

## **SUMITOMO MITSUI FINANCIAL GROUP**

### **Unaudited Interim Consolidated Financial Statements as of and for the six months ended September 30, 2024**

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of Sumitomo Mitsui Financial Group, Inc. (“the Company”) and its management with respect to the Company’s future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of the Company’s securities portfolio; incurrence of significant credit-related costs; the Company’s ability to successfully implement its business strategy through its subsidiaries, affiliates and alliance partners; and exposure to new risks as the Company expands the scope of its business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. The Company undertakes no obligation to update or revise any forward-looking statements. Please refer to the Company’s most recent disclosure documents such as its annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as its earnings press releases, for a more detailed description of the risks and uncertainties that may affect its financial conditions, its operating results, and investors’ decisions.

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (JAPANESE GAAP)**

**INTERIM CONSOLIDATED BALANCE SHEETS**

|   | <b>Millions of yen</b>         |                                | <b>Millions of<br/>U.S. dollars</b> |
|---|--------------------------------|--------------------------------|-------------------------------------|
|   | <b>March 31, 2024</b>          | <b>September 30, 2024</b>      | <b>September 30,<br/>2024</b>       |
| <b>Assets:</b>  |                                |                                |                                     |
| Cash and due from banks                               | *5 ￥ 78,143,100                | *5 ￥ 73,612,647                | \$ 515,423                          |
| Call loans and bills bought                           | 5,333,883                      | 4,330,213                      | 30,319                              |
| Receivables under resale agreements                   | 8,525,688                      | 13,430,028                     | 94,035                              |
| Receivables under securities borrowing transactions   | 6,799,541                      | 5,933,711                      | 41,547                              |
| Monetary claims bought                                | 6,103,091                      | 5,545,605                      | 38,829                              |
| Trading assets  | *2, *5 11,540,063              | *2, *5 10,614,415              | 74,320                              |
| Money held in trust                                   | 23,751                         | 32,903                         | 230                                 |
| Securities  | *1, *2, *3, *5, *11 37,142,808 | *1, *2, *3, *5, *11 38,834,511 | 271,912                             |
| Loans and bills discounted                            | *3, *4, *5, *6 107,013,907     | *3, *4, *5, *6 105,037,170     | 735,451                             |
| Foreign exchanges                                     | *3, *4 2,068,885               | *3, *4 2,379,382               | 16,660                              |
| Lease receivables and investment assets               | 207,645                        | 250,180                        | 1,752                               |
| Other assets  | *3, *5 15,313,546              | *3, *5 13,593,179              | 95,177                              |
| Tangible fixed assets                                 | *7, *8 1,006,883               | *7, *8 996,006                 | 6,974                               |
| Intangible fixed assets                               | 976,706                        | 991,104                        | 6,940                               |
| Net defined benefit asset                             | 913,791                        | 936,006                        | 6,554                               |
| Deferred tax assets                                   | 71,427                         | 57,248                         | 401                                 |
| Customers' liabilities for acceptances and guarantees | *3 14,869,558                  | *3 14,244,674                  | 99,739                              |
| Reserve for possible loan losses                      | (817,578)                      | (796,404)                      | (5,576)                             |
| Total assets  | ￥ 295,236,701                  | ￥ 290,022,585                  | \$ 2,030,686                        |

(Continued)

|   | Millions of yen    |                    | Millions of<br>U.S. dollars |
|---|--------------------|--------------------|-----------------------------|
|   | March 31, 2024     | September 30, 2024 | September 30,<br>2024       |
| <b>Liabilities and net assets:</b>                  |                    |                    |                             |
| <b>Liabilities:</b>                                 |                    |                    |                             |
| Deposits  | *5 ¥ 164,839,357   | ¥ 163,541,943      | \$ 1,145,091                |
| Negotiable certificates of deposit                  | 14,672,275         | 13,336,652         | 93,381                      |
| Call money and bills sold                           | 3,138,049          | 4,221,905          | 29,561                      |
| Payables under repurchase agreements                | *5 19,625,877      | *5 20,662,981      | 144,678                     |
| Payables under securities lending transactions      | *5 1,736,935       | *5 1,424,469       | 9,974                       |
| Commercial paper                                    | 2,429,179          | 1,981,332          | 13,873                      |
| Trading liabilities                                 | 9,689,434          | 8,526,459          | 59,701                      |
| Borrowed money                                      | *5, *9 14,705,266  | *5, *9 14,889,132  | 104,251                     |
| Foreign exchanges                                   | 2,872,560          | 2,199,495          | 15,400                      |
| Short-term bonds                                    | 863,000            | 1,011,500          | 7,082                       |
| Bonds   | *5, *10 13,120,274 | *5, *10 12,511,245 | 87,601                      |
| Due to trust account                                | 1,246,198          | 1,095,100          | 7,668                       |
| Other liabilities                                   | 15,573,044         | 14,509,112         | 101,590                     |
| Reserve for employee bonuses                        | 115,488            | 83,930             | 588                         |
| Reserve for executive bonuses                       | 4,411              | —                  | —                           |
| Net defined benefit liability                       | 37,263             | 36,517             | 256                         |
| Reserve for executive retirement benefits           | 1,179              | 891                | 6                           |
| Reserve for point service program                   | 35,622             | 30,040             | 210                         |
| Reserve for reimbursement of deposits               | 9,228              | 7,048              | 49                          |
| Reserve for losses on interest repayment            | 121,947            | 209,887            | 1,470                       |
| Reserves under the special laws                     | 4,631              | 5,296              | 37                          |
| Deferred tax liabilities                            | 698,632            | 573,200            | 4,013                       |
| Deferred tax liabilities for land revaluation       | *7 27,316          | *7 27,025          | 189                         |
| Acceptances and guarantees                          | 14,869,558         | 14,244,674         | 99,739                      |
| Total liabilities                                   | 280,436,734        | 275,129,842        | 1,926,410                   |
| <b>Net assets:</b>                                  |                    |                    |                             |
| Capital stock                                       | 2,344,038          | 2,345,960          | 16,426                      |
| Capital surplus                                     | 610,143            | 611,833            | 4,284                       |
| Retained earnings                                   | 7,843,470          | 8,216,457          | 57,530                      |
| Treasury stock                                      | (167,671)          | (34,101)           | (239)                       |
| Total stockholders' equity                          | 10,629,980         | 11,140,149         | 78,001                      |
| Net unrealized gains (losses) on other securities   | 2,406,883          | 2,095,703          | 14,674                      |
| Net deferred gains (losses) on hedges               | (65,073)           | (135,196)          | (947)                       |
| Land revaluation excess                             | *7 34,936          | *7 34,110          | 239                         |
| Foreign currency translation adjustments            | 1,362,647          | 1,345,023          | 9,418                       |
| Accumulated remeasurements of defined benefit plans | 290,735            | 275,451            | 1,929                       |
| Total accumulated other comprehensive income        | 4,030,129          | 3,615,092          | 25,312                      |
| Stock acquisition rights                            | 931                | 790                | 6                           |
| Non-controlling interests                           | 138,925            | 136,710            | 957                         |
| Total net assets                                    | 14,799,967         | 14,892,743         | 104,276                     |
| Total liabilities and net assets                    | ¥ 295,236,701      | ¥ 290,022,585      | \$ 2,030,686                |

## INTERIM CONSOLIDATED STATEMENTS OF INCOME

| Six months ended September 30                    | Millions of yen |              | Millions of U.S. dollars |
|--|-----------------|--------------|--------------------------|
|  | 2023            | 2024         | 2024                     |
| Ordinary income                                  | ¥ 4,482,985     | ¥ 5,276,938  | \$ 36,948                |
| Interest income                                  | 2,923,705       | 3,450,738    | 24,161                   |
| Interest on loans and discounts                  | 1,751,125       | 1,992,942    | 13,954                   |
| Interest and dividends on securities             | 305,920         | 468,838      | 3,283                    |
| Trust fees                                       | 3,784           | 4,499        | 32                       |
| Fees and commissions                             | 804,513         | 905,938      | 6,343                    |
| Trading income                                   | 164,795         | 436,753      | 3,058                    |
| Other operating income                           | 439,872         | 79,744       | 558                      |
| Other income                                     | *1 146,313      | *1 399,264   | 2,796                    |
| Ordinary expenses                                | 3,773,752       | 4,246,466    | 29,733                   |
| Interest expenses                                | 2,035,952       | 2,324,340    | 16,275                   |
| Interest on deposits                             | 800,847         | 829,337      | 5,807                    |
| Fees and commissions payments                    | 119,549         | 151,321      | 1,060                    |
| Trading losses                                   | 229,906         | 132,106      | 925                      |
| Other operating expenses                         | 133,937         | 224,648      | 1,573                    |
| General and administrative expenses              | *2 1,082,198    | *2 1,172,747 | 8,211                    |
| Other expenses                                   | *3 172,207      | *3 241,302   | 1,690                    |
| Ordinary profit                                  | 709,232         | 1,030,472    | 7,215                    |
| Extraordinary gains                              | *4 168          | *4 1,527     | 11                       |
| Extraordinary losses                             | *5, *6 3,014    | *5, *6 4,599 | 32                       |
| Income before income taxes                       | 706,386         | 1,027,400    | 7,194                    |
| Income taxes-current                             | 176,906         | 264,819      | 1,854                    |
| Income taxes-deferred                            | 837             | 32,753       | 229                      |
| Income taxes                                     | 177,743         | 297,572      | 2,084                    |
| Profit   | 528,642         | 729,827      | 5,110                    |
| Profit attributable to non-controlling interests | 2,176           | 4,655        | 33                       |
| Profit attributable to owners of parent          | ¥ 526,465       | ¥ 725,172    | \$ 5,078                 |

# INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| Six months ended September 30                                  | Millions of yen |           | Millions of U.S. dollars |
|--|-----------------|-----------|--------------------------|
|  | 2023            | 2024      | 2024                     |
| Profit   | ¥ 528,642       | ¥ 729,827 | \$ 5,110                 |
| Other comprehensive income (losses)                            | 729,123         | (355,833) | (2,491)                  |
| Net unrealized gains (losses) on other securities              | 126,098         | (255,139) | (1,786)                  |
| Net deferred gains (losses) on hedges                          | 71,528          | (63,775)  | (447)                    |
| Foreign currency translation adjustments                       | 476,785         | (98,034)  | (686)                    |
| Remeasurements of defined benefit plans                        | (9,683)         | (14,408)  | (101)                    |
| Share of other comprehensive income of affiliates              | 64,394          | 75,523    | 529                      |
| Total comprehensive income                                     | 1,257,766       | 373,994   | 2,619                    |
| Comprehensive income attributable to owners of parent          | 1,250,368       | 370,291   | 2,593                    |
| Comprehensive income attributable to non-controlling interests | 7,397           | 3,702     | 26                       |

# INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

| Six months ended September 30, 2023   | Millions of yen      |                 |                   |                |              |
|---|----------------------|-----------------|-------------------|----------------|--------------|
|   | Stockholders' equity |                 |                   |                |              |
|   | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total        |
| Balance at the beginning of the period  | ¥ 2,342,537          | ¥ 694,052       | ¥ 7,423,600       | ¥ (151,798)    | ¥ 10,308,391 |
| Changes in the period   |                      |                 |                   |                |              |
| Issuance of new stock   | 1,501                | 1,500           |                   |                | 3,001        |
| Cash dividends  |                      |                 | (168,077)         |                | (168,077)    |
| Profit attributable to owners of parent   |                      |                 | 526,465           |                | 526,465      |
| Purchase of treasury stock  |                      |                 |                   | (61,326)       | (61,326)     |
| Disposal of treasury stock  |                      | (99)            |                   | 242            | 143          |
| Cancellation of treasury stock  |                      | (195,160)       |                   | 195,160        | —            |
| Changes in shareholders' interest due to transaction with non-controlling interests |                      | (9,892)         |                   |                | (9,892)      |
| Reversal of land revaluation excess   |                      |                 | (35)              |                | (35)         |
| Transfer from retained earnings to capital surplus                                  |                      | 195,259         | (195,259)         |                | —            |
| Net changes in items other than stockholders' equity in the period                  |                      |                 |                   |                |              |
| Net changes in the period   | 1,501                | (8,391)         | 163,092           | 134,076        | 290,278      |
| Balance at the end of the period  | ¥ 2,344,038          | ¥ 685,660       | ¥ 7,586,692       | ¥ (17,721)     | ¥ 10,598,670 |

| Six months ended September 30, 2023   | Millions of yen                                   |                                       |                         |  |   |             |
|---|---|---------------------------------------|-------------------------|--|---|-------------|
|   | Accumulated other comprehensive income            |                                       |                         |  |   |             |
|   | Net unrealized gains (losses) on other securities | Net deferred gains (losses) on hedges | Land revaluation excess | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Total       |
| Balance at the beginning of the period  | ¥ 1,373,521                                       | ¥ (13,293)                            | ¥ 35,005                | ¥ 843,614                                | ¥ 133,226   | ¥ 2,372,074 |
| Changes in the period   |   |                                       |                         |  |   |             |
| Issuance of new stock   |   |                                       |                         |  |   |             |
| Cash dividends  |   |                                       |                         |  |   |             |
| Profit attributable to owners of parent   |   |                                       |                         |  |   |             |
| Purchase of treasury stock  |   |                                       |                         |  |   |             |
| Disposal of treasury stock  |   |                                       |                         |  |   |             |
| Cancellation of treasury stock  |   |                                       |                         |  |   |             |
| Changes in shareholders' interest due to transaction with non-controlling interests |   |                                       |                         |  |   |             |
| Reversal of land revaluation excess   |   |                                       |                         |  |   |             |
| Transfer from retained earnings to capital surplus                                  |   |                                       |                         |  |   |             |
| Net changes in items other than stockholders' equity in the period                  | 132,347   | 75,289                                | 35                      | 525,903                                  | (9,638)   | 723,938     |
| Net changes in the period   | 132,347   | 75,289                                | 35                      | 525,903                                  | (9,638)   | 723,938     |
| Balance at the end of the period  | ¥ 1,505,869                                       | ¥ 61,996                              | ¥ 35,041                | ¥ 1,369,518                              | ¥ 123,588   | ¥ 3,096,013 |

**(Continued)**

|  | Millions of yen                         |   |                             |
|--|---|---|-----------------------------|
| <b>Six months ended September 30, 2023</b>   | <b>Stock<br/>acquisition<br/>rights</b> | <b>Non-<br/>controlling<br/>interests</b> | <b>Total<br/>net assets</b> |
| Balance at the beginning of the period   | ¥ 1,145                                 | ¥ 109,495                                 | ¥ 12,791,106                |
| Changes in the period  |   |   |                             |
| Issuance of new stock  |   |   | 3,001                       |
| Cash dividends   |   |   | (168,077)                   |
| Profit attributable to owners of parent  |   |   | 526,465                     |
| Purchase of treasury stock   |   |   | (61,326)                    |
| Disposal of treasury stock   |   |   | 143                         |
| Cancellation of treasury stock   |   |   | —                           |
| Changes in shareholders' interest due to<br>transaction with non-controlling interests |   |   | (9,892)                     |
| Reversal of land revaluation excess  |   |   | (35)                        |
| Transfer from retained earnings to capital<br>surplus                                  |   |   | —                           |
| Net changes in items other than<br>stockholders' equity in the period                  | (142)                                   | 15,905                                    | 739,701                     |
| Net changes in the period  | (142)                                   | 15,905                                    | 1,029,980                   |
| Balance at the end of the period   | ¥ 1,002                                 | ¥ 125,400                                 | ¥ 13,821,086                |

(Continued)

|   | Millions of yen      |                 |                   |                |              |
|---|----------------------|-----------------|-------------------|----------------|--------------|
|   | Stockholders' equity |                 |                   |                |              |
|   | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total        |
| <b>Six months ended September 30, 2024</b>  |                      |                 |                   |                |              |
| Balance at the beginning of the period  | ¥ 2,344,038          | ¥ 610,143       | ¥ 7,843,470       | ¥ (167,671)    | ¥ 10,629,980 |
| Cumulative effects of changes in accounting policies                                |                      |                 | 59,330            |                | 59,330       |
| Restated balance  | 2,344,038            | 610,143         | 7,902,800         | (167,671)      | 10,689,311   |
| Changes in the period   |                      |                 |                   |                |              |
| Issuance of new stock   | 1,922                | 1,922           |                   |                | 3,844        |
| Cash dividends  |                      |                 | (177,382)         |                | (177,382)    |
| Profit attributable to owners of parent   |                      |                 | 725,172           |                | 725,172      |
| Purchase of treasury stock  |                      |                 |                   | (101,576)      | (101,576)    |
| Disposal of treasury stock  |                      | (339)           |                   | 486            | 147          |
| Cancellation of treasury stock  |                      | (234,659)       |                   | 234,659        | —            |
| Changes in shareholders' interest due to transaction with non-controlling interests |                      | (232)           |                   |                | (232)        |
| Increase due to decrease in subsidiaries  |                      |                 | 39                |                | 39           |
| Reversal of land revaluation excess   |                      |                 | 825               |                | 825          |
| Transfer from retained earnings to capital surplus                                  |                      | 234,999         | (234,999)         |                | —            |
| Net changes in items other than stockholders' equity in the period                  |                      |                 |                   |                |              |
| Net changes in the period   | 1,922                | 1,689           | 313,656           | 133,569        | 450,838      |
| Balance at the end of the period  | ¥ 2,345,960          | ¥ 611,833       | ¥ 8,216,457       | ¥ (34,101)     | ¥ 11,140,149 |

|   | Millions of yen                                   |                                       |                         |  |   |             |
|---|---|---------------------------------------|-------------------------|--|---|-------------|
|   | Accumulated other comprehensive income            |                                       |                         |  |   |             |
|   | Net unrealized gains (losses) on other securities | Net deferred gains (losses) on hedges | Land revaluation excess | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Total       |
| <b>Six months ended September 30, 2024</b>  |   |                                       |                         |  |   |             |
| Balance at the beginning of the period  | ¥ 2,406,883                                       | ¥ (65,073)                            | ¥ 34,936                | ¥ 1,362,647                              | ¥ 290,735   | ¥ 4,030,129 |
| Cumulative effects of changes in accounting policies                                | (59,330)  |                                       |                         |  |   | (59,330)    |
| Restated balance  | 2,347,553   | (65,073)                              | 34,936                  | 1,362,647                                | 290,735   | 3,970,798   |
| Changes in the period   |   |                                       |                         |  |   |             |
| Issuance of new stock   |   |                                       |                         |  |   |             |
| Cash dividends  |   |                                       |                         |  |   |             |
| Profit attributable to owners of parent   |   |                                       |                         |  |   |             |
| Purchase of treasury stock  |   |                                       |                         |  |   |             |
| Disposal of treasury stock  |   |                                       |                         |  |   |             |
| Cancellation of treasury stock  |   |                                       |                         |  |   |             |
| Changes in shareholders' interest due to transaction with non-controlling interests |   |                                       |                         |  |   |             |
| Increase due to decrease in subsidiaries  |   |                                       |                         |  |   |             |
| Reversal of land revaluation excess   |   |                                       |                         |  |   |             |
| Transfer from retained earnings to capital surplus                                  |   |                                       |                         |  |   |             |
| Net changes in items other than stockholders' equity in the period                  | (251,849)   | (70,122)                              | (825)                   | (17,624)                                 | (15,283)  | (355,706)   |
| Net changes in the period   | (251,849)   | (70,122)                              | (825)                   | (17,624)                                 | (15,283)  | (355,706)   |
| Balance at the end of the period  | ¥ 2,095,703                                       | ¥ (135,196)                           | ¥ 34,110                | ¥ 1,345,023                              | ¥ 275,451   | ¥ 3,615,092 |



(Continued)

| Six months ended September 30, 2024  | Millions of yen                |                                  |                     |
|--|--------------------------------|----------------------------------|---------------------|
|  | Stock<br>acquisition<br>rights | Non-<br>controlling<br>interests | Total<br>net assets |
| Balance at the beginning of the period   | ¥ 931                          | ¥ 138,925                        | ¥ 14,799,967        |
| Cumulative effects of changes in<br>accounting policies                                |                                |                                  | —                   |
| Restated balance   | 931                            | 138,925                          | 14,799,967          |
| Changes in the period  |                                |                                  |                     |
| Issuance of new stock  |                                |                                  | 3,844               |
| Cash dividends   |                                |                                  | (177,382)           |
| Profit attributable to owners of parent  |                                |                                  | 725,172             |
| Purchase of treasury stock   |                                |                                  | (101,576)           |
| Disposal of treasury stock   |                                |                                  | 147                 |
| Cancellation of treasury stock   |                                |                                  | —                   |
| Changes in shareholders' interest due to<br>transaction with non-controlling interests |                                |                                  | (232)               |
| Increase due to decrease in subsidiaries   |                                |                                  | 39                  |
| Reversal of land revaluation excess  |                                |                                  | 825                 |
| Transfer from retained earnings to capital<br>surplus                                  |                                |                                  | —                   |
| Net changes in items other than<br>stockholders' equity in the period                  | (141)                          | (2,215)                          | (358,062)           |
| Net changes in the period  | (141)                          | (2,215)                          | 92,775              |
| Balance at the end of the period   | ¥ 790                          | ¥ 136,710                        | ¥ 14,892,743        |

(Continued)

| Millions of U.S. dollars  |               |                 |                   |                |           |
|---|---------------|-----------------|-------------------|----------------|-----------|
| Stockholders' equity  |               |                 |                   |                |           |
| Six months ended September 30, 2024   | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total     |
| Balance at the beginning of the period  | \$ 16,413     | \$ 4,272        | \$ 54,919         | \$ (1,174)     | \$ 74,429 |
| Cumulative effects of changes in accounting policies                                |               |                 | 415               |                | 415       |
| Restated balance  | 16,413        | 4,272           | 55,334            | (1,174)        | 74,845    |
| Changes in the period   |               |                 |                   |                |           |
| Issuance of new stock   | 13            | 13              |                   |                | 27        |
| Cash dividends  |               |                 | (1,242)           |                | (1,242)   |
| Profit attributable to owners of parent   |               |                 | 5,078             |                | 5,078     |
| Purchase of treasury stock  |               |                 |                   | (711)          | (711)     |
| Disposal of treasury stock  |               | (2)             |                   | 3              | 1         |
| Cancellation of treasury stock  |               | (1,643)         |                   | 1,643          | —         |
| Changes in shareholders' interest due to transaction with non-controlling interests |               | (2)             |                   |                | (2)       |
| Increase due to decrease in subsidiaries  |               |                 | 0                 |                | 0         |
| Reversal of land revaluation excess   |               |                 | 6                 |                | 6         |
| Transfer from retained earnings to capital surplus                                  |               | 1,645           | (1,645)           |                | —         |
| Net changes in items other than stockholders' equity in the period                  |               |                 |                   |                |           |
| Net changes in the period   | 13            | 12              | 2,196             | 935            | 3,157     |
| Balance at the end of the period  | \$ 16,426     | \$ 4,284        | \$ 57,530         | \$ (239)       | \$ 78,001 |

| Millions of U.S. dollars  |   |                                       |                         |  |   |           |
|---|---|---------------------------------------|-------------------------|--|---|-----------|
| Accumulated other comprehensive income  |   |                                       |                         |  |   |           |
| Six months ended September 30, 2024   | Net unrealized gains (losses) on other securities | Net deferred gains (losses) on hedges | Land revaluation excess | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Total     |
| Balance at the beginning of the period  | \$ 16,853   | \$ (456)                              | \$ 245                  | \$ 9,541                                 | \$ 2,036  | \$ 28,218 |
| Cumulative effects of changes in accounting policies                                | (415)   |                                       |                         |  |   | (415)     |
| Restated balance  | 16,437  | (456)                                 | 245                     | 9,541                                    | 2,036   | 27,803    |
| Changes in the period   |   |                                       |                         |  |   |           |
| Issuance of new stock   |   |                                       |                         |  |   |           |
| Cash dividends  |   |                                       |                         |  |   |           |
| Profit attributable to owners of parent   |   |                                       |                         |  |   |           |
| Purchase of treasury stock  |   |                                       |                         |  |   |           |
| Disposal of treasury stock  |   |                                       |                         |  |   |           |
| Cancellation of treasury stock  |   |                                       |                         |  |   |           |
| Changes in shareholders' interest due to transaction with non-controlling interests |   |                                       |                         |  |   |           |
| Increase due to decrease in subsidiaries  |   |                                       |                         |  |   |           |
| Reversal of land revaluation excess   |   |                                       |                         |  |   |           |
| Transfer from retained earnings to capital surplus                                  |   |                                       |                         |  |   |           |
| Net changes in items other than stockholders' equity in the period                  | (1,763)   | (491)                                 | (6)                     | (123)                                    | (107)   | (2,491)   |
| Net changes in the period   | (1,763)   | (491)                                 | (6)                     | (123)                                    | (107)   | (2,491)   |
| Balance at the end of the period  | \$ 14,674   | \$ (947)                              | \$ 239                  | \$ 9,418                                 | \$ 1,929  | \$ 25,312 |

**(Continued)**

|   | Millions of U.S. dollars                |   |                             |
|---|---|---|-----------------------------|
| <b>Six months ended September 30, 2024</b>  | <b>Stock<br/>acquisition<br/>rights</b> | <b>Non-<br/>controlling<br/>interests</b> | <b>Total<br/>net assets</b> |
| Balance at the beginning of the period  | \$ 7                                    | \$ 973                                    | \$ 103,627                  |
| Cumulative effects of changes in accounting policies                                |   |   | —                           |
| Restated balance  | 7                                       | 973                                       | 103,627                     |
| Changes in the period   |   |   |                             |
| Issuance of new stock   |   |   | 27                          |
| Cash dividends  |   |   | (1,242)                     |
| Profit attributable to owners of parent   |   |   | 5,078                       |
| Purchase of treasury stock  |   |   | (711)                       |
| Disposal of treasury stock  |   |   | 1                           |
| Cancellation of treasury stock  |   |   | —                           |
| Changes in shareholders' interest due to transaction with non-controlling interests |   |   | (2)                         |
| Increase due to decrease in subsidiaries  |   |   | 0                           |
| Reversal of land revaluation excess   |   |   | 6                           |
| Transfer from retained earnings to capital surplus                                  |   |   | —                           |
| Net changes in items other than stockholders' equity in the period                  | (1)                                     | (16)                                      | (2,507)                     |
| Net changes in the period   | (1)                                     | (16)                                      | 650                         |
| Balance at the end of the period  | \$ 6                                    | \$ 957                                    | \$ 104,276                  |

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| Six months ended September 30                                     | Millions of yen |             | Millions of U.S. dollars |
|---|-----------------|-------------|--------------------------|
|   | 2023            | 2024        | 2024                     |
| <b>Cash flows from operating activities:</b>                      |                 |             |                          |
| Income before income taxes  | ¥ 706,386       | ¥ 1,027,400 | \$ 7,194                 |
| Depreciation  | 125,797         | 122,068     | 855                      |
| Losses on impairment of fixed assets                              | 733             | 298         | 2                        |
| Amortization of goodwill  | 15,394          | 13,566      | 95                       |
| Net (gains) losses on step acquisitions                           | (75)            | —           | —                        |
| Equity in net (gains) losses of affiliates                        | (35,785)        | (45,724)    | (320)                    |
| Net change in reserve for possible loan losses                    | (35,740)        | (19,672)    | (138)                    |
| Net change in reserve for employee bonuses                        | (31,067)        | (31,048)    | (217)                    |
| Net change in reserve for executive bonuses                       | (3,317)         | (4,412)     | (31)                     |
| Net change in net defined benefit asset and liability             | (19,355)        | (23,249)    | (163)                    |
| Net change in reserve for executive retirement benefits           | (178)           | (287)       | (2)                      |
| Net change in reserve for point service program                   | 3,103           | (5,581)     | (39)                     |
| Net change in reserve for reimbursement of deposits               | (2,270)         | (2,180)     | (15)                     |
| Net change in reserve for losses on interest repayment            | (16,110)        | 87,940      | 616                      |
| Interest income   | (2,923,705)     | (3,450,738) | (24,161)                 |
| Interest expenses   | 2,035,952       | 2,324,340   | 16,275                   |
| Net (gains) losses on securities                                  | (46,079)        | (304,473)   | (2,132)                  |
| Net (gains) losses from money held in trust                       | (190)           | 11          | 0                        |
| Net exchange (gains) losses                                       | (854,945)       | 322,490     | 2,258                    |
| Net (gains) losses from disposal of fixed assets                  | 1,832           | 2,108       | 15                       |
| Net change in trading assets                                      | (3,315,347)     | 492,401     | 3,448                    |
| Net change in trading liabilities                                 | 3,151,818       | (927,073)   | (6,491)                  |
| Net change in loans and bills discounted                          | (3,324,961)     | 1,829,740   | 12,812                   |
| Net change in deposits  | 2,618,180       | (998,792)   | (6,993)                  |
| Net change in negotiable certificates of deposit                  | 719,579         | (1,324,752) | (9,276)                  |
| Net change in borrowed money (excluding subordinated borrowings)  | 474,079         | 147,068     | 1,030                    |
| Net change in deposits with banks                                 | 1,344,460       | 5,487,809   | 38,425                   |
| Net change in call loans and bills bought and others              | (1,606,799)     | (3,224,342) | (22,576)                 |
| Net change in receivables under securities borrowing transactions | (455,172)       | 873,208     | 6,114                    |
| Net change in call money and bills sold and others                | 5,179,878       | 1,877,960   | 13,149                   |
| Net change in commercial paper                                    | (340,611)       | (477,201)   | (3,341)                  |
| Net change in payables under securities lending transactions      | (127,914)       | (319,139)   | (2,235)                  |
| Net change in foreign exchanges (assets)                          | (278,022)       | (316,091)   | (2,213)                  |
| Net change in foreign exchanges (liabilities)                     | 807,988         | (671,012)   | (4,698)                  |
| Net change in lease receivables and investment assets             | (6,285)         | (30,522)    | (214)                    |
| Net change in short-term bonds (liabilities)                      | 284,500         | 148,500     | 1,040                    |
| Issuance and redemption of bonds (excluding subordinated bonds)   | 544,658         | 239,247     | 1,675                    |
| Net change in due to trust account                                | (301,832)       | (629,957)   | (4,411)                  |
| Interest received   | 2,840,979       | 3,508,124   | 24,563                   |
| Interest paid   | (1,927,799)     | (2,370,574) | (16,598)                 |
| Other, net  | 305,532         | 292,751     | 2,050                    |
| Subtotal  | 5,507,285       | 3,620,207   | 25,348                   |
| Income taxes paid   | (79,736)        | (278,239)   | (1,948)                  |
| Net cash provided by (used in) operating activities               | 5,427,549       | 3,341,967   | 23,400                   |

(Continued)

| Six months ended September 30  | Millions of yen |                 | Millions of U.S. dollars |
|--|-----------------|-----------------|--------------------------|
|  | 2023            | 2024            | 2024                     |
| <b>Cash flows from investing activities:</b>   |                 |                 |                          |
| Purchases of securities  | ¥ (18,956,485)  | ¥ (24,557,525)  | \$ (171,947)             |
| Proceeds from sale of securities   | 4,488,230       | 10,892,126      | 76,265                   |
| Proceeds from redemption of securities   | 10,219,090      | 12,161,037      | 85,149                   |
| Purchases of money held in trust   | (1)             | (9,163)         | (64)                     |
| Proceeds from sale of money held in trust  | 0               | 0               | 0                        |
| Purchases of tangible fixed assets   | (50,111)        | (43,348)        | (304)                    |
| Proceeds from sale of tangible fixed assets  | 5,039           | 2,450           | 17                       |
| Purchases of intangible fixed assets   | (111,598)       | (116,769)       | (818)                    |
| Purchase of stocks of subsidiaries resulting in change in scope of consolidation               | (7)             | —               | —                        |
| Net cash provided by (used in) investing activities  | (4,405,843)     | (1,671,192)     | (11,701)                 |
| <b>Cash flows from financing activities:</b>   |                 |                 |                          |
| Proceeds from subordinated borrowings  | 10,000          | 33,000          | 231                      |
| Repayment of subordinated borrowings   | (10,000)        | (10,000)        | (70)                     |
| Proceeds from issuance of subordinated bonds and bonds with stock acquisition rights           | 500,580         | 432,820         | 3,031                    |
| Redemption of subordinated bonds and bonds with stock acquisition rights                       | —               | (364,827)       | (2,554)                  |
| Dividends paid   | (167,956)       | (177,364)       | (1,242)                  |
| Dividends paid to non-controlling stockholders   | (3,307)         | (5,981)         | (42)                     |
| Purchases of treasury stock  | (61,326)        | (101,576)       | (711)                    |
| Proceeds from disposal of treasury stock   | 143             | 147             | 1                        |
| Purchase of stocks of subsidiaries not resulting in change in scope of consolidation           | (100)           | —               | —                        |
| Proceeds from sale of stocks of subsidiaries not resulting in change in scope of consolidation | —               | 0               | 0                        |
| Net cash provided by (used in) financing activities  | 268,033         | (193,783)       | (1,357)                  |
| Effect of exchange rate changes on cash and cash equivalents                                   | 455,247         | (323,326)       | (2,264)                  |
| Net change in cash and cash equivalents  | 1,744,986       | 1,153,664       | 8,078                    |
| Cash and cash equivalents at the beginning of the period                                       | 65,864,248      | 66,380,330      | 464,783                  |
| Cash and cash equivalents at the end of the period   | *1 ¥ 67,609,235 | *1 ¥ 67,533,995 | \$ 472,861               |

## NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### (Basis of presentation)

Sumitomo Mitsui Financial Group, Inc. (“the Company”) was established on December 2, 2002 as a holding company for the SMBC Group (“the Group”) through a statutory share transfer (*kabushiki iten*) of all of the outstanding equity securities of Sumitomo Mitsui Banking Corporation (“SMBC”) in exchange for the Company’s newly issued securities. The Company is a joint stock corporation with limited liability (*Kabushiki Kaisha*) incorporated under the Companies Act of Japan. Upon formation of the Company and completion of the statutory share transfer, SMBC became a direct wholly owned subsidiary of the Company.

The Company has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (“IFRS”).

The accounts of overseas subsidiaries and affiliated companies are, in principle, integrated with those of the Company’s accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or IFRS, in which case a certain limited number of items are adjusted based on their materiality.

These interim consolidated financial statements are translated from the interim consolidated financial statements contained in the interim securities report filed under the Financial Instrument and Exchange Act of Japan (“FIEA based financial statements”) except for the addition of the non-consolidated financial statements and U.S. dollar figures.

Amounts less than ¥1 million have been rounded down. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2024 which was ¥142.82 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

## (Significant accounting policies for preparing interim consolidated financial statements)

### 1. Scope of consolidation

#### (1) Consolidated subsidiaries

The number of consolidated subsidiaries at September 30, 2024 was 174.

Principal companies: Sumitomo Mitsui Banking Corporation (“SMBC”)  
SMBC Trust Bank Ltd.  
SMBC Nikko Securities Inc.  
Sumitomo Mitsui Card Company, Limited  
SMBC Consumer Finance Co., Ltd.  
JRI Holdings, Limited  
The Japan Research Institute, Limited  
Sumitomo Mitsui DS Asset Management Company, Limited  
SMBC Bank International plc  
SMBC Bank EU AG  
Sumitomo Mitsui Banking Corporation (China) Limited  
PT Bank BTPN Tbk  
SMBC Americas Holdings, Inc.  
SMBC Guarantee Co., Ltd.

Changes in the consolidated subsidiaries in the six months ended September 30, 2024 were as follows:

JRI Holdings, Limited and 2 other companies were newly included in the scope of consolidation due to new establishment and other reasons.

SMBC Finance Service Co., Ltd. and 3 other companies were excluded from the scope of consolidation as they ceased to be subsidiaries because of merger and other reasons.

#### (2) Unconsolidated subsidiaries

Principal company: SBCS Co., Ltd.

6 of the unconsolidated subsidiaries were investment partnerships, and neither their assets nor profit/loss were substantially attributable to the said subsidiaries, and thus were excluded from the scope of consolidation pursuant to Article 5, Paragraph 1, Item 2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements.

Other unconsolidated subsidiaries were excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings were immaterial, as such, they did not hinder a rational judgment of the financial position and results of operations of the Company and its consolidated subsidiaries when excluded from the scope of consolidation.

#### (3) Entities not regarded as subsidiaries even though the Company owns the majority of voting rights in its own account

Principal companies: Tamago & Company Inc.  
Peraichi Inc.  
UDI Building Confirmations and Inspections. Inc.  
Fustnot Inc.  
Aqua Clara, inc.  
Aqua Clara Lemon Gas Holdings Co., Ltd.

(Reason for excluding from the scope of consolidated subsidiaries)

The Company's consolidated subsidiary conducting investment business owned the majority of their voting rights primarily to obtain capital gains through investments or restructuring of their business, without any intent to control.

## 2. Application of the equity method

### (1) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method at September 30, 2024 was 5.

Principal company: SBCS Co., Ltd.

### (2) Equity method affiliates

The number of equity method affiliates at September 30, 2024 was 286.

Principal companies: Sumitomo Mitsui Finance and Leasing Company, Limited  
Sumitomo Mitsui Auto Service Company, Limited

Changes in the equity method affiliates in the six months ended September 30, 2024 were as follows:

Infcurion, Inc. and 8 other companies became equity method affiliates due to the acquisition of stocks and other reasons.

35 companies were excluded from the scope of equity method affiliates as they ceased to be equity method affiliates due to the liquidation and other reasons.

### (3) Unconsolidated subsidiaries not accounted for by the equity method

6 unconsolidated subsidiaries not accounted for by the equity method were investment partnerships, and neither their assets nor profit/loss were substantially attributable to the said subsidiaries, and thus were excluded from the scope of equity method pursuant to Article 7, Paragraph 1, Item 2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements.

### (4) Affiliates not accounted for by the equity method

Principal company: Park Square Capital / SMBC Loan Programme S.à r.l.

Affiliates not accounted for by the equity method were also excluded from the scope of equity method because their total amounts in terms of net income and retained earnings were immaterial, and as such, they did not hinder a rational judgment of the Company's financial position and results of operations when excluded from the scope of equity method.

## 3. The interim balance sheet dates of consolidated subsidiaries

### (1) The interim balance sheet dates of the consolidated subsidiaries at September 30, 2024 were as follows:

|              |    |
|--------------|----|
| December 31  | 1  |
| March 31     | 1  |
| April 30     | 2  |
| May 31       | 2  |
| June 30      | 87 |
| September 30 | 81 |

### (2) The subsidiary with interim balance sheets dated December 31 is consolidated using the financial statements as of June 30, the subsidiary with interim balance sheets dated March 31 is consolidated using the financial statements as of September 30, the subsidiaries with interim balance sheets dated April 30 are consolidated using the financial statements as of July 31, and certain subsidiaries with interim balance sheets dated June 30 are consolidated using the financial statements as of September 30. Other subsidiaries are consolidated using the financial statements as of their respective interim balance sheet dates.

Appropriate adjustments are made to material transactions during the periods between their respective interim balance sheet dates and the interim consolidated closing date.



#### 4. Accounting policies

##### (1) Standards for recognition and measurement of trading assets/liabilities and trading income/losses

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in “Trading assets” or “Trading liabilities” on the interim consolidated balance sheets on a trade date basis. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as “Trading income” and “Trading losses” on the interim consolidated statement of income.

Securities and monetary claims purchased for trading purposes are stated at the interim period-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the interim consolidated balance sheet date.

“Trading income” and “Trading losses” include interest received or paid during the interim period. The valuation differences of securities and monetary claims between the end of the fiscal year ended March 31, 2024 and the six months ended September 30, 2024 were also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation differences between the end of the fiscal year ended March 31, 2024 and the six months ended September 30, 2024 were also recorded in the above-mentioned accounts.

In terms of the evaluation of specific market risks and credit risks for derivative transactions, those fair values are calculated on a group basis of the financial assets and liabilities based on net asset or liability after offsetting.

##### (2) Standards for recognition and measurement of securities

1) Debt securities that are classified as held-to-maturity securities are carried at amortized cost (based on straight-line method) using the moving-average method. Investments in affiliates that are not accounted for by the equity method are carried at cost using the moving-average method. Other securities are carried at their interim period-end market prices (cost of securities sold is calculated using primarily the moving-average method). Stocks with no market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on other securities, net of income taxes, are included in “Net assets” except for the amount reflected on the gains or losses by applying fair value hedge accounting.

2) Securities included in money held in trust are carried in the same method as in (1) and (2) 1) above.

##### (3) Standards for recognition and measurement of derivative transactions

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

In terms of the evaluation of specific market risks and credit risks for derivative transactions, those fair values are calculated on a group basis of the financial assets and liabilities based on net asset or liability after offsetting.

#### (4) Depreciation

##### 1) Tangible fixed assets (excluding lease assets)

Buildings owned by the Company and SMBC, which is a consolidated subsidiary of the Company, are depreciated primarily using the straight-line method. The estimated useful lives of major items are as follows:

|            |               |
|------------|---------------|
| Buildings: | 7 to 50 years |
| Others:    | 2 to 20 years |

Other consolidated subsidiaries depreciate tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

##### 2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by the Company and its consolidated domestic subsidiaries is depreciated over its estimated useful life (5-10 years).

##### 3) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in “Tangible fixed assets,” are depreciated using the straight-line method, assuming that lease terms are their expected lifetime and salvage values are zero.

#### (5) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“Bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“Effectively bankrupt borrowers”), a reserve is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“Potentially bankrupt borrowers”), a reserve is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

SMBC, which is a consolidated subsidiary of the Company, applies the Discounted Cash Flows (“DCF”) method for claims of large borrowers exceeding a certain amount, of which borrowers categories are bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers and whole or part of loans are classified as “Past due loans (3 months or more)” or “Restructured loans” requiring close monitoring, and whose cash flows from collection of principals and interest can be rationally estimated. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, they are recorded by estimating the amount of expected loss in the next one year or three years. The estimated amount of expected loss is calculated by using average ratio of loan-loss ratio or probability of default for certain periods in the past based on actual loan losses or default in the past one year or three years, and by making necessary adjustments including future estimations.

In addition, in light of the latest economic situation and risk factors, for potential losses for specific portfolios that are based on the future prospects with high probability, but cannot be reflected in actual loan losses in the past and in any individual borrower's classification, a reserve is provided in the amount deemed necessary based on an overall assessment.

For claims originated in specific overseas countries, an additional reserve is provided in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the credit review department, independent from these operating sections, audits their assessment.

The reserve for possible loan losses of other consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amounts of write-off were ¥257,369 million and ¥250,841 million at September 30 and March 31, 2024, respectively.

(6) Reserve for employee bonuses

The reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the interim period.

(7) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to executives, in the amount deemed accrued at the interim period-end based on our internal regulations.

(8) Reserve for point service program

The reserve for point service program is provided for the potential future redemption of points awarded to customers under the "V Point" which is the Group-wide point service program, and other customer points award programs. The amount is calculated by converting the outstanding points into a monetary amount, and rationally estimating and recognizing the amount that will be redeemed in the future.

(9) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursements.

(10) Reserve for losses on interest repayment

The reserve for losses on interest repayment is provided for the possible losses on future claims of repayment of interest based on historical interest repayment results.

(11) Reserves under the special laws

The reserves under the special laws are reserves for contingent liabilities and provided for compensation for losses from securities related transactions or derivative transactions, pursuant to Article 46-5 of the Financial Instruments and Exchange Act.

## (12) Employee retirement benefits

In calculating the projected benefit obligation, mainly the benefit formula basis is used to attribute the expected benefit attributable to the period by the end of the interim period.

Unrecognized prior service cost is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period at incurrence.

Unrecognized net actuarial gain (loss) is amortized on a straight-line basis, primarily over 9 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

## (13) Revenue recognition

### 1) Revenue recognition

Revenue from contracts with customers is recognized by identifying the satisfaction of performance obligation of each of the transactions based on the actual transaction of the contractual coverage.

### 2) Revenue recognition of major transactions

Regarding revenue from contracts with customers, the contractual coverage and timing of identifying the satisfaction of performance obligation of each item of fees and commissions are determined as follows.

Revenue for deposits and loans, mainly including the commission fees, etc. for account transfer and commissions for office management during the loan period of syndicated loans, is recognized when the transaction starts with the customer or over the period of the transaction of the related services.

Revenue for remittances and transfers, mainly including the fees for domestic and overseas remittances, is recognized when the related services are provided.

Revenue for securities-related business, mainly including trading commissions such as sales commissions of stocks and bonds, is recognized when the transaction starts with the customer.

Revenue for agency business, mainly including the accepted commissions between banks due to online alliances commission fees, etc. for proxy office management, is recognized when the transaction starts with the customer or over the period of the transaction of the related service.

Revenue for safe deposits, mainly including storage fees for safekeeping deposits and usage fees of safes and protective boxes, is recognized over the period of the transaction of the related service.

Revenue for credit card business, mainly including merchant fees, is recognized when the credit sales data arrives.

Revenue for investment trusts, mainly including the commissions for processing sales and records management of investment trusts, etc., is recognized when the transaction starts with the customer or over the period of the transaction of the related service.

## (14) Translation of foreign currency assets and liabilities

Assets and liabilities of the Company and SMBC, which is a consolidated subsidiary of the Company, denominated in foreign currencies and accounts of SMBC overseas branches are translated into Japanese yen mainly at the exchange rate prevailing at the interim consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Other consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at their respective interim balance sheet dates.

(15) Lease transactions

1) Recognition of income on finance leases

Interest income is allocated to each period.

2) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.

(16) Hedge accounting

1) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC, which is a consolidated subsidiary of the Company, applies deferred hedge accounting.

SMBC applies deferred hedge accounting stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Committee Practical Guideline No. 24, March 17, 2022) to portfolio hedges on groups of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuations, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC also assesses the effectiveness of such individual hedges.

2) Hedging against currency fluctuations

SMBC, which is a consolidated subsidiary of the Company, applies deferred hedge accounting stipulated in “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guideline No. 25, October 8, 2020) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Committee Practical Guideline No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

3) Hedging against share price fluctuations

SMBC, which is a consolidated subsidiary of the Company, applies fair value hedge accounting to individual hedges offsetting the price fluctuation of the shares that are classified under other securities, and accordingly evaluates the effectiveness of such individual hedges.

#### 4) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Committee Practical Guidelines No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from these interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting, fair value hedge accounting or the special treatment for interest rate swaps.

#### (17) Amortization of goodwill

Goodwill is amortized using the straight-line method over a period in which its benefit is expected to be realized, not to exceed 20 years. Immaterial goodwill is charged or credited to income directly when incurred.

#### (18) Scope of “Cash and cash equivalents” on interim consolidated statements of cash flows

For the purposes of presenting the interim consolidated statements of cash flows, “Cash and cash equivalents” are cash on hand, non-interest earning deposits with banks and deposits with the Bank of Japan.

#### (19) Adoption of the group tax sharing system

The Company and certain consolidated domestic subsidiaries apply the group tax sharing system.

## **(Changes in accounting policies)**

### **Application of Accounting Standard for Current Income Taxes, etc.**

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No.27, October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, October 28, 2022) and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022) from the beginning of the six months ended September 30, 2024.

As for the revision of accounting classification of current income taxes (taxation on Other comprehensive income) in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Accounting Standard for Current Income Taxes and the proviso of Paragraph 65-2, Item 2 of the Guidance on Accounting Standard for Tax Effect Accounting, the cumulative effects of the retroactive application of the new accounting policies prior to the beginning of the six months ended September 30, 2024, were adjusted to "Retained earnings" at the beginning of the six months ended September 30, 2024. Furthermore, the corresponding amounts were appropriately allocated among "Capital surplus", "Valuation and translation adjustments" or "Total accumulated other comprehensive income," and new accounting standards were applied from the beginning balance of the six months ended September 30, 2024. As a result, "Retained earnings" increased by ¥59,330 million and "Net unrealized gains on other securities" decreased by ¥59,330 million at the beginning of the six months ended September 30, 2024.

In addition, as for the revision related to the review of the treatment of gains or losses on sales arising from the sale of subsidiaries' stocks and others among consolidated companies in the consolidated financial statements, in cases where the gains or losses on sales is deferred for tax purposes, the Company has applied the Guidance on Accounting Standard for Tax Effect Accounting from the beginning of the six months ended September 30, 2024. There were no significant effects on the consolidated financial statements due to the application of the Guidance.

## **(Additional information)**

### **1. The estimates of reserve for possible loan losses related to the impact of the current international situation involving Ukraine**

Considering the uncertain business environment caused by the current international situation involving Ukraine, estimation of the reserve for possible loan losses associated with the Russia-related credits is reflected in the interim consolidated financial statements by the following method. The Russia-related credits are mainly related to corporate customers in Russia.

For losses expected to be incurred in connection with individual borrowers based on the impact of economic sanctions imposed by governments of each country and the countermeasures taken by the Russian government, etc., a reserve for possible loan losses is provided by reviewing, as necessary, borrower categories based on the most recent available information. In addition, a reserve for possible loan losses is recorded as a reserve for claims originated in specific overseas countries at an amount deemed necessary in consideration of the political and economic situation in Russia.

Furthermore, in light of the probability of delays in principal or interest payments and the easing of payment terms, etc., due to the prolonged impact of such economic sanctions and countermeasures, and deterioration in the credit status of Russia including interest payments on Russian government bonds, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment.

Also, regarding certain funds, including collection of claims from customers in Russia, given the prolonged difficulty in collecting the funds through overseas remittances as a result of the Russian Presidential decree and instructions of the Central Bank of the Russian Federation, the impact of the countermeasure is estimated, and a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment.

As a result, a reserve for possible loan losses at a total of ¥105,676 million was recorded for the Russia-related credits.

### **2. The estimates of reserve for possible loan losses related to the impact of the tightening monetary policies overseas**

Considering the increasing burden of interest payments for companies due to tightening monetary policies in various countries following suppressed inflationary pressures overseas, estimation of the reserve for possible loan losses associated with such impact is reflected in the interim consolidated financial statements by the following method.

For potential losses expected to be incurred related to individual borrowers due to deterioration in business performance and funding, a reserve for possible loan losses is provided by reviewing, as necessary, borrower category based on the most recent available information.

In addition, for potential losses which cannot be reflected in any of individual borrower category, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment. The assessment includes specifying the portfolios that are considered to be easily affected by the abovementioned factors from the perspectives of the forms of lending and industry, and estimating the impact of changes in the market condition and the rising interest rates.

As a result, an additional reserve for possible loan losses at a total of ¥24,492 million was recorded for such portfolios.



3. The estimates of reserve for possible loan losses in consideration of changes in domestic business environment and other factors

For certain portfolios, the estimation of the reserve for possible loan losses associated with impacts including changes in the domestic business environment such as continuously inflated raw material prices and an increase in labor cost, along with changes in the financial environment such as cutback on the governmental funding support to businesses and lifting of negative interest rate policy, is reflected in the interim consolidated financial statements by the following method, considering concerns over the future deterioration in credit conditions.

For potential losses expected to be incurred related to individual borrowers due to factors such as deterioration in business performance and funding, a reserve for possible loan losses is provided by reviewing, as necessary, borrower category based on the most recent available information.

In addition, for potential losses which cannot be reflected in any of individual borrower category, a reserve for possible loan losses is recorded at an amount deemed necessary based on an overall assessment. The assessment includes specifying the portfolios that are considered to be easily affected by the abovementioned factors from the perspectives of the forms of lending and ability of debt repayment, and estimating the impact of changes in the market condition.

As a result, an additional reserve for possible loan losses at a total of ¥15,786 million was recorded for such portfolios.

(Notes to interim consolidated balance sheets)

**\*1 Stocks and investments in unconsolidated subsidiaries and affiliates**

Stocks and investments in unconsolidated subsidiaries and affiliates at March 31, 2024 and September 30, 2024 were as follows:

|             | Millions of yen |                    |
|-------------|-----------------|--------------------|
|             | March 31, 2024  | September 30, 2024 |
| Stocks      | ¥ 1,758,625     | ¥ 1,828,410        |
| Investments | 5,878           | 11,435             |

**\*2 Unsecured loaned securities for which borrowers have the right to sell or pledge**

The amounts of unsecured loaned securities for which borrowers have the right to sell or pledge at March 31, 2024 and September 30, 2024 were as follows:

|   | Millions of yen |                    |
|---|-----------------|--------------------|
|   | March 31, 2024  | September 30, 2024 |
| Japanese government bonds and Japanese local government bonds in “Securities” | ¥ 836,386       | ¥ 582,204          |
| Trading securities in “Trading assets”  | 9,452           | 1,208              |

As for the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral with rights to sell or pledge without restrictions, those securities pledged, those securities lent and those securities held without being disposed at March 31, 2024 and September 30, 2024 were as follows:

|  | Millions of yen |                    |
|--|-----------------|--------------------|
|  | March 31, 2024  | September 30, 2024 |
| Securities pledged                     | ¥ 9,174,753     | ¥ 12,397,498       |
| Securities lent                        | 219,261         | 208,327            |
| Securities held without being disposed | 6,891,140       | 6,720,023          |

### \*3 Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions

Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions at March 31, 2024 and September 30, 2024 were as follows. The claims were items that were recorded under the following items on the interim consolidated balance sheet (consolidated balance sheet): bonds included in “Securities” (limited to bonds for which the redemption of principal and the payment of interest in whole or in part were guaranteed, and that were issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in “Other assets,” and customers’ liabilities for acceptances and guarantees. If security lending listed in the notes was conducted, such securities (limited to those based on loan for a use agreement or lease agreement) were also included in the claims.

|                                   | Millions of yen |                    |
|-----------------------------------|-----------------|--------------------|
|                                   | March 31, 2024  | September 30, 2024 |
| Bankrupt and quasi-bankrupt loans | ¥ 160,186       | ¥ 83,884           |
| Doubtful loans                    | 562,626         | 509,609            |
| Substandard loans                 | 300,322         | 303,029            |
| Past due loans (3 months or more) | 58,365          | 53,868             |
| Restructured loans                | 241,957         | 249,161            |
| Subtotal                          | 1,023,135       | 896,522            |
| Normal loans                      | 125,031,630     | 122,729,691        |
| Total                             | ¥ 126,054,765   | ¥ 123,626,214      |

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower’s financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

Normal loans are loans that do not fall under the classification of bankrupt and quasi-bankrupt loans, doubtful loans, past due loans (3 months or more), and restructured loans, and where the borrower has no financial or business performance problems.

The amounts of loans presented above were the amounts before deduction of reserve for possible loan losses.

#### \*4 Bills discounted

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Committee Practical Guideline No. 24. SMBC and its banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions, etc. The total face value at March 31, 2024 and September 30, 2024 were as follows:

|                  | <b>Millions of yen</b> |                           |
|------------------|------------------------|---------------------------|
|                  | <b>March 31, 2024</b>  | <b>September 30, 2024</b> |
| Bills discounted | ¥ 847,887              | ¥ 754,924                 |

#### \*5 Assets pledged as collateral

Assets pledged as collateral at March 31, 2024 and September 30, 2024 were as follows:

| <b>March 31, 2024</b>                                      | <b>Millions of yen</b> | <b>September 30, 2024</b>                                  | <b>Millions of yen</b> |
|--|------------------------|--|------------------------|
| Assets pledged as collateral:                              |                        | Assets pledged as collateral:                              |                        |
| Cash and due from banks                                    | ¥ 3,725                | Cash and due from banks                                    | ¥ 3,754                |
| Trading assets   | 1,751,730              | Trading assets   | 1,039,533              |
| Securities   | 13,317,016             | Securities   | 12,496,835             |
| Loans and bills discounted                                 | 12,297,548             | Loans and bills discounted                                 | 11,993,347             |
| Liabilities corresponding to assets pledged as collateral: |                        | Liabilities corresponding to assets pledged as collateral: |                        |
| Deposits   | 2,836                  | Payables under repurchase agreements                       | 10,632,746             |
| Payables under repurchase agreements                       | 11,821,596             | Payables under securities lending transactions             | 1,048,255              |
| Payables under securities lending transactions             | 908,165                | Borrowed money   | 10,810,887             |
| Borrowed money   | 11,980,954             | Bonds  | 678,628                |
| Bonds  | 792,677                |  |                        |

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, and substitution for margins of futures transactions and certain other purposes at March 31, 2024 and September 30, 2024:

| <b>March 31, 2024</b>      | <b>Millions of yen</b> | <b>September 30, 2024</b> | <b>Millions of yen</b> |
|----------------------------|------------------------|---------------------------|------------------------|
| Cash and due from banks    | ¥ 17,253               | Cash and due from banks   | ¥ 16,306               |
| Trading assets             | 1,129,265              | Trading assets            | 1,767,028              |
| Securities                 | 4,717,168              | Securities                | 6,222,611              |
| Loans and bills discounted | 101,005                |                           |                        |

Other assets include collateral money deposited for financial instruments, surety deposits, margins of futures markets and other margins. The amounts for such assets were as follows:

| <b>March 31, 2024</b>                                | <b>Millions of yen</b> | <b>September 30, 2024</b>                            | <b>Millions of yen</b> |
|--|------------------------|--|------------------------|
| Collateral money deposited for financial instruments | ¥ 2,986,049            | Collateral money deposited for financial instruments | ¥ 1,983,624            |
| Surety deposits                                      | 76,111                 | Surety deposits                                      | 75,245                 |
| Margins of futures markets                           | 80,522                 | Margins of futures markets                           | 102,558                |
| Other margins  | 82,434                 | Other margins  | 108,076                |

## \*6 Commitment line contracts on overdrafts and loans

Commitment line contracts on overdrafts and loans are agreements to lend to customers, upon their request, up to a prescribed amount, provided that there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2024 and September 30, 2024 were as follows:

|   | Millions of yen |                    |
|---|-----------------|--------------------|
|   | March 31, 2024  | September 30, 2024 |
| The amounts of unused commitments   | ¥ 88,318,177    | ¥ 87,364,521       |
| The amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time | 56,229,104      | 55,630,945         |

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily affect actual future cash flow. Many of these commitments include clauses under which an application from customers can be rejected or contract amounts can be reduced in the event that economic conditions change, necessity for securing claims, or other events occur. In addition, at the time of contract, collateral such as premises and securities is requested to be pledged. Also, after concluding the contracts, customer's financial positions are monitored regularly based on internal procedures, and necessary measures such as revising contracts and securing claims are taken when such needs arise.

## \*7 Land revaluation excess

SMBC, a consolidated subsidiary of the Company, revaluated its own land for business activities in accordance with the "Act on Revaluation of Land" (the "Act") (Act No. 34, effective March 31, 1998) and the "Act for Partial Revision of Act on Revaluation of Land" (Act No. 19, effective March 31, 2001). The income taxes corresponding to the net unrealized gains are reported in "Liabilities" as "Deferred tax liabilities for land revaluation," and the Company's share of the net unrealized gains, net of deferred taxes, are reported as "Land revaluation excess" in "Net assets."

Date of the revaluation

March 31, 1998 and March 31, 2002

Method of revaluation (stipulated in Article 3, Paragraph 3 of the Act)

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal, as well as neighboring sales, to the value based on fixed asset tax valuation, standard land price, and appraisal evaluation conducted by a licensed real estate appraiser or an assistant real estate appraiser, as stipulated respectively by Items 3, 4, or 5 of Article 2 of the "Order for Enforcement of Act on Revaluation of Land" (Cabinet Order No. 119, effective March 31, 1998).

## \*8 Accumulated depreciation on tangible fixed assets

Accumulated depreciation on tangible fixed assets at March 31, 2024 and September 30, 2024 were as follows:

|                          | Millions of yen |                    |
|--------------------------|-----------------|--------------------|
|                          | March 31, 2024  | September 30, 2024 |
| Accumulated depreciation | ¥ 864,459       | ¥ 870,310          |

### \*9 Subordinated borrowings

The balance of subordinated borrowings included in “Borrowed money” at March 31, 2024 and September 30, 2024 were as follows:

|                         | Millions of yen |                    |
|-------------------------|-----------------|--------------------|
|                         | March 31, 2024  | September 30, 2024 |
| Subordinated borrowings | ¥ 176,000       | ¥ 199,000          |

### \*10 Subordinated bonds

The balance of subordinated bonds included in “Bonds” at March 31, 2024 and September 30, 2024 were as follows:

|                    | Millions of yen |                    |
|--------------------|-----------------|--------------------|
|                    | March 31, 2024  | September 30, 2024 |
| Subordinated bonds | ¥ 2,970,589     | ¥ 2,999,997        |

### \*11 Guaranteed amount to privately-placed bonds

The amounts guaranteed by banking subsidiaries to privately-placed bonds (stipulated by Article 2, Paragraph 3 of Financial Instruments and Exchange Act) in “Securities” at March 31, 2024 and September 30, 2024 were as follows:

|  | Millions of yen |                    |
|--|-----------------|--------------------|
|  | March 31, 2024  | September 30, 2024 |
| Guaranteed amounts to privately-placed bonds | ¥ 1,200,133     | ¥ 1,080,683        |

(Notes to interim consolidated statements of income)

**\*1 Other income**

“Other income” for the six months ended September 30, 2023 and 2024 included the following:

| <u>Six months ended September 30, 2023</u> | <u>Millions of yen</u> | <u>Six months ended September 30, 2024</u> | <u>Millions of yen</u> |
|--|------------------------|--|------------------------|
| Gains on sales of stocks and others        | ¥ 92,116               | Gains on sales of stocks and others        | ¥ 309,766              |

**\*2 General and administrative expenses**

“General and administrative expenses” for the six months ended September 30, 2023 and 2024 included the following:

| <u>Six months ended September 30, 2023</u> | <u>Millions of yen</u> | <u>Six months ended September 30, 2024</u> | <u>Millions of yen</u> |
|--|------------------------|--|------------------------|
| Salaries and related expenses              | ¥ 407,657              | Salaries and related expenses              | ¥ 455,177              |

**\*3 Other expenses**

“Other expenses” for the six months ended September 30, 2023 and 2024 included the following:

| <u>Six months ended September 30, 2023</u> | <u>Millions of yen</u> | <u>Six months ended September 30, 2024</u>             | <u>Millions of yen</u> |
|--|------------------------|--|------------------------|
| Write-off of loans                         | ¥ 84,373               | Provision for reserve for losses on interest repayment | ¥ 99,000               |
|  |                        | Write-off of loans                                     | 87,845                 |

**\*4 Extraordinary gains**

“Extraordinary gains” for the six months ended September 30, 2023 and 2024 were as follows:

| <u>Six months ended September 30, 2023</u> | <u>Millions of yen</u> | <u>Six months ended September 30, 2024</u> | <u>Millions of yen</u> |
|--|------------------------|--|------------------------|
| Gains on disposal of fixed assets          | ¥ 92                   | Gains on disposal of fixed assets          | ¥ 1,527                |
| Gains on step acquisitions                 | 75                     |  |                        |

**\*5 Extraordinary losses**

“Extraordinary losses” for the six months ended September 30, 2023 and 2024 were as follows:

| <u>Six months ended September 30, 2023</u>   | <u>Millions of yen</u> | <u>Six months ended September 30, 2024</u>   | <u>Millions of yen</u> |
|--|------------------------|--|------------------------|
| Losses on disposal of fixed assets   | ¥ 1,924                | Losses on disposal of fixed assets   | ¥ 3,636                |
| Losses on impairment of fixed assets   | 733                    | Provision for reserve for contingent liabilities from financial instruments transactions | 664                    |
| Provision for reserve for contingent liabilities from financial instruments transactions | 356                    | Losses on impairment of fixed assets   | 298                    |

## \*6 Losses on impairment of fixed assets

The differences between the recoverable amounts and the book value of the following assets were recognized as “Losses on impairment of fixed assets,” and included in “Extraordinary losses” for the six months ended September 30, 2023 and 2024.

### Six months ended September 30, 2023

|                         |                        |                          | <u>Millions of yen</u> |     |
|-------------------------|------------------------|--------------------------|------------------------|-----|
| <u>Area</u>             | <u>Purpose of use</u>  | <u>Type</u>              | <u>Impairment loss</u> |     |
| Tokyo metropolitan area | Idle assets (34 items) | Land and buildings, etc. | ¥                      | 583 |
| Kinki area              | Idle assets (8 items)  | Land and buildings, etc. |                        | 18  |
| Other                   | Branches (5 items)     | Land and buildings, etc. |                        | 26  |
|                         | Idle assets (10 items) |                          |                        | 104 |

### Six months ended September 30, 2024

|                         |                          |                          | <u>Millions of yen</u> |     |
|-------------------------|--------------------------|--------------------------|------------------------|-----|
| <u>Area</u>             | <u>Purpose of use</u>    | <u>Type</u>              | <u>Impairment loss</u> |     |
| Tokyo metropolitan area | Corporate asset (1 item) | Buildings, etc.          | ¥                      | 7   |
|                         | Idle assets (36 items)   | Land and buildings, etc. |                        | 192 |
| Kinki area              | Idle assets (20 items)   | Land and buildings, etc. |                        | 91  |
| Other                   | Branches (1 item)        | Land and buildings, etc. |                        | 1   |
|                         | Idle assets (9 items)    |                          |                        | 5   |

As for land and buildings, etc., each branch, which continuously manages and determines its income and expenses (branches, etc., physically sharing identical assets), is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Intangible fixed assets and assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which do not produce independent cash flows are treated as corporate assets. Some subsidiaries such as SMBC, a consolidated subsidiary of the Company, utilized management accounting framework to identify corporate assets that are reasonably deemed to be used solely by each business unit as each business unit’s corporate assets, and conducted impairment assessments on a business unit basis together with other related fixed assets.

As for idle assets, each individual property is treated as an asset group for recognition and measurement of impairment. The carrying amounts of idle assets are reduced to their recoverable amounts, and the decreased amounts are included in “Extraordinary losses” as “Losses on impairment of fixed assets,” if there are indicators that the invested amounts may not be recoverable. The recoverable amount is calculated generally using net realizable value, which is determined by subtracting the expected disposal cost from the real estate appraisal value pursuant to real estate appraisal standards.



(Notes to interim consolidated statements of changes in net assets)

Six months ended September 30, 2023

1. Type and number of shares issued and treasury stock

|                | Number of shares               |            |            |                          | Notes |
|----------------|--------------------------------|------------|------------|--------------------------|-------|
|                | At the beginning of the period | Increase   | Decrease   | At the end of the period |       |
| Shares issued  |                                |            |            |                          |       |
| Common stock   | 1,374,691,194                  | 477,890    | 37,640,000 | 1,337,529,084            | 1, 2  |
| Total          | 1,374,691,194                  | 477,890    | 37,640,000 | 1,337,529,084            |       |
| Treasury stock |                                |            |            |                          |       |
| Common stock   | 30,070,650                     | 11,072,475 | 37,687,535 | 3,455,590                | 3, 4  |
| Total          | 30,070,650                     | 11,072,475 | 37,687,535 | 3,455,590                |       |

Notes: 1. The increase of 477,890 shares in the total number of shares issued was due to the issuance of new stock as stock-based compensation.  
2. The decrease of 37,640,000 shares in the total number of shares issued was due to the cancellation of treasury stock.  
3. The increase of 11,072,475 shares in the number of treasury common stock comprises the increase of 51,475 shares due to the purchases of fractional shares and the acquisition of restricted stocks without compensation under the Stock Compensation Plans, and the increase of 11,021,000 shares due to the repurchase of treasury stock.  
4. The decrease of 37,687,535 shares in the number of treasury common stock comprises the decrease of 47,535 shares due to the sales of fractional shares as well as the exercise of stock options, and the decrease of 37,640,000 shares due to the cancellation of treasury stock.

2. Information on stock acquisition rights

|             | Details of stock acquisition rights       | Type of shares | Number of shares               |          |          | Millions of yen          |                          | Notes |
|-------------|---|----------------|--------------------------------|----------|----------|--------------------------|--------------------------|-------|
|             |   |                | At the beginning of the period | Increase | Decrease | At the end of the period | At the end of the period |       |
| The Company | Stock acquisition rights as stock options | —              | —                              | —        | —        | —                        | ¥ 1,002                  |       |
| Total       |   |                |                                |          |          |                          | ¥ 1,002                  |       |

3. Information on dividends

(1) Dividends paid in the period

| Millions of yen, except per share amount                       |                |                |                          |                |                |  |
|--|----------------|----------------|--------------------------|----------------|----------------|--|
| Date of resolution   | Type of shares | Cash dividends | Cash dividends per share | Record date    | Effective date |  |
| Ordinary General Meeting of Shareholders held on June 29, 2023 | Common stock   | ¥ 168,077      | ¥ 125                    | March 31, 2023 | June 30, 2023  |  |

(2) Dividends to be paid after the period

| Millions of yen, except per share amount                    |                |                |                     |                          |                    |                  |
|---|----------------|----------------|---------------------|--------------------------|--------------------|------------------|
| Date of resolution  | Type of shares | Cash dividends | Source of dividends | Cash dividends per share | Record date        | Effective date   |
| Meeting of the Board of Directors held on November 14, 2023 | Common stock   | ¥ 180,099      | Retained earnings   | ¥ 135                    | September 30, 2023 | December 1, 2023 |

## Six months ended September 30, 2024

### 1. Type and number of shares issued and treasury stock

|                | Number of shares               |           |            |                          | Notes   |
|----------------|--------------------------------|-----------|------------|--------------------------|---------|
|                | At the beginning of the period | Increase  | Decrease   | At the end of the period |         |
| Shares issued  |                                |           |            |                          |         |
| Common stock   | 1,337,529,084                  | 341,902   | 29,693,800 | 1,308,177,186            | 1, 2    |
| Total          | 1,337,529,084                  | 341,902   | 29,693,800 | 1,308,177,186            |         |
| Treasury stock |                                |           |            |                          |         |
| Common stock   | 23,587,866                     | 9,722,183 | 29,752,599 | 3,557,450                | 3, 4, 5 |
| Total          | 23,587,866                     | 9,722,183 | 29,752,599 | 3,557,450                |         |

Notes: 1. The increase of 341,902 shares in the total number of shares issued was due to the issuance of new stocks as stock-based compensation.  
2. The decrease of 29,693,800 shares in the total number of shares issued was due to the cancellation of treasury stock.  
3. The increase of 9,722,183 shares in the number of treasury common stock comprises the increase of 11,383 shares due to the purchases of fractional shares, the increase of 149,000 shares due to the acquisition of the Company's shares held by the stock grant trust for employees ("the Trust") and the increase of 9,561,800 shares due to the repurchase of treasury stocks.  
4. The decrease of 29,752,599 shares in the number of treasury common stock comprises the decrease of 58,699 shares due to the sales of fractional shares as well as the exercise of stock options, the decrease of 100 shares due to the sales of the Company's shares held by the Trust and the decrease of 29,693,800 shares due to the cancellation of treasury stocks.  
5. The number of treasury common stock at the end of the period of 3,557,450 shares included 148,900 shares of the Company held by the Trust.

### 2. Information on stock acquisition rights

|             | Details of stock acquisition rights       | Type of shares | Number of shares               |          |          | Millions of yen          |                          | Notes |
|-------------|---|----------------|--------------------------------|----------|----------|--------------------------|--------------------------|-------|
|             |   |                | At the beginning of the period | Increase | Decrease | At the end of the period | At the end of the period |       |
| The Company | Stock acquisition rights as stock options | —              | —                              | —        | —        | —                        | ¥ 790                    |       |
| Total       |   |                |                                |          |          |                          | ¥ 790                    |       |

### 3. Information on dividends

#### (1) Dividends paid in the period

| Millions of yen, except per share amount                       |                |                |                          |                |                |  |
|--|----------------|----------------|--------------------------|----------------|----------------|--|
| Date of resolution   | Type of shares | Cash dividends | Cash dividends per share | Record date    | Effective date |  |
| Ordinary General Meeting of Shareholders held on June 27, 2024 | Common stock   | ¥ 177,382      | ¥ 135                    | March 31, 2024 | June 28, 2024  |  |

#### (2) Dividends to be paid after the period

| Millions of yen, except per share amount                    |                |                |                     |                          |                    |                  |
|---|----------------|----------------|---------------------|--------------------------|--------------------|------------------|
| Date of resolution  | Type of shares | Cash dividends | Source of dividends | Cash dividends per share | Record date        | Effective date   |
| Meeting of the Board of Directors held on November 14, 2024 | Common stock   | ¥ 234,858      | Retained earnings   | ¥ 180                    | September 30, 2024 | December 3, 2024 |

Note: On October 1, 2024, the Company effected a three for one split of its common stock on the record date of September 30, 2024. Cash dividends per share was stated at the amount before the stock split.

(Notes to interim consolidated statements of cash flows)

**\*1 The reconciliation of balance of “Cash and cash equivalents” at the end of the period and the amounts of items stated on the interim consolidated balance sheets**

| Six months ended September 30  | Millions of yen |              |
|--|-----------------|--------------|
|  | 2023            | 2024         |
| Cash and due from banks  | ¥ 77,411,258    | ¥ 73,612,647 |
| Interest earning deposits with banks<br>(excluding the deposit with the Bank of Japan) | (9,802,023)     | (6,078,652)  |
| Cash and cash equivalents  | ¥ 67,609,235    | ¥ 67,533,995 |

(Notes to lease transactions)

**1. Finance leases**

(1) Lessee side

1) Lease assets

(a) Tangible fixed assets

Tangible fixed assets mainly consisted of branches and equipment.

(b) Intangible fixed assets

Intangible fixed assets were software.

2) Depreciation method of lease assets

Depreciation method of lease assets is reported in “(Significant accounting policies for preparing interim consolidated financial statements) 4. Accounting policies (4) Depreciation.”

(2) Lessor side

1) Breakdown of lease investment assets

|                          | Millions of yen |                    |
|--------------------------|-----------------|--------------------|
|                          | March 31, 2024  | September 30, 2024 |
| Lease receivables        | ¥ 260,831       | ¥ 306,270          |
| Residual value           | 23,137          | 25,023             |
| Unearned interest income | (76,323)        | (81,113)           |
| Total                    | ¥ 207,645       | ¥ 250,180          |

2) The scheduled collections of lease payments receivable related to lease investment assets were as follows:

|                              | Millions of yen |                    |
|------------------------------|-----------------|--------------------|
|                              | March 31, 2024  | September 30, 2024 |
| Within 1 year                | ¥ 58,350        | ¥ 45,494           |
| More than 1 year to 2 years  | 36,809          | 46,090             |
| More than 2 years to 3 years | 18,786          | 51,773             |
| More than 3 years to 4 years | 19,545          | 13,495             |
| More than 4 years to 5 years | 11,625          | 27,988             |
| More than 5 years            | 115,714         | 121,427            |
| Total                        | ¥ 260,831       | ¥ 306,270          |

## 2. Operating leases

### (1) Lessee side

Future minimum lease payments on operating leases which were not cancelable were as follows:

|                   | Millions of yen |                    |
|-------------------|-----------------|--------------------|
|                   | March 31, 2024  | September 30, 2024 |
| Due within 1 year | ¥ 37,086        | ¥ 37,716           |
| Due after 1 year  | 184,207         | 173,047            |
| Total             | ¥ 221,293       | ¥ 210,764          |

### (2) Lessor side

Future minimum lease payments on operating leases which were not cancelable were as follows:

|                   | Millions of yen |                    |
|-------------------|-----------------|--------------------|
|                   | March 31, 2024  | September 30, 2024 |
| Due within 1 year | ¥ 201           | ¥ 216              |
| Due after 1 year  | 874             | 797                |
| Total             | ¥ 1,075         | ¥ 1,013            |

**(Notes to financial instruments)**

**Matters concerning fair value of financial instruments and breakdown by input level**

The amounts on the interim consolidated balance sheet (the amounts on the consolidated balance sheet) and the fair value of financial instruments as well as the difference between them by input level are as follows.

The amounts shown in the following tables do not include stocks with no market price, etc., and investments in partnerships (refer to Note 3).

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs.

**(1) Financial assets and liabilities at fair value on the interim consolidated balance sheet (consolidated balance sheet)**

|   | Millions of yen                   |               |           |               |
|---|-----------------------------------|---------------|-----------|---------------|
|   | Consolidated balance sheet amount |               |           |               |
|   | Level 1                           | Level 2       | Level 3   | Total         |
| <b>March 31, 2024</b>                   |                                   |               |           |               |
| Monetary claims bought                  | ¥ —                               | ¥ 148,431     | ¥ 419,099 | ¥ 567,531     |
| Trading assets                          | 5,357,173                         | 1,108,487     | 20,637    | 6,486,298     |
| Money held in trust                     | —                                 | 23,751        | —         | 23,751        |
| Securities                              |                                   |               |           |               |
| Other securities*1                      | 21,346,595                        | 13,081,892    | 12,976    | 34,441,465    |
| Stocks                                  | 3,931,285                         | 808           | —         | 3,932,093     |
| Japanese government bonds               | 7,547,376                         | —             | —         | 7,547,376     |
| Japanese local government bonds         | 1,008,686                         | 44,645        | —         | 1,053,332     |
| Japanese short-term bonds               | —                                 | 19,998        | —         | 19,998        |
| Japanese corporate bonds                | —                                 | 2,127,843     | 11,833    | 2,139,676     |
| Foreign stocks                          | 1,218,749                         | 140,146       | —         | 1,358,895     |
| Foreign bonds                           | 7,037,027                         | 9,798,045     | 1,143     | 16,836,216    |
| Other                                   | 603,470                           | 950,404       | —         | 1,553,875     |
| Total assets                            | ¥ 26,703,769                      | ¥ 14,362,563  | ¥ 452,714 | ¥ 41,519,046  |
| Trading liabilities                     |                                   |               |           |               |
| Trading securities sold for short sales | ¥ 4,632,372                       | ¥ 288,942     | ¥ —       | ¥ 4,921,315   |
| Total liabilities                       | ¥ 4,632,372                       | ¥ 288,942     | ¥ —       | ¥ 4,921,315   |
| Derivative transactions*2, 3            |                                   |               |           |               |
| Interest rate derivatives               | ¥ (2,890)                         | ¥ (1,259,271) | ¥ 3,026   | ¥ (1,259,135) |
| Currency derivatives                    | 10,939                            | (409,453)     | 14,756    | (383,757)     |
| Equity derivatives                      | (25,079)                          | (73,014)      | 7,043     | (91,049)      |
| Bond derivatives                        | 652                               | (36)          | —         | 615           |
| Commodity derivatives                   | 170                               | 738           | —         | 909           |
| Credit derivative transactions          | —                                 | (8,996)       | 1,772     | (7,223)       |
| Total derivative transactions           | ¥ (16,207)                        | ¥ (1,750,034) | ¥ 26,599  | ¥ (1,739,642) |

\*1 The amounts of investment trusts that fall under the classification of Other securities are included in “Other” in the table above.

\*2 The amounts collectively represent the derivative transactions which are recorded as “Trading assets,” “Trading liabilities,” “Other assets” and “Other liabilities.” Debts and credits arising from derivative transactions are presented on a net basis, with net debt presented in round brackets.

\*3 As for derivative transactions applying hedge accounting, ¥(2,124,792) million was recorded on the consolidated balance sheet. These were interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that are hedged items. The Company has mainly applied deferred hedge accounting for those derivative transactions. For these hedging relationships, the Company has applied “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (PITF No.40, March 17, 2022).

| Millions of yen                           |              |              |           |              |
|---|--------------|--------------|-----------|--------------|
| Interim consolidated balance sheet amount |              |              |           |              |
| September 30, 2024                        | Level 1      | Level 2      | Level 3   | Total        |
| Monetary claims bought                    | ¥ —          | ¥ 116,852    | ¥ 411,019 | ¥ 527,872    |
| Trading assets                            | 4,570,298    | 1,253,958    | 49,096    | 5,873,353    |
| Money held in trust                       | —            | 32,903       | —         | 32,903       |
| Securities                                |              |              |           |              |
| Other securities* <sup>1</sup>            | 22,529,114   | 13,509,411   | 8,261     | 36,046,788   |
| Stocks                                    | 3,222,634    | 785          | —         | 3,223,419    |
| Japanese government bonds                 | 9,302,656    | —            | —         | 9,302,656    |
| Japanese local government bonds           | 886,949      | 39,301       | —         | 926,251      |
| Japanese corporate bonds                  | —            | 2,014,208    | 7,159     | 2,021,367    |
| Foreign stocks                            | 1,293,696    | 242,290      | —         | 1,535,986    |
| Foreign bonds                             | 7,319,720    | 10,286,741   | 1,102     | 17,607,564   |
| Other                                     | 503,457      | 926,084      | —         | 1,429,541    |
| Total assets                              | ¥ 27,099,412 | ¥ 14,913,125 | ¥ 468,378 | ¥ 42,480,917 |
| Trading liabilities                       |              |              |           |              |
| Trading securities sold for short sales   | ¥ 4,340,301  | ¥ 374,144    | ¥ —       | ¥ 4,714,446  |
| Total liabilities                         | ¥ 4,340,301  | ¥ 374,144    | ¥ —       | ¥ 4,714,446  |
| Derivative transactions* <sup>2, 3</sup>  |              |              |           |              |
| Interest rate derivatives                 | ¥ (4,669)    | ¥ (454,648)  | ¥ 3,321   | ¥ (455,996)  |
| Currency derivatives                      | 1,768        | (272,619)    | 15,369    | (255,480)    |
| Equity derivatives                        | (30,408)     | 72,703       | 11,341    | 53,636       |
| Bond derivatives                          | 608          | 89           | 725       | 1,423        |
| Commodity derivatives                     | (0)          | 836          | —         | 836          |
| Credit derivative transactions            | —            | (8,847)      | 2,064     | (6,782)      |
| Total derivative transactions             | ¥ (32,701)   | ¥ (662,484)  | ¥ 32,822  | ¥ (662,364)  |

\*1 The amounts of investment trusts that fall under the classification of Other securities are included in “Other” in the table above.

\*2 The amounts collectively represent the derivative transactions which are recorded as “Trading assets,” “Trading liabilities,” “Other assets” and “Other liabilities.” Debts and credits arising from derivative transactions are presented on a net basis, with net debt presented in round brackets.

\*3 As for derivative transactions applying hedge accounting, ¥(1,551,425) million was recorded on the interim consolidated balance sheet. These were interest rate swap and other derivative transactions designated as hedging instruments for stabilizing cash flows of loans and bills discounted, etc., that are hedged items. The Company has mainly applied deferred hedge accounting for those derivative transactions.

**(2) Financial assets and liabilities which are not stated at fair value on the interim consolidated balance sheet (consolidated balance sheet)**

Cash and due from banks, Call loans and bills bought, Receivables under resale agreements, Receivables under securities borrowing transactions, Foreign exchanges, Call money and bills sold, Payable under repurchase agreements, Payable under securities lending transactions, Commercial papers, Short-term bonds payable, and Due to trust account is not disclosed in the following tables since they are mostly short-term, and their fair values approximate their carrying amounts.

|  | Millions of yen |               |               |               |   |             |
|--|-----------------|---------------|---------------|---------------|---|-------------|
|  | Fair value      |               |               |               | Consolidated<br>balance sheet<br>amount | Difference  |
| March 31, 2024                           | Level 1         | Level 2       | Level 3       | Total         |   |             |
| Monetary claims bought*                  | ¥ —             | ¥ —           | ¥ 5,603,840   | ¥ 5,603,840   | ¥ 5,531,310                             | ¥ 72,530    |
| Securities                               |                 |               |               |               |   |             |
| Bonds classified as held-to-maturity     | 219,713         | 12,975        | —             | 232,689       | 234,095                                 | (1,405)     |
| Loans and bills discounted               |                 |               |               |               | 107,013,907                             |             |
| Reserve for possible loan losses*        |                 |               |               |               | (504,517)                               |             |
|  | —               | —             | 108,117,513   | 108,117,513   | 106,509,389                             | 1,608,123   |
| Lease receivables and investment assets* | —               | —             | 201,626       | 201,626       | 206,846                                 | (5,219)     |
| Total assets                             | ¥ 219,713       | ¥ 12,975      | ¥ 113,922,980 | ¥ 114,155,669 | ¥ 112,481,641                           | ¥ 1,674,028 |
| Deposits                                 | ¥ —             | ¥ 164,841,513 | ¥ —           | ¥ 164,841,513 | ¥ 164,839,357                           | ¥ 2,155     |
| Negotiable certificates of deposit       | —               | 14,673,314    | —             | 14,673,314    | 14,672,275                              | 1,038       |
| Borrowed money                           | —               | 14,615,436    | 20,424        | 14,635,861    | 14,705,266                              | (69,405)    |
| Bonds                                    | —               | 11,353,650    | 1,191,034     | 12,544,684    | 13,120,274                              | (575,590)   |
| Total liabilities                        | ¥ —             | ¥ 205,483,914 | ¥ 1,211,458   | ¥ 206,695,373 | ¥ 207,337,174                           | ¥ (641,801) |

\* General reserves and special reserves corresponding to loans were deducted. The reserves for possible loan losses on “Monetary claims bought” and “Lease receivables and investment assets” were deducted directly from consolidated balance sheet amount since they were immaterial.



| Millions of yen                          |            |               |               |               |   |             |  |
|--|------------|---------------|---------------|---------------|---|-------------|--|
| September 30, 2024                       | Fair value |               |               |               | Interim consolidated balance sheet amount | Difference  |  |
|  | Level 1    | Level 2       | Level 3       | Total         |   |             |  |
| Monetary claims bought*                  | ¥ —        | ¥ —           | ¥ 5,066,542   | ¥ 5,066,542   | ¥ 5,014,021                               | ¥ 52,521    |  |
| Securities                               |            |               |               |               |   |             |  |
| Bonds classified as held-to-maturity     | 244,050    | 12,915        | —             | 256,965       | 259,403                                   | (2,437)     |  |
| Loans and bills discounted               |            |               |               |               | 105,037,170                               |             |  |
| Reserve for possible loan losses*        |            |               |               |               | (481,018)                                 |             |  |
|  | —          | —             | 106,385,981   | 106,385,981   | 104,556,152                               | 1,829,828   |  |
| Lease receivables and investment assets* | —          | —             | 243,320       | 243,320       | 249,426                                   | (6,105)     |  |
| Total assets                             | ¥ 244,050  | ¥ 12,915      | ¥ 111,695,844 | ¥ 111,952,809 | ¥ 110,079,003                             | ¥ 1,873,806 |  |
| Deposits                                 | ¥ —        | ¥ 163,552,261 | ¥ —           | ¥ 163,552,261 | ¥ 163,541,943                             | ¥ 10,317    |  |
| Negotiable certificates of deposit       | —          | 13,336,440    | —             | 13,336,440    | 13,336,652                                | (212)       |  |
| Borrowed money                           | —          | 14,728,289    | 55,475        | 14,783,765    | 14,889,132                                | (105,366)   |  |
| Bonds                                    | —          | 10,502,751    | 1,694,170     | 12,196,921    | 12,511,245                                | (314,324)   |  |
| Total liabilities                        | ¥ —        | ¥ 202,119,742 | ¥ 1,749,645   | ¥ 203,869,388 | ¥ 204,278,973                             | ¥ (409,585) |  |

\* General reserves and special reserves corresponding to loans were deducted. The reserves for possible loan losses on “Monetary claims bought” and “Lease receivables and investment assets” were deducted directly from interim consolidated balance sheet amount since they were immaterial.

(Note 1) Description of the valuation techniques and inputs used to measure fair value

Assets

Monetary claims bought

The fair values of subordinated trust beneficiary interests related to securitized housing loans among monetary claims bought are determined by estimating future cash flows using the probability of default, loss given default and prepayment rate, and assessing the value by deducting the value of senior beneficial interests, etc. from the value of underlying housing loans. The fair values of other transactions are, in principle, based on methods similar to the methods applied to Loans and bills discounted.

These transactions are mainly classified into Level 3.

Trading assets

The fair values of bonds and other securities held for trading purposes are, in principle, based on their market prices as of the interim consolidated balance sheet date. The fair values of such bonds and other securities are mainly classified into Level 1 depending on the level of market activity. When fair value is determined based on either the prices quoted by the financial institutions, or future cash flows discounted using observable inputs such as interests, spreads, and others, they are classified into Level 2.

The fair values of monetary claims held for trading purposes are calculated based on the present values of estimated future cash flows. Those present values are discounted at the risk-free interest rate which takes into account credit risk, liquidity risk, etc. They are classified into Level 3.

Money held in trust

The fair values of money held in trust are, in principle, the fair values of securities in the trust property calculated using the same method for securities that the Company owns. They are classified into Level 2.

Securities

In principle, the fair values of stocks (including foreign stocks and listed investment trusts) are based on the market price as of the interim consolidated balance sheet date. They are mainly classified into Level 1 depending on the level of market activity. The fair values of securities with market prices other than stocks are based on the market price as of the interim consolidated balance sheet date. Japanese Government bonds, etc., are mainly classified into Level 1 and other bonds are classified into Level 2.

The fair values of privately-placed bonds with no market prices are based on the present value of estimated future cash flows, taking into account the borrower's probability of default, loss given default, etc. Those present values are discounted at the risk-free interest rate which takes into account certain adjustments. However, the fair values of bonds, such as privately-placed bonds issued by bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers are based on the bond's book value after the deduction of the expected amount of a loss on the bond computed by using the same method applied to the estimation of a loan loss. The fair values of investment trusts with no market prices are based on the net asset value.

These transactions are mainly classified into Level 2.

Loans and bills discounted, and Lease receivables and investment assets

Of these transactions, considering the characteristics of these transactions, the fair values of overdrafts with no specified repayment dates are based on their book values as they are considered to approximate their fair values.

For short-term transactions, the fair values are also based on their book values as they are considered to approximate their fair values.

The fair values of long-term transactions are, in principle, based on the present values of estimated future cash flows taking into account the borrower's probability of default, loss given default, etc. Those present values are discounted at the risk-free interest rate which takes into account certain adjustments. At certain consolidated subsidiaries of the Company, the fair values are calculated based on the present values of estimated future cash flows, which are computed based on the contractual interest rate. Those present values are discounted at the risk-free interest rate which takes into account credit risk premium.

Regarding claims on bankrupt borrowers, effectively bankrupt borrowers and potentially bankrupt borrowers, expected losses on such claims are calculated based on either the expected recoverable amount from disposal of collateral or guarantees, or the present value of expected future cash flows. Since the claims' interim consolidated balance sheet amounts (consolidated balance sheet amounts) minus the expected amount of loan losses approximate their fair values, such amounts are considered to be their fair values.

These transactions are mainly classified into Level 3.

## Liabilities

### Trading liabilities

The fair values of bonds sold for short sales and other securities for trading purposes are, in principle, based on their market prices as of the interim consolidated balance sheet date. They are mainly classified into Level 1.

### Deposits, Negotiable certificates of deposit

Out of these transactions, the fair values of demand deposits and deposits without maturity are their book values. The fair values of transactions with a short-term remaining maturity are also their book values, as their book values are regarded to approximate their fair values. The fair values of transactions with a long-term remaining maturity are, in principle, based on the present value of estimated future cash flows discounted by the interest rate assuming that the same type of deposit is newly accepted until the end of the remaining maturity.

These transactions are classified into Level 2.

### Borrowed money and Bonds

The fair values of short-term transactions are based on their book values, as their book values are considered to approximate their fair values. For long-term transactions, their fair values are based on the present value of estimated future cash flows calculated using the refinancing rate applied to the same type of instruments for the remaining maturity.

For transactions with the price quoted by industry associations, etc., fair value is based on the amount calculated by using the published price data, yield data, etc.

These transactions are mainly classified into Level 2.

### Derivative transactions

The fair values of listed derivatives are based on their closing prices. The fair values of over-the-counter derivative transactions are based on the discounted present value of the future cash flows, option valuation models, etc., using inputs such as interest rate, foreign exchange rate, stock price, commodity price, etc.

Over-the-counter derivative transactions take into account the counterparty's and the Company's credit risks, and the liquidity risks of the unsecured lending funds. Listed derivative transactions are mainly classified into Level 1. Over-the-counter derivative transactions are classified into Level 2 if observable inputs are available or impact of unobservable inputs to the fair values is not significant. If impact of unobservable inputs to the fair values is significant, they are classified into Level 3.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the interim consolidated balance sheet (consolidated balance sheet) at fair value and classified in Level 3

1) Quantitative information on significant unobservable inputs

| March 31, 2024            | Valuation technique    | Significant unobservable inputs                               | Range          |
|---------------------------|------------------------|---|----------------|
| Monetary claims bought    | Discounted cash flow   | Probability of default  | 0.1% — 100.0%  |
|                           |                        | Loss given default  | 0.0% — 51.2%   |
|                           |                        | Prepayment rate   | 2.0% — 6.5%    |
| Trading assets:           | Option valuation model | Equity volatility   | 42.7% — 45.6%  |
| Securities:               |                        |   |                |
| Japanese corporate bonds  | Discounted cash flow   | Probability of default  | 7.6% — 100.0%  |
|                           |                        | Loss given default  | 0.0% — 40.0%   |
| Foreign bonds             | Discounted cash flow   | Probability of default  | 100.0%         |
|                           |                        | Loss given default  | 28.9% — 76.0%  |
| Derivative transactions:  |                        |   |                |
| Interest rate derivatives | Option valuation model | Correlation between interest rates                            | 31.3% — 99.4%  |
|                           |                        | Correlation between interest rates and foreign exchange rates | 10.6% — 48.6%  |
| Currency derivatives      | Option valuation model | Correlation between interest rates                            | 25.7% — 99.4%  |
|                           |                        | Correlation between interest rates and foreign exchange rate  | 6.6% — 48.8%   |
|                           |                        | Foreign exchange rate volatility                              | 7.0% — 12.7%   |
| Equity derivatives        | Option valuation model | Correlation between equities                                  | 42.2% — 78.4%  |
|                           |                        | Correlation between foreign exchange rates and equities       | (6.1)% — 15.7% |
|                           |                        | Equity volatility   | 16.6% — 65.8%  |
| Credit derivatives        | Credit default model   | Correlation between foreign exchange rates and CDS* spread    | 17.5% — 30.0%  |

\* Credit Default Swap

| <b>September 30, 2024</b> | <b>Valuation technique</b> | <b>Significant unobservable inputs</b>                        | <b>Range</b>   |
|---------------------------|----------------------------|---|----------------|
| Monetary claims bought    | Discounted cash flow       | Probability of default  | 0.1% — 100.0%  |
|                           |                            | Loss given default  | 0.0% — 50.8%   |
|                           |                            | Prepayment rate   | 2.0% — 6.5%    |
| Trading assets:           | Option valuation model     | Equity volatility   | 73.3%          |
|                           | Discounted cash flow       | Discount margin   | 9.3%           |
| Securities:               |                            |   |                |
| Japanese corporate bonds  | Discounted cash flow       | Probability of default  | 7.6% — 100.0%  |
|                           |                            | Loss given default  | 0.0% — 40.0%   |
| Foreign bonds             | Discounted cash flow       | Probability of default  | 100.0%         |
|                           |                            | Loss given default  | 28.9% — 76.0%  |
| Derivative transactions:  |                            |   |                |
| Interest rate derivatives | Option valuation model     | Correlation between interest rates                            | 33.9% — 99.4%  |
|                           |                            | Correlation between interest rates and foreign exchange rates | 15.5% — 51.6%  |
| Currency derivatives      | Option valuation model     | Correlation between interest rates                            | 27.7% — 99.4%  |
|                           |                            | Correlation between interest rates and foreign exchange rates | 5.9% — 48.4%   |
|                           |                            | Foreign exchange rate volatility                              | 11.8% — 15.0%  |
| Equity derivatives        | Option valuation model     | Correlation between equities                                  | 47.3% — 73.1%  |
|                           |                            | Correlation between foreign exchange rates and equities       | (2.3)% — 17.0% |
|                           |                            | Equity volatility   | 21.1% — 79.0%  |
| Bond derivatives          | Option valuation model     | Bond volatility   | 3.4% — 16.8%   |
| Credit derivatives        | Credit default model       | Correlation between foreign exchange rates and CDS* spread    | 17.5% — 30.0%  |

\* Credit Default Swap

2) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the period

| Millions of yen          |                   |                                      |  |   |                                   |                                     |                |   |
|--------------------------|-------------------|--------------------------------------|--|---|-----------------------------------|-------------------------------------|----------------|---|
| March 31, 2024           | Beginning balance | Earnings of the period <sup>*1</sup> | Other comprehensive income <sup>*2</sup> | Net amount of purchase, sale, issuance and settlement | Transfer to Level 3 <sup>*3</sup> | Transfer from Level 3 <sup>*4</sup> | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period |
| Monetary claims bought   | ¥ 465,157         | ¥ (10,355)                           | ¥ 4,426                                  | ¥ (40,129)  | ¥ —                               | ¥ —                                 | ¥ 419,099      | ¥ —   |
| Trading assets           | 15,121            | 998                                  | —  | 806   | 3,710                             | —                                   | 20,637         | (76)  |
| Securities               |                   |                                      |  |   |                                   |                                     |                |   |
| Other securities         | 25,725            | 1,054                                | (143)                                    | (8,020)   | 1,165                             | (6,805)                             | 12,976         | 254   |
| Japanese corporate bonds | 24,703            | 974                                  | 333                                      | (8,539)   | 1,165                             | (6,805)                             | 11,833         | 638   |
| Foreign bonds            | 1,021             | 80                                   | (476)                                    | 518   | —                                 | —                                   | 1,143          | (384)   |
| Derivative transactions  |                   |                                      |  |   |                                   |                                     |                |   |
| Interest rate            | 2,460             | 501                                  | —  | 64  | —                                 | —                                   | 3,026          | 565   |
| Currency                 | 13,799            | 993                                  | —  | (35)  | —                                 | —                                   | 14,756         | 999   |
| Equity                   | 37,055            | (25,762)                             | —  | (4,249)   | —                                 | —                                   | 7,043          | 5,049   |
| Bond                     | —                 | (2,137)                              | —  | 2,137   | —                                 | —                                   | —              | —   |
| Credit derivative        | 3,683             | (1,911)                              | —  | —   | —                                 | —                                   | 1,772          | (1,868)   |
| Total                    | ¥ 563,003         | ¥ (36,617)                           | ¥ 4,283                                  | ¥ (49,427)  | ¥ 4,876                           | ¥ (6,805)                           | ¥ 479,313      | ¥ 4,924   |

\*1 The amounts shown in the table above are included in consolidated statements of income.

\*2 The amounts shown in the table above are included in “Net unrealized gains (losses) on other securities” under “Other comprehensive income (losses).”

\*3 Transfer from Level 2 to Level 3 due in part to an increase in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2024.

\*4 Transfer from Level 3 to Level 2 due in part to a decrease in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the fiscal year ended March 31, 2024.

Millions of yen

| September 30, 2024       | Beginning balance | Earnings of the period <sup>*1</sup> | Other comprehensive income <sup>*2</sup> | Net amount of purchase, sale, issuance and settlement | Transfer to Level 3 <sup>*3</sup> | Transfer from Level 3 <sup>*4</sup> | Ending balance | Net unrealized gains (losses) on financial assets and liabilities held at interim consolidated balance sheet date among the amount recognized in the earnings of the period |
|--------------------------|-------------------|--------------------------------------|--|---|-----------------------------------|-------------------------------------|----------------|---|
| Monetary claims bought   | ¥ 419,099         | ¥ (4,962)                            | ¥ 493                                    | ¥ (3,610)   | ¥ —                               | ¥ —                                 | ¥ 411,019      | ¥ —   |
| Trading assets           | 20,637            | 355                                  | —  | (17,437)  | 45,541                            | —                                   | 49,096         | (208)   |
| Securities               |                   |                                      |  |   |                                   |                                     |                |   |
| Other securities         | 12,976            | 64                                   | (3)                                      | (1,914)   | 419                               | (3,280)                             | 8,261          | 192   |
| Japanese corporate bonds | 11,833            | 90                                   | (19)                                     | (1,883)   | 419                               | (3,280)                             | 7,159          | 11  |
| Foreign bonds            | 1,143             | (25)                                 | 16                                       | (31)  | —                                 | —                                   | 1,102          | 180   |
| Derivative transactions  |                   |                                      |  |   |                                   |                                     |                |   |
| Interest rate            | 3,026             | 295                                  | —  | —   | —                                 | —                                   | 3,321          | 301   |
| Currency                 | 14,756            | 612                                  | —  | —   | —                                 | —                                   | 15,369         | 645   |
| Equity                   | 7,043             | 6,621                                | —  | (2,323)   | —                                 | —                                   | 11,341         | 8,090   |
| Bond                     | —                 | (428)                                | —  | 1,153   | —                                 | —                                   | 725            | 78  |
| Credit derivative        | 1,772             | 291                                  | —  | —   | —                                 | —                                   | 2,064          | 292   |
| Total                    | ¥ 479,313         | ¥ 2,850                              | ¥ 489                                    | ¥ (24,133)  | ¥ 45,961                          | ¥ (3,280)                           | ¥ 501,200      | ¥ 9,391   |

\*1 The amounts shown in the table above are included in interim consolidated statements of income.

\*2 The amounts shown in the table above are included in “Net unrealized gains (losses) on other securities” under “Other comprehensive income (losses).”

\*3 Transfer from Level 2 to Level 3 due in part to an increase in the impact on the fair value of unobservable inputs for monetary claims and privately-placed bonds etc. The transfer was made at the beginning of the six months ended September 30, 2024.

\*4 Transfer from Level 3 to Level 2 due in part to a decrease in the impact on the fair value of unobservable inputs for privately-placed bonds etc. The transfer was made at the beginning of the six months ended September 30, 2024.

### 3) Description of the fair value valuation process

At the Group, the middle division establishes policies and procedures for the calculation of fair value, and the front division develops valuation models in accordance with such policies and procedures. The middle division verifies the reasonableness of the fair value valuation models, the inputs used, and the appropriateness of the classified fair value level of the calculated fair value.

Observable data is utilized as much as possible for the fair value valuation model. If quoted prices obtained from third parties are used, those values are verified by comparison with results recalculated by the Group using the inputs for the valuation.

#### 4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

##### Probability of default

Probability of default represents the likelihood that a default will occur, and is calculated based on actual defaults in the past. A significant increase (decrease) in the default rate would result in a significant decrease (increase) in fair value.

##### Loss given default

Loss given default is the proportion of estimated losses in the event that a default occurs, relative to the total balance of bonds or loans and bills discounted, and is calculated based on actual defaults in the past. A significant increase (decrease) in loss given default would result in a significant decrease (increase) in fair value.

##### Prepayment rate

Prepayment rate is the proportion of the principal of securities that is expected to be paid before maturity in each period, and is calculated based on actual payment in the past. In general, a significant change in the prepayment rate would result in a significant decrease (increase) in fair value according to the contractual terms and conditions of financial instruments.

##### Volatility

Volatility is an indicator that represents the estimation of severity of change over a certain period in values of inputs and market values. Volatility is estimated based on actual results in the past, information derived from third parties and other analytical approach. Volatility is mainly used in the valuation of derivatives that refer to potential changes in interest rate, foreign exchange rate, stock price, etc. In general, a significant increase (decrease) in volatility would result in a significant increase (decrease) in fair value.

##### Discount margin

Discount margin represents a spread used in discounting estimated future cash flows in the DCF method to reflect the uncertainty of the cash flows on fair value. In general, a significant increase (decrease) in the discount margin would result in a significant decrease (increase) in the fair value.

##### Correlation

Correlation is an indicator of the relationship between changes in variables such as interest rate, foreign exchange rate, Credit Default Swap (CDS) spread, and stock price. It is estimated based on actual past results and is mainly used in valuation techniques for complex derivatives, etc. In general, a significant change in correlation would generally result in a significant increase (decrease) in fair value according to the contractual terms and conditions of financial instruments.

(Note 3) Interim consolidated balance sheet amounts (consolidated balance sheet amounts) of stocks with no market prices, etc. and investments in partnership, etc. are as follows. In accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No.19, March 31, 2020) and Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”(ASBJ Guidance No.31, June 17, 2021), these amounts are not included in “Trading assets” and “Securities” stated on the tables disclosed in “Matters concerning fair value of financial instruments and breakdown by input level.”

|  | Millions of yen |                    |
|--|-----------------|--------------------|
|  | March 31, 2024  | September 30, 2024 |
| Stocks with no market prices, etc.*1,2 | ¥ 251,904       | ¥ 236,110          |
| Investments in partnership, etc.*2     | 450,838         | 452,363            |
| Total                                  | ¥ 702,743       | ¥ 688,473          |

\*1 Unlisted stocks are included in stocks with no market prices, etc.

\*2 Unlisted stocks and investments in partnership totaling ¥25,019 million and ¥15,012 million were written-off in the fiscal year ended March 31, 2024 and in the six months ended September 30, 2024, respectively.



**(Notes to securities)**

The amounts shown in the following tables include negotiable certificates of deposit classified as “Cash and due from banks,” and beneficiary claims on loan trust classified as “Monetary claims bought,” in addition to “Securities” stated in the interim consolidated balance sheet (consolidated balance sheet).

**1. Bonds classified as held-to-maturity**

|                               |                                 | Millions of yen                         |            |                                  |
|-------------------------------|---------------------------------|---|------------|----------------------------------|
|                               |                                 | Consolidated<br>balance sheet<br>amount | Fair value | Net unrealized<br>gains (losses) |
| <b>March 31, 2024</b>         |                                 |   |            |                                  |
| Bonds with unrealized gains:  | Japanese government bonds       | ¥ —                                     | ¥ —        | ¥ —                              |
|                               | Japanese local government bonds | 17,000                                  | 17,027     | 27                               |
|                               | Japanese corporate bonds        | 7,985                                   | 8,000      | 14                               |
|                               | Other                           | —                                       | —          | —                                |
|                               | Subtotal                        | 24,985                                  | 25,027     | 41                               |
| Bonds with unrealized losses: | Japanese government bonds       | 78,561                                  | 78,095     | (466)                            |
|                               | Japanese local government bonds | 125,557                                 | 124,591    | (965)                            |
|                               | Japanese corporate bonds        | 4,991                                   | 4,975      | (15)                             |
|                               | Other                           | —                                       | —          | —                                |
|                               | Subtotal                        | 209,109                                 | 207,661    | (1,447)                          |
| Total                         |                                 | ¥ 234,095                               | ¥ 232,689  | ¥ (1,405)                        |

|                               |                                 | Millions of yen                                    |            |                                  |
|-------------------------------|---------------------------------|--|------------|----------------------------------|
|                               |                                 | Interim<br>consolidated<br>balance sheet<br>amount | Fair value | Net unrealized<br>gains (losses) |
| <b>September 30, 2024</b>     |                                 |  |            |                                  |
| Bonds with unrealized gains:  | Japanese government bonds       | ¥ —  | ¥ —        | ¥ —                              |
|                               | Japanese local government bonds | 5,000  | 5,004      | 4                                |
|                               | Japanese corporate bonds        | —  | —          | —                                |
|                               | Other                           | —  | —          | —                                |
|                               | Subtotal                        | 5,000  | 5,004      | 4                                |
| Bonds with unrealized losses: | Japanese government bonds       | 94,549   | 93,775     | (773)                            |
|                               | Japanese local government bonds | 146,874  | 145,269    | (1,604)                          |
|                               | Japanese corporate bonds        | 12,979   | 12,915     | (63)                             |
|                               | Other                           | —  | —          | —                                |
|                               | Subtotal                        | 254,403  | 251,961    | (2,442)                          |
| Total                         |                                 | ¥ 259,403  | ¥ 256,965  | ¥ (2,437)                        |

## 2. Other securities

|  |                                 | Millions of yen                         |                  |                                  |
|--|---------------------------------|---|------------------|----------------------------------|
|  |                                 | Consolidated<br>balance sheet<br>amount | Acquisition cost | Net unrealized<br>gains (losses) |
| <b>March 31, 2024</b>                    |                                 |   |                  |                                  |
| Other securities with unrealized gains:  | Stocks                          | ¥ 3,914,439                             | ¥ 1,072,500      | ¥ 2,841,938                      |
|  | Bonds                           | 896,018                                 | 887,753          | 8,264                            |
|  | Japanese government bonds       | 19,772                                  | 19,697           | 74                               |
|  | Japanese local government bonds | 98                                      | 97               | 0                                |
|  | Japanese corporate bonds        | 876,147                                 | 867,958          | 8,188                            |
|  | Other                           | 8,600,292                               | 7,175,779        | 1,424,513                        |
|  | Subtotal                        | 13,410,750                              | 9,136,033        | 4,274,716                        |
| Other securities with unrealized losses: | Stocks                          | 17,654                                  | 22,575           | (4,921)                          |
|  | Bonds                           | 9,864,365                               | 9,972,771        | (108,405)                        |
|  | Japanese government bonds       | 7,527,604                               | 7,582,503        | (54,898)                         |
|  | Japanese local government bonds | 1,053,233                               | 1,075,795        | (22,561)                         |
|  | Japanese corporate bonds        | 1,283,527                               | 1,314,472        | (30,944)                         |
|  | Other                           | 12,148,377                              | 12,916,672       | (768,294)                        |
|  | Subtotal                        | 22,030,397                              | 22,912,018       | (881,621)                        |
| Total                                    |                                 | ¥ 35,441,147                            | ¥ 32,048,052     | ¥ 3,393,095                      |

Note: There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2024 recognized in the earnings by applying fair value hedge accounting.

|  |                                 | Millions of yen                                    |                  |                                  |
|--|---------------------------------|--|------------------|----------------------------------|
|  |                                 | Interim<br>consolidated<br>balance sheet<br>amount | Acquisition cost | Net unrealized<br>gains (losses) |
| <b>September 30, 2024</b>                |                                 |  |                  |                                  |
| Other securities with unrealized gains:  | Stocks                          | ¥ 3,168,470  | ¥ 949,909        | ¥ 2,218,561                      |
|  | Bonds                           | 2,510,538  | 2,502,677        | 7,861                            |
|  | Japanese government bonds       | 1,680,710  | 1,680,471        | 238                              |
|  | Japanese local government bonds | 11   | 11               | 0                                |
|  | Japanese corporate bonds        | 829,816  | 822,193          | 7,622                            |
|  | Other                           | 12,588,474   | 11,151,324       | 1,437,150                        |
|  | Subtotal                        | 18,267,483   | 14,603,910       | 3,663,572                        |
| Other securities with unrealized losses: | Stocks                          | 54,949   | 63,258           | (8,308)                          |
|  | Bonds                           | 9,739,737  | 9,841,053        | (101,316)                        |
|  | Japanese government bonds       | 7,621,946  | 7,666,382        | (44,436)                         |
|  | Japanese local government bonds | 926,239  | 948,295          | (22,056)                         |
|  | Japanese corporate bonds        | 1,191,550  | 1,226,374        | (34,823)                         |
|  | Other                           | 9,072,755  | 9,597,193        | (524,438)                        |
|  | Subtotal                        | 18,867,441   | 19,501,504       | (634,063)                        |
| Total                                    |                                 | ¥ 37,134,924                                       | ¥ 34,105,415     | ¥ 3,029,509                      |

Note: There were no net unrealized gains (losses) on other securities shown above for the six months ended September 30, 2024 recognized in the earnings by applying fair value hedge accounting.

### 3. Write-down of securities

Bonds classified as held-to-maturity and other securities (excluding other securities whose interim consolidated balance sheet amounts are not measured at fair value) are considered as impaired if the fair value of such securities decreases materially below the acquisition cost and such a decline is not considered as recoverable. The fair value is recognized as the interim consolidated balance sheet amount (consolidated balance sheet amount) and the amount of write-down is accounted for as valuation loss for the period. Valuation losses for the fiscal year ended March 31, 2024 and for the six months ended September 30, 2024 were ¥42,081 million and ¥110 million, respectively. The rule for determining the “material decline” is as follows and is based on the classification of issuers under the rules of self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers: Fair value is lower than acquisition cost.

Issuers requiring caution: Fair value is 30% or lower than acquisition cost.

Normal issuers: Fair value is 50% or lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.

Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.

Issuers requiring caution: Issuers that are identified for close monitoring.

Normal issuers: Issuers other than the above 4 categories of issuers.

(Notes to money held in trust)

1. Money held in trust classified as held-to-maturity

*Fiscal year ended March 31, 2024*

There were no corresponding transactions.

*Six months ended September 30, 2024*

There were no corresponding transactions.

2. Other money held in trust (other than trading purpose and held-to-maturity)

|                           | Millions of yen                   |                  |                               |
|---------------------------|-----------------------------------|------------------|-------------------------------|
|                           | Consolidated balance sheet amount | Acquisition cost | Net unrealized gains (losses) |
| <b>March 31, 2024</b>     |                                   |                  |                               |
| Other money held in trust | ¥ 315                             | ¥ 315            | —                             |

|                           | Millions of yen                           |                  |                               |
|---------------------------|---|------------------|-------------------------------|
|                           | Interim consolidated balance sheet amount | Acquisition cost | Net unrealized gains (losses) |
| <b>September 30, 2024</b> |   |                  |                               |
| Other money held in trust | ¥ 517                                     | ¥ 517            | —                             |

**(Notes to net unrealized gains (losses) on other securities)**

The breakdown of “Net unrealized gains (losses) on other securities” reported on the interim consolidated balance sheet (consolidated balance sheet) is as shown below:

| <b>March 31, 2024</b>   | <b>Millions of yen</b> |           |
|---|------------------------|-----------|
| Net unrealized gains (losses)   | ¥                      | 3,394,843 |
| Other securities  |                        | 3,394,843 |
| Other money held in trust   |                        | —         |
| (-) Deferred tax liabilities  |                        | 897,124   |
| Net unrealized gains (losses) on other securities (before following adjustments)  |                        | 2,497,718 |
| (-) Non-controlling interests   |                        | 106,129   |
| (+) The Company’s interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates |                        | 15,294    |
| Net unrealized gains (losses) on other securities   | ¥                      | 2,406,883 |

Notes: 1. There were no net unrealized gains (losses) on other securities shown above for the fiscal year ended March 31, 2024 recognized in the fiscal year’s earnings by applying fair value hedge accounting.  
2. Net unrealized gains (losses) on other securities included foreign currency translation adjustments on foreign currency denominated securities whose fair value was not recognized as consolidated balance sheet amount.  
3. Non-controlling interests included equity acquired from non-controlling stockholders.

| <b>September 30, 2024</b>   | <b>Millions of yen</b> |           |
|---|------------------------|-----------|
| Net unrealized gains (losses)   | ¥                      | 3,031,739 |
| Other securities  |                        | 3,031,739 |
| Other money held in trust   |                        | —         |
| (-) Deferred tax liabilities  |                        | 848,489   |
| Net unrealized gains (losses) on other securities (before following adjustments)  |                        | 2,183,250 |
| (-) Non-controlling interests   |                        | 105,348   |
| (+) The Company’s interest in net unrealized gains (losses) on valuation of other securities held by equity method affiliates |                        | 17,802    |
| Net unrealized gains (losses) on other securities   | ¥                      | 2,095,703 |

Notes: 1. There were no net unrealized gains (losses) on other securities shown above for the six months ended September 30, 2024 recognized in the period’s earnings by applying fair value hedge accounting.  
2. Net unrealized gains (losses) on other securities included foreign currency translation adjustments on foreign currency denominated securities whose fair value was not recognized as consolidated balance sheet amount.  
3. Non-controlling interests included equity acquired from non-controlling stockholders.

(Notes to derivative transactions)

1. Derivative transactions to which the hedge accounting method was not applied

The following tables set forth the contract amount or the amount equivalent to the notional amount, fair value and valuation gains (losses) by type of derivative with respect to derivative transactions to which the hedge accounting method was not applied at March 31, 2024 and September 30, 2024. Contract amount does not indicate the market risk relating to derivative transactions.

(1) Interest rate derivatives

| March 31, 2024                                 | Millions of yen |             |              |                          |
|--|-----------------|-------------|--------------|--------------------------|
|  | Contract amount |             | Fair value   | Valuation gains (losses) |
|  | Total           | Over 1 year |              |                          |
| <b>Listed</b>                                  |                 |             |              |                          |
| Interest rate futures:                         |                 |             |              |                          |
| Sold   | ¥ 27,479,909    | ¥ 2,725,575 | ¥ (11,257)   | ¥ (11,257)               |
| Bought   | 90,500,749      | 11,401,366  | (8,220)      | (8,220)                  |
| Interest rate options:                         |                 |             |              |                          |
| Sold   | 14,605,366      | 9,230,524   | (12,567)     | (12,567)                 |
| Bought   | 129,381,651     | 18,977,920  | 28,131       | 28,131                   |
| <b>Over-the-counter</b>                        |                 |             |              |                          |
| Forward rate agreements:                       |                 |             |              |                          |
| Sold   | 15,319,988      | 1,046,426   | (5,401)      | (5,401)                  |
| Bought   | 17,090,481      | 1,709,543   | 4,686        | 4,686                    |
| Interest rate swaps:                           | 1,034,094,662   | 824,325,850 | (304,791)    | (304,791)                |
| Receivable fixed rate/payable floating rate    | 473,018,435     | 390,569,700 | (17,837,708) | (17,837,708)             |
| Receivable floating rate/payable fixed rate    | 489,376,093     | 382,465,029 | 17,490,891   | 17,490,891               |
| Receivable floating rate/payable floating rate | 70,936,022      | 50,666,320  | 18,098       | 18,098                   |
| Interest rate swaptions:                       |                 |             |              |                          |
| Sold   | 31,943,691      | 15,998,660  | (457,739)    | (457,739)                |
| Bought   | 34,322,718      | 20,360,520  | 466,213      | 466,213                  |
| Caps:  |                 |             |              |                          |
| Sold   | 80,299,234      | 31,117,843  | (855,246)    | (855,246)                |
| Bought   | 19,902,028      | 12,521,601  | 199,100      | 199,100                  |
| Floors:  |                 |             |              |                          |
| Sold   | 12,035,915      | 10,045,727  | (20,061)     | (20,061)                 |
| Bought   | 15,719,817      | 10,484,077  | 34,973       | 34,973                   |
| Other:   |                 |             |              |                          |
| Sold   | 29,193,076      | 9,406,003   | (351,730)    | (351,730)                |
| Bought   | 52,716,749      | 23,192,691  | 326,946      | 326,946                  |
| Total  | /               | /           | ¥ (966,966)  | ¥ (966,966)              |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.

| September 30, 2024                             | Millions of yen |             |             |                          |
|--|-----------------|-------------|-------------|--------------------------|
|  | Contract amount |             | Fair value  | Valuation gains (losses) |
|  | Total           | Over 1 year |             |                          |
| <b>Listed</b>                                  |                 |             |             |                          |
| Interest rate futures:                         |                 |             |             |                          |
| Sold   | ¥ 19,503,738    | ¥ 3,813,589 | ¥ (8,348)   | ¥ (8,348)                |
| Bought   | 89,040,914      | 13,090,584  | 3,053       | 3,053                    |
| Interest rate options:                         |                 |             |             |                          |
| Sold   | 28,432,995      | 9,933,131   | (21,316)    | (21,316)                 |
| Bought   | 114,696,943     | 15,762,620  | 26,896      | 26,896                   |
| <b>Over-the-counter</b>                        |                 |             |             |                          |
| Forward rate agreements:                       |                 |             |             |                          |
| Sold   | 13,034,764      | 510,895     | 14,123      | 14,123                   |
| Bought   | 13,831,624      | 488,114     | (16,150)    | (16,150)                 |
| Interest rate swaps:                           | 1,057,331,545   | 840,570,598 | 115,602     | 115,602                  |
| Receivable fixed rate/payable floating rate    | 488,861,414     | 401,251,088 | (7,808,087) | (7,808,087)              |
| Receivable floating rate/payable fixed rate    | 507,285,957     | 392,976,655 | 7,889,567   | 7,889,567                |
| Receivable floating rate/payable floating rate | 60,160,979      | 45,436,587  | 16,174      | 16,174                   |
| Interest rate swaptions:                       |                 |             |             |                          |
| Sold   | 34,809,315      | 17,285,315  | (356,804)   | (356,804)                |
| Bought   | 37,536,121      | 20,546,275  | 401,108     | 401,108                  |
| Caps:  |                 |             |             |                          |
| Sold   | 80,694,281      | 34,756,609  | (412,771)   | (412,771)                |
| Bought   | 19,615,477      | 12,180,801  | 103,284     | 103,284                  |
| Floors:  |                 |             |             |                          |
| Sold   | 13,494,564      | 10,297,004  | (39,945)    | (39,945)                 |
| Bought   | 16,800,601      | 10,934,785  | 49,489      | 49,489                   |
| Other:   |                 |             |             |                          |
| Sold   | 22,357,354      | 8,337,766   | (139,546)   | (139,546)                |
| Bought   | 44,676,512      | 20,664,637  | 228,687     | 228,687                  |
| Total  | /               | /           | ¥ (52,635)  | ¥ (52,635)               |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.

(2) Currency derivatives

| Millions of yen          |                 |             |             |                          |
|--------------------------|-----------------|-------------|-------------|--------------------------|
| March 31, 2024           | Contract amount |             | Fair value  | Valuation gains (losses) |
|                          | Total           | Over 1 year |             |                          |
| <b>Listed</b>            |                 |             |             |                          |
| Currency futures:        |                 |             |             |                          |
| Sold                     | ¥ —             | ¥ —         | ¥ —         | ¥ —                      |
| Bought                   | 11              | —           | (184)       | (184)                    |
| <b>Over-the-counter</b>  |                 |             |             |                          |
| Currency swaps           | 110,949,424     | 84,841,897  | 1,801,732   | 491,928                  |
| Currency swaptions:      |                 |             |             |                          |
| Sold                     | 2,490           | 2,490       | 0           | 0                        |
| Bought                   | 1,643,049       | 1,643,049   | 682         | 682                      |
| Forward foreign exchange | 119,437,667     | 14,762,603  | (284,126)   | (284,126)                |
| Currency options:        |                 |             |             |                          |
| Sold                     | 4,716,184       | 1,969,676   | (242,025)   | (242,025)                |
| Bought                   | 4,379,385       | 1,458,129   | 172,785     | 172,785                  |
| Total                    | /               | /           | ¥ 1,448,864 | ¥ 139,061                |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.

| Millions of yen          |                 |              |             |                          |
|--------------------------|-----------------|--------------|-------------|--------------------------|
| September 30, 2024       | Contract amount |              | Fair value  | Valuation gains (losses) |
|                          | Total           | Over 1 year  |             |                          |
| <b>Over-the-counter</b>  |                 |              |             |                          |
| Currency swaps           | ¥ 129,434,076   | ¥ 99,182,278 | ¥ 1,296,081 | ¥ 401,566                |
| Currency swaptions:      |                 |              |             |                          |
| Sold                     | 11,114          | 11,114       | (43)        | (43)                     |
| Bought                   | 2,124,058       | 2,081,192    | 19,135      | 19,135                   |
| Forward foreign exchange | 120,336,954     | 14,744,589   | (373,254)   | (373,254)                |
| Currency options:        |                 |              |             |                          |
| Sold                     | 5,098,339       | 1,975,776    | (217,442)   | (217,442)                |
| Bought                   | 4,462,857       | 1,356,835    | 168,108     | 168,108                  |
| Total                    | /               | /            | ¥ 892,583   | ¥ (1,932)                |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.



(3) Equity derivatives

| March 31, 2024   | Millions of yen |             |            |                          |
|--|-----------------|-------------|------------|--------------------------|
|  | Contract amount |             | Fair value | Valuation gains (losses) |
|  | Total           | Over 1 year |            |                          |
| <b>Listed</b>  |                 |             |            |                          |
| Equity price index futures:                              |                 |             |            |                          |
| Sold   | ¥ 1,453,373     | ¥ 9,154     | ¥ (32,000) | ¥ (32,000)               |
| Bought   | 609,010         | —           | 14,824     | 14,824                   |
| Equity price index options:                              |                 |             |            |                          |
| Sold   | 327,700         | 22,572      | (27,562)   | (27,562)                 |
| Bought   | 340,222         | 15,802      | 19,920     | 19,920                   |
| <b>Over-the-counter</b>                                  |                 |             |            |                          |
| Equity options:  |                 |             |            |                          |
| Sold   | 97,178          | 100         | (12,260)   | (12,260)                 |
| Bought   | 136,517         | 1,806       | 17,702     | 17,702                   |
| Equity index forward contracts:                          |                 |             |            |                          |
| Sold   | 999             | —           | 31         | 31                       |
| Bought   | 386,101         | 219,766     | (73,279)   | (73,279)                 |
| Equity price index swaps:                                |                 |             |            |                          |
| Receivable equity index/payable short-term floating rate | 200             | —           | 2          | 2                        |
| Receivable short-term floating rate/payable equity index | 28,658          | 18,539      | 1,833      | 1,833                    |
| Other:   |                 |             |            |                          |
| Sold   | 8,006           | 8,006       | (261)      | (261)                    |
| Bought   | —               | —           | —          | —                        |
| Total  | /               | /           | ¥ (91,049) | ¥ (91,049)               |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.

| September 30, 2024                                       | Millions of yen |             |            |                          |
|--|-----------------|-------------|------------|--------------------------|
|  | Contract amount |             | Fair value | Valuation gains (losses) |
|  | Total           | Over 1 year |            |                          |
| <b>Listed</b>  |                 |             |            |                          |
| Equity price index futures:                              |                 |             |            |                          |
| Sold   | ¥ 1,201,995     | ¥ 4,221     | ¥ (39,736) | ¥ (39,736)               |
| Bought   | 624,703         | 1,603       | 13,832     | 13,832                   |
| Equity price index options:                              |                 |             |            |                          |
| Sold   | 274,399         | 30,380      | (18,611)   | (18,611)                 |
| Bought   | 236,686         | 18,963      | 14,469     | 14,469                   |
| <b>Over-the-counter</b>                                  |                 |             |            |                          |
| Equity options:  |                 |             |            |                          |
| Sold   | 129,967         | 1,514       | (5,852)    | (5,852)                  |
| Bought   | 158,419         | 3,337       | 11,608     | 11,608                   |
| Equity index forward contracts:                          |                 |             |            |                          |
| Sold   | 999             | —           | 281        | 281                      |
| Bought   | 394,942         | —           | 78,105     | 78,105                   |
| Equity price index swaps:                                |                 |             |            |                          |
| Receivable equity index/payable short-term floating rate | —               | —           | —          | —                        |
| Receivable short-term floating rate/payable equity index | 55,724          | 20,448      | (98)       | (98)                     |
| Other:   |                 |             |            |                          |
| Sold   | (8,159)         | (4,727)     | (362)      | (362)                    |
| Bought   | —               | —           | —          | —                        |
| Total  | /               | /           | ¥ 53,636   | ¥ 53,636                 |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.

(4) Bond derivatives

|                         | Millions of yen |             |            |                          |
|-------------------------|-----------------|-------------|------------|--------------------------|
|                         | Contract amount |             | Fair value | Valuation gains (losses) |
|                         | Total           | Over 1 year |            |                          |
| <b>March 31, 2024</b>   |                 |             |            |                          |
| <b>Listed</b>           |                 |             |            |                          |
| Bond futures:           |                 |             |            |                          |
| Sold                    | ¥ 1,310,492     | ¥ —         | ¥ 221      | ¥ 221                    |
| Bought                  | 1,522,524       | —           | 401        | 401                      |
| Bond futures options:   |                 |             |            |                          |
| Sold                    | —               | —           | —          | —                        |
| Bought                  | 3,382           | —           | 29         | 29                       |
| <b>Over-the-counter</b> |                 |             |            |                          |
| Bond options:           |                 |             |            |                          |
| Sold                    | 57,690          | —           | (148)      | (148)                    |
| Bought                  | 57,690          | —           | 111        | 111                      |
| Total                   | /               | /           | ¥ 615      | ¥ 615                    |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.

|                           | Millions of yen |             |            |                          |
|---------------------------|-----------------|-------------|------------|--------------------------|
|                           | Contract amount |             | Fair value | Valuation gains (losses) |
|                           | Total           | Over 1 year |            |                          |
| <b>September 30, 2024</b> |                 |             |            |                          |
| <b>Listed</b>             |                 |             |            |                          |
| Bond futures:             |                 |             |            |                          |
| Sold                      | ¥ 1,568,798     | ¥ —         | ¥ (31)     | ¥ (31)                   |
| Bought                    | 1,593,576       | —           | 681        | 681                      |
| Bond futures options:     |                 |             |            |                          |
| Sold                      | 58,245          | —           | (115)      | (115)                    |
| Bought                    | 48,102          | —           | 73         | 73                       |
| <b>Over-the-counter</b>   |                 |             |            |                          |
| Bond forward contracts:   |                 |             |            |                          |
| Sold                      | —               | —           | —          | —                        |
| Bought                    | 198             | —           | 0          | 0                        |
| Bond options:             |                 |             |            |                          |
| Sold                      | 194,518         | —           | (211)      | (211)                    |
| Bought                    | 235,338         | —           | 1,026      | 1,026                    |
| Total                     | /               | /           | ¥ 1,423    | ¥ 1,423                  |

Note: The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.

(5) Commodity derivatives

|   | Millions of yen |             |            |                          |
|---|-----------------|-------------|------------|--------------------------|
|   | Contract amount |             | Fair value | Valuation gains (losses) |
|   | Total           | Over 1 year |            |                          |
| <b>March 31, 2024</b>                         |                 |             |            |                          |
| <b>Listed</b>                                 |                 |             |            |                          |
| Commodity futures:                            |                 |             |            |                          |
| Sold  | ¥ 24,819        | ¥ —         | ¥ (1,660)  | ¥ (1,660)                |
| Bought  | 28,164          | —           | 1,831      | 1,831                    |
| <b>Over-the-counter</b>                       |                 |             |            |                          |
| Commodity swaps:                              |                 |             |            |                          |
| Receivable fixed price/payable floating price | 33,621          | 18,298      | (4,677)    | (4,677)                  |
| Receivable floating price/payable fixed price | 28,517          | 14,681      | 5,516      | 5,516                    |
| Commodity options:                            |                 |             |            |                          |
| Sold  | 6,439           | 710         | (159)      | (159)                    |
| Bought  | 972             | —           | 59         | 59                       |
| Total   | /               | /           | ¥ 909      | ¥ 909                    |

Notes: 1. The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.  
2. Underlying assets of commodity derivatives were fuels and metals.

|   | Millions of yen |             |            |                          |
|---|-----------------|-------------|------------|--------------------------|
|   | Contract amount |             | Fair value | Valuation gains (losses) |
|   | Total           | Over 1 year |            |                          |
| <b>September 30, 2024</b>                     |                 |             |            |                          |
| <b>Listed</b>                                 |                 |             |            |                          |
| Commodity futures:                            |                 |             |            |                          |
| Sold  | ¥ 43,023        | ¥ —         | ¥ (751)    | ¥ (751)                  |
| Bought  | 44,368          | —           | 751        | 751                      |
| <b>Over-the-counter</b>                       |                 |             |            |                          |
| Commodity swaps:                              |                 |             |            |                          |
| Receivable fixed price/payable floating price | 35,467          | 21,646      | (611)      | (611)                    |
| Receivable floating price/payable fixed price | 31,310          | 18,310      | 1,533      | 1,533                    |
| Commodity options:                            |                 |             |            |                          |
| Sold  | 4,584           | 741         | (123)      | (123)                    |
| Bought  | 4,193           | —           | 37         | 37                       |
| Total   | /               | /           | ¥ 836      | ¥ 836                    |

Notes: 1. The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.  
2. Underlying assets of commodity derivatives were fuels and metals.

(6) Credit derivative transactions

|                         | Millions of yen |             |            |                          |
|-------------------------|-----------------|-------------|------------|--------------------------|
|                         | Contract amount |             | Fair value | Valuation gains (losses) |
|                         | Total           | Over 1 year |            |                          |
| <b>March 31, 2024</b>   |                 |             |            |                          |
| <b>Over-the-counter</b> |                 |             |            |                          |
| Credit default options: |                 |             |            |                          |
| Sold                    | ¥ 1,448,888     | ¥ 1,077,579 | ¥ 20,767   | ¥ 20,767                 |
| Bought                  | 2,053,109       | 1,699,059   | (27,991)   | (27,991)                 |
| Total                   | /               | /           | ¥ (7,223)  | ¥ (7,223)                |

Notes: 1. The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the consolidated statements of income.  
2. "Sold" represents transactions in which the credit risk was accepted; "Bought" represents transactions in which the credit risk was transferred.

|                           | Millions of yen |             |            |                          |
|---------------------------|-----------------|-------------|------------|--------------------------|
|                           | Contract amount |             | Fair value | Valuation gains (losses) |
|                           | Total           | Over 1 year |            |                          |
| <b>September 30, 2024</b> |                 |             |            |                          |
| <b>Over-the-counter</b>   |                 |             |            |                          |
| Credit default options:   |                 |             |            |                          |
| Sold                      | ¥ 1,397,744     | ¥ 1,030,643 | ¥ 23,152   | ¥ 23,152                 |
| Bought                    | 2,081,931       | 1,723,594   | (29,934)   | (29,934)                 |
| Total                     | /               | /           | ¥ (6,782)  | ¥ (6,782)                |

Notes: 1. The above transactions were valued at fair value and the valuation gains (losses) were accounted for in the interim consolidated statements of income.  
2. "Sold" represents transactions in which the credit risk was accepted; "Bought" represents transactions in which the credit risk was transferred.

## 2. Derivative transactions to which the hedge accounting method was applied

The following tables set forth the contract amount or the amount equivalent to the notional amount and fair value by type of derivative and hedge accounting method with respect to derivative transactions to which the hedge accounting method was applied at March 31, 2024 and September 30, 2024. Contract amount does not indicate the market risk relating to derivative transactions.

### (1) Interest rate derivatives

| March 31, 2024                                  |  |   | Millions of yen |             |             |
|---|--|---|-----------------|-------------|-------------|
| Hedge accounting method                         | Type of derivative                                 | Principal items hedged  | Contract amount |             | Fair value  |
|   |  |   | Total           | Over 1 year |             |
| Deferral hedge method                           | Interest rate futures:                             | Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit |                 |             |             |
|   | Sold   |   | ¥ 10,698,217    | ¥ 8,099,438 | ¥ 1,200     |
|   | Bought   |   | 1,815,960       | 1,815,960   | (177)       |
|   | Interest rate swaps:                               |   |                 |             |             |
|   | Receivable fixed rate/<br>payable floating rate    |   | 34,225,953      | 29,786,756  | (856,112)   |
|   | Receivable floating rate/<br>payable fixed rate    |   | 20,182,698      | 18,952,713  | 566,945     |
|   | Receivable floating rate/<br>payable floating rate |   | 143,850         | 139,332     | 803         |
|   | Interest rate swaptions:                           |   |                 |             |             |
|   | Sold   |   | 210,348         | 210,348     | (35,273)    |
|   | Bought   |   | —               | —           | —           |
| Recognition of gain or loss on the hedged items | Interest rate swaps:                               | Loans and bills discounted, deposits  |                 |             |             |
|   | Receivable fixed rate/<br>payable floating rate    |   | 19,333          | —           | (17)        |
|   | Receivable floating rate/<br>payable fixed rate    |   | 730,575         | 608,426     | 30,463      |
| Special treatment for interest rate swaps       | Interest rate swaps:                               | Borrowed money  |                 |             |             |
|   | Receivable floating rate/<br>payable fixed rate    |   | 111,198         | 101,983     | (Note 2)    |
|   | Total  |   | /               | /           | ¥ (292,169) |

Notes: 1. The Company mainly applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 24.

2. Interest rate swap amounts measured by the special treatment for interest rate swaps were treated with the borrowed money that was subject to the hedge. Therefore, such a fair value was included in the fair value of the relevant borrowed money stated in the "Notes to financial instruments."

September 30, 2024

| September 30, 2024                              |  |   | Millions of yen |             |             |
|---|--|---|-----------------|-------------|-------------|
| Hedge accounting method                         | Type of derivative                                 | Principal items hedged  | Contract amount |             |             |
|   |  |   | Total           | Over 1 year | Fair value  |
| Deferral hedge method                           | Interest rate futures:                             | Interest-earning/bearing financial assets/liabilities such as loans and bills discounted, other securities, deposits and negotiable certificates of deposit |                 |             |             |
|   | Sold   |   | ¥ 6,306,959     | ¥ 4,289,494 | ¥ (8,633)   |
|   | Bought   |   | 5,141,520       | 1,713,840   | 3,678       |
|   | Interest rate swaps:                               |   |                 |             |             |
|   | Receivable fixed rate/<br>payable floating rate    |   | 38,860,645      | 32,049,478  | (467,329)   |
|   | Receivable floating rate/<br>payable fixed rate    |   | 20,453,799      | 19,412,827  | 77,864      |
|   | Receivable floating rate/<br>payable floating rate |   | 106,034         | 104,147     | (2,706)     |
|   | Interest rate swaptions:                           |   |                 |             |             |
|   | Sold   |   | 198,519         | 198,519     | (25,561)    |
|   | Bought   | —   | —               | —           |             |
| Recognition of gain or loss on the hedged items | Interest rate swaps:                               | Loans and bills discounted, deposits  |                 |             |             |
|   | Receivable fixed rate/<br>payable floating rate    |   | 338,606         | —           | (105)       |
|   | Receivable floating rate/<br>payable fixed rate    |   | 724,189         | 564,005     | 19,432      |
| Special treatment for interest rate swaps       | Interest rate swaps:                               | Borrowed money  |                 |             |             |
|   | Receivable floating rate/<br>payable fixed rate    |   | 107,091         | 90,553      | (Note 2)    |
|   | Total  |   | /               | /           | ¥ (403,361) |

Notes: 1. The Company mainly applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 24.

2. Interest rate swap amounts measured by the special treatment for interest rate swaps were treated with the borrowed money that was subject to the hedge. Therefore, such a fair value was included in the fair value of the relevant borrowed money stated in the "Notes to financial instruments."

(2) Currency derivatives

**March 31, 2024**

|   |                          |  | Millions of yen |             |               |
|---|--------------------------|--|-----------------|-------------|---------------|
| Hedge accounting method                         | Type of derivative       | Principal items hedged   | Contract amount |             |               |
|   |                          |  | Total           | Over 1 year | Fair value    |
| Deferral hedge method                           | Currency swaps           | Foreign currency denominated loans and bills discounted, other securities, deposits, foreign currency exchange, etc. | ¥ 13,585,433    | ¥ 9,213,299 | ¥ (1,865,246) |
|   | Forward foreign exchange |  | 3,737,113       | 4,087       | 26,863        |
| Recognition of gain or loss on the hedged items | Currency swaps           | Loans and bills discounted, other securities   | 74,681          | 50,544      | 5,759         |
|   | Total                    |  | /               | /           | ¥ (1,832,622) |

Note: The Company mainly applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 25.

**September 30, 2024**

|   |                          |  | Millions of yen |             |               |
|---|--------------------------|--|-----------------|-------------|---------------|
| Hedge accounting method                         | Type of derivative       | Principal items hedged   | Contract amount |             |               |
|   |                          |  | Total           | Over 1 year | Fair value    |
| Deferral hedge method                           | Currency swaps           | Foreign currency denominated loans and bills discounted, other securities, deposits, foreign currency exchange, etc. | ¥ 11,838,196    | ¥ 8,127,660 | ¥ (1,097,061) |
|   | Forward foreign exchange |  | 3,635,043       | 10,130      | (48,577)      |
| Recognition of gain or loss on the hedged items | Currency swaps           | Loans and bills discounted, other securities   | 73,838          | 33,781      | (2,424)       |
|   | Total                    |  | /               | /           | ¥ (1,148,063) |

Note: The Company mainly applied deferred hedge accounting stipulated in JICPA Industry Committee Practical Guideline No. 25.



**(Notes to asset retirement obligations)**

***Fiscal year ended March 31, 2024***

There was no information to be disclosed since the total amount of asset retirement obligations was immaterial.

***Six months ended September 30, 2024***

There was no information to be disclosed since the total amount of asset retirement obligations was immaterial.

**(Notes to real estate for rent)**

***Fiscal year ended March 31, 2024***

There was no significant information to be disclosed.

***Six months ended September 30, 2024***

There was no significant information to be disclosed.

**(Revenue recognition)**

Information on breakdown of revenues from contracts with customers.

| <b>Six months ended September 30</b> | <b>Millions of yen</b> |             |
|--------------------------------------|------------------------|-------------|
|                                      | <b>2023</b>            | <b>2024</b> |
| Ordinary income                      | ¥ 4,482,985            | ¥ 5,276,938 |
| Fees and commissions                 | 804,513                | 905,938     |
| Deposits and loans                   | 127,769                | 151,031     |
| Remittances and transfers            | 74,736                 | 78,756      |
| Securities-related business          | 90,957                 | 131,182     |
| Agency                               | 4,751                  | 4,283       |
| Safe deposits                        | 2,194                  | 2,043       |
| Guarantees                           | 46,007                 | 44,518      |
| Credit card business                 | 207,634                | 231,193     |
| Investment trusts                    | 82,677                 | 95,058      |
| Others                               | 167,784                | 167,872     |

Note: Fees and commissions obtained through Deposits and loans principally arise in the Wholesale Business Unit and the Global Business Unit. Remittances and transfers principally arise in the Wholesale Business Unit, the Retail Business Unit, and the Global Business Unit. Securities-related business principally arise in the Wholesale Business Unit, the Retail Business Unit, and the Global Business Unit. Credit card business principally arise in the Retail Business Unit, and Investment trusts principally arise in the Retail Business Unit and Head office account and others. Income based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019) is also included in the table above.

**(Notes to segment and other related information)**

**[Segment information]**

**1. Summary of reportable segment**

The Group's reportable segment is defined as an operating segment for which discrete financial information is available and reviewed by the Board of Directors and the Company's Management Committee regularly in order to make decisions about resources to be allocated to the segment and assess its performance.

The businesses operated by each business unit are as follows:

|                               |  |
|-------------------------------|--|
| Wholesale Business Unit:      | Business to deal with domestic medium-to-large-sized and small-to-medium-sized corporate customers |
| Retail Business Unit:         | Business to deal with mainly domestic individual customers   |
| Global Business Unit:         | Business to deal with international (including Japanese) corporate customers in overseas countries |
| Global Markets Business Unit: | Business to deal with financial market   |
| Head office account:          | Business other than businesses above   |

**2. Method of calculating profit and loss amount by reportable segment**

Accounting methods applied to the reported business segment are the same as those described in "(Significant accounting policies for preparing interim consolidated financial statements)." In case several business units cooperate for transactions, profit and loss, and expenses related to the transactions are recognized in the business units cooperating for the transactions and those amounts are calculated in accordance with internal managerial accounting policy.

The Company does not assess assets by business segments.

### 3. Information on profit and loss amount by reportable segment

| Millions of yen                            |                               |                            |                            |                                       |                                      |             |
|--|-------------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------------------|-------------|
|  | Wholesale<br>Business<br>Unit | Retail<br>Business<br>Unit | Global<br>Business<br>Unit | Global<br>Markets<br>Business<br>Unit | Head office<br>account and<br>others | Total       |
| <b>Six months ended September 30, 2023</b> |                               |                            |                            |                                       |                                      |             |
| Consolidated gross profit                  | ¥ 396,900                     | ¥ 621,800                  | ¥ 670,500                  | ¥ 286,600                             | ¥ (158,475)                          | ¥ 1,817,325 |
| General and administrative expenses        | (151,900)                     | (526,800)                  | (391,000)                  | (79,900)                              | 67,402                               | (1,082,198) |
| Others                                     | 53,600                        | 3,400                      | 31,800                     | 15,800                                | (68,815)                             | 35,785      |
| Consolidated net business profit           | ¥ 298,600                     | ¥ 98,400                   | ¥ 311,300                  | ¥ 222,500                             | ¥ (159,888)                          | ¥ 770,912   |

Notes: 1. Figures shown in the parenthesis represent the loss.  
2. "Others" includes equity in profit and loss of affiliates and cooperated profit and loss based on internal managerial accounting.  
3. "Head office account and others" includes profit or loss to be eliminated as inter-segment transactions.

| Millions of yen                            |                               |                            |                            |                                       |                                      |             |
|--|-------------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------------------|-------------|
|  | Wholesale<br>Business<br>Unit | Retail<br>Business<br>Unit | Global<br>Business<br>Unit | Global<br>Markets<br>Business<br>Unit | Head office<br>account and<br>others | Total       |
| <b>Six months ended September 30, 2024</b> |                               |                            |                            |                                       |                                      |             |
| Consolidated gross profit                  | ¥ 441,200                     | ¥ 668,400                  | ¥ 643,900                  | ¥ 362,600                             | ¥ (70,843)                           | ¥ 2,045,257 |
| General and administrative expenses        | (163,100)                     | (541,800)                  | (426,200)                  | (93,900)                              | 52,253                               | (1,172,747) |
| Others                                     | 60,100                        | 2,200                      | 44,600                     | 16,800                                | (77,976)                             | 45,724      |
| Consolidated net business profit           | ¥ 338,200                     | ¥ 128,800                  | ¥ 262,300                  | ¥ 285,500                             | ¥ (96,566)                           | ¥ 918,234   |

Notes: 1. Figures shown in the parenthesis represent the loss.  
2. "Others" includes equity in profit and loss of affiliates and cooperated profit and loss based on internal managerial accounting.  
3. "Head office account and others" includes profit or loss to be eliminated as inter-segment transactions.

#### 4. Difference between total amount of consolidated net business profit by reportable segment and ordinary profit on interim consolidated statements of income (adjustment of difference)

| <b>Six months ended September 30, 2023</b>                      | <b>Millions of yen</b> |
|---|------------------------|
| Consolidated net business profit                                | ¥ 770,912              |
| Other ordinary income (excluding equity in gains of affiliates) | 110,527                |
| Other ordinary expenses   | (172,207)              |
| Ordinary profit on interim consolidated statements of income    | ¥ 709,232              |

Note: Figures shown in the parenthesis represent the loss.

| <b>Six months ended September 30, 2024</b>                      | <b>Millions of yen</b> |
|---|------------------------|
| Consolidated net business profit                                | ¥ 918,234              |
| Other ordinary income (excluding equity in gains of affiliates) | 353,540                |
| Other ordinary expenses   | (241,302)              |
| Ordinary profit on interim consolidated statements of income    | ¥ 1,030,472            |

Note: Figures shown in the parenthesis represent the loss.

#### [Related information]

##### *Six months ended September 30, 2023*

#### 1. Information on each service

There was no information to be disclosed since information on each service was similar to the segment information.

#### 2. Geographic information

##### (1) Ordinary income

| <b>Millions of yen</b> |                     |                               |                         |              |
|------------------------|---------------------|-------------------------------|-------------------------|--------------|
| <b>Japan</b>           | <b>The Americas</b> | <b>Europe and Middle East</b> | <b>Asia and Oceania</b> | <b>Total</b> |
| ¥ 1,915,578            | ¥ 1,118,406         | ¥ 678,748                     | ¥ 770,251               | ¥ 4,482,985  |

Notes: 1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.  
2. Ordinary income from transactions of the Company and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.  
3. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany and others; Asia and Oceania includes China, Singapore, Indonesia and others except Japan.

##### (2) Tangible fixed assets

| <b>Millions of yen</b> |                     |                               |                         |              |
|------------------------|---------------------|-------------------------------|-------------------------|--------------|
| <b>Japan</b>           | <b>The Americas</b> | <b>Europe and Middle East</b> | <b>Asia and Oceania</b> | <b>Total</b> |
| ¥ 848,852              | ¥ 610,820           | ¥ 42,240                      | ¥ 49,382                | ¥ 1,551,296  |

### 3. Information on major customers

There were no major customers individually accounting for 10% or more of ordinary income reported on the interim consolidated statements of income.

#### *Six months ended September 30, 2024*

### 1. Information on each service

There was no information to be disclosed since information on each service was similar to the segment information.

### 2. Geographic information

#### (1) Ordinary income

| Millions of yen |              |                        |                  |       |           |
|-----------------|--------------|------------------------|------------------|-------|-----------|
| Japan           | The Americas | Europe and Middle East | Asia and Oceania | Total |           |
| ¥ 2,409,883     | ¥ 1,303,946  | ¥ 734,187              | ¥ 828,922        | ¥     | 5,276,938 |

- Notes:
1. Consolidated ordinary income is presented as a counterpart of sales of companies in other industries.
  2. Ordinary income from transactions of the Company and its domestic consolidated banking subsidiaries (excluding overseas branches) and other domestic consolidated subsidiaries is classified as "Japan." Ordinary income from transactions of overseas branches of domestic consolidated banking subsidiaries and overseas consolidated subsidiaries is classified as "The Americas," "Europe and Middle East" and "Asia and Oceania," based on their locations and in consideration of their geographic proximity and other factors.
  3. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany and others; Asia and Oceania includes China, Singapore, Indonesia and others except Japan.

#### (2) Tangible fixed assets

| Millions of yen |              |                        |                  |       |         |
|-----------------|--------------|------------------------|------------------|-------|---------|
| Japan           | The Americas | Europe and Middle East | Asia and Oceania | Total |         |
| ¥ 849,013       | ¥ 46,032     | ¥ 39,652               | ¥ 61,308         | ¥     | 996,006 |

### 3. Information on major customers

There were no major customers individually accounting for 10% or more of ordinary income reported on the interim consolidated statements of income.

**[Information on impairment loss for fixed assets by reportable segment]**

The Company does not allocate impairment loss for fixed assets to the reportable segment.  
 Impairment loss for the six months ended September 30, 2023 was ¥733 million.  
 Impairment loss for the six months ended September 30, 2024 was ¥298 million.

**[Information on amortization of goodwill and unamortized balance by reportable segment]**

| Millions of yen                            |                                |                             |                             |                                     |                                       |              |
|--|--------------------------------|-----------------------------|-----------------------------|-------------------------------------|---------------------------------------|--------------|
| <b>Six months ended September 30, 2023</b> | <b>Wholesale Business Unit</b> | <b>Retail Business Unit</b> | <b>Global Business Unit</b> | <b>Global Markets Business Unit</b> | <b>Head office account and others</b> | <b>Total</b> |
| Amortization of goodwill                   | ¥ —                            | ¥ 2,281                     | ¥ 7,073                     | ¥ —                                 | ¥ 6,040                               | ¥ 15,394     |
| Unamortized balance                        | —                              | 32,010                      | 187,449                     | —                                   | 62,292                                | 281,752      |

| Millions of yen                            |                                |                             |                             |                                     |                                       |              |
|--|--------------------------------|-----------------------------|-----------------------------|-------------------------------------|---------------------------------------|--------------|
| <b>Six months ended September 30, 2024</b> | <b>Wholesale Business Unit</b> | <b>Retail Business Unit</b> | <b>Global Business Unit</b> | <b>Global Markets Business Unit</b> | <b>Head office account and others</b> | <b>Total</b> |
| Amortization of goodwill                   | ¥ —                            | ¥ 1,999                     | ¥ 6,719                     | ¥ —                                 | ¥ 4,847                               | ¥ 13,566     |
| Unamortized balance                        | —                              | 28,011                      | 164,637                     | —                                   | 52,596                                | 245,245      |

**[Information on gains on negative goodwill by reportable segment]*****Six months ended September 30, 2023***

There were no corresponding transactions.

***Six months ended September 30, 2024***

There were no corresponding transactions.

## (Business combinations)

There were no significant business combinations to be disclosed.

## (Per share data)

### 1. Net assets per share and the calculation method

|  | Millions of yen, except per share data<br>and number of shares |                    |
|--|--|--------------------|
|  | March 31, 2024   | September 30, 2024 |
| Net assets per share   | ¥ 3,719.12   | ¥ 3,770.00         |
| [The calculation method]   |  |                    |
| Net assets   | 14,799,967   | 14,892,743         |
| Amounts excluded from net assets   | 139,857  | 137,501            |
| Stock acquisition rights   | 931  | 790                |
| Non-controlling interests  | 138,925  | 136,710            |
| Net assets attributable to common stock at the end of the period   | ¥ 14,660,110   | ¥ 14,755,242       |
| Number of common stock at the end of the period used<br>for the calculation of net assets per share (in thousands) | 3,941,823  | 3,913,859          |

### 2. Earnings per share and earnings per share (diluted) and each calculation method

| Six months ended September 30   | Millions of yen, except per share data<br>and number of shares |           |
|---|--|-----------|
|   | 2023   | 2024      |
| (i) Earnings per share  | ¥ 131.47   | ¥ 184.77  |
| [The calculation method]  |  |           |
| Profit attributable to owners of parent   | 526,465  | 725,172   |
| Amount not attributable to common stockholders  | —  | —         |
| Profit attributable to owners of parent attributable to<br>common stock   | 526,465  | 725,172   |
| Average number of common stock during the period<br>(in thousands)  | 4,004,538  | 3,924,762 |
| (ii) Earnings per share (diluted)   | ¥ 131.43   | ¥ 184.72  |
| [The calculation method]  |  |           |
| Adjustment for profit attributable to owners of parent  | (2)  | (2)       |
| Adjustment of dilutive shares issued by consolidated<br>subsidiaries and equity method affiliates   | (2)  | (2)       |
| Increase in the number of common stock (in thousands)   | 1,190  | 987       |
| Stock acquisition rights (in thousands)   | 1,190  | 987       |
| Outline of dilutive shares which were not included in the calculation<br>of “Earnings per share (diluted)” because they do not have dilutive<br>effect: | —  | —         |

- Notes:
- On October 1, 2024, the Company effected a three for one split of its common stock on the record date of September 30, 2024. “Net assets per share,” “Earnings per share” and “Earnings per share (diluted)” were calculated based on the assumption that the stock split had implemented at the beginning of the previous fiscal year.
  - The Company has introduced a “Stock grant trust for employees.” The shares of the Company held by the trust were included in the number of treasury stocks to be deducted for the calculation of “Net assets per share,” “Earnings per share” and “Earnings per share (diluted).” The number of treasury stocks at the end of the period deducted for the calculation of “Net assets per share” was 446,000 shares, as well as the average number of treasury stocks during the period deducted for the calculation of “Earnings per share” and “Earnings per share (diluted)” was 372,000 shares for the six months ended September 30, 2024.

## **(Significant subsequent events)**

### ***Six months ended September 30, 2024***

#### **1. Repurchase and Cancellation of Own Shares**

At the Board of Directors held on November 14, 2024, the Company resolved to repurchase its own shares under Article 8 of the Articles of Incorporation pursuant to Paragraph 1 of Article 459 of the Companies Act and cancel the repurchased shares pursuant to Article 178 of the Companies Act.

##### **(1) Reason for the Repurchase of Own Shares**

The Company will proceed with a flexible repurchase of its own shares in order to enhance shareholder returns and improve capital efficiency.

##### **(2) Outline of the Repurchase**

- 1) Type of shares to be repurchased: Common stock
- 2) Aggregate number of shares to be repurchased: Up to 60,000,000 shares (Equivalent to 1.5% of the number of shares issued (excluding treasury stock))
- 3) Aggregate amount to be repurchased: Up to JPY 150,000,000,000
- 4) Repurchase period: From November 15, 2024 to January 31, 2025
- 5) Repurchase method: Market purchases based on a discretionary dealing contract regarding repurchase of its own shares

##### **(3) Outline of the Cancellation**

- 1) Type of shares to be cancelled: Common stock
- 2) Number of shares to be cancelled: All of the shares repurchased as stated in (2) above
- 3) Scheduled cancellation date: February 20, 2025

#### **2. Stock split and partial amendments to the Articles of Incorporation to conduct the stock split**

At the Board of Directors held on May 15, 2024, the Company resolved to implement a stock split and propose partial amendments to the Articles of Incorporation to conduct the stock split at the 22nd Ordinary General Meeting of Shareholders (“the Meeting”) held on June 27, 2024. The proposal was approved at the Meeting and the stock split was effected on October 1, 2024.

The effect of the stock split on per share data is reported in “(Per share data).”

##### **(1) Purpose of the stock split**

By reducing the stock price per investment unit, the Company seeks to develop a more investor-friendly environment and expand the investor base.

##### **(2) Method of the stock split**

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of September 30, 2024, was split into three shares per share.

##### **(3) Increase in the number of shares due to the stock split**

- 1) Total number of issued shares before the stock split: 1,308,177,186 shares
- 2) Number of shares to be increased by the stock split: 2,616,354,372 shares
- 3) Total number of issued shares following the stock split: 3,924,531,558 shares
- 4) Total number of authorized shares following the stock split: 9,000,564,000 shares



(4) Partial amendments to the Articles of Incorporation to conduct the stock split

The Company partially amended its Articles of Incorporation, effective on October 1, 2024, since it is necessary to increase the total number of issued shares and the total number of authorized shares for common stocks in accordance with the above split ratio of the common stocks.

| Existing Articles of Incorporation  | After amendments   |
|---|--|
| (Total Number of Authorized Shares)<br>Article 6. The total number of shares the Corporation is authorized to issue shall be three billion five hundred sixty four thousand (3,000,564,000) shares.   | (Total Number of Authorized Shares)<br>Article 6. The total number of shares the Corporation is authorized to issue shall be nine billion five hundred sixty four thousand (9,000,564,000) shares.   |
| (Total Number of Authorized Shares of Each Particular Class of Shares)<br>Article 7. The total number of shares the Corporation is authorized to issue shall consist of three billion (3,000,000,000) common stocks, one hundred sixty seven thousand (167,000) type 5 preferred stocks, one hundred sixty seven thousand (167,000) type 7 preferred stocks, one hundred fifteen thousand (115,000) type 8 preferred stocks and one hundred fifteen thousand (115,000) type 9 preferred stocks. | (Total Number of Authorized Shares of Each Particular Class of Shares)<br>Article 7. The total number of shares the Corporation is authorized to issue shall consist of nine billion (9,000,000,000) common stocks, one hundred sixty seven thousand (167,000) type 5 preferred stocks, one hundred sixty seven thousand (167,000) type 7 preferred stocks, one hundred fifteen thousand (115,000) type 8 preferred stocks and one hundred fifteen thousand (115,000) type 9 preferred stocks. |

**(Others)**

Not applicable.

(Non-consolidated financial statements)

1. Non-consolidated balance sheets

|   | Millions of yen |                       | Millions of<br>U.S. dollars |
|---|-----------------|-----------------------|-----------------------------|
|   | March 31, 2024  | September 30,<br>2024 | September 30,<br>2024       |
| <b>Assets:</b>  |                 |                       |                             |
| <b>Current assets</b>   |                 |                       |                             |
| Cash and due from banks   | ¥ 309,526       | ¥ 413,229             | \$ 2,893                    |
| Current portion of long-term loans receivables from subsidiaries and affiliates | 1,268,519       | 740,090               | 5,182                       |
| Other current assets  | 123,795         | 325,558               | 2,280                       |
| Total current assets  | 1,701,841       | 1,478,878             | 10,355                      |
| <b>Fixed assets</b>   |                 |                       |                             |
| Tangible fixed assets   | 68,877          | 68,393                | 479                         |
| Intangible fixed assets   | 11,771          | 15,188                | 106                         |
| Investments and other assets  | 17,963,403      | 18,113,147            | 126,825                     |
| Investments in subsidiaries and affiliates                                      | 7,016,965       | 7,040,881             | 49,299                      |
| Long-term loans receivable from subsidiaries and affiliates                     | 10,835,537      | 10,978,116            | 76,867                      |
| Other investments and other assets  | 110,899         | 94,148                | 659                         |
| Total fixed assets  | 18,044,052      | 18,196,728            | 127,410                     |
| <b>Total assets</b>   | ¥ 19,745,893    | ¥ 19,675,606          | \$ 137,765                  |
| <b>Liabilities:</b>   |                 |                       |                             |
| <b>Current liabilities</b>  |                 |                       |                             |
| Short-term borrowings   | ¥ 1,707,650     | ¥ 1,728,650           | \$ 12,104                   |
| Income taxes payable  | 16              | 8                     | 0                           |
| Reserve for employee bonuses  | 1,071           | 979                   | 7                           |
| Reserve for executive bonuses   | 564             | —                     | —                           |
| Current portion of bonds  | 1,255,519       | 719,511               | 5,038                       |
| Current portion of long-term borrowings   | 13,000          | 21,000                | 147                         |
| Other current liabilities   | 89,848          | 88,572                | 620                         |
| Total current liabilities   | 3,067,669       | 2,558,721             | 17,916                      |
| <b>Fixed liabilities</b>  |                 |                       |                             |
| Bonds   | 10,191,710      | 10,327,436            | 72,311                      |
| Long-term borrowings  | 405,026         | 411,105               | 2,878                       |
| Other fixed liabilities   | 6,154           | 1,774                 | 12                          |
| Total fixed liabilities   | 10,602,890      | 10,740,316            | 75,202                      |
| <b>Total liabilities</b>  | 13,670,560      | 13,299,038            | 93,117                      |
| <b>Net assets:</b>  |                 |                       |                             |
| <b>Stockholders' equity</b>   |                 |                       |                             |
| Capital stock   | 2,344,038       | 2,345,960             | 16,426                      |
| Capital surplus   |                 |                       |                             |
| Capital reserve   | 1,565,514       | 1,567,436             | 10,975                      |
| Total capital surplus   | 1,565,514       | 1,567,436             | 10,975                      |
| Retained earnings   |                 |                       |                             |
| Other retained earnings   |                 |                       |                             |
| Voluntary reserve   | 30,420          | 30,420                | 213                         |
| Retained earnings brought forward   | 2,282,340       | 2,459,927             | 17,224                      |
| Total retained earnings   | 2,312,760       | 2,490,347             | 17,437                      |
| Treasury stock  | (167,671)       | (34,101)              | (239)                       |
| Total stockholders' equity  | 6,054,642       | 6,369,643             | 44,599                      |
| <b>Valuation and translation adjustments</b>                                    |                 |                       |                             |
| Net unrealized gains (losses) on other securities                               | 19,758          | 6,134                 | 43                          |
| Total valuation and translation adjustments                                     | 19,758          | 6,134                 | 43                          |
| <b>Stock acquisition rights</b>   | 931             | 790                   | 6                           |
| <b>Total net assets</b>   | 6,075,333       | 6,376,568             | 44,648                      |
| <b>Total liabilities and net assets</b>   | ¥ 19,745,893    | ¥ 19,675,606          | \$ 137,765                  |

## 2. Non-consolidated statements of income

| Six months ended September 30                                  | Millions of yen |           | Millions of<br>U.S. dollars |
|--|-----------------|-----------|-----------------------------|
|  | 2023            | 2024      | 2024                        |
| <b>Operating income:</b>                                       |                 |           |                             |
| Dividends on investments in subsidiaries and affiliates        | ¥ 108,751       | ¥ 609,993 | \$ 4,271                    |
| Fees and commissions received from subsidiaries and affiliates | 12,407          | 10,978    | 77                          |
| Interests on loans receivable from subsidiaries and affiliates | 159,010         | 185,115   | 1,296                       |
| Total operating income   | 280,170         | 806,087   | 5,644                       |
| <b>Operating expenses:</b>                                     |                 |           |                             |
| General and administrative expenses                            | 25,073          | 29,472    | 206                         |
| Interest on bonds  | 147,298         | 172,584   | 1,208                       |
| Interest on long-term borrowings                               | 9,618           | 10,114    | 71                          |
| Total operating expenses                                       | 181,990         | 212,171   | 1,486                       |
| <b>Operating profit</b>  | 98,180          | 593,915   | 4,158                       |
| <b>Non-operating income</b>                                    | 4,374           | 1,084     | 8                           |
| <b>Non-operating expenses</b>                                  | 10,834          | 10,879    | 76                          |
| <b>Ordinary profit</b>   | 91,720          | 584,119   | 4,090                       |
| <b>Extraordinary loss</b>                                      | 1,305           | 789       | 6                           |
| <b>Income before income taxes</b>                              | 90,414          | 583,330   | 4,084                       |
| Income taxes-current   | (3,963)         | (5,971)   | (42)                        |
| Income taxes-deferred  | 222             | (666)     | (5)                         |
| Income taxes   | (3,741)         | (6,637)   | (46)                        |
| <b>Net income</b>  | ¥ 94,155        | ¥ 589,967 | \$ 4,131                    |

### 3. Non-consolidated statements of changes in net assets

|  | Millions of yen      |                 |                       |                       |                         |                                   |             |
|--|----------------------|-----------------|-----------------------|-----------------------|-------------------------|-----------------------------------|-------------|
|  | Stockholders' equity |                 |                       |                       |                         |                                   |             |
|  | Capital surplus      |                 |                       |                       | Retained earnings       |                                   |             |
|  |                      |                 |                       |                       | Other retained earnings |                                   | Total       |
| Six months ended September 30, 2023                                | Capital stock        | Capital reserve | Other capital surplus | Total capital surplus | Voluntary reserve       | Retained earnings brought forward |             |
| Balance at the beginning of the period                             | ¥ 2,342,537          | ¥ 1,564,013     | ¥ —                   | ¥ 1,564,013           | ¥ 30,420                | ¥ 2,280,749                       | ¥ 2,311,169 |
| Changes in the period:   |                      |                 |                       |                       |                         |                                   |             |
| Issuance of new stock  | 1,501                | 1,500           |                       | 1,500                 |                         |                                   |             |
| Cash dividends   |                      |                 |                       |                       |                         | (168,077)                         | (168,077)   |
| Net income   |                      |                 |                       |                       |                         | 94,155                            | 94,155      |
| Purchase of treasury stock   |                      |                 |                       |                       |                         |                                   |             |
| Disposal of treasury stock   |                      |                 | (99)                  | (99)                  |                         |                                   |             |
| Cancellation of treasury stock                                     |                      |                 | (195,160)             | (195,160)             |                         |                                   |             |
| Transfer from retained earnings to capital surplus                 |                      |                 | 195,259               | 195,259               |                         | (195,259)                         | (195,259)   |
| Net changes in items other than stockholders' equity in the period | 1,501                | 1,500           | —                     | 1,500                 | —                       | (269,181)                         | (269,181)   |
| Balance at the end of the period                                   | ¥ 2,344,038          | ¥ 1,565,514     | ¥ —                   | ¥ 1,565,514           | ¥ 30,420                | ¥ 2,011,568                       | ¥ 2,041,988 |

|  | Millions of yen                                   |             |                          |                  |             |
|--|---|-------------|--------------------------|------------------|-------------|
|  | Valuation and translation adjustments             |             |                          |                  |             |
|  | Stockholders' equity                              |             |                          |                  |             |
|  | Net unrealized gains (losses) on other securities |             |                          |                  |             |
| Six months ended September 30, 2023                                | Treasury stock                                    | Total       | Stock acquisition rights | Total net assets |             |
| Balance at the beginning of the period                             | ¥ (151,798)                                       | ¥ 6,065,921 | ¥ (6,901)                | ¥ 1,145          | ¥ 6,060,165 |
| Changes in the period:   |   |             |                          |                  |             |
| Issuance of new stock  |   | 3,001       |                          | 3,001            |             |
| Cash dividends   |   | (168,077)   |                          | (168,077)        |             |
| Net income   |   | 94,155      |                          | 94,155           |             |
| Purchase of treasury stock   | (61,326)  | (61,326)    |                          | (61,326)         |             |
| Disposal of treasury stock   | 242   | 143         |                          | 143              |             |
| Cancellation of treasury stock                                     | 195,160   | —           |                          | —                |             |
| Transfer from retained earnings to capital surplus                 |   | —           |                          | —                |             |
| Net changes in items other than stockholders' equity in the period |   |             | 10,527                   | (142)            | 10,385      |
| Net changes in the period  | 134,076   | (132,103)   | 10,527                   | (142)            | (121,717)   |
| Balance at the end of the period                                   | ¥ (17,721)  | ¥ 5,933,818 | ¥ 3,626                  | ¥ 1,002          | ¥ 5,938,447 |

(Continued)

| Millions of yen  |                 |                 |                       |                       |                         |                                   |             |
|--|-----------------|-----------------|-----------------------|-----------------------|-------------------------|-----------------------------------|-------------|
| Stockholders' equity   |                 |                 |                       |                       |                         |                                   |             |
| Six months ended September 30, 2024                                | Capital surplus |                 |                       |                       | Retained earnings       |                                   |             |
|  | Capital stock   | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings |                                   | Total       |
|  |                 |                 |                       |                       | Voluntary reserve       | Retained earnings brought forward |             |
| Balance at the beginning of the period                             | ¥ 2,344,038     | ¥ 1,565,514     | ¥ —                   | ¥ 1,565,514           | ¥ 30,420                | ¥ 2,282,340                       | ¥ 2,312,760 |
| Changes in the period:   |                 |                 |                       |                       |                         |                                   |             |
| Issuance of new stock  | 1,922           | 1,922           |                       | 1,922                 |                         |                                   |             |
| Cash dividends   |                 |                 |                       |                       |                         | (177,382)                         | (177,382)   |
| Net income   |                 |                 |                       |                       |                         | 589,967                           | 589,967     |
| Purchase of treasury stock   |                 |                 |                       |                       |                         |                                   |             |
| Disposal of treasury stock   |                 |                 | (339)                 | (339)                 |                         |                                   |             |
| Cancellation of treasury stock                                     |                 |                 | (234,659)             | (234,659)             |                         |                                   |             |
| Transfer from retained earnings to capital surplus                 |                 |                 | 234,999               | 234,999               |                         | (234,999)                         | (234,999)   |
| Net changes in items other than stockholders' equity in the period |                 |                 |                       |                       |                         |                                   |             |
| Net changes in the period  | 1,922           | 1,922           | —                     | 1,922                 | —                       | 177,586                           | 177,586     |
| Balance at the end of the period                                   | ¥ 2,345,960     | ¥ 1,567,436     | ¥ —                   | ¥ 1,567,436           | ¥ 30,420                | ¥ 2,459,927                       | ¥ 2,490,347 |

| Millions of yen  |                                       |             |   |                          |                  |
|--|---------------------------------------|-------------|---|--------------------------|------------------|
| Stockholders' equity   |                                       |             |   |                          |                  |
| Six months ended September 30, 2024                                | Valuation and translation adjustments |             | Net unrealized gains (losses) on other securities | Stock acquisition rights | Total net assets |
|  | Treasury stock                        | Total       |   |                          |                  |
|  |                                       |             |   |                          |                  |
| Balance at the beginning of the period                             | ¥ (167,671)                           | ¥ 6,054,642 | ¥ 19,758  | ¥ 931                    | ¥ 6,075,333      |
| Changes in the period:   |                                       |             |   |                          |                  |
| Issuance of new stock  |                                       | 3,844       |   |                          | 3,844            |
| Cash dividends   |                                       | (177,382)   |   |                          | (177,382)        |
| Net income   |                                       | 589,967     |   |                          | 589,967          |
| Purchase of treasury stock   | (101,576)                             | (101,576)   |   |                          | (101,576)        |
| Disposal of treasury stock   | 486                                   | 147         |   |                          | 147              |
| Cancellation of treasury stock                                     | 234,659                               | —           |   |                          | —                |
| Transfer from retained earnings to capital surplus                 |                                       | —           |   |                          | —                |
| Net changes in items other than stockholders' equity in the period |                                       |             | (13,624)  | (141)                    | (13,765)         |
| Net changes in the period  | 133,569                               | 315,000     | (13,624)  | (141)                    | 301,235          |
| Balance at the end of the period                                   | ¥ (34,101)                            | ¥ 6,369,643 | ¥ 6,134   | ¥ 790                    | ¥ 6,376,568      |

(Continued)

| Millions of U. S. dollars  |                 |                 |                       |                       |                         |                                   |           |
|--|-----------------|-----------------|-----------------------|-----------------------|-------------------------|-----------------------------------|-----------|
| Stockholders' equity   |                 |                 |                       |                       |                         |                                   |           |
| Six months ended September 30, 2024                                | Capital surplus |                 |                       |                       | Retained earnings       |                                   |           |
|  | Capital stock   | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings |                                   | Total     |
|  |                 |                 |                       |                       | Voluntary reserve       | Retained earnings brought forward |           |
| Balance at the beginning of the period                             | \$ 16,413       | \$ 10,961       | \$ —                  | \$ 10,961             | \$ 213                  | \$ 15,981                         | \$ 16,194 |
| Changes in the period:   |                 |                 |                       |                       |                         |                                   |           |
| Issuance of new stock  | 13              | 13              |                       | 13                    |                         |                                   |           |
| Cash dividends   |                 |                 |                       |                       |                         | (1,242)                           | (1,242)   |
| Net income   |                 |                 |                       |                       |                         | 4,131                             | 4,131     |
| Purchase of treasury stock   |                 |                 |                       |                       |                         |                                   |           |
| Disposal of treasury stock   |                 |                 | (2)                   | (2)                   |                         |                                   |           |
| Cancellation of treasury stock                                     |                 |                 | (1,643)               | (1,643)               |                         |                                   |           |
| Transfer from retained earnings to capital surplus                 |                 |                 | 1,645                 | 1,645                 |                         | (1,645)                           | (1,645)   |
| Net changes in items other than stockholders' equity in the period |                 |                 |                       |                       |                         |                                   |           |
| Net changes in the period  | 13              | 13              | —                     | 13                    | —                       | 1,243                             | 1,243     |
| Balance at the end of the period                                   | \$ 16,426       | \$ 10,975       | \$ —                  | \$ 10,975             | \$ 213                  | \$ 17,224                         | \$ 17,437 |

| Millions of U. S. dollars  |                |           |   |                          |                  |
|--|----------------|-----------|---|--------------------------|------------------|
| Stockholders' equity   |                |           |   |                          |                  |
| Six months ended September 30, 2024                                | Treasury stock | Total     | Valuation and translation adjustments             | Stock acquisition rights | Total net assets |
|  |                |           | Net unrealized gains (losses) on other securities |                          |                  |
| Balance at the beginning of the period                             | \$ (1,174)     | \$ 42,394 | \$ 138  | \$ 7                     | \$ 42,538        |
| Changes in the period:   |                |           |   |                          |                  |
| Issuance of new stock  |                | 27        |   |                          | 27               |
| Cash dividends   |                | (1,242)   |   |                          | (1,242)          |
| Net income   |                | 4,131     |   |                          | 4,131            |
| Purchase of treasury stock   | (711)          | (711)     |   |                          | (711)            |
| Disposal of treasury stock   | 3              | 1         |   |                          | 1                |
| Cancellation of treasury stock                                     | 1,643          | —         |   |                          | —                |
| Transfer from retained earnings to capital surplus                 |                | —         |   |                          | —                |
| Net changes in items other than stockholders' equity in the period |                |           | (95)  | (1)                      | (96)             |
| Net changes in the period  | 935            | 2,206     | (95)  | (1)                      | 2,109            |
| Balance at the end of the period                                   | \$ (239)       | \$ 44,599 | \$ 43   | \$ 6                     | \$ 44,648        |