

## Overview of the Japanese regional banks' financial results for the fiscal year ended March 31, 2023

### 1. Profitability

- Net income for the fiscal year ended March 31, 2023 increased by 2.7% year on year, mainly due to the increase in net gains on equity securities and the decrease in credit costs, despite the increased net loss on debt securities.

(Unit: 100 million yen)

	Fiscal Year ended Mar 31, 2021	Fiscal Year ended Mar 31, 2022	Fiscal Year ended Mar 31, 2023	YoY
Gross profits	41,692	42,195	38,330	(3,865)
Net interest income	36,473	37,438	37,851	413
Net fees and commissions	5,458	6,038	6,387	349
Net other business profits	(283)	(1,317)	(5,955)	(4,638)
Net gains on debt securities	(854)	(1,893)	(6,385)	(4,492)
Operating expenses	(29,361)	(28,836)	(27,988)	848
Pre-provision operating profit	12,330	13,359	10,342	(3,017)
Core net business profits	13,184	15,252	16,818	1,566
Core net business profits (excluding gains and losses from cancellation of investment trusts)	12,167	14,568	15,893	1,325
Credit costs*	(4,472)	(3,217)	(1,779)	1,438
Net gains on equity securities	2,378	1,621	3,222	1,601
Net income	7,082	8,542	8,776	234

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

	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023
Loans (Period-end balance) (¥ trillion)	291.9	298.8	312.7

### 2. Non-Performing Loans

- While the balance of NPLs increased, the NPL ratio decreased from March 31, 2022.

	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023
Balance of NPLs (¥ trillion)	5.3	5.5	5.6
NPL ratio (%)	1.78	1.81	1.76

### 3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks and the capital ratio of domestically active banks increased from March 31, 2022.

(Internationally active banks: 11 banks as of Mar. 2022, 10 banks as of Mar. 2023)

	Mar 31, 2022	Mar 31, 2023
Total capital ratio (%)	13.41	13.90
Tier I capital ratio (%)	12.93	13.50
Common Equity Tier I capital ratio (%)	12.93	13.50

(Domestically active banks: 89 banks as of Mar. 2022, 90 banks as of Mar. 2023)

	Mar 31, 2022	Mar 31, 2023
Capital ratio (%)	9.71	9.98

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