. 31, 2024	YoY change		For the fiscal year ended Mar. 31, 2023
		Amount	%	
Ordinary income	150,552	28,499	23.3%	122,053
Ordinary profits	44,241	8,464	23.6%	35,777
Profit attributable to owners of parent	29,802	4,746	18.9%	25,056

(Reference-2) Details of credit-related expenses

(Millions of Yen)

		For the fiscal year ended Mar. 31, 2024	YoY change Amount	For the fiscal year ended Mar. 31, 2023
Provision of general reserve for loan losses (a)		3,915	6,891	(2,976)
Bad debt disposals (losses) (b)		(196)	(4,425)	4,229
Write-off of loans and bills discounted		-	(12)	12
Provision of specific reserve for loan losses		(589)	(4,332)	3,743
Losses on sale of receivables		148	(154)	302
Provision of reserve for contingent losses		136	136	-
Burden money to the Credit Guarantee Corporations		108	(62)	170
Reversal of reserve for contingent losses (c)		-	(49)	49
Recoveries of written off receivables (d)		5	5	-
Credit-related expenses [(a)+(b)-(c)-(d)]		3,713	2,510	1,203

(Reference-3) Details of investment securities-related profit and loss

(Millions of Yen)

		For the fiscal year ended Mar. 31, 2024	YoY change Amount	For the fiscal year ended Mar. 31, 2023
Gains (losses) on debt securities		(13,774)	(6,871)	(6,903)
Gains on sale		391	(414)	805
Gains on redemption		31	11	20
Losses on sale		10,564	9,082	1,482
Losses on redemption		3,528	(2,626)	6,154
Write-off (a)		103	12	91
Gains (losses) on equity securities		14,383	8,883	5,500
Gains on sale		14,555	8,524	6,031
Losses on sale		172	(359)	531
Write-off (b)		-	-	-
Gains (losses) on investments in money held in trust		2,160	1,492	668
Losses on impairment of investment securities [(a)+(b)]		103	12	91

2. Major Accounts, etc. (Based on term-end balances)

(1) Loans and bills discounted

Loans and bills discounted increased by 5.3% or ¥297.2 billion year-on-year, mainly due to increases in loans to SMEs and loans to individuals, mainly for housing loans. Of this amount, loans in Miyagi Prefecture increased by 4.3% or ¥173.0 billion.

(Billions of Yen, %)			
	As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Loans and bills discounted	5,867.4	297.2	5,570.2
Loans to SMEs, etc.	3,862.6	236.3	3,626.3
Loans to SMEs	2,534.8	199.5	2,335.3
Loans to individuals	1,327.8	36.8	1,291.0
Housing loans	1,270.3	32.0	1,238.3
Loans to local governments, etc.	553.8	(39.4)	593.2
Ratio of loans to SMEs, etc.	65.8	0.7	65.1
(Of which, in Miyagi Prefecture)			
Loans and bills discounted	4,149.9	173.0	3,976.9
Loans to SMEs, etc.	3,165.0	161.2	3,003.8
Loans to SMEs	1,879.8	124.3	1,755.5
Loans to individuals	1,285.2	36.9	1,248.3
Housing loans	1,230.2	32.1	1,198.1
Loans to local governments, etc.	469.6	(20.9)	490.5
Ratio of loans to SMEs, etc.	76.2	0.7	75.5

(2) Investment securities

Investment securities increased by 0.9% or ¥30.2 billion year-on-year, mainly due to increases in national government bonds, Investment trusts, and equity securities, despite a decrease in local government bonds and corporate bonds.

(Billions of Yen)			
	As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Investment securities	3,086.4	30.2	3,056.2
Equity securities	218.9	63.9	155.0
Debt securities	1,895.2	(155.5)	2,050.7
National government bonds	385.8	85.5	300.3
Local government bonds	791.1	(124.1)	915.2
Corporate bonds	718.3	(116.9)	835.2
Other	972.3	121.8	850.5

(Ref.)	Money held in trust	120.5	5.9	114.6
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(Unrealized gains or losses of investment securities)

Investment securities	168.4	87.2	81.2
Equity securities	143.3	64.6	78.7
Debt securities	(34.9)	(7.4)	(27.5)
Other	60.0	30.0	30.0
(Ref.) Money held in trust	7.8	4.6	3.2

(3) Deposits (including negotiable certificates of deposit)

The total amount of deposits and negotiable certificates of deposit increased by 0.5% or ¥52.2 billion year-on-year, mainly due to increases in retail and corporate deposits, despite a decrease in public deposits.

(Billions of Yen)			
	As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Total of deposits and negotiable certificates of deposit	8,962.8	52.2	8,910.6
Retail deposits	6,004.7	96.9	5,907.8
Corporate deposits	2,213.2	32.3	2,180.9
Public deposits	704.6	(70.5)	775.1
(Of which, in Miyagi Prefecture)			
Total of deposits and negotiable certificates of deposit	8,417.0	56.5	8,360.5
Retail deposits	5,753.1	95.9	5,657.2
Corporate deposits	1,957.4	39.4	1,918.0
Public deposits	668.1	(72.6)	740.7

(4) Balance of assets in custody

Balance of assets in custody increased by 1.9% or ¥10.7 billion year-on-year, mainly due to an increase in Investment trusts.

(Billions of Yen)			
	As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Balance of assets in custody	567.5	10.7	556.8
Investment trusts	126.8	37.7	89.1
Insurance	333.5	7.2	326.3
Government bonds	89.0	9.2	79.8
Foreign currency deposits	16.0	(11.2)	27.2
Structured bonds (brokered)	2.2	(32.2)	34.4
(Of which, in Miyagi Prefecture)			
Balance of assets in custody	535.0	17.0	518.0
Investment trusts	121.7	37.2	84.5
Insurance	319.3	7.6	311.7
Government bonds	84.7	9.1	75.6
Foreign currency deposits	7.4	(5.6)	13.0
Structured bonds (brokered)	1.9	(31.3)	33.2

(Note) Foreign currency deposits do not include financial deposits and offshore accounts.

(Reference) Group balance of assets in custody

(Billions of Yen)			
	As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Group balance of assets in custody	724.3	22.0	702.3

(Note) Group balance of assets in custody is the sum of assets in custody of The 77 Bank, Ltd. and assets in custody of 77 Securities Co., Ltd.

3. Management Indicators

(1) OHR

Core OHR improved by 4.37 points year-on-year due to an increase in core gross operating profit, mainly reflecting an increase in net interest income, despite an increase in expenses.

				(Millions of Yen, %)
		For the fiscal year ended Mar. 31, 2024	YoY change (amount)	For the fiscal year ended Mar. 31, 2023
Core OHR (excluding gains (losses) on debt securities)		52.18	(4.37)	56.55
(Ref.)	Expenses	49,007	493	48,514
	Core gross operating profit	93,908	8,129	85,779
OHR (Gross operating profit expenses ratio)		61.15	(0.35)	61.50

(2) Capital adequacy ratio

Although total capital increased by ¥23.8 billion, risk-weighted assets increased by ¥315.3 billion, resulting in capital adequacy ratio [domestic standard] of 10.72%, down 0.24 points from March 31, 2023.

"Composition of Capital Disclosure" based on the public notice of Financial Services Agency No. 7, 2014 is available on The 77 Bank, Ltd.'s website (<https://www.77bank.co.jp/77bank/ir/kessan.html>).

				(Billions of Yen, %)
		As of Mar. 31, 2024	YoY change (amount)	Mar. 31, 2023
Capital adequacy ratio [domestic standard] a/b		10.72	(0.24)	10.96
Total capital a		482.9	23.8	459.1
(Basic items related to core capital)		[483.4]	[23.9]	[459.5]
(Adjustments related to core capital)		[0.5]	[0.1]	[0.4]
Risk-weighted assets b		4,502.1	315.3	4,186.8

(Note) Figures as of March 31, 2024 are tentative.

4. Assets (Disclosed claims under the Financial Reconstruction Law)

(1) Changes in outstanding balance

Sub total (Substandard loans or below) was ¥118.6 billion, an increase of ¥3.3 billion from March 31, 2023. Non-performing loans ratio was 1.99%, down 0.04 points from March 31, 2023.

(Billions of Yen)					
		As of Mar. 31, 2024			Sep. 30, 2023 (B)
		(A)	(A)-(B)	(A)-(C)	Mar. 31, 2023 (C)
Sub total (Substandard loans or below)	A	118.6	2.0	3.3	116.6
Loans to bankrupt and quasi-bankrupt borrowers		11.9	0.0	(0.3)	11.9
Doubtful loans		74.2	0.9	1.6	73.3
Substandard loans		32.5	1.1	2.0	31.4
Normal loans	B	5,838.0	214.9	292.5	5,623.1
Total (A+B)	C	5,956.6	216.9	295.8	5,739.7
Non-performing loans ratio (A/C)		1.99 %	(0.04) %	(0.04) %	2.03 %

(Reference) In case of applying partial direct write-off

The 77 Bank, Ltd. does not apply partly direct write-offs, but if it did, the non-performing loans ratio would be 1.88%.

(Billions of Yen)					
		As of Mar. 31, 2024			Sep. 30, 2023 (B)
		(A)	(A)-(B)	(A)-(C)	Mar. 31, 2023 (C)
Sub total (Substandard loans or below)		111.9	2.9	4.2	109.0
Non-performing loans ratio		1.88 %	(0.02) %	(0.02) %	1.90 %

(2) Coverage

(Billions of Yen)							
		Loans to bankrupt, etc.	Doubtful loans	Substandard loans	Total	Compared to March 31, 2023	
Disclosed claims under the Financial Reconstruction Law Total coverage (C+D) Amount recoverable by guarantees, collateral and others Reserve for loan losses Coverage ratio (B/A)	A	11.9	74.2	32.5	118.6	3.3	
	B	11.9	59.6	15.1	86.6	0.1	
	C	5.2	42.6	9.4	57.2	2.3	
	D	6.7	17.0	5.7	29.4	(2.2)	
		100.0 %	80.3 %	46.5 %	73.0 %	(2.0) %	
Portion not covered by guarantees, collateral and others (A-C)		E	6.7	31.6	23.1	61.4	1.0
Reserve ratio for the above (D/E)			100.0 %	53.8 %	24.6 %	47.9 %	(4.5) %

5. Financial result forecasts for the fiscal year ending March 31, 2025

(1) Non-consolidated financial result forecasts

A. For the six months ending September 30, 2024

Although interest on deposits is expected to increase, core net operating income, ordinary profit and interim profit are all expected to exceed those of the previous interim period due to an increase in interest on loans and bills discounted.

B. For fiscal year ending March 31, 2025

As in the six months ending September 30, 2024, core net operating income, ordinary profit, and profit are all expected to exceed those of the previous period due to an expected increase in interest on loans and bills discounted as well as a decrease in credit-related expenses.

	(Billions of Yen)			
	For the six months ending Sep. 30, 2024		Fiscal year ending Mar. 31, 2025	
	Forecasts	YoY (amount)	Forecasts	YoY (amount)
Core net operating income	27.6	3.3	50.5	5.6
Ordinary profits	26.0	1.2	47.0	4.5
Profit	18.0	0.5	32.0	3.2

(2) Consolidated financial result forecasts

Results forecasts for both the six months ending September 30, 2024, and the fiscal year ending March 31, 2025, are almost the same as the non-consolidated.

	(Billions of Yen)			
	For the six months ending Sep. 30, 2024		Fiscal year ending Mar. 31, 2025	
	Forecasts	YoY (amount)	Forecasts	YoY (amount)
Ordinary profits	26.5	1.1	48.5	4.3
Profit attributable to owners of parent	18.0	0.3	33.0	3.2

6. Cash dividends

As for the fiscal year ended March 31, 2024, The 77 Bank, Ltd. has decided to increase the year-end dividend by 12.50 yen per share from the forecasts to 67.50 yen per share, after comprehensively taking into account of business performance and other factors. As a result, the annual dividend for the fiscal year ended March 31, 2024, including the interim dividend, will be 122.50 yen per share.

In addition, the annual dividend for the fiscal year ending March 31, 2025 is expected to be 140 yen per share (including an interim dividend of 70 yen per share), based on the earnings forecast and the target payout ratio of 35% or more by the fiscal year ending March 31, 2026.

	(Yen)		
	Annual cash dividends		
	Interim	Year-end	Total
Fiscal year ended Mar. 31, 2023	40.00	50.00	90.00
Fiscal year ended Mar. 31, 2024	55.00	67.50	122.50
(Forecasts)	55.00	55.00	110.00
Fiscal year ending Mar. 31, 2025	70.00	70.00	140.00
(Forecasts)			

(Notes) 1. Dividends for the fiscal year ended March 31, 2023 and interim dividends for the six months ended September 30, 2023 have already been paid.

2. The forecasts for the fiscal year ended March 31, 2024 were announced on November 10, 2023.

II Financial Figures for the Fiscal Year Ended March 31, 2024

1. Profit and Loss

[Non-consolidated]

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
Gross operating profit	80,133	1,257	78,876
[excluding gain (losses) on debt securities]	[93,908]	[8,129]	[85,779]
Domestic gross operating profit	76,443	946	75,497
[excluding gains (losses) on debt securities]	[90,218]	[7,818]	[82,400]
Net interest income	77,425	7,110	70,315
Net fees and commissions income	12,899	758	12,141
Net other operating income	(13,880)	(6,922)	(6,958)
(Gains (losses) on debt securities)	((13,774))	((6,871))	((6,903))
International gross operating profit	3,689	311	3,378
[excluding gains (losses) on debt securities]	[3,689]	[311]	[3,378]
Net interest income	16,016	7,711	8,305
Net fees and commissions income	69	(12)	81
Net other operating income	(12,396)	(7,389)	(5,007)
(Gains (losses) on debt securities)	(-)	(-)	(-)
Expenses (excluding non-recurring expenses)	49,007	493	48,514
Personnel expenses	25,968	459	25,509
Non-personnel expenses	19,695	(97)	19,792
Tax	3,343	131	3,212
Substantial net operating income	31,126	765	30,361
[Core net operating income]	[44,900]	[7,635]	[37,265]
[Core net operating income (excluding gains (losses) on cancellation of investment trusts)]	[35,199]	[5,635]	[29,564]
Provision of general reserve for loan losses (a)	3,915	6,891	(2,976)
Net operating income	27,210	(6,128)	33,338
Gains (losses) on debt securities	(13,774)	(6,871)	(6,903)
Special income and losses	15,258	14,193	1,065
Bad debt disposals (losses) (b)	(196)	(4,425)	4,229
Write-off of loans and bills discounted	-	(12)	12
Provision of specific reserve for loan losses	(589)	(4,332)	3,743
Losses on sale of receivables	148	(154)	302
Provision of reserve for contingent losses	136	136	-
Burden money to the Credit Guarantee Corporations	108	(62)	170
Reversal of reserve for contingent losses (c)	-	(49)	49
Recoveries of written off receivables (d)	5	5	-
Gain (losses) on equity securities	14,383	8,883	5,500
Gains (losses) on investments in money held in trust	2,160	1,492	668
Recognized actuarial losses (losses)	1,691	285	1,406
Other	205	(278)	483
Ordinary profits	42,468	8,067	34,401
Extraordinary income (losses)	(34)	330	(364)
Impairment losses (losses)	34	(330)	364
Profit before income taxes	42,434	8,398	34,036
Income taxes - current	13,565	5,261	8,304
Income taxes - deferred	34	(1,324)	1,358
Profit	28,834	4,461	24,373
Credit-related expenses [(a) + (b) - (c) - (d)]	3,713	2,510	1,203

(Notes) 1. Substantial net operating income = Net operating income + Provision of general reserve for loan losses

2. Core net operating income =

Net operating income + Provision of general reserve for loan losses - Gains (losses) on debt securities

3. Core net operating income (excluding gains (losses) on cancellation of investment trusts) =

Core net operating income - Gains on cancellation of investment trusts

Gains on cancellation of investment trusts are recorded in interest income and losses on cancellation of investment trusts are recorded in gains (losses) on debt securities.

[Consolidated]

<Based on consolidated statement of income>

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
Consolidated gross operating profit	85,304	1,586	83,718
Net interest income	92,728	14,858	77,870
Net fees and commissions income	15,776	1,550	14,226
Net other operating income	(23,200)	(14,822)	(8,378)
General and administrative expenses	54,384	909	53,475
Credit-related expenses	3,674	2,374	1,300
Provision of general reserve for loan losses	3,606	6,834	(3,228)
Write-off of loans and bills discounted	24	(11)	35
Provision of specific reserve for loan losses	(370)	(4,408)	4,038
Losses on sale of receivables, etc.	175	(159)	334
Provision of reserve for contingent losses	136	136	-
Burden money to the Credit Guarantee Corporations	108	(62)	170
Reversal of reserve for contingent losses	-	(49)	49
Recoveries of written off receivables	5	5	0
Gain (losses) on equity securities	14,383	8,882	5,501
Other	2,612	1,279	1,333
Ordinary profits	44,241	8,464	35,777
Extraordinary income (loss)	(34)	330	(364)
Profit before income taxes	44,206	8,794	35,412
Income taxes - current	14,308	5,360	8,948
Income taxes - deferred	96	(1,311)	1,407
Net income	29,802	4,746	25,056
Profit attributable to owners of parent	29,802	4,746	25,056

(Note) Consolidated gross operating profit = (Interest income - Interest expenses)

+ (Fees and commissions income - Fees and commissions expenses)

+ (Other operating income - Other operating expenses)

(Reference)

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
Consolidated net operating income	28,983	(5,730)	34,713

(Note) Consolidated net operating income = Non-consolidated net operating income

+ Ordinary profits of consolidated subsidiaries - Intercompany transactions (dividends, etc.)

(Scope of consolidation)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
Number of consolidated subsidiaries	9	2	7
Number of companies accounted for by the equity method	-	-	-

(Note) 77digital solutions Co., Ltd. and 77 insurance service Co., Ltd. have been included in the scope of consolidation from the fiscal year ended March 31, 2024, since it was newly incorporated.

2. Net Operating Income [Non-consolidated]

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
(1) Substantial net operating income	31,126	765	30,361
Per employee (thousand yen)	12,652	774	11,878
(2) Net operating income	27,210	(6,128)	33,338
Per employee (thousand yen)	11,061	(1,982)	13,043

(Note) Per employee figures are calculated based on the average number of employees during the period.

3. Interest Margin [Non-consolidated]

(%)

	For the fiscal year ended Mar. 31, 2024	YoY	For the fiscal year ended Mar. 31, 2023
(1) Fund management yield (A)	0.98	0.18	0.80
Loans and bills discounted interest rate	0.91	0.05	0.86
Securities interest rate	1.45	0.39	1.06
(2) Funding cost (B)	0.54	0.03	0.51
Deposits and certificates of deposit interest rate	0.00	0.00	0.00
(3) Net interest margin (A)-(B)	0.44	0.15	0.29

(Ref.) Interest margin (Domestic operations) [Non-consolidated]

(%)

	For the fiscal year ended Mar. 31, 2024	YoY	For the fiscal year ended Mar. 31, 2023
(1) Fund management yield (A)	0.80	0.09	0.71
Loans and bills discounted interest rate	0.83	0.02	0.81
Securities interest rate	1.10	0.19	0.91
(2) Funding cost (B)	0.51	0.02	0.49
Deposits and certificates of deposit interest rate	0.00	0.00	0.00
(3) Net interest margin (A)-(B)	0.29	0.07	0.22

4. Gains or Losses of Investment Securities [Non-consolidated]

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For the fiscal year ended Mar. 31, 2023
Gains (losses) on debt securities	(13,774)	(6,871)	(6,903)
Gains on sale	391	(414)	805
Gains on redemption	31	11	20
Losses on sale	10,564	9,082	1,482
Losses on redemption	3,528	(2,626)	6,154
Write-off	103	12	91
Gains (losses) on equity securities	14,383	8,883	5,500
Gains on sale	14,555	8,524	6,031
Losses on sale	172	(359)	531
Write-off	-	-	-

5. Capital Adequacy Ratios (Domestic standard)

"Composition of Capital Disclosure" based on the public notice of Financial Services Agency No. 7, 2014 is available on The 77 Bank, Ltd.'s website (<https://www.77bank.co.jp/77bank/ir/kessan.html>).

[Consolidated]

(Millions of Yen)

	As of Mar. 31, 2024		Mar. 31, 2023
	[Tentative]	YoY (amount)	
(1) Capital adequacy ratio	11.15%	(0.08)%	11.23%
(2) Basic items related to core capital	509,345	34,474	474,871
(3) Adjustments related to core capital	4,365	4,272	93
(4) Total capital (2)-(3)	504,980	30,203	474,777
(5) Risk-weighted assets	4,528,867	304,401	4,224,466

[Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024		Mar. 31, 2023
	[Tentative]	YoY (amount)	
(1) Capital adequacy ratio	10.72%	(0.24)%	10.96%
(2) Basic items related to core capital	483,411	23,916	459,495
(3) Adjustments related to core capital	513	114	399
(4) Total capital (2)-(3)	482,898	23,802	459,096
(5) Risk-weighted assets	4,502,074	315,225	4,186,849

6. ROE [Non-consolidated]

(%)

	For the fiscal year ended Mar. 31, 2024		For the fiscal year ended Mar. 31, 2023
		YoY	
Based on substantial net operating income	5.83	(0.30)	6.13
Based on net operating income	5.09	(1.64)	6.73
Based on net income	5.40	0.48	4.92

III Condition of Assets, etc.

1. Disclosed Claims under the Financial Reconstruction Law (Risk-monitored Loans)

[Non-consolidated]

(Millions of Yen, %)

		As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Sub total (Substandard loans or below)	A	118,630	3,365	115,265
Loans to bankrupt and quasi-bankrupt borrowers		11,870	(381)	12,251
Doubtful loans		74,269	1,714	72,555
Substandard loans		32,490	2,032	30,458
Delinquent loans past due three months or more		1,242	(84)	1,326
Restructured loans		31,248	2,117	29,131
Normal loans	B	5,837,960	292,393	5,545,567
Total (A+B)	C	5,956,591	295,759	5,660,832
Non-performing loans ratio (A/C)		1.99	(0.04)	2.03

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

(Ref.) In case of applying partial direct write-off

The 77 Bank, Ltd. does not apply partial direct write-off, but if it did, applying partial direct write-off would be as follows:

(Millions of Yen, %)

		As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Sub total (Substandard loans or below)	A	111,941	4,219	107,722
Loans to bankrupt and quasi-bankrupt borrowers		5,181	473	4,708
Doubtful loans		74,269	1,714	72,555
Substandard loans		32,490	2,032	30,458
Delinquent loans past due three months or more		1,242	(84)	1,326
Restructured loans		31,248	2,117	29,131
Normal loans	B	5,837,960	292,393	5,545,567
Total (A+B)	C	5,949,902	296,613	5,653,289
Amount of partly direct write-off		6,689	(854)	7,543
Non-performing loans ratio (A/C)		1.88	(0.02)	1.90

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

[Consolidated]

(Millions of Yen, %)

		As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Sub total (Substandard loans or below)	A	119,575	3,338	116,237
Loans to bankrupt and quasi-bankrupt borrowers		12,591	(420)	13,011
Doubtful loans		74,487	1,726	72,761
Substandard loans		32,496	2,032	30,464
Delinquent loans past due three months or more		1,242	(84)	1,326
Restructured loans		31,254	2,117	29,137
Normal loans	B	5,824,163	292,322	5,531,841
Total (A+B)	C	5,943,739	295,660	5,648,079
Non-performing loans ratio (A/C)		2.01	(0.04)	2.05

(Note) "Delinquent loans past due three months or more" and "Restructured loans" are categories of Risk-monitored Loans.

2. Disclosed Claims under the Financial Reconstruction Law and coverage [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Loans to bankrupt and quasi-bankrupt borrowers	11,870	(381)	12,251
Total coverage	11,870	(381)	12,251
Amount recoverable by guarantees, collateral and others	5,181	473	4,708
Reserve for loan losses	6,689	(854)	7,543
Doubtful loans	74,269	1,714	72,555
Total coverage	59,608	(241)	59,849
Amount recoverable by guarantees, collateral and others	42,551	1,881	40,670
Reserve for loan losses	17,057	(2,122)	19,179
Substandard loans	32,490	2,032	30,458
Total coverage	15,113	712	14,401
Amount recoverable by guarantees, collateral and others	9,430	(73)	9,503
Reserve for loan losses	5,683	786	4,897
Total	118,630	3,365	115,265
Total coverage	86,592	90	86,502
Amount recoverable by guarantees, collateral and others	57,163	2,281	54,882
Reserve for loan losses	29,429	(2,190)	31,619
Total subject claims	5,956,591	295,759	5,660,832

3. Coverage Ratio for Disclosed Claims under the Financial Reconstruction Law [Non-consolidated]

(%)

	As of Mar. 31, 2024	YoY	Mar. 31, 2023
Loans to bankrupt and quasi-bankrupt borrowers	100.0	0.0	100.0
Amount recoverable by guarantees, collateral and others	43.6	5.2	38.4
Reserve for loan losses	56.4	(5.2)	61.6
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	100.0	0.0	100.0
Doubtful loans	80.3	(2.2)	82.5
Amount recoverable by guarantees, collateral and others	57.3	1.2	56.1
Reserve for loan losses	23.0	(3.4)	26.4
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	53.8	(6.4)	60.2
Substandard loans	46.5	(0.8)	47.3
Amount recoverable by guarantees, collateral and others	29.0	(2.2)	31.2
Reserve for loan losses	17.5	1.4	16.1
Reserve ratio to unsecured assets after excluding guarantees, collateral and others	24.6	1.2	23.4
Total	73.0	(2.0)	75.0

4. Reserve for Loan Losses

(1) Write-off and reserve standard

A. General reserve for loan losses

Classifications		Reserve Standard
Claims on normal debtors		Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years.
Claims on debtors under caution	Claims on debtors under caution, other than special-mentioned	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years.
	Claims on special-mentioned debtors under caution	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are booked in general loan loss reserves based on the discounted cash flow method.

(Note) For a part of claims on debtors under caution, other than special-mentioned, amounts are booked based on the discounted cash flow method.

B. Specific reserve for loan losses

Classifications	Write-off and Reserve Standard
Claims on debtors under possible bankruptcy	For loans not secured by collateral or guarantees, amounts are transferred to specific loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are transferred to specific loan loss reserves based on the discounted cash flow method.
Claims on debtors under virtual bankruptcy	All loans not secured by collateral or guarantees are transferred to the specific loan loss reserve or written off.
Claims on debtors under legal bankruptcy	

(2) Reserve for loan losses

[Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Reserve for Loan Losses	58,601	939	57,662
General reserve for loan losses	34,850	3,915	30,935
Specific reserve for loan losses	23,750	(2,977)	26,727
Special reserve for loans to certain countries	-	-	-

[Consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Reserve for Loan Losses	62,015	627	61,388
General reserve for loan losses	36,838	3,606	33,232
Specific reserve for loan losses	25,176	(2,980)	28,156
Special reserve for loans to certain countries	-	-	-

5. Loan Portfolio by Industry, etc.

(a) Loan portfolio by industry [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Domestic offices (Excluding Japan offshore banking accounts)	5,867,380	297,230	5,570,150
Manufacturing	471,874	17,181	454,693
Agriculture and forestry	9,535	1,157	8,378
Fisheries	5,329	1,043	4,286
Mining and quarrying of stone and gravel	7,376	2,211	5,165
Construction	207,559	17,362	190,197
Electricity, gas, heat supply and water	292,366	7,201	285,165
Information and communications	35,255	12,965	22,290
Transport and postal activities	143,269	13,414	129,855
Wholesale and retail trade	503,103	2,895	500,208
Finance and insurance	450,774	47,792	402,982
Real estate and goods rental and leasing	1,450,426	148,930	1,301,496
Services, N.E.C.	410,523	26,060	384,463
Government, except elsewhere classified	552,130	(37,797)	589,927
Other	1,327,852	36,813	1,291,039

(b) Disclosed claims under the Financial Reconstruction Law
for loans by industry [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Domestic offices (Excluding Japan offshore banking accounts)	118,210	3,228	114,982
Manufacturing	15,547	(1,364)	16,911
Agriculture and forestry	862	369	493
Fisheries	848	(389)	1,237
Mining and quarrying of stone and gravel	106	61	45
Construction	9,034	443	8,591
Electricity, gas, heat supply and water	228	(1)	229
Information and communications	1,192	151	1,041
Transport and postal activities	2,675	168	2,507
Wholesale and retail trade	27,657	(1,001)	28,658
Finance and insurance	0	0	0
Real estate and goods rental and leasing	11,737	61	11,676
Services, N.E.C.	37,274	4,477	32,797
Government, except elsewhere classified	-	-	-
Other	11,044	253	10,791

(Note) Covers receivables excluding normal loan.

(c) Loans to consumers [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Consumer loans	1,339,252	38,381	1,300,871
Housing loans	1,270,307	32,011	1,238,296
Other consumer loans	68,945	6,370	62,575

(d) Ratio of loans to SMEs, etc. [Non-consolidated]

(%)

	As of Mar. 31, 2024	YoY	Mar. 31, 2023
Ratio of loans to SMEs, etc.	65.83	0.73	65.10

6. Loan Portfolio by Country

(a) Loans to certain countries [Non-consolidated]

Not applicable.

(b) Loans to Asia [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Singapore	7,500 [-]	(1,505) [-]	9,005 [-]
Philippines	2,271 [-]	269 [-]	2,002 [-]
Taiwan	2,000 [-]	- [-]	2,000 [-]
Indonesia	1,514 [-]	(1,158) [-]	2,672 [-]
Thailand	1,357 [-]	(1,245) [-]	2,602 [-]
India	1,000 [-]	- [-]	1,000 [-]
UAE	508 [-]	28 [-]	480 [-]
Total	16,151 [-]	(3,613) [-]	19,764 [-]

(Note) Figures in [] are disclosed claims under the Financial Reconstruction Law (excluding normal loans).

(c) Loans to major countries in Latin America [Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Panama	3,141 [-]	371 [-]	2,770 [-]
Chile	- [-]	(867) [-]	867 [-]
Total	3,141 [-]	(497) [-]	3,638 [-]

(Note) Figures in [] are disclosed claims under the Financial Reconstruction Law (excluding normal loans).

(d) Loans to Russia [Non-consolidated]

Not applicable.

7. Deposits and Loans and Bills Discounted

(a) Balances of deposits (including negotiable certificates of deposit) [Non-consolidated]

(All offices) (Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Deposits and negotiable certificates of deposit (average balances)	8,908,549	65,786	8,842,763
Deposits and negotiable certificates of deposit (term-end balance)	8,962,792	52,150	8,910,642
Retail	6,004,698	96,859	5,907,839
Corporate and other	2,958,094	(44,709)	3,002,803

(Of which, in Miyagi Prefecture)

(Millions of Yen)

Deposits and negotiable certificates of deposit (average balances)	8,353,995	69,219	8,284,776
Deposits and negotiable certificates of deposit (term-end balance)	8,416,969	56,478	8,360,491
Retail	5,753,133	95,936	5,657,197
Corporate and other	2,663,835	(39,458)	2,703,293

(b) Balances of loans and bills discounted [Non-consolidated]

(All offices) (Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Loans and bills discounted (average balances)	5,661,629	239,120	5,422,509
Loans and bills discounted (term-end balances)	5,867,380	297,230	5,570,150
Loans to SMEs, etc.	3,862,631	236,288	3,626,343
Loans to SMEs	2,534,779	199,476	2,335,303
Loans to consumers	1,327,852	36,813	1,291,039

(Of which, in Miyagi Prefecture)

(Millions of Yen)

Loans and bills discounted (average balances)	4,049,671	166,988	3,882,683
Loans and bills discounted (term-end balances)	4,149,866	172,932	3,976,934
Loans to SMEs, etc.	3,165,022	161,254	3,003,768
Loans to SMEs	1,879,812	124,375	1,755,437
Loans to consumers	1,285,209	36,879	1,248,330

8. Assets in Custody [Non-consolidated]

(All offices) (Millions of Yen)

	As of Mar. 31, 2024	YoY (amount)	Mar. 31, 2023
Balance of assets in custody	567,472	10,706	556,766
Investment trusts	126,794	37,744	89,050
Insurance	333,522	7,227	326,295
Government bonds	88,968	9,202	79,766
Foreign currency deposits	16,039	(11,187)	27,226
Structured bonds (brokered)	2,146	(32,281)	34,427

(Of which, in Miyagi Prefecture)

(Millions of Yen)

Balance of assets in custody	534,992	16,979	518,013
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(Note) Foreign currency deposits do not include financial deposits and offshore accounts.

IV Others

1. Valuation Gains (Losses) on Investment Securities

(1) Valuation standards for investment securities

Trading account securities	Reported at fair value and the related unrealized gains and losses are included in earnings
Held-to-maturity securities	Reported at amortized cost
Available-for-sale securities	Reported at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity
Investments in affiliates	Reported at cost

(Ref.) Securities included in money held in trust

Instruments held in trust for trading purposes	Recorded at fair value and unrealized gains and losses are recorded in other income/expenses
Instruments held in trust classified as available-for-sale	Recorded at fair value with the corresponding unrealized gains/losses recorded directly in a separate component of equity

(2) Unrealized gains or losses of investment securities

[Consolidated]

(Millions of Yen)

	As of Mar. 31, 2024				Mar. 31, 2023		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
Held-to-maturity securities	(13)	(4)	-	13	(9)	-	9
Available-for-sale securities	170,421	87,852	222,558	52,136	82,569	133,224	50,655
Equity securities	145,238	65,126	145,532	294	80,112	81,907	1,795
Debt securities	(34,854)	(7,333)	688	35,542	(27,521)	2,934	30,456
Other	60,037	30,058	76,336	16,299	29,979	48,382	18,402
Total	170,408	87,849	222,558	52,149	82,559	133,224	50,664
Equity securities	145,238	65,126	145,532	294	80,112	81,907	1,795
Debt securities	(34,867)	(7,336)	688	35,556	(27,531)	2,934	30,466
Other	60,037	30,058	76,336	16,299	29,979	48,382	18,402

Notes: 1. Since "Available-for-sale securities" is valued using the market value method, the difference between the carrying amount in the Consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Available-for-sale securities" is based on the market value at the end of the period.

[Non-consolidated]

(Millions of Yen)

	As of Mar. 31, 2024				Mar. 31, 2023		
	Unrealized gains (losses)				Unrealized gains (losses)		
	(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
Held-to-maturity securities	-	-	-	-	-	-	-
Available-for-sale securities	168,434	87,257	220,570	52,136	81,177	131,832	50,655
Equity securities	143,250	64,530	143,544	294	78,720	80,515	1,795
Debt securities	(34,854)	(7,333)	688	35,542	(27,521)	2,934	30,456
Other	60,037	30,058	76,336	16,299	29,979	48,382	18,402
Total	168,434	87,257	220,570	52,136	81,177	131,832	50,655
Equity securities	143,250	64,530	143,544	294	78,720	80,515	1,795
Debt securities	(34,854)	(7,333)	688	35,542	(27,521)	2,934	30,456
Other	60,037	30,058	76,336	16,299	29,979	48,382	18,402

Notes: 1. Since "Available-for-sale securities" is valued using the market value method, the difference between the carrying amount in the Consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Available-for-sale securities" is based on the market value at the end of the period.

2. Employees' Retirement Benefits

[Non-consolidated]

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For FY2022 ended Mar. 31, 2023
Net periodic retirement benefit costs	2,248	276	1,972
Service cost	1,586	(35)	1,621
Interest cost	434	(7)	441
Expected return on plan assets	(1,464)	33	(1,497)
Recognized actuarial losses	1,691	285	1,406
Prior service cost	-	-	-
Other	-	-	-

(Ref.) [Consolidated]

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2024	YoY (amount)	For FY2022 ended Mar. 31, 2023
Net periodic retirement benefit costs	2,272	271	2,001
Service cost	1,610	(41)	1,651
Interest cost	434	(7)	441
Expected return on plan assets	(1,464)	33	(1,497)
Recognized actuarial losses	1,691	285	1,406
Prior service cost	-	-	-
Other	-	-	-