

ANNUAL REPORT 2025

Year Ended March 31, 2025



Corporate Data

(As of March 31, 2025)

Head Office

1-2, Nanukamachi 3-chome, Yamagata
990-8642, Japan
Phone:+81 23 623 1221
URL:<https://www.yamagatabank.co.jp/>

Date of Establishment

April 14, 1896

Paid-in Capital

¥12,008million

Stock Exchange Listing

Tokyo Stock Exchange

Credit Rating

A (JCR)

CONTENTS

Message from Management	1
Management policies 21st Long-Term Business Plan: “Pro-Act”	2
Five-Year Financial Highlights	4
Independent Auditor's Report	5
Review of Operations	11
Financial Statements	12
Corporate Data	40

Toward a sustainable society — Sustainability initiatives —

Based on the management philosophy “to grow and develop with our regional community,” Yamagata Bank aims to contribute to the achievement of sustainable local community through our business activities and we have launched sustainability initiatives, such as nurturing regional industries and preserving the environment.

Sustainability Policy

Pursuant to our company credo “to grow and develop with our regional community” and as a company responsible for promoting regional growth, the Yamagata Bank Group will seriously address the challenges our community issues and thereby contribute to the realization of a sustainable regional community.

5 Materialities (Core Focus Areas)

- Supporting Sustainable Growth of Regional Economy / Nurturing Regional Industries
- Driving Environmental Protection and Climate Change Response
- Fostering a Prosperous Local Community
- Improving Employee Engagement
- Strengthening Corporate Governance

Supporting Sustainable Growth of Regional Economy / Nurturing Regional Industries



Strengthening core business with a customer-oriented approach

Initiatives to support manufacturers

Accompanying support through ICT consulting

Collaboration agreement with Yamagata University on DX

Support for the automotive industry with a view to EVs

Corporate hometown Tax payment

SDGs/ESG Consulting

Providing appropriate product services according to life events

Driving Environmental Protection and Climate Change Response



Eco-friendly new head office building under construction

Forest Conservation Activities “Gurutto Hanagasa no Mori”

Introduction of electricity derived from renewable energy sources

Fostering a Prosperous Local Community



Promoting Sports with the “Lyers”

For the children of tomorrow

Preventing damage caused by special fraud, etc.

Improving Employee Engagement



Initiatives for Health Management

Fostering a Corporate Culture that embraces Challenge

Improving Employee Engagement

Strengthening Corporate Governance



Communication opportunities with stakeholders

Initiatives for Corporate Value Enhancement

Reduction of Cross-shareholdings

Message from Management

Yamagata Prefecture, the location of Yamagata Bank's main business area, is about 300 kilometers north of Tokyo and belongs to the Tohoku region of Japan. Yamagata City, where our head office is located, is near Sendai, the largest city in the Tohoku region, and they have active economic ties. Yamagata Prefecture has a population of approximately 1.00 million people and is home to agriculture, including rice and cherries, as well as a thriving manufacturing industry that produces a wide range of products from traditional crafts to electronics.

The domestic economy is on a path of gradual recovery. Although the prolonged price hike has intensified the burden on households, wage growth is gaining momentum, and domestic demand remains firm. In March of last year, Bank of Japan raised the interest rates for its first time in seventeen years, bringing an end to its historic negative interest rate policy. Meanwhile, external demand has shown signs of weakness amid a slowdown in overseas economies. Looking ahead, close attention must be paid to potential impacts stemming from U.S. tariff policy.

Against this backdrop, the regional economy of Yamagata Prefecture has remained flat overall. The weak external demand has weighed heavily on its core manufacturing sector, which has recently shown signs of stagnation.

We are working to provide a wide range of management advice to our client companies, going beyond just financing support, such as building sustainable business models that respond to economic and social changes. In Japan, where population decline due to a decreasing birthrate and aging population is progressing, we believe that it is our mission as a regional financial institution to support the sustainable local communities.

Amid these circumstances, with the support of our shareholders and customers, our executives and employees have worked together to further strengthen our management structure and continue to make efforts to improve our performance. As a result, the revenue decreased for the fiscal year but net profit increased.

In April 2024, we launched our 21st Long-Term Business Plan, "Pro-Act," covering the fiscal years 2024 through 2026. Now in its second year, this plan marks Phase Two of our long-term vision aimed at realization by 2030. Building on the transformations undertaken in the previous long-term business plan, we remain committed to further enhancing our professional expertise ("Pro") while encouraging proactive engagement ("Act") among all officers and employees. It is through these efforts that we aim to improve our corporate value.

Furthermore, in order to address the increasingly diverse and complex needs of our customers, we are strengthening the development of professional talent who will be able to offer advanced consulting capabilities and specialized expertise. In addition, we continue to enhance our AML/CFT governance and strengthen our Cybersecurity initiatives.

We would like to ask all of you for your continued support and patronage.



Eiji Sato
President

A handwritten signature in black ink that reads "E. Sato". The signature is stylized and fluid.

Management Policies

21st Long-term Business Plan: "Pro-Act" (April 2024—March 2027)

We have formulated our 21st Long-term Business Plan, "Pro-Act," for a three-year period (April 2024 to March 2027). This long-term plan toward the realization of our long-term vision in 2030, which is to become "A hybrid company offering financial / business participation customers and maximizes the potential of our region." Based on the changes we undertook in the previous long-term business plan, we expertise and improve our corporate value by taking proactive action of every employee and officer.

Business Resources Supporting The Yamagata Bank (end of March, 2024)



Financial Capital

Trusted Reliability and Safety

- Capital adequacy ratio
(Basel III Domestic Standards, consolidated) **10.32%**
- Credit Rating
(Japan Credit Rating Agency, Ltd.) **A**



Human Resources

Financial expertise and broad ranged problem-solving skill Organizational system corresponding to diversity

- Number of employees **1,116**
- Utilizing specialist qualifications
1st grade of Certified Financial Planner, Securities analysts, Real estate appraisers, Small and medium enterprise management consultants, Real estate transaction agent, Certified public accountants, Information Technology Strategist, etc.
- Awarded "Platinum Kurumin" certification
First time ever to be awarded in Japan: April 2015
- Awarded "Platinum Kurumin Plus" certification
First financial institution in Tohoku region and Yamagata Prefecture :May 2023
- Health and productivity superior corporation (Large corporation division): Certified, **8**consecutive years



Knowledge Resources

Group management system capable of providing comprehensive financial information services

- Group companies **7**companies
- History and tradition founded **129**years ago



Social Resources

Abundant network of branches and high market share

- Number of branch offices **84**branches
(Number of branches with counter: 51/Number of branch-in-branch offices: 33)
- Number of ATM devices **249**units
- Unmanned service areas **120**locations

Business Model

Management Philosophy

Grow and develop together with the regional community, satisfy all of our customers, and give our employees stability and opportunities.

20 Long-Term

A hybrid company offering financial / value together with our customers and

Phase_3

21st Long-term Business Plan

Pro

Values we want

Trust

Maximizing the "value" of our group and becoming "the entity that customers can rely on most"

Gro

Practicing management" "Yamagata that of in the future"

Priority Strategy ①
Customer-oriented sales structure

Priority Strategy ③
Improving core business profits and managing our business amid rising interest rates

Priority Strategy ④
Human capital management/ professional human resources

Phase_2

20th Long-Term Business Plan April 2021 to March 2024

TRANS

Transforming into a wide-area sales system

Developing new consulting

Phase_1

External environment



Depopulation, and decreasing birthrate and aging population



Anxieties and concerns of prefectural residents



Decrease in the number of companies



Advancement of digitalization

Our vision
for the
future:

Grow and develop together with
the local community to realize a
sustainable local community.

business plan is positioned as Phase 2
that creates value together with our
will further enhance our organizational

Sustainability Policy

Pursuant to our management philosophy "to grow and develop with our regional community" and as a company responsible for promoting regional growth, the Yamagata Bank Group will seriously address the challenges our community issues and thereby contribute to the realization of a sustainable regional community.

30

Vision

business participation that creates
maximizes the potential of our region.

2027 > 2030

-Ac+

to cherish

with

"sustainability
and creating a
we can be proud

Well-being

Fostering a "corporate culture that
enjoys challenges" and enhancing
the "wellbeing" of all of our officers
and employees

Priority Strategy ②

Strengthening our consulting
business and expanding
our business area

Priority Strategy ⑤

DX strategy

Priority Strategy ⑥

Reconstructing our
securities portfolio

2024 > 2026

FORM

Responding to COVID-19 and
Challenging the Hybrid Company

and business fields

Securities investment and utilization of risk appetite framework

2021 > 2023

Providing Value to Our Stakeholders

Our Regional Community

- Working for sustainable development; regional renewal.
- Revitalization of regional economy; nurturing industry.
- Commitment to environmental protection.

Our Customers

- Creating value together with our customers by helping to resolve their issues.
- Supporting stable asset building and asset succession for our customers.

Our Shareholders

- Medium-to Long-Term Enhancement of Corporate Value.

Our Employees and Officers

- Positive work environment.
- Widespread support for Human Resource Development.
- Supporting various working styles and diversity.

Business objectives (FY2030 target)

Profitability Current net income (non-consolidated) **7.5** billion yen

Efficiency ROE (consolidated) **5%**

Soundness Capital adequacy ratio (non-consolidated) **9%** or more



Our Commitment to Achieving ESG Management and SDGs

We incorporate ESG (Environment, Social, Governance) perspectives into our management with the aim of improving corporate value over the medium to long term. As a community-based banking group, we will contribute to the achievement of the SDGs through our comprehensive financial services.



More mobility of
human resources



Growth of the
prefectural economy



Changes in
interest rate policy



Deregulation due to
revision of Banking Act



Climate change and
environmental issues



Dramatically changing
global situation

Five-Year Financial Highlights

Yen: In millions except per share data and percentages

U.S. dollars: In thousands except per share data and percentages

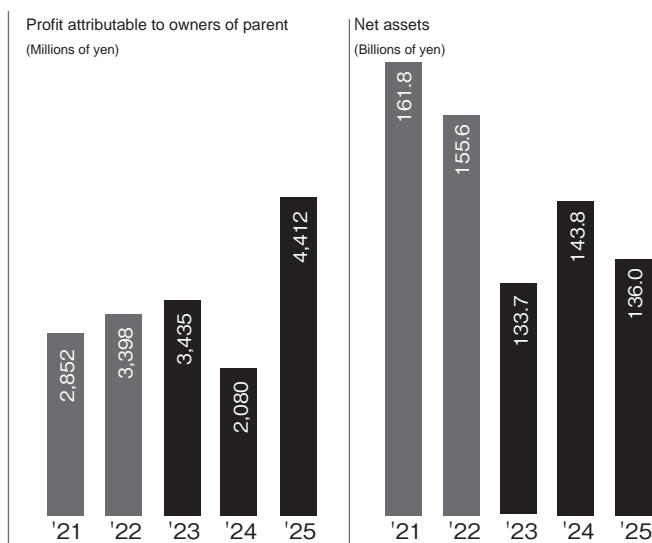
Years ended March 31

	2025	2024	2023	2022	2021	2025
	(Millions of yen)					(Thousands of U.S. dollars)
For the fiscal year:						
Ordinary income	¥ 52,861	¥ 55,097	¥ 51,184	¥ 44,026	¥ 41,225	\$ 353,538
Ordinary expenses	46,355	51,334	45,646	38,536	36,386	310,028
Profit before income taxes	6,384	3,432	4,996	5,367	4,264	42,698
Profit attributable to owners of parent	4,412	2,080	3,435	3,398	2,852	29,511
At the fiscal year-end						
Assets	¥ 3,164,251	¥ 3,146,366	¥ 3,144,460	¥ 3,538,352	¥ 3,128,968	\$ 21,162,731
Loans and bills discounted	2,031,593	1,941,891	1,793,470	1,709,107	1,739,782	13,587,437
Securities	813,367	893,825	977,273	1,087,504	901,513	5,439,855
Liabilities	3,028,249	3,002,560	3,010,730	3,382,723	2,967,155	20,253,137
Deposits	2,847,255	2,774,302	2,746,286	2,707,646	2,579,349	19,042,639
Net assets	136,002	143,805	133,729	155,628	161,812	909,594
Amounts per share						
					(Yen)	(U.S. dollars)
Cash dividends	¥ 45.00	¥ 35.00	¥ 35.00	¥ 35.00	¥ 30.00	\$ 0.30
Profit attributable to owners of parent	138.17	65.03	107.4	104.86	87.5	0.92
Diluted profit attributable to owners of parent ...	—	—	—	—	—	—
Net assets	4,295.28	4,489.44	4,174.44	4,861.13	4,957.12	28.73
Ratios:						
Capital adequacy ratio (Domestic standard)	10.32%	10.37%	10.73%	10.39%	10.79%	

Notes 1 : U.S. dollars represent transactions, for the convenience of readers, at ¥ 149.52=U.S.\$1.00 the rate prevailing on March 31, 2025.

2 : Diluted profit attributable to owners of parent for the fiscal year ended March 31, 2025, 2024, 2023, 2022 and 2021 is not listed because there are no potentially dilutive shares.

The graph contains consolidated data.



Independent Auditor's Report

The Board of Directors
The Yamagata Bank, Ltd

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Yamagata Bank, Ltd and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Classification of material debtors for which there are concerns about business performance	
Description of Key Audit Matter	Auditor's Response
The Yamagata Bank, Ltd. and its consolidated subsidiaries (the Group) are engaged in the banking business with a business base mainly in Yamagata Prefecture, and the lending business is the Group's core business activity. The loans included in the consolidated balance sheet at the end of the fiscal year ended March 31, 2025 totaled 2,031,593 million yen (64.2% of total assets).	In considering the appropriateness of the classification of debtors, we mainly performed the following audit procedures:

<p>The collectability of loans recorded by the Group is subject to uncertainties due to economic trends in Japan and overseas, particularly regional economic trends, changes in the financial and economic environment (e.g., fluctuations in interest rates and stock prices), deterioration in the business performance and financial position of debtors depending on the success or failure of their business, and changes in the value of collateral such as real estate.</p> <p>As such, the Group calculates the amount of expected losses of loans that will not be collected based on the classification of debtors, the status of credit protection, and the historical loan loss ratio, and records that amount as an allowance for loan losses.</p> <p>The allowance for loan losses included in the consolidated balance sheet at the end of the fiscal year ended March 31, 2025 was 8,911 million yen as described in g. “Allowance for Loan Losses” of Note 3 “Summary of Significant Accounting Policies” in Notes to Consolidated Financial Statements, and details for calculating method of the allowance for loan losses are described in the same section of Notes to Consolidated Financial Statements.</p> <p>The allowance for loan losses is calculated in accordance with the Group’s predetermined standards for self-assessment and for write-offs and allowances. The calculation process includes the classification of debtors which is determined by evaluating the business performance, financial position and repayment status of debtors and the future outlook thereof.</p> <p>As described in t. “Significant Accounting Estimates” of Note 3 “Summary of Significant Accounting Policies” to the Consolidated Financial Statements, the key assumption underlying the calculation of the allowance for loan losses is “the future outlook for individual debtor performance etc. in determining debtor classification.”</p> <p>In addition, when debtors for which there are concerns about business performance prepare business improvement plans, the Group evaluates the reasonableness and feasibility of the business improvement plans and considers</p>	<ul style="list-style-type: none"> • We evaluated the Group’s internal controls for ensuring the accuracy of the classification of debtors, credit rating data underlying such classification, and the financial information of debtors upon which classifications and credit ratings are based, and compliance with regulations and the like as it relates to the foregoing. • In order to consider the appropriateness of the classification of individual debtors, we selected a sample of debtors for consideration, taking into account the debtors’ business type, operating area, degree of deterioration in business performance or financial position, and repayment status. We also considered the monetary impact of the changes in debtor classification on the amount recorded in the allowance for loan losses. Additionally, to identify risk scenarios where credit risk is expected to increase due to factors such as the external environment, and to select debtors who may face a deterioration in future business performance, we utilized self-assessment anomaly detection tools (i.e., tools used in audits of self-assessments to support the selection of audit samples, which help identify the credit risks by visualizing them from the perspective of industry, branch office, region, and other factors, based on the debtor’s credit and financial information, as well as identify discrepancies between the debtor classification of each debtor based on the debtor classification estimation model using machine learning for each debtor and the debtor classification determined by the Group). In performing analysis, we visualized the distribution of the type of business, operating area, and debtor classification and a combination of multiple financial indicators of each debtor (e.g., a combination of capital amounts and debt capacity ratio) to identify measures such as certain level of bias, and taking into account these results, we selected an additional sample of debtors whose credit risk is assumed to be high. • We performed the following audit procedures to consider the appropriateness
--	--

<p>these plans to be an important factor related to future outlook in the classification of debtors.</p> <p>The future outlook for business performance, which include evaluations of the reasonableness and feasibility of business improvement plans of debtors for which there are concerns about business performance, involve significant uncertainty and are highly dependent on management's judgment since such future outlook are affected by changes in the business environment surrounding debtors, such as the prolonged rise in prices and the success or failure of debtors' business strategies. Currently, there is rising uncertainty about the future outlook for business performance for certain debtors due to the persistent effects of the soaring consumer prices and labor shortages. In addition, if the allowance for loan losses significantly increases or decreases due to the classification of financially material debtors, it may have a significant impact on the Group's financial position and operating results.</p> <p>Accordingly, we have determined that the classification of material debtors for which there are concerns about business performance is a key audit matter.</p>	<p>of the classification of debtors for the debtors selected for consideration:</p> <ul style="list-style-type: none"> -We evaluated data regarding sampled debtors' recent repayment status, financial position, and business performance by inspecting a set of materials related to self-assessment conducted by the Group, such as debtor-related explanatory materials including a description of the business, borrowing and repayment status, research materials that provide details of actual financial position, financial statements, and the trial balance. In addition, we made inquiries of the divisions responsible for loans as necessary to confirm our understanding. -We considered the appropriateness of the Group's evaluations of the reasonableness and feasibility of business improvement plans taking into account the impact of the prolonged rise in prices on the future outlook for major items such as sales, cost of sales, and selling, general and administrative expenses in business improvement plans prepared by debtors. Our procedures also consisted of conducting trend analysis based on past results, evaluating whether the debtor had historically achieved its previous business improvement plans, analyzing the latest monitoring conducted by the Group, and making comparisons with available external information such as that related to the industry to which the debtors belong.
---	---

Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of The Yamagata Bank, Ltd and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 56 million yen and 2 million yen, respectively.

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

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

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 29, 2025

久保澤 和彦

Kazuhiko Kubosawa

Designated Engagement Partner

Certified Public Accountant

Review of Operations

The Conditions of Consolidated Accounts

The general situation in this term (from April 1, 2024 to March 31, 2025)

Deposits and negotiable certificates of deposit

Deposits and negotiable certificates of deposit increased by 41.7 billion yen during the current fiscal year, primarily due to an increase in individual and public deposits. As a result, the balance of deposits and negotiable certificates of deposit at the end of the current fiscal year stood at 2,881.2 billion yen.

Deposited financial assets

Deposited financial assets increased by 7.5 billion yen during the current fiscal year, due to an increase in investment trusts and life insurance. As a result, the balance of deposited financial assets at the end of the current fiscal year stood at 342.5 billion yen.

Loans and bills discounted

Loans and bills discounted increased by 89.7 billion yen during the current fiscal year, due to an increase in loans to businesses and individuals. As a result, the balance of loans and bills discounted at the end of the current fiscal year stood at 2,031.5 billion yen.

Securities

Securities decreased by 80.4 billion yen during the current fiscal year, mainly due to a decrease in investment trusts and other securities such as foreign currency denominated securi-

ties and the balance of securities at the end of the current fiscal year was 813.3 billion yen.

Profit and loss

Ordinary income decreased by 2,235 million yen compared to the previous fiscal year to 52,861 million yen, mainly due to a decrease in interest income such as interest and dividends on securities. Ordinary expenses decreased by 4,978 million yen compared to the previous fiscal year to 46,355 million yen, mainly due to a decrease in other ordinary expenses such as losses on sales of bonds. As a result, ordinary profit increased 2,742 million yen compared to the previous fiscal year to 6,505 million yen, and profit attributable to owners of parent increased 2,332 million yen, compared to the previous fiscal year, to 4,412 million yen.

Results by business segment

In the banking segment, ordinary income decreased by 2,747 million yen compared to the previous fiscal year to 45,899 million yen, while segment profit increased by 2,197 million yen to 5,617 million yen. In the leasing segment, ordinary income increased by 8 million yen compared to the previous fiscal year to 5,890 million yen, whereas segment profit decreased by 19 million yen to 210 million yen. In the credit guarantee segment, ordinary income increased by 23 million yen compared to the previous fiscal year to 900 million yen, and segment profit increased by 21 million yen compared to the previous fiscal year to 732 million yen. In other businesses, ordinary income increased by 62 million yen compared to the previous fiscal year to

1,729 million yen, and segment profit increased by 55 million yen compared to the previous fiscal year to 364 million yen.

Cash flows

Cash flows from operating activities were an outflow of 42.7 billion yen (a decrease of outflow of 102.5 billion yen compared to the previous fiscal year) due to an increase in loans and bills discounted.

Cash flows from investing activities were an inflow of 56.9 billion yen (a decrease of inflow of 37.2 billion yen compared to the previous fiscal year) due to the proceeds from sales and redemption of securities exceeding the acquisition of securities.

Cash flows from financing activities were an outflow of 1.6 billion yen (an decrease of outflow of 0.5 billion yen compared to the previous fiscal year) due to outflows such as dividend payments and the acquisition of treasury shares.

As a result, cash and cash equivalents increased by 12.5 billion yen during the fiscal year, and the balance at the end of the fiscal year stood at 201.1 billion yen.

Financial Statements

Consolidated Balance Sheet

As of March 31, 2025 and 2024

Assets

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S.dollars)(Note2)
Cash and due from banks (Note 19)	¥ 206,595	¥ 197,119	\$ 1,381,722
Call loans and bills bought	2,469	8,930	16,519
Monetary claims bought	3,858	4,700	25,803
Money held in trust	20,815	16,359	139,216
Securities (Note 4, 5, 7, 11 and 22)	813,367	893,825	5,439,855
Loans and bills discounted (Note 6 and 7)	2,031,593	1,941,891	13,587,437
Foreign exchanges	947	983	6,335
Other assets (Note 7)	46,487	47,457	310,911
Property, plant and equipment (Note 10)	19,044	17,055	127,370
Buildings, net (Note 9)	6,910	7,032	46,220
Land (Note 8)	7,496	7,862	50,138
Construction in progress	2,590	361	17,322
Other, net (Note 9)	2,046	1,799	13,689
Intangible assets	2,984	3,375	19,959
Software	2,784	3,174	18,619
Other	200	200	1,339
Assets for retirement benefits (Note 26)	6,632	5,895	44,357
Deferred tax assets (Note 27)	7,335	4,875	49,061
Customer's liabilities for acceptances and guarantees	11,032	12,522	73,783
Allowance for loan losses	(8,911)	(8,624)	(59,602)
Assets	¥ 3,164,251	¥ 3,146,366	\$ 21,162,731

Liabilities and Net Assets

Liabilities

Deposits (Note 7)	¥ 2,847,255	¥ 2,774,302	\$ 19,042,639
Negotiable certificates of deposit	33,981	65,219	227,273
Call money and bills sold	12,410	14,838	83,000
Borrowed money (Note 7)	106,604	119,633	712,979
Foreign exchanges	91	123	614
Other liabilities	15,158	14,121	101,380
Provision for bonuses for directors	62	18	419
Liabilities for retirement benefits (Note 26)	48	51	324
Provision for retirement benefits for directors	21	16	143
Provision for share payments of board incentive plan	154	130	1,035
Provision for reimbursement of deposits	65	86	439
Provision for contingent loss	228	283	1,529
Provision for loss on interest repayment	—	56	—
Deferred tax liabilities (Note 27)	0	48	0
Deferred tax liabilities for land revaluation (Note 8)	1,132	1,106	7,576
Acceptance and guarantees	11,032	12,522	73,783
Liabilities	¥ 3,028,249	¥ 3,002,560	\$ 20,253,137

Net Assets

Shareholders' equity (Note 17 and 32)			
Share capital	¥ 12,008	¥ 12,008	\$ 80,314
Capital surplus	10,215	10,215	68,324
Retained earnings	132,228	129,520	884,354
Treasury shares	(773)	(882)	(5,170)
Shareholders' equity	153,680	150,862	1,027,823
Valuation difference on available-for-sale securities (Note 22)	(20,957)	(10,567)	(140,164)
Deferred gains or losses on hedges	(129)	(374)	(866)
Revaluation reserve for land (Note 8)	1,299	1,354	8,693
Retirement benefits liability adjustments	1,928	2,352	12,900
Accumulated other comprehensive income	(17,858)	(7,234)	(119,437)
Non-controlling interests	180	177	1,208
Net assets	¥ 136,002	¥ 143,805	\$ 909,594
Liabilities and net assets	¥ 3,164,251	¥ 3,146,366	\$ 21,162,731

Consolidated Statements of Income and Comprehensive Income

For the years ended March 31, 2025 and 2024

Consolidated Statements of Income

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S.dollars)(Note2)
Ordinary income	¥ 52,861	¥ 55,097	\$ 353,538
Interest income	31,044	33,444	207,630
Interest on loans and bills discounted	20,388	18,770	136,361
Interest and dividends on securities	9,971	14,420	66,690
Interest on call loans and bills bought	291	183	1,948
Interest on deposits with banks	330	11	2,209
Other interest income	63	57	421
Fees and commissions	8,493	8,092	56,806
Other ordinary income	6,485	7,205	43,375
Other income	6,836	6,354	45,725
Recoveries of written off receivables	15	14	102
Other (Note 12)	6,821	6,339	45,623
Ordinary expenses	46,355	51,334	310,028
Interest expenses	5,122	5,391	34,262
Interest on deposits	3,451	2,537	23,083
Interest on negotiable certificates of deposit	43	5	290
Interest on call money and bills sold	744	958	4,978
Interest on payables under securities lending transactions	46	607	308
Interest on borrowed money	626	975	4,189
Other interest expenses	211	307	1,412
Fees and commissions payments	2,422	2,498	16,199
Other ordinary expenses	16,008	21,466	107,068
General and administrative expenses (Note 13)	20,655	20,555	138,147
Other expenses	2,145	1,422	14,351
Provision of allowance for loan losses	647	148	4,330
Other (Note 14)	1,498	1,273	10,020
Ordinary profit	6,505	3,762	43,509
Extraordinary income	1	—	9
Gain on disposal of non-current assets	1	—	9
Extraordinary losses	122	329	821
Loss on disposal of non-current assets	55	304	369
Impairment loss (Note 15)	67	24	451
Profit before income taxes	6,384	3,432	42,698
Income taxes -current	1,795	520	12,008
Income taxes -deferred (Note 27)	164	830	1,097
Income taxes	1,959	1,350	13,105
Profit	4,424	2,082	29,592
Profit attributable to non-controlling interests	12	2	80
Profit attributable to owners of parent	¥ 4,412	¥ 2,080	\$ 29,511

Consolidated Statements of Comprehensive Income

Profit	¥ 4,424	¥ 2,082	\$ 29,592
Other comprehensive income (Note 16)	(10,605)	9,118	(70,929)
Valuation difference on available-for-sale securities	(10,390)	7,583	(69,491)
Deferred gains or losses on hedges	244	224	1,637
Revaluation reserve for land	(35)	—	(240)
Retirement benefits liability adjustments	(423)	1,311	(2,834)
Comprehensive income	(6,180)	11,201	(41,337)
Comprehensive income attributable to owners of parent	(6,192)	11,199	(41,417)
Comprehensive income attributable to non-controlling interests	12	2	80

Consolidated Statements of Changes in Equity

For the year ended March 31, 2025	Shareholders' equity				(Millions of yen)
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of April 1, 2024	¥ 12,008	¥ 10,215	¥ 129,520	¥ (882)	¥ 150,862
Changes during period					
Dividends of surplus			(1,124)		(1,124)
Profit attributable to owners of parent			4,412		4,412
Acquisition of treasury shares				(1,075)	(1,075)
Disposal of treasury shares		(143)		730	586
Cancellation of treasury shares		(454)		454	—
Transfer from retained earnings to capital surplus		598	(598)		—
Reversal of revaluation reserve for land			18		18
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,708	109	2,817
Balance as of March 31, 2025	¥ 12,008	¥ 10,215	¥ 132,228	¥ (773)	¥ 153,680

For the year ended March 31, 2025	Shareholders' equity				(Thousands of U.S.Dollar)
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2024	\$ 80,314	\$ 68,324	\$ 866,243	\$ (5,902)	\$ 1,008,978
Changes during period					
Dividends of surplus			(7,520)		(7,520)
Profit attributable to owners of parent			29,511		29,511
Acquisition of treasury shares				(7,191)	(7,191)
Disposal of treasury shares		(961)		4,883	3,922
Cancellation of treasury shares		(3,040)		3,040	—
Transfer from retained earnings to capital surplus		4,001	(4,001)		—
Reversal of revaluation reserve for land			121		121
Net changes in items other than shareholders' equity					
Total changes during period	—	—	18,111	732	18,844
Balance as of March 31, 2025	\$ 80,314	\$ 68,324	\$ 884,354	\$ (5,170)	\$ 1,027,823

For the year ended March 31, 2024	Shareholders' equity				(Millions of yen)
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of April 1, 2023	¥ 12,008	¥ 10,215	¥ 128,946	¥ (881)	¥ 150,288
Changes during period					
Dividends of surplus			(1,124)		(1,124)
Profit attributable to owners of parent			2,080		2,080
Acquisition of treasury shares				(1)	(1)
Reversal of revaluation reserve for land			(381)		(381)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	574	(1)	573
Balance as of March 31, 2024	¥ 12,008	¥ 10,215	¥ 129,520	¥ (882)	¥ 150,862

For the year ended March 31, 2025	Accumulated other comprehensive income					(Millions of yen)	
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of April 1, 2024	¥ (10,567)	¥ (374)	¥ 1,354	¥ 2,352	¥ (7,234)	¥ 177	¥ 143,805
Changes during period							
Dividends of surplus							(1,124)
Profit attributable to owners of parent							4,412
Acquisition of treasury shares							(1,075)
Disposal of treasury shares							586
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Reversal of revaluation reserve for land							18
Net changes in items other than shareholders' equity	(10,390)	244	(54)	(423)	(10,623)	2	(10,620)
Total changes during period	(10,390)	244	(54)	(423)	(10,623)	2	(7,803)
Balance as of March 31, 2025	¥ (20,957)	¥ (129)	¥ 1,299	¥ 1,928	¥ (17,858)	¥ 180	¥ 136,002

For the year ended March 31, 2025	Accumulated other comprehensive income					(Thousands of U.S.Dollar)	
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of April 1, 2024	\$ (70,672)	\$ (2,503)	\$ 9,055	\$ 15,735	\$ (48,385)	\$ 1,188	\$ 961,782
Changes during period							
Dividends of surplus							(7,520)
Profit attributable to owners of parent							29,511
Acquisition of treasury shares							(7,191)
Disposal of treasury shares							3,922
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Reversal of revaluation reserve for land							121
Net changes in items other than shareholders' equity	(69,491)	1,637	(362)	(2,834)	(71,051)	19	(71,031)
Total changes during period	(69,491)	1,637	(362)	(2,834)	(71,051)	19	(52,187)
Balance as of March 31, 2025	\$ (140,164)	\$ (866)	\$ 8,693	\$ 12,900	\$ (119,437)	\$ 1,208	\$ 909,594

For the year ended March 31, 2024	Accumulated other comprehensive income					(Millions of yen)	
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of April 1, 2023	¥ (18,150)	¥ (598)	¥ 972	¥ 1,041	¥ (16,734)	¥ 175	¥ 133,729
Changes during period							
Dividends of surplus							(1,124)
Profit attributable to owners of parent							2,080
Acquisition of treasury shares							(1)
Reversal of revaluation reserve for land							(381)
Net changes in items other than shareholders' equity	7,583	224	381	1,311	9,500	2	9,502
Total changes during period	7,583	224	381	1,311	9,500	2	10,075
Balance as of March 31, 2024	¥ (10,567)	¥ (374)	¥ 1,354	¥ 2,352	¥ (7,234)	¥ 177	¥ 143,805

Consolidated Statements of Cash Flows

For the years ended March 31, 2025 and 2024

	2025	2024	2025
	(Millions of yen)	(Millions of yen)	(Thousands of U.S. dollars)(Note 2)
Cash flows from operating activities			
Profit before income taxes	¥ 6,384	¥ 3,432	\$ 42,698
Depreciation	1,998	1,921	13,364
Impairment loss	67	24	451
Increase (decrease) in allowance for loan losses	287	(19)	1,923
Increase (decrease) in provision for bonuses for directors	44	(4)	295
Decrease (increase) in assets for retirement benefits	(737)	(2,482)	(4,930)
Increase (decrease) in liabilities for retirement benefits	(3)	(0)	(21)
Increase (decrease) in provision for loss on interest repayment	(56)	—	(378)
Increase (decrease) in provision for retirement benefits for directors	4	4	30
Increase (decrease) in provision for share payments of board incentive plan	23	33	159
Increase (decrease) in provision for reimbursement of deposits	(20)	3	(135)
Increase (decrease) in provision for contingent loss	(55)	47	(370)
Interest income	(31,044)	(33,444)	(207,630)
Interest expenses	5,122	5,391	34,262
Loss (gain) related to securities	3,187	6,015	21,321
Loss (gain) on money held in trust	(350)	(194)	(2,346)
Foreign exchange loss (gain) , net	288	(14,000)	1,929
Loss (gain) on disposal of non-current assets	53	304	360
Net decrease (increase) in loans and bills discounted	(89,702)	(148,420)	(599,937)
Net increase (decrease) in deposits	72,952	28,015	487,914
Net increase (decrease) in negotiable certificates of deposit	(31,237)	(14,669)	(208,916)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(13,029)	(224)	(87,140)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	3,099	400	20,731
Net decrease (increase) in call loans	7,302	12,612	48,839
Net increase (decrease) in call money	(2,428)	1,485	(16,238)
Net increase (decrease) in payables under securities lending transactions	—	(20,431)	—
Net decrease (increase) in foreign exchanges-assets	35	(83)	238
Net increase (decrease) in foreign exchanges-liabilities	(31)	77	(208)
Interest received	30,064	32,393	201,074
Interest paid	(5,055)	(5,226)	(33,810)
Other	(1,192)	273	(7,976)
Subtotal	(44,025)	(146,765)	(294,446)
Income taxes paid	(467)	(550)	(3,124)
Income taxes refunded	1,734	1,963	11,602
Net cash provided by (used in) operating activities	(42,758)	(145,352)	(285,969)
Cash flows from investing activities			
Purchase of securities	(179,300)	(264,041)	(1,199,174)
Proceeds from sales of securities	171,615	324,325	1,147,773
Proceeds from redemption of securities	72,359	43,082	483,944
Increase in money held in trust	(4,515)	(7,165)	(30,201)
Decrease in money held in trust	434	239	2,908
Purchase of property, plant and equipment	(2,756)	(1,141)	(18,433)
Proceeds from sales of property, plant and equipment	25	—	170
Payments for retirement of property, plant and equipment	(98)	(289)	(655)
Expenditure for acquisition of intangible assets	(764)	(710)	(5,109)
Payments for asset retirement obligations	(27)	(103)	(182)
Net cash provided by (used in) investing activities	56,973	94,195	381,039
Cash flows from financing activities			
Dividends paid	(1,124)	(1,124)	(7,520)
Repayments to non-controlling shareholders	(9)	—	(61)
Purchase of treasury shares	(1,075)	(1)	(7,191)
Proceeds from disposal of treasury shares	569	—	3,811
Net cash provided by (used in) financing activities	(1,638)	(1,125)	(10,961)
Effect of exchange rate change on cash and cash equivalents	(1)	4	(7)
Net increase (decrease) in cash and cash equivalents	12,574	(52,278)	84,101
Cash and cash equivalents at beginning of year	188,574	240,852	1,261,196
Cash and cash equivalents at end of year (No.19)	¥ 201,148	¥ 188,574	\$ 1,345,298

Notes to Consolidated Financial Statements

March 31, 2025

1. Basis of Presentation

The accompanying consolidated financial statements of The Yamagata Bank, Ltd. (the "Bank") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and its related accounting regulations and the Enforcement Regulation for the Banking Act of Japan (the "Banking Act"), and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

As permitted by the Financial Instruments and Exchange Act, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

2. U.S. Dollar Amounts

The Bank maintains its records and prepares its financial statements in yen. Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of 149.52=U.S.\$1.00, the rate of exchange in effect on March 31, 2025, has been used in translation. The translation should not be construed as a representation that yen could be converted into U.S. dollars at the above or any other rate.

3. Summary of Significant Accounting Policies

a. Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Bank and its 7 subsidiaries, except for 3 subsidiaries which are not consolidated due to their immateriality.

All significant intercompany receivables and payables and transactions have been eliminated in consolidation.

Goodwill represents the difference between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary at the date of acquisition. Immaterial goodwill is charged to income when incurred.

b. Securities

Securities are classified into three categories: trading, held-to-maturity bonds, or available-for-sale securities. Trading account securities, which are purchased for trading purposes, are carried at market value and held-to-maturity bonds are carried at amortized cost. Marketable securities classified as securities available-for-sale are carried at market value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Available-for-sale securities whose fair value is deemed to be extremely difficult to determine are carried at cost. The cost of securities sold is determined by the moving average method.

c. Derivative financial instruments

Derivatives are stated at fair market value.

d. Property, plant and equipment

The Bank recognizes depreciation by the straight-line method applicable to each specific category of assets. The useful lives of buildings and equipment are summarized as follows:

Buildings : 2 to 50 years Equipment : 2 to 15 years

Depreciation of property, plant and equipment of the consolidated subsidiaries is mainly computed using the straight-line method over the estimated useful lives of respective assets.

e. Intangible assets

Intangible assets are depreciated by the straight-line method. The

Bank's software, which is used in-house, is depreciated based on the estimated period of use (mainly five years) at the Bank and at consolidated subsidiaries.

f. Leased assets

Leased assets on finance lease transactions that do not transfer ownership are depreciated over the useful life of assets, equal to the lease term, by the straight-line method with zero residual value or, where lease agreements stipulate guarantee of residual value, the guaranteed residual value. The Bank leases certain vehicles, computer equipment and other assets.

g. Allowance for loan losses

The Bank's allowance for loan losses is treated as follows in accordance with the self-assessment standards and write-off/provision standards that have been set in advance. For loans specified as performing loans or sub-performing loans pursuant to the "Practical Guidelines for Self-Assessment of Assets by Financial Institutions such as Banks and for Auditing of the Write-off of Doubtful Accounts and Allowances for Doubtful Accounts" (Japan Institute of Certified Public Accountants, Bank Audit Special Committee Report No. 4, April 14, 2022), the estimated losses among performing loans over the next year and the estimated losses for sub-performing loans over the next three years is calculated and recorded based for the most part on the loan loss ratio over the past 5 calculation periods. In addition, the estimated losses may be calculated after making revisions, as necessary, such as to future prospects, etc. For loans that may be deemed to be in danger of bankruptcy, deduct from the amount of the loan the estimated marketable value of collateral and the estimated recoverable amount by way of guarantees, and for those debtors for whom the remaining balance exceeds a stipulated amount, the amount shall be recorded which remains after subtracting the recoverable portion reasonably estimated based on cash flow, and for other debtors, the estimated losses over the next three years shall be calculated and recorded, based on the past loan loss ratio. For loans that may be deemed to be in danger of bankruptcy or deemed a defacto bankrupt loan, the balance is recorded after deducting from the loan amount, the estimated disposal price of the collateral and the recoverable amount from guarantees.

All loans are assessed by a front department based on the criteria for self-assessment of asset quality, and the asset audit department, which is independent of that department, audits the assessment results.

Regarding the allowance for loan losses of consolidated subsidiaries, for general loans, the amount deemed necessary in consideration of the past loan loss ratio is recorded, and for specific loans for which there is a concern regarding possible sub-performance, these are individually considered for their potential recoverability, and the estimated non-recoverable amount for each is recorded respectively.

h. Provision for bonuses for directors

Provision for bonuses for directors is provided in the amount accrued during the year, which is calculated based on the estimated amount of future bonus payments to directors.

i. Provision for retirement benefits for directors

Provision for retirement benefits for directors is provided in the amount accrued during the year, which is calculated based on the estimated amount of future retirement payments to directors.

j. Provision for share-based payments of board incentive plan (BIP)

Provision for share-based payments of board incentive plan is provided for the expected stock payments due to points assigned to directors based on the stock incentive plan, in order to prepare for the delivery of the Bank's stock through the board incentive BIP trust.

k. Provision for reimbursement of deposits

Provision for reimbursement of deposits which have been derecognized as liabilities is provided for the possible losses on the future claims of reimbursements based on historical reimbursement experience.

l. Provision for contingent loss

Provision for contingent loss is provided for future estimated payments to the Credit Guarantee Corporations.

m. Provision for loss on interest repayment

Provision for loss on interest repayment is provided for the possible losses on the future claims of returning interests.

n. Employees' retirement benefits

For the calculation of employees' retirement benefit obligation, the estimated amount of employees' retirement benefits is attributed to each period by the straight-line method.

Prior service cost is amortized as incurred, by the straight-line method over a period (5 years) which falls within the average remaining years of service of the active participants in the plans.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, by the straight-line method over a period (5 years) which falls within the average remaining years of service of the active participants in the plans.

Also, certain consolidated subsidiaries calculate the net defined benefit liability and retirement benefit cost using the simplified method which assumes the retirement benefit obligation to be equal to the necessary payments of the voluntary retirement for all employees at the fiscal year-end.

o. Foreign currency translation

Foreign-currency-denominated assets and liabilities are translated into yen equivalents at the exchange rates prevailing at the balance sheet date.

p. Standard for recording revenues and expenses

1. Standard for recording revenues and expenses related to financial lease transactions
The method used is that sales and cost of sales are recorded at the time of receipt of lease payments.
2. Recognition standard for stock dividends included in interest and dividends on securities
Regarding the recognition standard for stock dividends from other appropriations of retained earnings (only when the dividend property is cash), it is recorded in the fiscal year that includes the effective date of the resolution regarding dividends passed by the general meeting of shareholders, board of directors, or other body with decision-making authority of the issuing company.
3. Standard for recording revenues from contracts with customers
The primary performance obligation of the Bank's and its consolidated subsidiaries' principal business with respect to revenue arising from contracts with customers is the provision of services related to financial services, with revenue recognized primarily at the time the promised services are delivered to the customer, in the amount expected to be received in exchange for such services.

q. Hedge accounting

1. Interest rate risk hedges
The Bank uses deferral hedges described in "Accounting and auditing for the application of financial instrument accounting standards in banking" (Operational Guidelines No. 24 of the Industry-Specific Committee of the Japan Institute of Certified Public Accountants, March 17, 2022. Hereinafter, the "Operational Guidelines No. 24 of the Industry-Specific Committee.") to hedge interest rate risks generated by the Bank's financial assets and liabilities. The effectiveness of hedges to offset market fluctuations is assessed for each hedged item (for example, deposits and loans) and its hedging instrument (such as interest rate swaps). Concerning hedges to fix cash flows, the Bank identifies hedged items by grouping them based on interest rate indexes and on interest rate revision periods in accordance with Report No. 24 of the Industry Audit Committee, and specifies interest rate swaps as hedging instruments. The Bank specifies hedges in such a way that the major conditions of hedged

items and hedging instruments are almost the same, so we believe that our hedges are highly effective.

Exceptional treatment for interest rate swaps is applied for some assets and liabilities.

2. Exchange rate fluctuation risk hedges

The method of accounting used for the hedging of foreign currency fluctuation risk arising from the bank's foreign currency-denominated financial assets and liabilities is to treat it as a deferred hedge as specified in the "Accounting and audit handling of accounting for foreign currency-denominated transactions in the banking industry" (Operational Guidelines No. 25 of the Industry-Specific Committee of the Japan Institute of Certified Public Accountants October 8, 2020. Hereinafter, the "Operational Guidelines No. 25 of the Industry-Specific Committee.") We assess the effectiveness of the hedge by regarding currency swaps and foreign exchange swaps, which are conducted to reduce or eliminate exchange rate fluctuation risks generated by monetary claims and liabilities in foreign currencies, etc., as hedging instruments and by checking whether or not we have appropriate foreign currency positions for the hedging instruments to meet the hedged items (monetary claims and liabilities in foreign currencies, etc.). In addition, in order to hedge the exchange fluctuation risk of foreign currency-denominated securities (other than bonds), we identify in advance the foreign-currency denominated securities to be hedged and fair value hedge is applied for the entirety, subject to certain conditions including the spot-forward spreads (in foreign currency basis) exceeding the acquisition cost being recognized as liabilities for the relevant foreign-currency denominated securities.

r. Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents consist of cash and due from the Bank of Japan.

s. Principles and procedures of accounting treatment adopted when the provisions of the relevant accounting standards, etc. are not clear.

Cancellation of investment trusts

Gains and losses associated with the cancellation / redemption of investment trusts are aggregated for the entire investment trust, and in the case of an overall profit including any distributions of profit made during the period, it is recorded as "interest and dividends on securities" of "interest income, " and in case of an overall loss, it is recorded as "other ordinary expense."

t. Significant Accounting Estimates

The following sets forth the items for which an amount is recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the next fiscal year.

allowance for loan losses

1. Amount recorded in the consolidated financial statements for the current fiscal year.

	current fiscal year (March 31, 2025)
allowance for loan losses	¥ 8,911 million (\$ 59,602 thousand)

Information to better understand the content of significant accounting estimates that relate to certain identified items.

1) Calculation method

The calculation method for determining the allowance for loan losses is described in "g. Allowance for loan losses" of "3. Summary of Significant Accounting Policies". We consider that the past loan loss ratio is sufficient for purposes of estimating future losses, and so we calculated the estimated future losses based on the relevant loan loss ratio and recorded the allowance for loan losses.

2) Key assumptions

The key assumptions are "future outlook for business performance, etc. of individual debtors in determining debtor classification." When determining debtor classification, we evaluate the debt servicing capacity of individual debtors and assume future outlook for business performance, etc., also taking into account that consumer prices have remained high. If a debtor has prepared a business improvement plan, etc., we assume the future outlook for business performance, etc., taking into consideration the evaluation of the business improvement plan, etc.

3) Impact on consolidated financial statements for the next fiscal year

If the assumptions used in the initial estimate change due to changes in the business environment surrounding the debtor, such as the consumer prices remaining high levels, or the success or failure of the business

strategy of the individual debtor, this may have a significant impact on the amount of the allowance for loan losses for the next fiscal year.

u. Accounting Standards Not Yet Applied

- Accounting Standard for Leases (Accounting Standards Board of Japan Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (Accounting Standards Board of Japan Guidance No. 33, September 13, 2024), among others

1) Overview

Similar to international accounting standards, this standard stipulates how to account for all leases by a lessee, including recording assets and liabilities.

2) Scheduled Date of Application

The standard is scheduled to be applied from the beginning of the fiscal year ending March 2028.

3) Impact of the application of the accounting standards, etc.

The impact of the application of the accounting standards, etc. is currently being evaluated.

- Practical Guidelines on Accounting for Financial Instruments (Revised Transfer Guidelines No. 9, March 11, 2025)

1) Overview

The Accounting Standards Board of Japan has revised the accounting treatment of equity interests in venture capital funds, limiting the scope of such investments mainly to non-marketable stocks that are constituent assets of partnerships equivalent to venture capital funds.

2) Scheduled Date of Application

The standard is scheduled to be applied from the beginning of the fiscal year ending March 2027.

3) Impact of the application of the accounting standards, etc.

The impact of the application of the accounting standards, etc. is currently being evaluated.

v. Additional information

The Bank has implemented a BIP trust for directors using the trust framework to grant Bank stocks as director compensation, with the aim of motivating directors to more strongly commit to the medium - to long - term contribution to the Bank's corporate value and improvement of the Bank's business performance.

1. Summary of the transaction

Pursuant to the Stock Grant Rules of the Bank, points are allotted to each director based upon level of achievement of business performance goals each fiscal year and based upon individual position, and the Bank stocks and the money equivalent to the converted value of the Bank stocks based on the points are granted and delivered through the trust at the time of leaving the Bank.

2. Bank stocks held by the trust

- 1) The Bank's stocks held by the trust are recorded as treasury share as part of shareholder's equity at the trust's book value.
- 2) The book value of the Bank stocks held by the trust was ¥199 million (\$1,336 thousand) and 191 million at March 31, 2025 and 2024, respectively.
- 3) The number of Bank stocks held by the trust was 147 thousand shares and 134 thousand shares at March 31, 2025 and 2024, respectively.

w. Transaction in which the Bank stocks are issued to employees through a trust

Starting from the current fiscal year, we have introduced a "Trust-type Employee Shareholding Incentive Plan" (hereinafter referred to as "the Plan") for the purposes of providing employees with an incentive to increase the Bank's medium to long-term corporate value, expanding employee benefits, and encouraging the Bank's sustainable development by increasing employee motivation through capital participation as shareholders.

1) Overview of the Transaction

The incentive plan is for all employees subscribed to the Yamagata Bank Employee Shareholding Association (hereinafter, the "Shareholding Association"). We are setting up a dedicated trust for the Shareholding Association (hereinafter, the "E-Ship Trust") with a trust bank. This E-Ship Trust will pre-acquire our shares to the amount projected to be purchased by the Shareholding Association over a period of two years and seven months, through a third-party allotment from us, using funds borrowed from financial institutions. Thereafter, the E-Ship Trust will continue to sell our shares to the Shareholding Association, and if an amount equivalent to the profits on sale of shares has accumulated within the E-Ship Trust by the time the Trust terminates, that amount will be distributed as

residual assets to those who meet the beneficiary eligibility requirements. In addition, since we guarantee borrowings made by the E-Ship Trust to acquire our shares, if a fall in our share price causes the E-Ship Trust to accumulate an amount equivalent to a loss on sale of shares and there is a remaining loan balance equivalent to the loss on sale of shares at the time the Trust is terminated, we will repay such remaining balance.

2) Matters related to our shares held by the Trust

- ① Our shares held by the Trust are recorded as treasury stock within shareholders' equity at their book value within the Trust.
- ② The book value within the Trust amounts to ¥569 million.
- ③ The number of our shares held by the Trust at the end of the fiscal year totaled 445 thousand shares.

- 3) Book value of borrowings recorded using the gross amount method
Current fiscal year: 570 million yen

4. Stocks or Contributed Capital of Non-Consolidated Subsidiaries and Affiliated Companies

Stocks or contributed capital of non-consolidated subsidiaries and affiliated companies totaled ¥1,753 million (\$11,727 thousand) and ¥1,515 million at March 31, 2025 and 2024, respectively.

5. Government Bonds and Local Government Bonds with Lending Agreements

Securities loaned under unsecured bond lending transactions are included in government bonds under "Securities," and the amounts are as follows:

Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
—	4,903 million yen

6. Loans and Bills Discounted

(i) Claims pursuant to the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Claims include corporate bonds (limited to those for which redemption of the principal and payment of interest is guaranteed in whole or in part, and where the corporate bond was issued by private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)) within the "securities" in the consolidated balance sheets, loans, foreign exchange, "other assets" including those recorded in accounts for accrued interest, suspense payments and collateral for acceptances and guarantees; and if there are securities recorded in the notes that are being loaned, such securities (limited to those under a lease or rental agreement).

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Total bankruptcy reorganization claims and similar claims	¥ 4,041	¥ 4,087	\$ 27,029
Total doubtful claims	10,137	10,260	67,796
Total claims that are delinquent for over three months	0	4	1
Total restructured claims	6,642	6,678	44,427
Total Amount	20,821	21,031	139,255

Bankrupted claims and similar claims are claims against debtors who have fallen into bankruptcy due to initiation of bankruptcy proceedings, reorganization proceedings, petition for commencement of rehabilitation proceedings, etc.

Doubtful claims are claims for which the debtor has not yet entered into bankruptcy, but the financial condition and business performance of the debtor have deteriorated and it is highly probable that the principal cannot be collected and interest cannot be received in accordance with the contract, and which do not fall under claims in bankruptcy, reorganization or similar cases.

Claims that are delinquent for over three months are loans with principal or interest unpaid for over three months from the day after the agreed-upon payment date, and do not fall under the category of bankrupt, reorganization or similar claims or doubtful claims.

Restructured claims are loans for which concessions favorable to the debtor were provided with the intent of supporting the debtor's restructuring, such as by reducing or waiving interest, postponing

principal or interest payments, claim forgiveness, or providing other concessions to the debtor, and exclude claims in bankruptcy or reorganization or similar claims, doubtful claims, and claims delinquent for over three months.
The above claim amounts are before deduction based on allowance for loan losses.

(ii) Bills discounted are accounted for as financial transactions in accordance with "Operational Guidelines No.24 of the Industry-Specific Committee". The Bank has rights to sell or pledge accepted banker's acceptance bills, commercial bills discounted, documentary bills and foreign exchange bought without restrictions. The face value of banker's acceptance bills, commercial bills, documentary bills acquired at a discount and foreign exchange bought at a discount was ¥1,909 million (\$12,771 thousand) and ¥3,639 million as of March 31, 2025 and 2024, respectively.

(iii) Overdraft facility and committed loan facility are agreements under which the Bank and the consolidated subsidiaries are bound to extend credits up to a prearranged amount, at the request of the customer, unless the customer is in breach of contract. The unutilized balance of such contracts amounted to ¥544,233 million (\$3,639,868 thousand) and ¥532,398 million as of March 31, 2025 and 2024, respectively, of which the balance of contracts that have a term of one year or less, or are unconditionally cancelable at any time was ¥518,810 million (\$3,469,842 thousand) and ¥509,296 million as of March 31, 2025 and 2024, respectively. Since many of these contracts are scheduled to expire without the rights having been exercised, such unutilized balance in itself does not necessarily affect the future cash flows of the Bank or its consolidated subsidiaries. A provision is included in many of these contracts which entitles the Bank and the consolidated subsidiaries to decline the execution of such loans, or to reduce the committed amount under such contracts when there is a change in the debtor's financial situation, or when it is necessary to ensure servicing of a debt, or when other similar factors arise. In addition, the Bank and its consolidated subsidiaries obtain, if needed, real estate or securities as collateral at the time when the contracts are entered into and subsequently monitor the debtor's financial condition periodically based on, and in accordance with, the procedures established. If deemed necessary, specific measures such as amendments to the contracts are undertaken in order to control the credit risk.

7. Assets Pledged

Pledged assets and liabilities related to pledged assets as of March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Pledged assets: Securities	¥ 209,270	¥ 243,954	\$ 1,399,613
Liabilities related to the above pledged assets			
Deposits	¥ 18,492	¥ 15,647	\$ 123,681
Borrowed money	¥ 103,588	¥ 116,200	\$ 692,806

In addition, securities totaling ¥5,676 million (\$37,967 thousand) and ¥4,101 million were pledged as collateral for settlement of exchange and futures transactions at March 31, 2025 and 2024, respectively.

Guarantee deposits included in other assets as of March 31, 2025 and 2024 were ¥167 million (\$1,122 thousand) and ¥159 million, respectively. Initial margins placed with the central counterparty included in other assets was ¥20,000 million (\$133,761 thousand) and ¥20,000 million at March 31, 2025 and 2024, respectively.

8. Land Revaluation

Pursuant to the "Law Concerning the Land Revaluation" (the "Law"), land used for the Bank's business operations was revalued on March 31, 2002. The excess of the revalued aggregate market value over the total book value (carrying amount) before revaluation was included in net assets at an amount net of the related tax effect at March 31, 2002. The corresponding income taxes were included in liabilities at March 31, 2002 as deferred tax liability on revalued land.

The Land revaluation was determined based on two methods, the official prices published by the Commissioner of the National Tax Authority in accordance with Article 2, Paragraph 4 of the "Enforcement Ordinance Concerning Land Revaluation," with certain necessary adjustments, and appraisal by a real estate appraiser.

The difference between the total fair value of land for business operation purposes, which was revalued in accordance with Article 10 of the Law, and the total book value of the land after the revaluation was ¥1,808 million (\$12,097 thousand) and ¥1,925 million at March 31, 2025 and 2024, respectively.

9. Accumulated Depreciation

Accumulated depreciation totaled ¥20,941 million (\$140,057 thousand) and ¥21,146 million at March 31, 2025 and 2024, respectively.

10. Recorded Reduction in Value of Property, plant and equipment

The recorded reduction in value of property, plant and equipment was ¥1,742 million (\$11,654 thousand) and ¥1,785 million at March 31, 2025 and 2024, respectively. During the current fiscal year there were no new property, plant and equipment for which the book value was reduced in value.

11. Guarantee Obligations in Respect of the Corporate Bonds

Among the corporate bonds included in the "securities", the guarantee obligations in respect of the corporate bonds pursuant to private offering securities (Article 2, paragraph 3 of the Financial Instruments and Exchange Act) were ¥22,226 million (\$148,652 thousand) and ¥20,863 million at March 31, 2025 and 2024, respectively.

12. Other Income

Other income includes gain on sales of equity securities etc. of ¥5,946 million (\$39,769 thousand) and ¥5,524 million at March 31, 2025 and 2024, respectively.

13. General and Administrative Expenses

General and Administrative Expenses include salary and benefits of ¥9,518 million (\$63,663 thousand) and ¥9,115 million, Periodic pension costs of -¥1,045 million (-\$6,989 thousand) and -¥329 million, and outsourcing costs of ¥1,935 million (\$12,946 thousand) and ¥2,008 million at March 31, 2025 and 2024, respectively.

14. Other Expenses

Other expenses include loss on sales of equity securities etc. of ¥328 million (\$2,195 thousand) and ¥266 million, depreciation of equity securities etc. of ¥461 million (\$3,083 thousand) and nil at March 31, 2025 and 2024, respectively.

15. Impairment Loss

For the following branch businesses, etc., where the investment amount cannot be expected to be recovered due to a decrease in cash flow due to a decrease in operating income, a decline in land prices, and a decision to consolidate branches etc., the carrying value is reduced to the recoverable amount, and the reduction is recorded as an extraordinary loss in the form of an impairment loss.

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Classification	Intended purpose	Type	Place	Impairment loss
Idle Assets	2 idle assets	Land, Buildings and Movable Property	Yamagata Prefecture	¥ 67 (of which land 35)
Total				¥ 67

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Thousands of U.S. dollars)

Classification	Intended purpose	Type	Place	Impairment loss
Idle Assets	2 idle assets	Land, Buildings and Movable Property	Yamagata Prefecture	\$ 451 (of which land 234)
Total				451

Preceding fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Classification	Intended purpose	Type	Place	Impairment loss
Working assets	1 branch office	Land	Yamagata Prefecture	¥ 10 (of which land 10)
Working assets	1 branch office	Land	Fukushima Prefecture	¥ 14 (of which land 14)
Total				¥ 24

As for the branch offices, since the business performance of business office groups operating jointly is continuously monitored on a group unit basis (however, for each shop business not operating jointly as part of a group, on a branch office-by-branch office basis), each group or shop constitutes the smallest grouping unit, and for idle assets, each asset constitutes the smallest grouping unit. Headquarters, back office centers, company housing, dormitories, etc. are categorized as shared assets since they do not independently generate cash flows. The recoverable amount of the asset group is measured based on its net sale price. The net sale price considers the importance of assets, and its calculation is mainly based on "Real Estate Appraisal Standards" and "the price calculated by the method established and announced by the Commissioner of the National Tax Agency to calculate the price of land, which is the basis for calculating the taxable value of land for the land value tax as stipulated in Article 16 of the Land Value Tax Act."

16. Other Comprehensive Income

Reclassification adjustments and tax effects allocated to other comprehensive income for the years ended March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Valuation difference on available -for- sale securities:			
Amount arising during the year	¥ (15,758)	¥ 5,797	\$ (105,391)
Reclassification adjustments	2,726	6,016	18,237
Amount before tax effect	(13,031)	11,814	(87,154)
Tax effect	2,640	(4,231)	17,663
Valuation difference on available -for- sale securities:	(10,390)	7,583	(69,491)
Deferred gains or losses on hedges:	139	(198)	936
Amount arising during the year	209	521	1,401
Reclassification adjustments	349	322	2,337
Amount before tax effect	(104)	(98)	(700)
Tax effect	244	224	1,637
Deferred gains or losses on hedges	—	—	—
Land revaluation difference:	—	—	—
Amount incurred in the current period	—	—	—
Reclassification adjustment amount	—	—	—
Before tax effect adjustment	(35)	—	(240)
Tax effect amount	(35)	—	(240)
Adjustment amount related to retirement benefits	—	—	—
Retirement benefits liability adjustments:	273	2,117	1,827
Amount arising during the year	(842)	(231)	(5,634)
Reclassification adjustments	(569)	1,886	(3,807)
Amount before tax effect	145	(575)	972
Tax effect	(423)	1,311	(2,834)
Retirement benefits liability adjustments	¥ (10,605)	¥ 9,118	\$ (70,929)
Total other comprehensive income			

17. Stocks Issued

The number of stocks issued and changes during the year ended March 31, 2025 and 2024 are summarized as follows:

	Thousands of stocks		Thousands of stocks	
	2025		2024	
	Treasury share	Common stock issued	Treasury share	Common stock issued
Beginning of the year	507	32,500	506	32,500
Increase during the year	828	—	0 ^{*6}	—
Decrease during the year	741	283	—	—
End of the year	594 ^{2/3}	32,216 ^{*1}	507 ^{*5}	32,500

Note:

^{*1} The decrease of 283 thousand shares in the number of issued common stock is due to the cancellation of 283 thousand shares based on a resolution by the Board of Directors pursuant to Article 178 of the Companies Act.

^{*2} The number of treasury stocks as of the end of this fiscal year includes 147 thousand shares of our stock held by the BIP Officer Compensation Trust and 445 thousand shares of our stock held by the E-Ship Trust.

^{*3} The breakdown of the increase in the number of treasury stocks of common stock is as follows:

Increase due to purchase of shares less than one unit: 0 thousand shares
Increase due to acquisition of our shares by the BIP Officer Compensation Trust: 24 thousand shares

Increase due to introduction of a trust-type employee shareholding incentive plan (E-Ship Trust): 445 thousand shares

Increase due to purchase by resolution of the Board of Directors in accordance with the provisions of the Articles of Incorporation: 358 thousand shares

^{*4} The breakdown of the decrease in the number of treasury stocks of common stock is as follows:

Decrease due to issuance of our shares through the BIP Officer Compensation Trust: 11 thousand shares

Decrease due to cancellation by resolution of the Board of Directors pursuant to Article 178 of the Companies Act: 283 thousand shares

Decrease due to disposal of treasury stock based on a resolution of the Board of Directors pursuant to the provisions of the Articles of Incorporation: 445 thousand shares

18. Dividends

Dividends for the years ended March 31, 2025 and 2024 are summarized as follows:

	2025			
	November 12, 2024		May 14, 2024	
	Resolution by the board of directors		Resolution by the board of directors	
Total dividends	¥ 562 million	\$ 3,760 thousand	¥ 562 million	\$ 3,760 thousand
Dividend per share	¥ 17.50	\$ 0.117	¥ 17.50	\$ 0.117
Record date	September 30, 2024	September 30, 2024	March 31, 2024	March 31, 2024
Effective date	December 5, 2024	December 5, 2024	June 3, 2024	June 3, 2024

1. The total amount of dividends determined by the Board of Directors on May 14, 2024, includes a dividend of ¥2 million (\$15 thousand) for the bank's shares held by the executive compensation BIP trust.

2. The total amount of dividends determined by the Board of Directors on November 12, 2024, includes a dividend of ¥2 million (\$17 thousand) for the bank's shares held by the executive compensation BIP trust.

	2024			
	November 10, 2023		May 12, 2023	
	Resolution by the board of directors		Resolution by the board of directors	
Total dividends	¥ 562 million		¥ 562 million	
Dividend per share	¥ 17.50		¥ 17.50	
Record date	September 30, 2023		March 31, 2023	
Effective date	December 5, 2023		June 5, 2023	

Dividends for which the Record date belonged to the year ended March 31, 2025 and 2024 but to be effective in the following year are summarized as follows:

	2025		2024	
	May 13, 2025		May 14, 2024	
	Resolution by the board of directors		Resolution by the board of directors	
Total dividends	¥ 885 million	\$ 5,924 thousand	¥ 562 million	
Dividend per share	¥ 27.50	\$ 0.184	¥ 17.50	
Record date	March 31, 2025	March 31, 2025	March 31, 2024	
Effective date	June 5, 2025	June 5, 2025	June 3, 2024	

The total amount of dividends includes ¥4 million attributable to our shares held by the BIP Officer Compensation Trust and ¥12 million attributable to our shares held by the E-Ship Trust.

Dividends are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved by the Board of Directors and by the general meeting of shareholders. There is a limit on dividends under Article 18 of the Banking Act. An amount equal to 20% of the aggregated amount of dividends shall be set aside as a legal reserve or legal capital surplus, regardless of Article 445-4 of the Companies Act of Japan.

19. Cash Flows

Cash and cash equivalents stated in the consolidated statement of cash flows consisted of the following:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Cash and due from banks	¥ 206,595	¥ 197,119	\$ 1,381,722
Current deposits	(467)	(123)	(3,124)
Ordinary deposits	(233)	(258)	(1,561)
Time deposits	(4,500)	(8,000)	(30,098)
Deposits with Japan Post Bank	(215)	(153)	(1,441)
Others	(29)	(10)	(197)
Cash and cash equivalents	¥ 201,148	¥ 188,574	\$ 1,345,298

20. Leases

(As lessee)

Finance Lease transaction

Finance lease transactions that do not transfer ownership.

① Description of lease asset

Property, plant and equipment

Primarily, certain vehicles and electronic computers.

② Method of depreciation of lease assets

As stated in the "f. Leased assets" of "3. Summary of Significant Accounting Policies".

(As lessor)

Investments in leased assets at March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Gross lease receivables	¥ 12,146	¥ 12,583	\$ 81,236
Estimated residual values	866	898	5,798
Unearned interest income	(1,169)	(1,161)	(7,818)
Investments in leased assets	¥ 11,844	¥ 12,320	\$ 79,215

Maturities of lease receivables at March 31, 2025 are as follows:

Years ending March 31	(Millions of yen)	(Thousands of U.S. dollars)
2026	¥ 3,767	\$ 25,197
2027	2,930	19,599
2028	2,134	14,274
2029	1,450	9,702
2030	842	5,637
2031 and thereafter	1,020	6,823

Maturities of lease receivables at March 31, 2024 are as follows:

Years ending March 31	(Millions of yen)
2025	3,860
2026	3,117
2027	2,277
2028	1,487
2029	829
2030 and thereafter	1,011

21. Financial Instruments

1. Matters relating to the state of financial instruments

(1) Policy for financial instruments

The Bank provides financial services mainly connected with the banking business including deposits, loans, buying and selling trading securities and security investments. In the banking business, which is the main business of the Bank, funds are raised by means such as accepting deposits and borrowing money from the call money market, and are invested by providing loans and buying securities. Financial assets and liabilities are susceptible to interest rate fluctuations, so the Bank bears market risk, which is the risk of loss caused by changes in financial market conditions (for example, interest rate risk and price fluctuation risk), and the risk of failing to raise sufficient funds.

The Bank performs comprehensive asset and liability management (ALM) to appropriately control the balance of profit and risk in a way that suits fund raising and investment policy as well as taking into

consideration the state of assets and liabilities and the trends of the financial and capital markets. The Bank uses derivatives as part of such management.

(2) Nature and risk of financial instruments

The Bank's financial assets consist mainly of loans to domestic companies and individuals, and the Bank is exposed to the credit risks arising from customers defaulting on their loans. Securities mainly consist of stocks, bonds and investment trusts, some of which are held until the maturity date, others are held for purposes such as investment and business promotion. Those securities are exposed to credit risk of the relevant issuer, the risks of fluctuations in interest rates and market prices.

Deposits, call money, etc., those are financial liabilities are exposed to interest rate fluctuation risks caused by differences in interest rates and the periods between financial liabilities and financial assets. Financial liabilities are also exposed to the funding risk of loss due to inability to raise funds, because of reasons such as unexpected outflow of funds, and by raising funds at interest rates much higher than the normal rate because of unavoidable reasons; and the market liquidity risk of loss caused by the inability to raise the required funds because of disruption such as a credit crunch in the entire market and by trading at prices greatly disadvantageous compared with the normal price.

(3) Risk management for financial instruments

i. Credit risk management

Based on our credit policy manual (lending rules), which stipulates our basic approach and standards of conducts for lending, and our credit risk management rules, which set forth the specific procedures of managing credit risks, we determine credit decisions emphasizing public interest, low-risk taking, growth potential and profitability, measure risk exposure through credit ratings and self-assessment of asset quality, and implement risk control measures based on the principle of eliminating concentration on specific borrowers.

The Bank's credit review division and sales promotion division are separated to ensure independence of each other and stringent credit risk management.

The Bank conducts rigorous self-assessment, which includes audits by the audit division, in order to secure the soundness of the assets. Based on the results, the Bank appropriately writes off bad debt and sets aside reserves.

The Bank has a credit rating system for business loans to understand the financial soundness of companies from both quantitative and qualitative aspects.

To reduce and offset credit risk, the Bank receives collateral and guarantees for lending transactions and offsets loans against deposits. The Bank's basic approach to collateral management is stated in the credit policy, and assessments, management policies and procedures are set out in the operation manual.

Measurement method and procedures for credit risk exposure are stipulated in the operation manual and the risk is measured monthly based on the debtor's credit rating and other factors. The results are reported to the ALM Council (Executive Committee).

ii. Market risk management

a. Interest rate risk management

The Bank's interest rate fluctuation risk is managed by ALM. Risk management methodology and procedures are stated in detail in the rules and manuals related to ALM. Present conditions are checked, state of execution is monitored and future actions are discussed by the ALM Council, based on the outcome of the deliberations of the ALM Committee.

Risks are monitored using methodology such as basis point value (BPV) and value at risk (VaR), and mainly with gap analyses and interest rate sensitivity analyses, and the results are reported monthly to the ALM Council. As part of ALM, derivatives such as interest rate swap transactions are conducted to hedge interest rate risks.

b. Price fluctuation risk management

Trading and management of investment instruments such as securities are performed in accordance with the investment policy and risk management policy as determined by the board of directors on a semi-annual basis. The middle section of the Financial Markets Division and the Risk Management Division measure market risk for securities investments quantitatively and comprehensively using VaR, etc. The results are reported to the relevant directors, the ALM Council, etc., with the frequency set for each financial instrument to check the state of compliance with the rule.

c. Quantitative information concerning market risk

The principal financial instruments that are subject to interest rate risk and price fluctuation risk, which are the main risk variables affecting the Bank, are loans and bills discounted, securities,

deposits and derivative transactions.

The variance-covariance method (holding period: 90 days*, confidence interval: 99%, observation period: 250 business days) was used for the calculation of VaR, the market risk volume. The volume of overall market risk (estimated loss) as of March 31, 2025 (consolidated accounts settlement date) and 2024 was ¥43,054 million (\$287,948 thousand) and ¥53,876 million, respectively.

The Bank believes that the measurement model estimates market risk with sufficient accuracy because the Bank examines the model by means such as performing backtesting to compare the VaR calculated using the model with the actual profit and loss. However, VaR measures market risk volume with a certain probability that is calculated statistically based on historical market movements, and therefore VaR may fail to represent risk in the case of exceptionally drastic change in market conditions.

* Holding period for shares purchased for business relationships, which are included in the securities: 125 days.

iii. Liquidity risk management

Sections managing liquidity risks at the Bank are clearly stated in the liquidity risk management rules that stipulate the liquidity risk management procedures, system and so on. The Bank has a management system to secure sufficient liquidity in case of unexpected events by setting liquidity standards for various cases including times of normality, times of concern, and times of emergency.

(4) Supplementary explanation of fair values of financial instruments

Fair value of financial instruments includes market price as well as reasonably determined value where market price is unavailable. The reasonably determined value could differ depending on different conditions and assumptions because calculation of such value is conducted based on certain conditions and assumptions.

2. Fair value of financial instruments

The amount recorded on the consolidated balance sheet, fair value and the difference are as follows. Equity securities that do not have a market price and investments in partnerships are not included in the following table (see (Note 1)). Cash deposits, call loans and bills bought, call money and bills sold, and cash received as collateral under securities lending transactions are settled within a short period of time and their fair value approximates their carrying value; therefore, notes to these items are omitted.

<March 31, 2025> (Millions of yen)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity bonds	¥ 32,020	¥ 31,760	¥ (259)
Available-for-sale securities (*1)	764,016	764,016	—
(2) Loans and bills discounted	2,031,593		
Allowance for loan losses (*2)	(8,410)		
	2,023,182	2,010,113	(13,069)
Total assets	2,819,219	2,805,890	(13,329)
(1) Deposits	2,847,255	2,846,810	(445)
(2) Negotiable certificates of deposit	33,981	33,981	—
(3) Borrowed money	106,604	106,398	(206)
Total liabilities	2,987,841	2,987,190	(651)
Derivative transactions (*3)			
To which hedge accounting is not applied	(1433)	(1433)	—
To which hedge accounting is applied (*4)	(189)	(189)	—
Total derivatives	¥ (1622)	¥ (1622)	¥ —

<March 31, 2025> (Thousands of U.S. dollars)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity bonds	\$ 214,152	\$ 212,417	\$ (1,734)
Available-for-sale securities (*1)	5,109,794	5,109,794	—
(2) Loans and bills discounted	13,587,437		
Allowance for loan losses (*2)	(56,251)		
	13,531,186	13,443,773	(87,412)
Total assets	18,855,133	18,765,985	(89,147)
(1) Deposits	19,042,639	19,039,663	(2,976)
(2) Negotiable certificates of deposit	227,273	227,273	—
(3) Borrowed money	712,979	711,601	(1,377)
Total liabilities	19,982,891	19,978,537	(4,354)
Derivative transactions (*3)			
To which hedge accounting is not applied	(9,586)	(9,586)	—
To which hedge accounting is applied (*4)	(1,265)	(1,265)	—
Total derivatives	\$ (10,851)	\$ (10,851)	\$ —

(*1) Available-for sale securities include investment trusts which were treated such that their net asset value (NAV) is deemed to be their fair value in accordance with the paragraph 24-9 of the "Implementation Guidance on the Accounting Standard for Fair Value".

(*2) General allowance and specific allowance for loans and bills discounted are deducted.

(*3) Derivative transactions recorded in other assets and other liabilities are presented on a net basis.

(*4) Interest rate swaps, etc., designated as hedging instruments to offset market fluctuations of loans and bills discounted, etc., which are hedged, are recorded as deferred hedges. "Treatment of Hedge Accounting for Financial Instruments Referring to LIBOR" (Practical Issues Task Force No. 40, March 17, 2022) is applied to these hedging relationships.

<March 31, 2024> (Millions of yen)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity bonds	¥ 20,863	¥ 20,877	¥ 14
Available-for-sale securities (*1)	854,906	854,906	—
(2) Loans and bills discounted	1,941,891		
Allowance for loan losses (*2)	(8,128)		
	1,933,762	1,936,629	2,866
Total assets	2,809,533	2,812,413	2,880
(1) Deposits	2,774,302	2,774,316	14
(2) Negotiable certificates of deposit	65,219	65,219	—
(3) Borrowed money	119,633	119,393	(240)
Total liabilities	2,959,155	2,958,929	(225)
Derivative transactions (*3)			
To which hedge accounting is not applied	(1,230)	(1,230)	—
To which hedge accounting is applied (*4)	(538)	(538)	—
Total derivatives	¥ (1,769)	¥ (1,769)	¥ —

Note 1 The amount recorded on the consolidated financial statement for equity securities that do not have a market price or investments in partnerships are as follows, and these were not included among "available-for-sale securities" in the fair value information of financial instruments.

Category	Carrying amount		
	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Unlisted stocks (*1)(*2)	¥ 1,786	¥ 2,250	\$ 11,946
Investments in partnerships (*3)	15,544	15,804	103,962

(*1) Unlisted stocks are not subject to fair value disclosure based on paragraph 5 of "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 March 31, 2020).

(*2) Impairment accounting was nil in the previous fiscal year. Impairment accounting was applied to unlisted stocks of ¥461 million in the current fiscal year.

(*3) Investments in partnerships are not subject to fair value disclosure based on paragraph 24 - 16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021)

Note 2 Scheduled redemption amounts of financial assets and securities with maturities
<March 31, 2025>

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Securities	¥ 88,489	¥ 150,820	¥ 153,623	¥ 106,408	¥ 54,491	¥ 151,587
Held-to-maturity bonds	3,817	18,965	7,177	2,065	—	—
Government bonds	—	10,000	—	—	—	—
Corporate bonds	3,817	8,965	7,177	2,065	—	—
Available-for-sale securities with a maturity date	84,671	131,854	146,445	104,342	54,491	151,587
Government bonds	22,000	5,000	23,400	—	31,200	39,600
Local government bonds	26,192	38,796	51,507	25,886	7,776	8,777
Corporate bonds	9,069	38,913	19,043	13,800	400	20,148
Other	27,410	49,145	52,494	64,656	15,114	83,061
Loans and bills discounted(*)	392,223	387,218	380,598	149,158	183,958	524,585
Total	¥ 480,713	¥ 538,038	¥ 534,221	¥ 255,566	¥ 238,449	¥ 676,172

*Of loans and bills discounted, the portion whose timing of collection is unforeseeable, such as loans to "Legally bankrupt" debtors, loans to "Virtually bankrupt" debtors, and loans to "Possibly bankrupt" debtors, amounting to ¥13,850 million (\$92,635 thousand) is not included in the above table.

<March 31, 2025>

(Thousands of U.S. dollars)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Securities	\$ 591,823	\$ 1,008,699	\$ 1,027,442	\$ 711,666	\$ 364,440	\$ 1,013,827
Held-to-maturity bonds	25,533	126,844	48,003	13,814	—	—
Government bonds	—	66,880	—	—	—	—
Corporate bonds	25,533	59,963	48,003	13,814	—	—
Available-for-sale securities with a maturity date	566,290	881,854	979,438	697,852	364,440	1,013,827
Government bonds	147,137	33,440	156,500	—	208,667	264,847
Local government bonds	175,177	259,471	344,486	173,132	52,009	58,704
Corporate bonds	60,654	260,252	127,365	92,295	2,675	134,753
Other	183,320	328,690	351,086	432,425	101,088	555,521
Loans and bills discounted(*)	2,623,218	2,589,741	2,545,470	997,582	1,230,326	3,508,463
Total	\$ 3,215,042	\$ 3,598,440	\$ 3,572,912	\$ 1,709,249	\$ 1,594,766	\$ 4,522,291

<March 31, 2024>

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Securities	¥ 58,450	¥ 156,732	¥ 136,108	¥ 113,617	¥ 90,990	¥ 219,148
Held-to-maturity bonds	3,438	7,798	7,274	2,352	—	—
Corporate bonds	3,438	7,798	7,274	2,352	—	—
Available-for-sale securities with a maturity date	55,012	148,934	128,834	111,265	90,990	219,148
Government bonds	—	22,000	3,000	—	11,000	74,500
Local government bonds	20,081	43,525	41,898	44,744	7,218	10,661
Corporate bonds	8,346	26,152	27,557	17,800	200	21,473
Other	26,584	57,256	56,378	48,720	72,571	112,514
Loans and bills discounted(*)	431,944	319,657	388,083	170,186	181,383	436,571
Total	¥ 490,394	¥ 476,390	¥ 524,192	¥ 283,804	¥ 272,373	¥ 655,720

*Of loans and bills discounted, the portion whose timing of collection is unforeseeable, such as loans to "Legally bankrupt" debtors, loans to "Virtually bankrupt" debtors, and loans to "Possibly bankrupt" debtors, amounting to ¥14,063 million is not included in the above table.

Note 3 Scheduled repayment amounts of bonds, borrowed money and other interest bearing liabilities
<March 31, 2025>

(Millions of yen)

(Thousands of U.S. dollars)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Deposits(*)	¥ 2,699,884	¥ 123,767	¥ 23,603	¥ —	¥ —	¥ —	\$ 18,057,011	\$ 827,764	\$ 157,864	\$ —	\$ —	\$ —
Negotiable certificates of deposit	33,981	—	—	—	—	—	227,273	—	—	—	—	—
Borrowed money	4,525	101,781	265	31	—	—	30,270	680,722	1,775	210	—	—
Total	¥ 2,738,392	¥ 225,548	¥ 23,869	¥ 31	¥ —	¥ —	\$ 18,314,554	\$ 1,508,487	\$ 159,639	\$ 210	\$ —	\$ —

*Demand deposits are included in "Due in 1 year or less".

<March 31, 2024>

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Deposits(*)	¥ 2,643,853	¥ 116,834	¥ 13,614	¥ —	¥ —	¥ —
Negotiable certificates of deposit	65,219	—	—	—	—	—
Borrowed money	17,332	1,615	100,619	66	—	—
Total	¥ 2,726,404	¥ 118,450	¥ 114,233	¥ 66	¥ —	¥ —

*Demand deposits are included in "Due in 1 year or less".

3. Breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to measure their fair value.

Level 1 fair value: Of those inputs to the measurement of fair value that are observable, fair value that is determined based on quoted market prices of the assets or liabilities that are being assessed for fair value, in which the fair value of concern is formed in an active market.

Level 2 fair value: Of those inputs to the measurement of fair value that are observable, fair value that is determined using inputs relating to the measurement of fair value other than the level 1 inputs.

Level 3 fair value: Fair value that is measured using inputs for determining fair value that are not observable.

When multiple inputs that have a significant impact on the measurement of fair value are used, among the various levels to which each of such inputs are classified, the fair value is classified at the level with the lowest priority in the measurement of fair value.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

Current Fiscal Year (March 31, 2025)

(Millions of Yen)

(Thousands of U.S. dollars)

Classification	Fair Value				Fair Value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities								
Available-for-sale securities(*)								
Government bonds, municipal bonds, etc.	¥ 111,988	¥ 154,294	¥ —	¥ 266,282	\$ 748,983	\$ 1,031,933	\$ —	\$ 1,780,916
Corporate Bonds	—	97,052	—	97,052	—	649,090	—	649,090
Stocks	23,864	—	—	23,864	159,607	—	—	159,607
Investment trusts	41,401	260,361	—	301,763	276,897	1,741,314	—	2,018,212
Other	—	65,529	—	65,529	—	438,267	—	438,267
Total Assets	177,254	577,237	—	754,492	1,185,488	3,860,606	—	5,046,094
Derivative Related								
Interest Related	—	189	—	189	—	1,265	—	1,265
Currency Related	—	1,368	—	1,368	—	9,151	—	9,151
Credit Derivative	—	—	65	65	—	—	434	434
Total Liabilities	¥ —	¥ 1,557	¥ 65	¥ 1,622	\$ —	\$ 10,417	\$ 434	\$ 10,851

Preceding Fiscal Year (March 31, 2024)

(Millions of Yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale securities(**)				
Government bonds, municipal bonds, etc.	¥ 104,656	¥ 166,878	¥ —	¥ 271,534
Corporate Bonds	—	99,500	—	99,500
Stocks	30,436	—	—	30,436
Investment trusts	37,990	311,774	—	349,765
Other	3,021	82,743	8,173	93,937
Total Assets	176,105	660,896	8,173	845,175
Derivative Related				
Interest Related	—	538	—	538
Currency Related	—	1,190	—	1,190
Credit Derivative	—	—	39	39
Total Liabilities	¥ —	¥ 1,729	¥ 39	¥ 1,769

*Available-for-sale securities do not include investment trusts which were treated such that their net asset value is deemed to be the fair value pursuant to paragraph 24-9 of the "Implementation Guidance on the Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021). The consolidated balance sheet amount for investment trusts applying the treatment pursuant to paragraph 24-9 is ¥ 9,524 million (\$63,700 thousand) and ¥9,731 million at March 31, 2025 and 2024, respectively.

Reconciliation between the opening balance and closing balance of investment trusts applying the treatment of paragraph 24-9.

	2025 (Millions of Yen)	2024 (Millions of Yen)	2025 (Thousands of U.S. dollars)
Opening balance	¥ 9,731	¥ 8,631	\$ 65,086
Income (loss) or other comprehensive income for the current period			
Reported income (loss) (a)	(19)	184	(130)
Reported in other comprehensive income (b)	152	70	1,018
Net amount of purchases, sales and redemptions	(340)	845	(2,273)
Amount determined by applying the net asset value (NAV) of investment trusts as their fair value.	—	—	—
Amount determined by not applying the net asset value (NAV) of investment trusts as their fair value.	—	—	—
Closing balance	9,524	9,731	63,700
The unrealized gains/losses on investment trusts held as of the date of the consolidated balance sheet, which were recognized as income (loss) in the current period.	¥ —	¥ —	\$ —

(a) It is included in "other ordinary expenses" in the consolidated statements of income

(b) It is included under "valuation difference on available-for-sale securities" in the "other comprehensive income" in the consolidated statements of comprehensive income.

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheet at fair value

Current Fiscal Year (March 31, 2025)

(Millions of Yen)

(Thousands of U.S. dollars)

Classification	Fair Value				Fair Value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities								
Held-to-maturity bonds								
Government bonds	¥ 9,953	¥ —	¥ —	¥ 9,953	\$ 66,566	\$ —	\$ —	\$ 66,566
Corporate Bonds	—	—	21,807	21,807	—	—	145,850	145,850
Loans and bills discounted	—	84,467	1,925,645	2,010,113	—	564,923	12,878,850	13,443,773
Total Assets	9,953	84,467	1,947,453	2,041,873	66,566	564,923	13,024,701	13,656,190
Deposits		2,846,810		2,846,810	—	19,039,663	—	19,039,663
Negotiable certificates of deposit		33,981		33,981	—	227,273	—	227,273
Borrowed Money		103,507	2,890	106,398	—	692,268	19,333	711,601
Total Liabilities	¥ —	¥ 2,984,300	¥ 2,890	¥ 2,987,190	\$ —	\$ 19,959,204	\$ 19,333	\$ 19,978,537

Preceding Fiscal Year (March 31, 2024)

(Millions of Yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity bonds				
Corporate Bonds	¥ —	¥ —	¥ 20,877	¥ 20,877
Loans and bills discounted	—	32,146	1,904,483	1,936,629
Total Assets	—	32,146	1,925,360	1,957,506
Deposits	—	2,774,316	—	2,774,316
Negotiable certificates of deposit	—	65,219	—	65,219
Borrowed Money	—	116,026	3,367	119,393
Total Liabilities	¥ —	¥ 2,955,562	¥ 3,367	¥ 2,958,929

(Note 1) Explanation of valuation methods used in the measurement of fair value and of inputs related to the measurement of fair value

Assets

(1) Securities

Securities for which unadjusted quoted market prices in active markets are available are classified as Level 1 fair value. This includes mainly listed stocks and government bonds. If the market is not active, in such case even if published quoted market prices are used, the market value is classified as Level 2 fair value. This includes mainly municipal bonds and corporate bonds. In addition, investment trusts with no quoted market price are fair-valued using the net asset value (NAV) and classified as Level 2 fair value, if there are no significant restrictions that would require compensation for the risk from market participants with respect to cancellation or repurchase requests.

Self-guaranteed private placement bonds are classified mainly into Level 3 based on internal ratings, etc. The total face value of the bonds and interest are discounted by the interest rate assumed when similar new private placement bonds are underwritten, for each classification based on internal ratings and term. For certain bonds included among the Other, the fair value is based on prices quoted by correspondent financial institutions, etc. However, if significant unobservable inputs are used, they are classified as Level 3 fair value.

Notes concerning securities regarding the purpose in holding it are described in "Securities."

(2) Loans and bills discounted

The fair value of loans and bills discounted is calculated mainly by discounting the total principal and interest by the interest rate assumed to be applied to similar new loans, by category based on the type of loan, internal rating, and term (remaining term or interest rate renewal term), and the fair value is classified as Level 3. For those with short remaining terms (one year or less), the carrying value is used as fair value because fair value approximates the carrying value. For claims against bankrupt debtors, substantially bankrupt debtors, and potentially bankrupt debtors, the estimated loan losses are calculated based on the present value of estimated future cash flows or the amount expected to be collected through collateral and guarantees, etc. Since the fair value approximates the amount recorded on the consolidated balance sheets as of the balance sheet date less the amount of allowance for loan losses, it is therefore classified as Level 3.

For loans and bills discounted that does not have a repayment date due to characteristics such as loan drawdown amount capped to the scope of pledged assets, the carrying value is used as the fair value because the fair value is assumed to approximate the carrying value based on the expected repayment period and interest rate terms, etc., and are classified as Level 3.

Liabilities

(1) Deposits, and Negotiable Certificates of Deposit

For deposits payable on demand, the amount that would be payable if payment were demanded on the consolidated balance sheet closing date (carrying value) is considered to be the fair value. The fair value of time deposits is calculated based on the present value of future cash flows discounted, as classified according to specified periods of time. The discount rate used is the rate used when accepting new deposits. For those with a short residual period (one year or less), the carrying value is used as fair value because fair value approximates the carrying value. These are classified as Level 2 fair value.

(2) Borrowed Money

The fair value of borrowing money is calculated by discounting the total principal and interest by the interest rate assumed for a similar new borrowing, by category based on the type of borrowing, internal rating, and term (remaining term or interest rate renewal term). For those with a short residual period (one year or less), the carrying value is used as fair value because fair value approximates the carrying value. These are mainly classified as Level 2 fair value.

In addition, fair value of the interest rate swaps is reflected in the borrowed money subject to exceptional treatment for interest rate swaps.

(3) Derivative Transactions

Derivative transactions include interest rate related transactions (interest rate swaps, etc.) and currency related transactions (forward exchange contracts, currency options, currency swaps, etc.), etc. Exchange-traded transactions are valued at the closing price on the exchange, and over-the-counter transactions are valued based on discounted present value or based on option pricing models, etc. since no published quoted market price exists. The inputs used with the valuation techniques used to determine the value of OTC transactions are mainly interest rates, exchange rates, and volatility. Adjustment (CVA) for credit risk of counterparties in OTC transactions is not taken into account because the impact on fair value, etc. is minimal. Exchange-traded transactions are primarily classified as Level 1. OTC transactions are classified as Level 2 fair value if they do not use unobservable inputs or if their effects are not material, and these include interest rate swap transactions, foreign exchange forward contracts, etc. If significant unobservable inputs are used, they are classified as Level 3 fair value and these include credit derivative transactions.

(Note 2) Information about the fair value of Level 3 financial instruments recorded on the consolidated balance sheet at fair value.

(1) Quantitative information about significant unobservable inputs.

Current fiscal year (March 31, 2025)

Preceding Fiscal Year (March 31, 2024)

Classification	Valuation methods	Significant unobservable inputs	Range of inputs	Weighted average of inputs	Valuation methods	Significant unobservable inputs	Range of inputs	Weighted average of inputs
Derivative transactions								
Credit derivative	Discounted present value method	Credit event occurrence rate	0.45% - 1.50%	0.77%	Discounted present value method	Credit event occurrence rate	0.46% - 6.58%	1.98%

(2) Reconciliation between opening balances and closing balances, valuation gains (losses) recognized as profit/loss for the period.

Current fiscal year (March 31, 2025)

(Millions of Yen)

	Opening balance	Profit (loss) or other comprehensive income for the period		Net amount of purchases, sales, issuances and settlements	Transfer to level 3 fair value	Transfer from level 3 fair value	Closing balance	Within the recognized profit/loss for the period, the amount of unrealized gains (losses) on financial assets and financial liabilities held as of date of the consolidated balance sheet. (*1)
		Recorded as profit/loss (*1)	Recorded as other comprehensive income (*2)					
Securities								
Available-for-sale securities								
Other	¥ 8,173	¥ —	¥ 9	¥ (8,182)	¥ —	¥ —	¥ —	¥ —
Derivative transactions								
Credit derivative	¥ (39)	¥ (25)	¥ —	¥ —	¥ —	¥ —	¥ (65)	¥ (65)

Current fiscal year (March 31, 2025)

(Thousands of U.S. dollars)

	Opening balance	Profit (loss) or other comprehensive income for the period		Net amount of purchases, sales, issuances and settlements	Transfer to level 3 fair value	Transfer from level 3 fair value	Closing balance	Within the recognized profit/loss for the period, the amount of unrealized gains (losses) on financial assets and financial liabilities held as of date of the consolidated balance sheet. (*1)
		Recorded as profit/loss (*1)	Recorded as other comprehensive income (*2)					
Securities								
Available-for-sale securities								
Other	\$ 54,663	\$ —	\$ 61	\$ (54,724)	\$ —	\$ —	\$ —	\$ —
Derivative transactions								
Credit derivative	\$ (266)	\$ (167)	\$ —	\$ —	\$ —	\$ —	\$ (434)	\$ (434)

Preceding fiscal year (March 31, 2024)

(Millions of Yen)

	Opening balance	Profit (loss) or other comprehensive income for the period		Net amount of purchases, sales, issuances and settlements	Transfer to level 3 fair value	Transfer from level 3 fair value	Closing balance	Within the recognized profit/loss for the period, the amount of unrealized gains (losses) on financial assets and financial liabilities held as of date of the consolidated balance sheet. (*1)
		Recorded as profit/loss (*1)	Recorded as other comprehensive income (*2)					
Securities								
Available-for-sale securities								
Other	¥ 11,754	¥ —	¥ 20	¥ (3,601)	¥ —	¥ —	¥ 8,173	¥ —
Derivative transactions								
Credit derivative	¥ (49)	¥ 9	¥ —	¥ —	¥ —	¥ —	¥ (39)	¥ (39)

(*1) Included in "Other ordinary expenses" in the consolidated statements of income.

(*2) Included in "Valuation difference on available-for-sale securities" in "Other comprehensive income" in the consolidated statements of comprehensive income.

(3) Explanation of fair value measurement process

The Bank's risk management and market divisions have established policies and procedures regarding the measurement of fair value, and each division measures fair value in accordance with these policies and procedures. The measured fair value is verified by the risk management and markets divisions to ensure the validity of the valuation techniques and inputs used to measure fair value and the suitability of the classification of the level of fair value.

The fair value is calculated using a valuation model that most appropriately reflects the nature, characteristics and risks of each investment. In cases where quoted market prices obtained from third parties are used, the Bank verifies the validity of the prices by confirming the valuation techniques and inputs used, comparing them with the market prices of similar financial instruments, and other appropriate methods.

(4) Explanation of the effect on fair value of any changes in significant unobservable inputs.

A significant unobservable input used in the fair value measurement of credit derivatives is the credit event rate. The credit event incidence rate is an estimate of the likelihood that a credit event will occur under a credit default swap contract and that the Bank will receive compensation for the loss. A significant increase (decrease) in the rate of credit event occurrence can result in a significant increase (decrease) in fair value.

22. Securities

Trading account securities, marketable securities classified as held-to-maturity bonds and other securities at March 31, 2025 and 2024 are summarized as follows:

(*1) In addition to "Securities" on the consolidated balance sheet, "Trust beneficiary interests" among "Monetary claims bought" are also summarized.

1. Trading account securities

Not applicable

2. Held-to-maturity bonds (As of March 31, 2025)

(Millions of yen)

(Thousands of U.S. dollars)

	Type	Carrying value	Fair value	Difference	Carrying Value	Fair value	Difference
Fair value exceeding carrying value	Government bonds	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —
	Local government bonds	—	—	—	—	—	—
	Short-term corporate bonds	—	—	—	—	—	—
	Corporate bonds	2,628	2,647	18	17,581	17,707	125
	Other	—	—	—	—	—	—
	Subtotal	2,628	2,647	18	17,581	17,707	125
Fair value not exceeding carrying value	Government bonds	9,993	9,953	(40)	66,837	66,566	(271)
	Local government bonds	—	—	—	—	—	—
	Short-term corporate bonds	—	—	—	—	—	—
	Corporate bonds	19,397	19,160	(237)	129,733	128,143	(1,589)
	Other	—	—	—	—	—	—
	Subtotal	29,391	29,113	(278)	196,570	194,710	(1,860)
Total		¥ 32,020	¥ 31,760	¥ (259)	\$ 214,152	\$ 212,417	\$ (1,734)

Held-to-maturity bonds (As of March 31, 2024)

(Millions of yen)

	Type	Carrying value	Fair value	Difference
Fair value exceeding carrying value	Government bonds	¥ —	¥ —	¥ —
	Local government bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	11,621	11,707	86
	Other	—	—	—
	Subtotal	11,621	11,707	86
Fair value not exceeding carrying value	Government bonds	—	—	—
	Local government bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	9,242	9,170	(71)
	Other	—	—	—
	Subtotal	9,242	9,170	(71)
Total		¥ 20,863	¥ 20,877	¥ 14

3. Available-for-sale securities (As of March 31, 2025)

(Millions of yen)

(Thousands of U.S. dollars)

	Type	Carrying value	Cost	Difference	Carrying value	Cost	Difference
Carrying value exceeding cost	Stocks	¥ 21,692	¥ 9,717	¥ 11,974	\$ 145,080	\$ 64,992	\$ 80,088
	Bonds	18,595	18,344	250	124,366	122,691	1,675
	Government bonds	—	—	—	—	—	—
	Local government bonds	17,893	17,642	250	119,669	117,996	1,673
	Short-term corporate bonds	—	—	—	—	—	—
	Corporate bonds	702	701	0	4,696	4,694	1
	Other	88,804	85,108	3,696	593,931	569,210	24,720
	Foreign bonds	19,558	19,361	197	130,807	129,488	1,319
	Other	69,246	65,747	3,498	463,123	439,722	23,401
	Subtotal	129,092	113,170	15,921	863,378	756,893	106,484
Carrying value not exceeding cost	Stocks	2,172	2,490	(318)	14,526	16,655	(2,129)
	Bonds	344,739	363,294	(18,554)	2,305,641	2,429,737	(124,096)
	Government bonds	111,988	121,380	(9,392)	748,983	811,798	(62,815)
	Local government bonds	136,401	141,294	(4,892)	912,263	944,986	(32,722)
	Short-term corporate bonds	—	—	—	—	—	—
	Corporate bonds	96,349	100,619	(4,270)	644,394	672,952	(28,558)
	Other	288,767	313,491	(24,723)	1,931,295	2,096,651	(165,355)
	Foreign bonds	47,548	48,460	(911)	318,010	324,109	(6,098)
	Other	241,218	265,030	(23,812)	1,613,285	1,772,542	(159,256)
	Subtotal	635,678	679,275	(43,597)	4,251,463	4,543,044	(291,580)
Total		¥ 764,771	¥ 792,446	¥ (27,675)	\$ 5,114,842	\$ 5,299,938	\$ (185,096)

Available-for-sale securities (As of March 31, 2024)

(Millions of yen)

	Type	Carrying value	Cost	Difference
Carrying value exceeding cost	Stocks	¥ 29,034	¥ 12,044	¥ 16,989
	Bonds	24,068	23,624	444
	Government bonds	—	—	—
	Local government bonds	18,847	18,417	430
	Short-term corporate bonds	—	—	—
	Corporate bonds	5,220	5,207	13
	Other	132,141	126,495	5,646
	Foreign bonds	24,448	24,267	180
	Other	107,693	102,228	5,465
	Subtotal	185,244	162,164	23,079
Carrying value not exceeding cost	Stocks	1,402	1,579	(177)
	Bonds	346,967	358,439	(11,472)
	Government bonds	104,656	112,407	(7,750)
	Local government bonds	148,031	149,711	(1,679)
	Short-term corporate bonds	—	—	—
	Corporate bonds	94,279	96,320	(2,041)
	Other	322,080	348,114	(26,033)
	Foreign bonds	71,044	74,442	(3,397)
	Other	251,036	273,672	(22,636)
	Subtotal	670,449	708,133	(37,683)
Total		¥ 855,694	¥ 870,298	¥ (14,603)

4. Held-to-maturity bonds sold during the year
Not applicable

5. Available-for-sale securities sold during the year ended March 31, 2025

(Millions of yen)

(Thousands of U.S. dollars)

	Proceeds from Sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Stocks	¥ 13,544	¥ 5,762	¥ 268	\$ 90,583	\$ 38,537	\$ 1,793
Bonds	82,608	105	5,267	552,488	708	35,227
Government bonds	70,398	35	5,247	470,828	235	35,097
Local government bonds	11,014	70	14	73,665	473	98
Short-term corporate bonds	—	—	—	—	—	—
Corporate bonds	1,195	—	4	7,994	—	31
Other	75,462	1,354	3,630	504,701	9,058	24,281
Total	¥ 171,615	¥ 7,222	¥ 9,165	\$ 1,147,773	\$ 48,305	\$ 61,301

Available-for-sale securities sold during the year ended March 31, 2024

(Millions of yen)

	Proceeds from Sales	Gains on sales	Losses on sales
Stocks	¥ 6,691	¥ 3,090	¥ 62
Bonds	51,347	8	113
Government bonds	51,347	8	113
Local government bonds	—	—	—
Short-term corporate bonds	—	—	—
Corporate bonds	—	—	—
Other	266,287	8,393	12,824
Total	¥ 324,325	¥ 11,491	¥ 13,000

6. Securities with Changed Purpose of Holding

During the current fiscal year, the purpose of holding was changed from held to maturity for ¥250 million (\$1,672 thousand) of bonds due to a significant deterioration in the creditworthiness of the bond issuer, and they are now classified as available-for-sale securities. The impact of this change on the consolidated financial statements for the current fiscal year is insignificant.

7. Securities which have readily determinable fair value are written down to fair value, and the difference between cost and fair value is recorded as loss for the fiscal year if fair value has significantly deteriorated compared with cost and fair value is unlikely to recover up to the acquisition cost.

For securities other than trading securities (excluding non-marketable equity securities and investments in partnerships) for which the fair value has fallen significantly below the acquisition cost and the fair value is not expected to recover to the acquisition cost, the fair value is recorded on the consolidated balance sheet amount and the valuation difference is recorded as a loss for the fiscal year (hereinafter "impairment loss").

The amount of impairment loss for the previous fiscal year was ¥30 million (including ¥30 million for stocks). The amount of impairment loss for the current fiscal year was ¥50 million (\$334 thousand) (including ¥50 million for corporate bonds).

The criteria for determining that the fair value of an individual security has "significantly declined" is when the market value as of the end of the current fiscal year has declined by 50% or more compared to the acquisition cost, or when the fair value has declined by 30% or more but less than 50% and there is no possibility of recovery in fair value, taking into consideration the business conditions of the issuer and changes in fair value over a certain period in the past.

23. Money Held in Trust

Other moneys held in trust (other than if held for operational purposes or held to maturity) during the year ended March 31, 2025

(Millions of yen)

(Thousands of U.S. dollars)

	Carrying value	Fair value	Difference	Carrying value exceeding cost	Carrying value not exceeding cost	Carrying value	Fair value	Difference	Carrying value exceeding cost	Carrying value not exceeding cost
Other moneys held in trust	¥ 20,815	¥20,692	¥ 122	¥ 122	—	\$ 139,216	\$ 138,394	\$ 821	\$ 821	—

Note Among these "Carrying value exceeding cost" and "carrying value not exceeding cost" are each a breakdown of "the difference."

For the preceding accounting year (as of March 31, 2024)

(Millions of yen)

	Carrying value	Fair value	Difference	Carrying value exceeding cost	Carrying value not exceeding cost
Other moneys held in trust	¥ 16,359	¥16,204	154	154	—

24. Valuation difference on available-for-sale securities

The components of valuation difference on available-for-sale securities recorded on the consolidated financial statements at March 31, 2025 and 2024 are as follows:

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Valuation Gains (losses)	¥ (27,374)	¥ (14,342)	\$ (183,081)
Available-for-sale securities	(27,497)	(14,497)	(183,903)
Other money held in trust	122	154	821
Deferred tax assets	6,416	3,775	42,916
Valuation difference on available-for-sale securities (before adjustment based on equivalent amount of shareholdings)	(20,957)	(10,567)	(140,164)
(△)Amount equivalent to non-controlling interests equity	—	—	—
Valuation difference on available-for-sale securities owned by companies accounted for using the equity method, the amount equivalent to owners of parent	—	—	—
Valuation difference on available-for-sale securities	¥ (20,957)	¥ (10,567)	\$ (140,164)

25. Fair Value Information on Derivatives

(1) Derivative transactions to which hedge accounting is not applied

Derivative transactions to which hedge accounting is not applied are set forth in the table below. Contract amounts themselves do not reflect the market risks of the derivative transactions.

Currency-related transactions

<March 31, 2025>

(Millions of yen)

(Thousands of U.S. dollars)

	Type	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)
Over-the-Counter transactions	Forward exchange contracts								
	Sold	¥ 48,115	¥ —	¥ (1,370)	¥ (1,370)	\$ 321,800	\$ —	\$ (9,163)	\$ (9,163)
	Bought	4,485	—	1	1	30,000	—	11	11
	Currency options								
	Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
	Bought	—	—	—	—	—	—	—	—
Total		—	—	¥ (1,368)	¥ (1,368)	—	—	\$ (9,151)	\$ (9,151)

<March 31, 2024>

(Millions of yen)

	Type	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)
Over-the-Counter transactions	Forward exchange contracts				
	Sold	¥ 62,030	¥ —	¥ (1,191)	¥ (1,191)
	Bought	4,545	—	0	0
	Currency options				
	Sold	¥ —	¥ —	¥ —	¥ —
	Bought	—	—	—	—
Total		—	—	¥ (1,190)	¥ (1,190)

(Note) The above transactions were evaluated for fair value, and the valuation gains (losses) were recorded in the consolidated statements of income.

Credit derivatives transactions

<March 31, 2025>

(Millions of yen)

(Thousands of U.S. dollars)

	Type	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)
Over-the-counter transactions	Credit default swaps								
	Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
	Bought	5,635	5,160	(65)	(65)	37,687	34,510	(434)	(434)
	Total	—	—	¥ (65)	¥ (65)	—	—	\$ (434)	\$ (434)

<March 31, 2024>

(Millions of yen)

	Type	Contract amounts	Contract amount maturing beyond one year	Fair value	Unrealized gain or (loss)
Over-the-counter transactions	Credit default swaps				
	Sold	¥ —	¥ —	¥ —	¥ —
	Bought	5,245	4,353	(39)	(39)
	Total	—	—	¥ (39)	¥ (39)

(Note)
1. The above transactions were evaluated for fair value, and the valuation gains (losses) were recorded in the consolidated statements of income.
2. "Sold" represents a credit risk assumption transaction and "bought" represents a credit risk delivery transaction.

(2) Derivative transactions to which hedge accounting is applied

Derivative transactions to which hedge accounting is applied are set forth in the table below. Contract amounts themselves below do not represent the market risks of the derivative transactions.

Interest rate-related transactions

<March 31, 2025>

(Millions of yen)

(Thousands of U.S. dollars)

Hedge accounting method	Type	Major hedged item	Contract amounts	Contract amount maturing beyond one year	Fair value	Contract amounts	Contract amount maturing beyond one year	Fair value
Normal method	Interest rate swaps receive-floating/pay-fixed	Loans, deposits	¥ 14,494	¥ 14,494	¥ (189)	\$ 96,940	\$ 96,940	\$ (1,264)
Exceptional treatment	Interest rate swaps receive-fixed/pay-floating	Borrowed money	100,000	100,000	(Note) 2	668,806	668,806	(Note) 2
Total		—	—	—	¥ (189)	—	—	\$ (1,265)

(Note) 1. Deferred hedging is mainly used in accordance with the Industry Audit Committee Practice Guideline No. 24.

2. Since interest rate swaps subject to exceptional treatment are treated as single entities with the borrowed money being a hedged item, their market value is included in the market value of the borrowed money for "Financial Instruments."

<March 31, 2024>

(Millions of yen)

Hedge accounting method	Type	Major hedged item	Contract amounts	Contract amount maturing beyond one year	Fair value
Normal method	Interest rate swaps receive-floating/pay-fixed	Loans, deposits	¥ 18,163	¥ 18,088	¥ (538)
Exceptional treatment	Interest rate swaps receive-floating/pay-fixed	Borrowed money	100,000	100,000	(Note) 2
Total		—	—	—	¥ (538)

(Note)1. Deferred hedging is mainly used in accordance with the Industry Audit Committee Practice Guideline No. 24.

2. Since interest rate swaps subject to exceptional treatment are treated as single entities with the borrowed money being a hedged item, their market value is included in the market value of the borrowed money for "Financial Instruments."

26. Retirement Benefit Plans

The Bank and the consolidated subsidiaries have defined-benefit corporation pension funds and lump-sum retirement benefits. Certain consolidated subsidiaries use a simplified method for calculating retirement benefit expenses and liabilities. The following table sets forth the funded and accrued status of the plans and the amounts recognized in the consolidated balance sheet for the Bank's and the consolidated subsidiaries' defined retirement benefit plans:

(1) The changes in the retirement benefit obligation during the year ended March 31, 2025 and 2024 are as follows:

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Retirement benefit obligation at the beginning of the year	¥ 11,980	¥ 13,059	\$ 80,127
Service cost.....	343	377	2,299
Interest cost.....	107	65	718
Actuarial gain/loss.....	(730)	(523)	(4,884)
Retirement benefits paid...	(794)	(998)	(5,311)
Prior service cost	—	—	—
Other	—	—	—
Retirement benefit obligation... at the end of the year	¥ 10,907	¥ 11,980	\$ 72,948

(2) The changes in plan assets during the year ended March 31, 2025 and 2024 are as follows:

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Plan assets at the beginning of the year...	¥ 17,824	¥ 16,420	\$ 119,208
Expected return on plan assets...	606	492	4,053
Actuarial gain/loss.....	(457)	1,594	(3,057)
Contributions by employers...	256	261	1,712
Contributions by employees...	48	49	323
Retirement benefits paid...	(786)	(994)	(5,258)
Other	—	—	—
Plan assets at the end of the year...	¥ 17,491	¥ 17,824	\$ 116,982

(3) The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2025 and 2024 for the bank's and the consolidated subsidiaries' defined benefit plans:

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Funded retirement benefit obligation...	¥ 10,858	¥ 11,928	\$ 72,624
Plan assets at fair value ...	(17,491)	(17,824)	(116,982)
	(6,632)	(5,895)	(44,357)
Unfunded retirement benefit obligation...	48	51	324
Net liabilities for retirement benefits in the consolidated balance sheet ...	(6,583)	(5,843)	(44,033)
Liabilities for retirement benefits...	48	51	324
Assets for retirement benefits...	(6,632)	(5,895)	(44,357)
Net liabilities for retirement benefits... in consolidated balance sheet	¥ (6,583)	¥ (5,843)	\$ (44,033)

(4) The components of retirement benefit expense for the year ended March 31, 2025 and 2024 are as follows:

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Service cost	¥ 296	¥ 328	\$ 1,980
Interest cost	107	65	718
Expected return on plan assets...	(606)	(492)	(4,053)
Amortization of actuarial gain/loss cost ...	(842)	(231)	(5,634)
Amortization of prior service cost ...	—	—	—
Other	—	—	—
Retirement benefit expense ...	¥ (1,045)	¥ (329)	\$ (6,989)

Notes

- Concerning the consolidated subsidiaries that use a simplified method, all of the retirement benefit cost is included in the service cost.
- Service cost does not include the amounts contributed by employees with respect to corporate pension fund plans.

(5) The components of retirement benefits liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Prior service cost	¥ —	¥ —	\$ —
Actuarial gain and loss	(569)	1,886	(3,807)
Other	—	—	—
Total	¥ (569)	¥ 1,886	\$ (3,807)

(6) Unrecognized prior service cost and unrecognized actuarial loss included in accumulated other comprehensive income (before tax effect) as of March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Unrecognized prior service cost ...	¥ —	¥ —	\$ —
Unrecognized actuarial gain/loss ...	2,815	3,385	18,833
Other	—	—	—
Total	¥ 2,815	¥ 3,385	\$ 18,833

(7) The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2025 and 2024 is as follows:

	2025	2024
Bonds	19%	15%
Stocks	38%	43%
General account	29%	29%
Other	14%	13%
Total	100%	100%

Note

The expected long-term return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term return on assets held in each category.

(8) The assumptions used in accounting for the above plans are as follows:

	2025	2024
1) Discount rate:	1.6%	0.9%
2) Expected rate of long-term return on assets: ...	3.4%	3.0%

27. Income Taxes

The major components of deferred tax assets and liabilities at March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets:			
Allowance for loan losses	¥ 2,433	¥ 2,285	\$ 16,272
Devaluation on securities	502	392	3,361
Depreciation	381	392	2,551
Valuation difference on available-for-sale securities	8,641	4,475	57,797
Deferred gains or losses on hedges	59	164	398
Other	1,958	1,902	13,097
Subtotal: deferred tax assets	13,977	9,613	93,480
Valuation allowance (Note1)	(4,535)	(2,859)	(30,333)
Total: deferred tax assets	9,441	6,753	63,146
Deferred tax liabilities:			
Net defined benefits assets	(2,089)	(1,797)	(13,972)
Other	(16)	(128)	(112)
Total: deferred tax liabilities	(2,106)	(1,926)	(14,085)
Net deferred tax assets (liabilities)	¥ 7,335	¥ 4,827	\$ 49,061

Note

- In the current fiscal year, the valuation allowance amount increased by ¥1,675 million (\$11,205 thousand), mainly due to an ¥1,525 million (\$10,201 thousand) increase in the valuation allowance on available-for-sale securities and ¥187 million (\$1,256 thousand) increase in the valuation allowance for loan losses.
- Net deferred tax assets (liabilities) as of March 31, 2025 and 2024 were included in the following accounts in the consolidated balance sheets.

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets	¥ 7,335	¥ 4,875	\$ 49,061
Deferred tax liabilities	0	(48)	0

For the fiscal year ended March 31, 2025 and 2024, the reconciliation of the statutory tax rate of the Bank to the effective income tax rate was as follows:

	2025	2024
Statutory tax rate	—	30.50%
Valuation allowance	—	9.41%
Non-deductible expenses	—	0.77%
Non-taxable income	—	(4.10%)
Per capita inhabitants' tax rate	—	1.10%
Reversal of revaluation reserve for land	—	(0.05%)
Difference in tax rates with consolidated subsidiaries	—	1.28%
Others	—	0.43%
Effective tax rate	—	39.34%

For the current fiscal year, since the difference between the statutory effective tax rate and the effective corporate income tax rate after applying tax effect accounting is less than 5/100 of the statutory effective tax rate, its disclosure was omitted.

Adjustment of deferred tax assets and liabilities resulting from changes in corporate tax rates

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025)" on March 31, 2025, the "Defense Special Corporate Tax" will be imposed from the fiscal years beginning on or after April 1, 2026. As a result, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities will be changed from the previous 30.5% to 31.5% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2026. Due to this tax rate change, deferred tax assets for the current fiscal year increased by 200 million yen, valuation difference on available-for-sale securities increased by 223 million yen, deferred gains and losses on hedges increased by 1 million yen, accumulated adjustments for retirement benefits decreased by 28 million yen, and adjustments for income taxes (deferred income taxes) decreased by 2 million yen. Deferred tax liabilities related to revaluation increased by 35 million yen, and the land revaluation difference decreased by the same amount.

28. Asset Retirement Obligations

Among asset retirement obligations, recorded amounts on the consolidated financial statements

A. Summary description of the asset retirement obligations

Obligation to restore to original condition, under leasing agreements for land for operating facilities and for ATMs outside of the bank facilities, obligation to remove toxic substances used at a portion of the operating facilities and the administrative center, due to legal requirements, etc.

B. Calculation Method of Amount of Asset Retirement Obligations

The asset retirement obligation amounts are calculated by estimating the period of use to be from 6 years to 30 years from time of acquisition, using a discount rate of 0.0% to 2.0% based on the government bond yields as a reference.

C. Gains/Losses in total asset retirement obligation

	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars)
Balance at beginning of year	¥ 160	¥ 262	\$ 1,071
Increase in amount due to acquisition of property, plant and equipment	12	0	83
Adjustment due to the passage of time	0	0	5
Increase due to change in estimate	—	—	—
Reduction due to performance of asset retirement obligations	27	103	185
Balance at the end of the year	¥ 145	¥ 160	\$ 974

29. Revenue Recognition

1. Disaggregation of revenues arising from contracts with customers.
As described in "29. Segment Information".

2. Information that provides a basis for understanding the revenue arising from contracts with customers

The principal performance obligations of the Bank and its consolidated subsidiaries in their principal businesses relating to revenues from contracts with customers are the provision of services related to financial services, including deposit and loan services, foreign exchange services, securities-related services, agency services, mutual fund services, and safe-deposit box/custodian services.

Revenue is recognized primarily when promised services have been rendered and the performance obligation has been fulfilled. For performance obligations rendered during the service period of annual fees for credit card members of consolidated subsidiaries, the revenue is recognized over the period the services are provided.

The amount of revenue recorded is calculated based on the amount expected to be received in exchange for services. For loyalty-point programs operated by other companies in which consolidated subsidiaries participate, the amount expected to be used in the future is recognized as the amount to be collected for third parties and deducted from credit merchant fees.

3. Information to understand the revenue amounts for the current fiscal year and subsequent fiscal years.
Information is omitted due to low materiality.

30. Segment Information

1. Outline of reportable segments

Reportable segments are components for which separate financial information is available and that are subject to periodic examination by the board of directors to determine the allocation of management resources and assess performances.

The Bank and its consolidated subsidiaries consist of the Bank and 8 consolidated subsidiaries that are engaged in the financial services business that includes mainly banking services as well as leasing services.

Therefore, the reportable segments of the Bank and its consolidated subsidiaries comprise 'Banking', 'Leasing', and 'Credit guarantee' which are distinguished by the type of the business.

'Banking' includes deposit taking, lending, investment in securities and exchange services.

'Leasing' represents the lease business of Yamagin Lease Co., Ltd., one of the consolidated subsidiaries.

'Credit guarantee' is a credit guarantee business operated by Yamagin Guarantee Service Co., Ltd., one of the consolidated subsidiaries.

2. Calculation method of ordinary income, profit (loss), assets, liabilities and other items by reportable segment

The accounting policies in Note 3, "Summary of Significant Accounting Policies", are adopted for the reportable segments.

Reportable segment profit corresponds to ordinary profit.

Ordinary income arising from intersegment transactions is based on arm's length prices.

3. Information by reportable segment regarding amount of ordinary income, profit or loss, assets, liabilities and other items as well as revenue breakdown information.

Year ended March 31, 2025

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Consolidated financial statements
	Banking	Leasing	Credit guarantee	Total				
Revenues from service transactions								
Deposit/Loan Services	¥ 1,244	¥ —	¥ —	¥ 1,244	¥ —	¥ 1,244	¥ —	¥ 1,244
Exchanging Services	1,348	—	—	1,348	—	1,348	—	1,348
Securities Related Services	58	—	—	58	—	58	—	58
Agency Services	855	—	—	855	—	855	—	855
Investment Trust Businesses	809	—	—	809	—	809	—	809
Safe-deposit box/custodian services	44	—	—	44	—	44	—	44
Other	2,341	—	2	2,343	1,078	3,422	—	3,422
Other service revenues	—	—	—	—	252	252	—	252
Ordinary income from contracts with customers	6,701	—	2	6,704	1,331	8,035	—	8,035
Ordinary income other than the above	38,684	5,784	238	44,707	145	44,853	(28)	44,825
Ordinary revenues from external customers	45,386	5,784	241	51,412	1,477	52,889	(28)	52,861
Inter-segment ordinary income	512	105	659	1,277	252	1,530	(1,530)	—
Total	45,899	5,890	900	52,690	1,729	54,419	(1,558)	52,861
Segment profit	5,617	210	732	6,561	364	6,925	(419)	6,505
Segment assets	3,150,155	16,240	5,756	3,172,152	7,028	3,179,180	(14,928)	3,164,251
Segment liabilities	3,024,983	12,539	2,239	3,039,762	4,561	3,044,323	(16,074)	3,028,249
Other items								
Depreciation	1,966	24	1	1,992	5	1,998	—	1,998
Interest income	31,432	0	10	31,444	38	31,482	(437)	31,044
Interest expenses	5,110	64	—	5,174	15	5,189	(66)	5,122
Increase in property, plant and equipment and intangible assets	3,472	47	—	3,519	0	3,520	—	3,520

Year ended March 31, 2025

(Thousands of U.S. dollars)

	Reportable segment				Other	Total	Adjustments	Consolidated financial statements
	Banking	Leasing	Credit guarantee	Total				
Revenues from service transactions								
Deposit/Loan Services	\$ 8,326	\$ —	\$ —	\$ 8,326	\$ —	\$ 8,326	\$ —	\$ 8,326
Exchanging Services	9,016	—	—	9,016	—	9,016	—	9,016
Securities Related Services	388	—	—	388	—	388	—	388
Agency Services	5,723	—	—	5,723	—	5,723	—	5,723
Investment Trust Businesses	5,414	—	—	5,414	—	5,414	—	5,414
Safe-deposit box/custodian services	295	—	—	295	—	295	—	295
Other	15,658	—	17	15,675	7,211	22,886	—	22,886
Other service revenues	—	—	—	—	1,692	1,692	—	1,692
Ordinary income from contracts with customers	44,822	—	17	44,839	8,903	53,742	—	53,742
Ordinary income other than the above	258,725	38,687	1,597	299,010	975	299,985	(190)	299,795
Ordinary revenues from external customers	303,547	38,687	1,614	343,849	9,879	353,728	(190)	353,538
Inter-segment ordinary income	3,428	708	4,409	8,545	1,686	10,232	(10,232)	—
Total	306,976	39,395	6,023	352,395	11,566	363,961	(10,423)	353,538
Segment profit	37,571	1,407	4,901	43,880	2,434	46,315	(2,805)	43,509
Segment assets	21,068,454	108,615	38,501	21,215,570	47,005	21,262,576	(99,844)	21,162,731
Segment liabilities	20,231,294	83,866	14,979	20,330,140	30,506	20,360,646	(107,509)	20,253,137
Other items								
Depreciation	13,151	164	9	13,324	39	13,364	—	13,364
Interest income	210,223	5	73	210,302	255	210,557	(2,926)	207,630
Interest expenses	34,176	428	—	34,605	103	34,708	(445)	34,262
Increase in property, plant and equipment and intangible assets	23,223	317	—	23,541	1	23,543	—	23,543

Notes

- Ordinary income is substituted for sales of companies in other industries. "Adjustments" are elimination of intersegment transactions.
- "Other" represents business segments that are not the reportable segments and comprises business support service, data processing, credit card business, regional trading company, venture capital business, etc.
- "Adjustments" are as follows:
 - Adjusted amount of ordinary income from external customers of negative 28 million yen is the adjusted amount of the allowance for loan losses provision for "credit guarantee business" and "other".
 - The 419 million yen reduction adjustment for segment profit, the 14,928 million yen reduction adjustment for segment assets, the 16,074 million yen reduction adjustment for segment liabilities, the 437 million yen reduction adjustment for interest income, and the 66 million yen reduction adjustment for interest expenses are eliminations of intersegment transactions.
- "Segment profit (loss)" corresponds to ordinary income (net) of Consolidated Statements of Income.

Year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Consolidated financial statements
	Banking	Leasing	Credit guarantee	Total				
Revenues from service transactions								
Deposit/Loan Services	¥ 1,151	¥ —	¥ —	¥ 1,151	¥ —	¥ 1,151	¥ —	¥ 1,151
Exchanging Services	1,276	—	—	1,276	—	1,276	—	1,276
Securities Related Services	27	—	—	27	—	27	—	27
Agency Services	1,001	—	—	1,001	—	1,001	—	1,001
Investment Trust Businesses	758	—	—	758	—	758	—	758
Safe-deposit box/custodian services	45	—	—	45	—	45	—	45
Other	2,244	—	2	2,247	1,039	3,286	—	3,286
Other service revenues	—	—	—	—	247	247	—	247
Ordinary income from contracts with customers	6,505	—	2	6,508	1,287	7,795	—	7,795
Ordinary income other than the above	41,227	5,779	205	47,213	109	47,322	(20)	47,301
Ordinary revenues from external customers	47,733	5,779	208	53,721	1,396	55,117	(20)	55,097
Inter-segment ordinary income	913	102	668	1,684	270	1,954	(1,954)	—
Total	48,646	5,882	877	55,406	1,666	57,072	(1,975)	55,097
Segment profit	3,419	229	711	4,361	308	4,669	(906)	3,762
Segment assets	3,132,686	15,810	5,514	3,154,012	6,915	3,160,928	(14,562)	3,146,366
Segment liabilities	2,998,929	12,128	2,237	3,013,295	4,510	3,017,806	(15,246)	3,002,560
Other items								
Depreciation	1,901	13	0	1,915	6	1,921	—	1,921
Interest income	34,232	0	3	34,236	42	34,278	(833)	33,444
Interest expenses	5,374	52	—	5,426	16	5,443	(51)	5,391
Increase in property, plant and equipment and intangible assets	1,707	136	6	1,850	0	1,851	—	1,851

Notes

1. Ordinary income is substituted for sales of companies in other industries. "Adjustments" are elimination of intersegment transactions.
2. "Other" represents business segments that are not the reportable segments and comprises business support service, data processing, credit card business, regional trading company, venture capital business, etc.
3. "Adjustments" are as follows:
 - (1) Adjusted amount of ordinary income from external customers of negative 20 million yen is the adjusted amount of the allowance for loan losses provision for "leasing business" and "other".
 - (2) The 906 million yen reduction adjustment for segment profit, the 14,562 million yen reduction adjustment for segment assets, the 15,246 million yen reduction adjustment for segment liabilities, the 833 million yen reduction adjustment for interest income, and the 51 million yen reduction adjustment for interest expenses are eliminations of intersegment transactions.
4. "Segment profit (loss)" corresponds to ordinary income (net) of Consolidated Statements of Income.

4. Related information
Information by service

Year ended March 31, 2025

(Millions of yen)

	Loan	Security investment	Lease	Other	Total
Ordinary income from external customers	¥ 21,207	¥ 16,297	¥ 5,784	¥ 9,570	¥ 52,861

Year ended March 31, 2025

(Thousands of U.S. dollars)

	Loan	Security investment	Lease	Other	Total
Ordinary income from external customers	\$ 141,840	\$ 108,999	\$ 38,687	\$ 64,010	\$ 353,538

Year ended March 31, 2024

(Millions of yen)

	Loan	Security investment	Lease	Other	Total
Ordinary income from external customers	¥ 19,365	¥ 21,154	¥ 5,752	¥ 8,824	¥ 55,097

Information about geographical areas is omitted because the Bank and its consolidated subsidiaries conduct banking and other related activities in Japan without having foreign subsidiaries or foreign branches.

Information about major customers is not presented because there are no customers having over a 10% share of ordinary income.

5. Information concerning the impairment loss of fixed assets by reportable segment

Year ended March 31, 2025

(Millions of yen)

	Reportable segment				Other	Total
	Banking	Leasing	Credit guarantee	Total		
Impairment loss	¥ 67	¥ —	¥ —	¥ 67	¥ —	¥ 67

Year ended March 31, 2025

(Thousands of U.S. dollars)

	Reportable segment				Other	Total
	Banking	Leasing	Credit guarantee	Total		
Impairment loss	\$ 451	\$ —	\$ —	\$ 451	\$ —	\$ 451

Year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other	Total
	Banking	Leasing	Credit guarantee	Total		
Impairment loss	¥ 24	¥ —	¥ —	¥ 24	¥ —	¥ 24

31. Related Parties Information

Transactions with Related Parties

Transactions of the Corporation Submitting Consolidated Financial Statements with Related Parties

Directors and Major Stockholders (only in the case of individuals) etc. of the Corporation Submitting Consolidated Financial Statements

Year ended March 31, 2025

(Millions of yen)

Category	Name of company, etc. or individual's full name	Location	Capital or investment contribution	Description of business or job	Percentage of ownership of voting rights, etc. owned (or owned by) (%)	Relation to affiliated parties	Description of transaction	Amount of transaction	Account name	Balance at end of financial period
Companies, etc. in which Directors and their close relatives own a majority of the voting rights	HappyProduct Inc. (note 2)	Yamagata City, Yamagata Prefecture	70	Pig iron and cast iron manufacturing	—	Customer with the credit facility granted by us	Loan of funds	1,870	Loans and bills discounted	1,870
	HappyJapan Inc. (note 3)	Yamagata City, Yamagata Prefecture	73	Manufacture of general machinery and equipment	Owned directly 0.89	Customer with the credit facility granted by us	Loan of funds	1,007	Loans and bills discounted	900
	Otokoyama Shuzou Co., Ltd. (Note 4)	Yamagata City, Yamagata Prefecture	35	Sake Manufacturer	Owned directly, 0.02	Customer with the credit facility granted by us	Loan of funds	117	Loans and bills discounted	113
Directors and close relatives	Junichi Matsuda	—	—	Director of the Bank; Attorney	—	Customer with the credit facility granted by us	Loan of funds	36	Loans and bills discounted	33

Year ended March 31, 2025

(Thousands of U.S. dollars)

Category	Name of company, etc. or individual's full name	Location	Capital or investment contribution	Description of business or job	Percentage of ownership of voting rights, etc. owned (or owned by) (%)	Relation to affiliated parties	Description of transaction	Amount of transaction	Account name	Balance at end of financial period
Companies, etc. in which Directors and their close relatives own a majority of the voting rights	HappyProduct Inc. (note 2)	Yamagata City, Yamagata Prefecture	468	Pig iron and cast iron manufacturing	—	Customer with the credit facility granted by us	Loan of funds	12,506	Loans and bills discounted	12,506
	HappyJapan Inc. (note 3)	Yamagata City, Yamagata Prefecture	488	Manufacture of general machinery and equipment	Owned directly 0.89	Customer with the credit facility granted by us	Loan of funds	6,741	Loans and bills discounted	6,019
	Otokoyama Shuzou Co., Ltd. (Note 4)	Yamagata City, Yamagata Prefecture	234	Sake Manufacturer	Owned directly, 0.02	Customer with the credit facility granted by us	Loan of funds	784	Loans and bills discounted	760
Directors and close relatives	Junichi Matsuda	—	—	Director of the Bank; Attorney	—	Customer with the credit facility granted by us	Loan of funds	247	Loans and bills discounted	222

Notes

1. The terms and conditions of the transactions and the policies governing decision making for the terms and conditions of such transactions are the same as for other customers.

Transaction amounts are average balances.

2. At HappyProduct Inc., Mr. Keitaro Harada, a director, and his close relatives hold the majority of voting rights.

3. At HappyJapan Inc., Mr. Keitaro Harada, a director, and his close relatives hold the majority of voting rights.

4. A majority of the voting rights of Otokoyama Shuzou Co., Ltd. are owned by Director Giusuke Ohara and his close relatives.

Category	Name of company, etc. or individual's full name	Location	Capital or investment contribution	Description of business or job	Percentage of ownership of voting rights, etc. owned (or owned by) (%)	Relation to affiliated parties	Description of transaction	Amount of transaction	Account name	Balance at end of financial period
Companies, etc. in which Directors and their close relatives own a majority of the voting rights	HappyProduct Inc. (note 2)	Yamagata City, Yamagata Prefecture	70	Pig iron and cast iron manufacturing	—	Customer with the credit facility granted by us	Loan of funds	1,870	Loans and bills dis-counted	1,870
	HappyJapan Inc. (note 3)	Yamagata City, Yamagata Prefecture	73	Manufacture of general machinery and equipment	Owned directly 0.88	Customer with the credit facility granted by us	Loan of funds	1,038	Loans and bills dis-counted	1,038
	Otokoyama Shuzou Co., Ltd. (Note 4)	Yamagata City, Yamagata Prefecture	35	Sake Manufacturer	Owned directly, 0.02	Customer with the credit facility granted by us	Loan of funds	103	Loans and bills dis-counted	121
Directors and close relatives	Junichi Matsuda	—	—	Director of the Bank; Attorney	—	Customer with the credit facility granted by us	Loan of funds	22	Loans and bills dis-counted	40

Notes

- The terms and conditions of the transactions and the policies governing decision making for the terms and conditions of such transactions are the same as for other customers. Transaction amounts are average balances.
- At HappyProduct Inc., Mr. Keitaro Harada, a director, and his close relatives hold the majority of voting rights.
- At HappyJapan Inc., Mr. Keitaro Harada, a director, and his close relatives hold the majority of voting rights.
- A majority of the voting rights of Otokoyama Shuzou Co., Ltd. are owned by Director Gisuke Ohara and his close relatives.

32. Amounts Per Share

Amounts per share of net assets, net income and diluted net income, as presented below, are based on the number of stocks outstanding at each balance sheet date and the weighted average number of stocks of common stock outstanding during each year.

	2025 (Yen)	2024	2025 (U.S. dollars)
Net assets	¥ 4,295.28	¥ 4,489.44	\$ 28.73
Net income	¥ 138.17	¥ 65.03	\$ 0.92

Notes

- Our shares held under the BIP Officer Compensation Trust and the E-Ship Trust are recorded as treasury stock in the consolidated financial statements. The Bank's shares held by the trust are included in the number of treasury shares deducted from the total number of issued shares as of the end of the period for purposes of the calculation of net assets per share, and the number of treasury shares deducted in connection with the calculation of net assets per share at the end of the period was 592 thousand shares (134 thousand shares at the end of the previous fiscal year). In addition, the shares are included in the number of treasury shares deducted for the calculation of the average number of shares during the period, for purposes of the calculation of net income per share, and the average of the treasury shares deducted in calculating the net income per share during the period was 157 thousand (134 thousand shares in the previous fiscal year).
- The basis of the calculation of the current net income per share is as follows.

The basis for the calculation of net income per share for the year ended March 31, 2025 and 2024 is summarized as follows:

	2025 (Millions of yen)	2024	2025 (Thousands of U.S. dollars)
Profit attributable to owners of parent	¥ 4,412	¥ 2,080	\$ 29,511
Amount not attributable to common shareholders	—	—	—
Profit attributable to owners of parent related to common stock	4,412	2,080	29,511
Weighted average number of common stocks outstanding	31,935 thousand	31,992 thousand	31,935 thousand

Net income per share after adjustment for potentially dilutive shares for the previous fiscal year and the current fiscal year is not stated because there are no potentially dilutive shares.

33. Significant Subsequent Events

Acquisition of treasury stock

At the Board of Directors meeting held on May 13, 2025, we resolved to acquire treasury stock pursuant to Article 459, Paragraph 1 of the Companies Act and Article 35 of our Articles of Incorporation.

- Reason for acquisition of treasury stock
The acquisition of treasury stock is intended to improve capital efficiency and return profits to shareholders.
- Details of matters related to the acquisition
 - Type of shares to be acquired: Common stock
 - Total number of shares to be acquired: 350,000 shares (maximum)
(Percentage of total issued shares, excluding treasury stock): 1.11%
 - Total acquisition cost of shares (maximum): ¥500,000,000
 - Acquisition period: May 14, 2025 – August 29, 2025
 - Method of acquisition: Market purchase through the Tokyo Stock Exchange

Non-Consolidated Balance Sheet

As of March 31, 2025 and 2024

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Assets			
Cash and due from banks	¥ 206,588	¥ 197,113	\$ 1,381,677
Call loans	2,469	8,930	16,519
Monetary claims bought	3,781	4,480	25,289
Money held in trust	20,815	16,359	139,216
Securities	814,352	894,804	5,446,446
Loans and bills discounted	2,040,789	1,950,655	13,648,936
Foreign exchanges	947	983	6,335
Other assets	24,754	26,465	165,558
Property, plant and equipment	18,724	16,743	125,233
Buildings, net	6,904	7,025	46,179
Land	7,496	7,862	50,138
Leased assets, net	15	18	101
Construction in progress	2,590	361	17,322
Other, net	1,718	1,476	11,491
Intangible assets	2,907	3,272	19,444
Software	2,709	3,075	18,124
Other	197	197	1,320
Prepaid pension costs	3,816	2,509	25,524
Deferred tax assets	7,834	5,634	52,395
Customers' liabilities for acceptances and guarantees	10,452	11,795	69,905
Allowance for loan losses	(8,078)	(7,777)	(54,028)
Assets	¥ 3,150,155	¥ 3,131,970	\$ 21,068,454
Liabilities and Net Assets			
Liabilities			
Deposits	¥ 2,849,879	¥ 2,776,390	\$ 19,060,189
Negotiable certificates of deposit	37,881	69,259	253,356
Call money	12,410	14,838	83,000
Borrowed money	104,273	116,276	697,388
Foreign exchanges	91	123	614
Other liabilities	8,349	8,620	55,841
Provision for bonuses for directors	62	18	419
Provision for share payments of board incentive plan	154	130	1,035
Provision for reimbursement of deposits	65	86	439
Provision for contingent loss	228	283	1,529
Deferred tax liabilities for land revaluation	1,132	1,106	7,576
Acceptance and guarantees	10,452	11,795	69,905
Liabilities	¥ 3,024,983	¥ 2,998,929	\$ 20,231,294
Net Assets			
Share capital	¥ 12,008	¥ 12,008	\$ 80,314
Capital surplus	4,932	4,932	32,989
Retained earnings	128,821	126,602	861,569
Treasury shares	(773)	(882)	(5,170)
Shareholders' equity	144,989	142,661	969,702
Valuation difference on available-for-sale securities	(20,988)	(10,600)	(140,370)
Deferred gains or losses on hedges	(129)	(374)	(866)
Revaluation reserve for land	1,299	1,354	8,693
Total valuation and translation adjustments	(19,817)	(9,620)	(132,543)
Net assets	125,172	133,040	837,159
Liabilities and net assets	¥ 3,150,155	¥ 3,131,970	\$ 21,068,454

Non-Consolidated Statements of Income

For the years ended March 31, 2025 and 2024

	2025 (Millions of yen)	2024 (Millions of yen)	2025 (Thousands of U.S. dollars)
Ordinary Income	¥ 45,899	¥ 48,646	\$ 306,976
Interest Income	31,432	34,232	210,223
Interest on loans and discounts	20,417	18,784	136,552
Interest and dividends on securities	10,340	15,201	69,156
Interest on call loans	291	183	1,948
Interest on deposits with banks	330	11	2,209
Other interest income	53	51	356
Fees and commissions	7,290	6,931	48,759
Fees and commissions on domestic and foreign exchanges	1,348	1,276	9,016
Other fees and commissions	5,942	5,655	39,743
Other ordinary income	439	1,191	2,939
Gain on trading account securities transactions	1	2	9
Gain on sales of bonds	334	1,188	2,236
Gain on financial derivatives	103	—	694
Other Income	6,736	6,290	45,053
Recoveries of written off receivables	3	3	20
Gain on sales of equity securities	5,946	5,524	39,769
Gain on money held in trust	462	446	3,094
Other	324	316	2,169
Ordinary Expenses	40,281	45,226	269,404
Interest Expenses	5,110	5,374	34,176
Interest on deposits	3,452	2,537	23,091
Interest on negotiable certificates of deposit	45	5	302
Interest on call money	744	958	4,978
Interest on payables under securities lending transactions	46	607	308
Interest on borrowings and rediscounts	612	959	4,094
Interest expenses on interest rate swaps	209	305	1,401
Fees and commissions payments	3,134	3,230	20,967
Fees and commissions on domestic and foreign exchanges	184	155	1,231
Other fees and commissions	2,950	3,075	19,735
Other ordinary expenses	10,736	16,170	71,805
Loss on foreign exchange transactions	2,057	3,486	13,757
Loss on sales of bonds	8,629	12,433	57,713
Loss on devaluation of bonds	50	30	334
Loss on financial derivatives	—	220	—
General and administrative expenses	19,232	19,213	128,626
Other expenses	2,067	1,237	13,829
Provision of allowance for loan losses	599	12	4,006
Loss on sales of equity securities	328	266	2,195
Loss on devaluation of equity securities	461	—	3,083
Loss on money held in trust	111	251	747
Other	567	707	3,795
Ordinary profit	5,617	3,419	37,571
Extraordinary income	132	—	884
Gain on disposal of non-current assets	1	—	9
Gain on liquidation of subsidiaries	130	—	875
Extraordinary losses	122	329	820
Loss on disposal of non-current assets	55	304	369
Impairment loss	67	24	451
Profit before income taxes	5,627	3,089	37,635
Income taxes -current	1,376	109	9,208
Income taxes -deferred	326	846	2,185
Income taxes	1,703	955	11,394
Profit	¥ 3,923	¥ 2,134	\$ 26,241
Amounts per share:	2025 (yen)	2024 (yen)	2025 (U.S. dollars)
Profit	122.86	66.72	0.82
Net assets	3,958.49	4,158.51	26.47

Corporate Data

Directors, Audit and Supervisory Committee Members & Executive Officers

(As of June 25, 2025)

President and Representative Director

Eiji Sato

Senior Managing Director and Representative Director

Shinichiro Miura

Director and Managing Executive Officer

Yutaka Touyama
Hiroyuki Sasa

Outside Directors

Yumiko Inoue
Keitaro Harada

Director, Full-time Audit and Supervisory Committee Member

Takuro Taruishi

Outside Directors, Audit and Supervisory Committee Members

Naoto Hirota
Masanori Oshino
Meiko Okamoto

Managing Executive Officers

Izumi Hasegawa
Tomokazu Kan
Mitsuru Imokawa
Takuji Ishizawa

Executive Officers

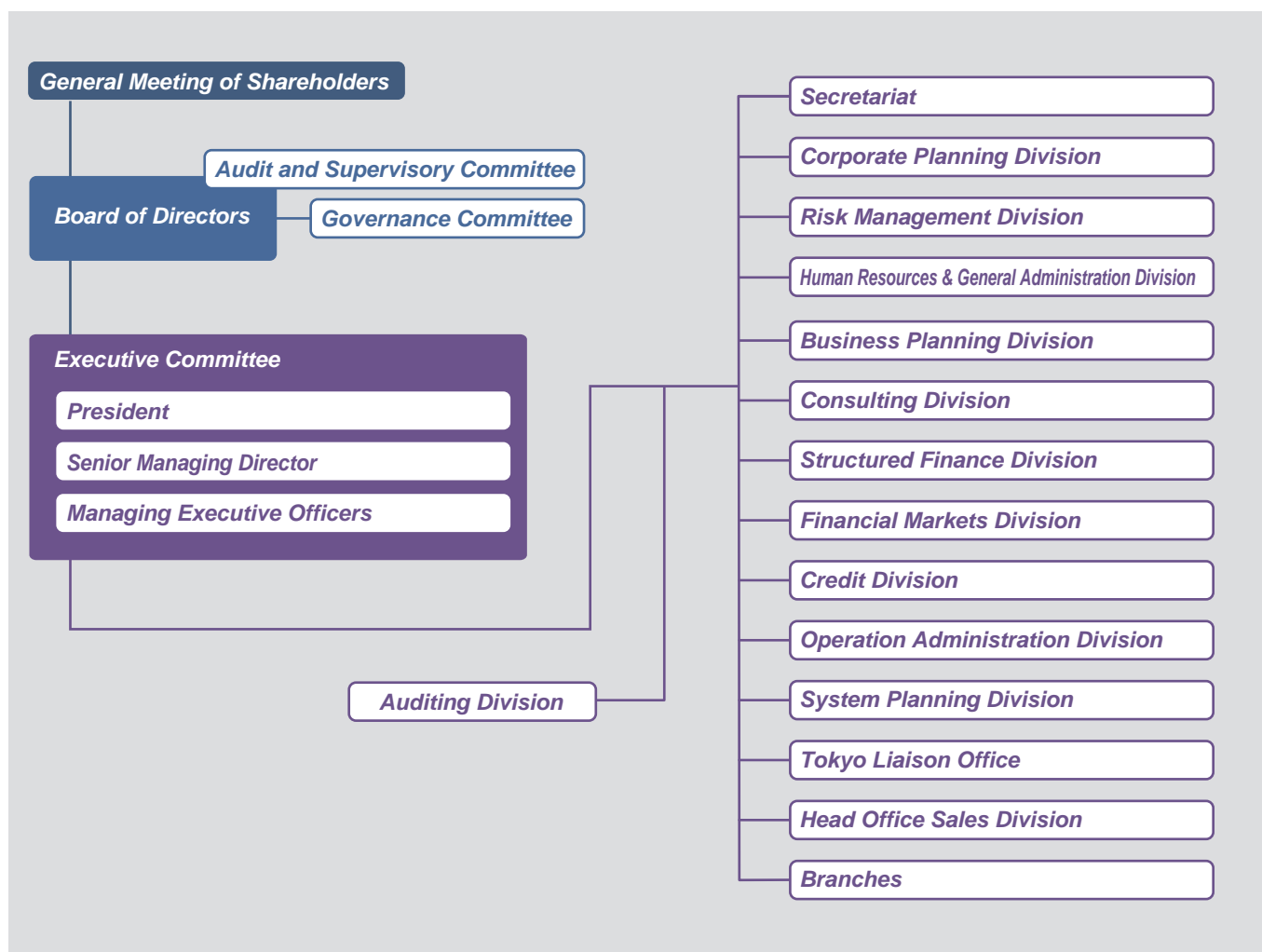
Toshiyuki Komatsu
Haruyoshi Shikama
Osamu Azegami
Toshiyuki Ariumi
Takayuki Goto
Satoshi Kikuchi
Kaoru Chino

Advisors (Part-time)

Kichishige Hasegawa
Yasumasa Gomi

Organization

(As of June 25, 2025)



Directory

Headquarters:

(Registered Address)

1-2, Nanukamachi 3-chome, Yamagata 990-8642, Japan

(Operating Address / October 2021~)

2-31, Hatagomachi 2-chome, Yamagata 990-8642, Japan

Phone: +81 23 623 1221

Financial Markets Division:

1-2, Nanukamachi 3-chome, Yamagata 990-8642, Japan

Phone: +81 23 634 7547

Fax: +81 23 625 7185

S.W.I.F.T.: YAMBJPJT

Foreign Exchange Offices:

Head Office

1-2, Nanukamachi 3-chome, Yamagata 990-8642, Japan

Phone: +81 23 623 1221

Yonezawa Branch

1-5, Monto-machi 3-chome, Yonezawa 992-0039, Japan

Phone: +81 238 22 2010

Nagai Branch

11-14, Sakae-machi, Nagai 993-0084, Japan

Phone: +81 238 88 2105

Sagaechuo Branch

2-33, Chuo 1-chome, Sagae 991-0021, Japan

Phone: +81 237 86 1141

Tendo Branch

9-1, Higashihoncho 1-chome, Tendo 994-0026, Japan

Phone: +81 23 653 3355

Shinjo Branch

2-16, Hon-cho, Shinjo 996-0027, Japan

Phone: +81 233 22 2461

Tsuruoka Branch

1-13, Hon-cho 2-chome, Tsuruoka 997-0034, Japan

Phone: +81 235 22 5530

Sakata Branch

10-1, Hon-cho 3-chome, Sakata 998-0043, Japan

Phone: +81 234 22 7222

Tokyo Branch

4th Floor Kyobashi RK Bldg. 5-15, Kyobashi 2-chome, Chuo-Ku, Tokyo 104-0031, Japan

Phone: +81 3 3567 1861



(Total: Head Office and 83 branches)

(As of March 31, 2025)

Bank Data: (As of March 31, 2025)

Date of Incorporation: 1896

Authorized Stocks: 59,670,000

Issued Stocks: 32,216,115

Number of Shareholders: 18,145

Number of Employees: 1,116



Cherries

Cherries are a special product of Yamagata Prefecture.
Stylized cherries are used as the symbol of The Yamagata Bank, Ltd.



THE YAMAGATA BANK, LTD.
Yamagata, Japan