

Financial Report

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Note: The following information was originally prepared and published by Rakuten Bank, Ltd. in Japanese in accordance with the provisions set forth in the Company Law of Japan and the Banking Act of Japan and in conformity with generally accepted accounting principles and practices in Japan. This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025		As of March 31, 2024	As of March 31, 2025
Assets			Liabilities		
Cash and due from banks	4,791,097	4,241,858	Deposits	10,442,382	11,451,517
Call loans	6,387	5,837	Negotiable certificates of deposit	—	15,838
Cash collateral provided for securities borrowed	554,524	516,866	Call money	14,382	19,459
Monetary claims bought	2,550,812	2,919,421	Cash collateral received for securities lent	9,632	8,726
Securities	1,090,506	1,791,408	Borrowed money	2,565,800	2,749,800
Loans and bills discounted	4,069,567	5,044,131	Foreign exchanges	4,031	10,637
Foreign exchanges	25,501	8,377	Other liabilities	150,631	155,489
Other assets	345,415	158,614	Provision for bonuses	647	688
Tangible fixed assets	4,336	4,619	Provision for bonuses for directors (and other officers)	5	6
Buildings, net	685	631	Retirement benefit liability	1,442	1,566
Other tangible fixed assets	3,651	3,988	Provision for reimbursement of deposits	13	15
Intangible fixed assets	23,488	30,582	Acceptances and guarantees	11,915	15,776
Software	15,791	16,842	Total liabilities	13,200,885	14,429,522
Software in progress	7,670	13,739	Net assets		
Goodwill	26	—	Share capital	32,616	32,616
Other intangible fixed assets	0	0	Capital surplus	10,543	10,543
Deferred tax assets	10,677	17,359	Retained earnings	221,151	271,931
Customers' liabilities for acceptances and guarantees	11,915	15,776	Treasury shares	(0)	(0)
Allowance for loan losses	(3,756)	(6,214)	Total shareholders' equity	264,311	315,090
Total assets	13,480,473	14,748,639	Valuation difference on available-for-sale securities	(8,809)	(18,088)
			Deferred gains or losses on hedges	(188)	277
			Foreign currency translation adjustment	5,335	4,546
			Remeasurements of defined benefit plans	0	10
			Total accumulated other comprehensive income	(3,662)	(13,253)
			Share acquisition rights	44	409
			Non-controlling interests	18,894	16,870
			Total net assets	279,587	319,117
			Total liabilities and net assets	13,480,473	14,748,639

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Ordinary income	137,950	184,534
Interest income	84,518	128,184
Interest on loans and discounts	54,894	67,145
Interest and dividends on securities	5,608	16,306
Interest on call loans	115	78
Interest income on cash collateral provided for securities borrowed	558	544
Interest on deposits with banks	336	10,692
Other interest income	23,005	33,416
Fees and commissions	42,849	46,345
Other operating income	8,219	7,505
Other ordinary income	898	837
Recoveries of written off receivables	6	10
Other	892	827
Trust fees	1,464	1,660
Ordinary expenses	89,583	113,009
Interest expenses	11,125	27,129
Interest on deposits	7,242	16,012
Interest on negotiable certificates of deposit	—	222
Interest on call money	183	242
Interest expenses on cash collateral received for securities lent	56	135
Interest on borrowings and rediscounts	—	156
Other interest expenses	3,642	10,359
Fees and commissions payments	33,407	33,853
Other operating expenses	—	0
General and administrative expenses	41,950	46,349
Other ordinary expenses	3,100	5,677
Provision of allowance for loan losses	1,951	3,184
Other ordinary expenses	1,148	2,492
Ordinary profit	48,367	71,524
Extraordinary losses	79	1
Loss on disposal of non-current assets	79	1
Profit before income taxes	48,287	71,523
Income taxes - current	16,684	24,595
Income taxes - deferred	(1,593)	(2,569)
Total income taxes	15,091	22,025
Profit	33,196	49,497
Loss attributable to non-controlling interests	(1,240)	(1,282)
Profit attributable to owners of parent	34,436	50,779

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	33,196	49,497
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,475)	(9,232)
Deferred gains or losses on hedges	(175)	465
Foreign currency translation adjustment	3,028	(1,576)
Remeasurements of defined benefit plans, net of tax	(38)	10
Total other comprehensive income	1,338	(10,332)
Comprehensive income	34,534	39,164
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,291	41,188
Comprehensive income attributable to non-controlling interests	242	(2,024)

Consolidated Statements of Change in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	25,954	3,880	186,714	—	216,549	(7,364)	(12)	3,821	38	(3,517)	—	18,651	231,684
Changes during period													
Issuance of new shares	6,662	6,662			13,324								13,324
Profit attributable to owners of parent			34,436		34,436								34,436
Purchase of treasury shares				(0)	(0)								(0)
Net changes in items other than shareholders' equity						(1,444)	(175)	1,514	(38)	(144)	44	242	142
Total changes during period	6,662	6,662	34,436	(0)	47,761	(1,444)	(175)	1,514	(38)	(144)	44	242	47,903
Balance at end of period	32,616	10,543	221,151	(0)	264,311	(8,809)	(188)	5,335	0	(3,662)	44	18,894	279,587

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	32,616	10,543	221,151	(0)	264,311	(8,809)	(188)	5,335	0	(3,662)	44	18,894	279,587
Changes during period													
Issuance of new shares					—								—
Profit attributable to owners of parent			50,779		50,779								50,779
Purchase of treasury shares				(0)	(0)								(0)
Net changes in items other than shareholders' equity						(9,279)	465	(788)	10	(9,590)	364	(2,024)	(11,250)
Total changes during period	—	—	50,779	(0)	50,779	(9,279)	465	(788)	10	(9,590)	364	(2,024)	39,529
Balance at end of period	32,616	10,543	271,931	(0)	315,090	(18,088)	277	4,546	10	(13,253)	409	16,870	319,117

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	48,287	71,523
Depreciation	5,073	6,351
Amortization of goodwill	35	26
Share-based payment expenses	143	431
Increase (decrease) in allowance for loan losses	1,582	2,498
Increase (decrease) in provision for bonuses	10	44
Increase (decrease) in provision for bonuses for directors (and other officers)	0	1
Increase (decrease) in retirement benefit liability	94	138
Increase (decrease) in provision for reimbursement of deposits	1	1
Interest income	(84,518)	(128,184)
Interest expenses	11,125	27,129
Loss (gain) related to securities	(10)	0
Foreign exchange losses (gains)	(6,072)	5,659
Loss (gain) on disposal of non-current assets	79	1
Net decrease (increase) in loans and bills discounted	(287,328)	(978,282)
Net increase (decrease) in deposits	1,448,715	1,015,709
Net increase (decrease) in negotiable certificates of deposit	—	16,450
Net increase (decrease) in cash collateral received for securities lent	5,280	(506)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	288,400	184,000
Net decrease (increase) in call loans	1,544	282
Net decrease (increase) in due from banks (excluding cash equivalents)	(3)	(0)
Net decrease (increase) in cash collateral provided for securities borrowed	7,185	36,368
Net increase (decrease) in call money	1,336	5,922
Net decrease (increase) in foreign exchanges - assets	(15,597)	17,123
Net increase (decrease) in foreign exchanges - liabilities	1,011	6,606
Net decrease (increase) in monetary claims bought	(430,987)	(362,346)
Net increase in deposit for central counterparty and others	(18,072)	185,628
Interest received	84,224	120,997
Interest paid	(10,706)	(25,935)
Other, net	(12,421)	(6,420)
Subtotal	1,038,416	201,217
Income taxes paid	(10,535)	(17,459)
Net cash provided by (used in) operating activities	1,027,880	183,758
Cash flows from investing activities		
Purchase of securities	(592,468)	(1,394,850)
Proceeds from sale of securities	7,823	704
Proceeds from redemption of securities	292,955	675,551
Purchase of tangible fixed assets	(1,308)	(581)
Purchase of intangible fixed assets	(8,061)	(13,388)
Net cash provided by (used in) investing activities	(301,058)	(732,563)
Cash flows from financing activities		
Proceeds from issuance of shares	13,324	—
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	13,324	(0)
Effect of exchange rate change on cash and cash equivalents	719	(433)
Net increase (decrease) in cash and cash equivalents	740,866	(549,238)
Cash and cash equivalents at beginning of period	4,050,224	4,791,091
Cash and cash equivalents at end of period	4,791,091	4,241,852

[Notes]

(Significant matters serving as the basis for the preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation
 - (1) Consolidated subsidiaries, etc.: 23 companies
Company names:
Rakuten Trust Co., Ltd.
Rakuten International Commercial Bank Co., Ltd.
General Incorporated Association Super Trust Holdings
Super Trust 1, LLC
Super Trust 2, LLC
Super Trust 3, LLC
Super Trust 4, LLC
Super Trust 5, LLC
Super Trust 6, LLC
Super Trust 7, LLC
Super Trust 8, LLC
Super Trust 9, LLC
Super Trust 10, LLC
Super Trust 11, LLC
Super Trust 12, LLC
Super Trust 13, LLC
Super Trust 14, LLC
Super Trust 15, LLC
Super Trust 16, LLC
Super Trust 17, LLC
Super Trust 18, LLC
Super Trust 19, LLC
Super Trust 20, LLC
 - (2) Non-consolidated subsidiaries, etc.: 4 companies
Company names:
Rakuten Bank Domain Service, Ltd.
Trans Value Domain Service, Ltd.
Higashi Matsushima "Kizuna" Photovoltaic Power Plant (Joint management designated money trust with actual dividends)
Higashi Matsushima "Kizuna" Photovoltaic Power Plant Business Trust (Individually operated designated money trust)
The non-consolidated subsidiaries, etc. have been excluded from the scope of consolidation, in view of their relative immateriality to the extent that such exclusion should not preclude reasonable judgment on the financial position and operating results of the Group, in consideration of assets, ordinary income, net profit or loss (corresponding to equity interest), retained earnings (corresponding to equity interest) and accumulated other comprehensive income (corresponding to equity interest), etc.
2. Matters concerning the application of the equity method
 - (1) Non-consolidated subsidiaries, etc. accounted for under the equity method
Not applicable.
 - (2) Affiliates, etc. accounted for under the equity method
Not applicable.
 - (3) Non-consolidated subsidiaries, etc. not accounted for under the equity method: 4 companies
Company names:
Rakuten Bank Domain Service, Ltd.
Trans Value Domain Service, Ltd.
Higashi Matsushima "Kizuna" Photovoltaic Power Plant (Joint management designated money trust with actual dividends)
Higashi Matsushima "Kizuna" Photovoltaic Power Plant Business Trust (Individually operated designated money trust)
The non-consolidated subsidiaries, etc. not accounted for under the equity method have been excluded from using the equity method, in view of their relative immateriality to the extent that such exclusion should not have significant impact on the consolidated financial statements, based on net profit or loss (corresponding to equity interest), retained earnings (corresponding to equity interest) and accumulated other comprehensive income (corresponding to equity interest), etc.
 - (4) Affiliates, etc. not accounted for under the equity method
Not applicable.
3. Matters concerning the fiscal year of consolidated subsidiaries, etc.
 - (1) The closing date and the consolidated closing date of consolidated subsidiaries, etc. are as follows.
December 31: 1 company
March 31: 22 companies
 - (2) Consolidated subsidiaries, etc. whose closing date is December 31 are consolidated based on the provisional financial statements prepared for consolidation as of March 31.
Other consolidated subsidiaries, etc. are consolidated based on the financial statements as of their closing dates.
Necessary adjustments are made for significant transactions that occur between the consolidated closing date and the above closing dates, etc.
4. Matters concerning accounting policies
 - (1) Valuation standards and methods for securities
Valuation of securities is as follows: Held-to-maturity debt securities are stated at amortized cost using the moving average method (straight-line method), while shares in non-consolidated subsidiaries, etc. not accounted for under the equity method are stated at cost using the moving average method. Other securities are stated at fair value (cost of sales is primarily calculated by the moving average method), but shares, etc. with no market price are stated at cost by the moving average method.
Valuation difference on available-for-sale securities is fully accounted for as a component of net assets.
 - (2) Valuation standards and methods for derivative transactions
Derivative transactions are stated at fair value.
 - (3) Depreciation methods for fixed assets
 - (i) Tangible fixed assets (excluding leased assets)
Tangible fixed assets of Rakuten Bank, Ltd. (the "Bank") are depreciated using the straight-line method.
Moreover, useful lives for tangible fixed assets are mainly as follows.
Buildings: 3 to 18 years
Others: 2 to 20 years
Tangible fixed assets of consolidated subsidiaries, etc. are depreciated using the straight-line method based on the estimated useful lives of assets.

- (ii) Intangible fixed assets (excluding leased assets)
Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over its estimated usable period (mainly five years) as determined by the Bank and its consolidated subsidiaries, etc.
- (4) Standards for recording allowance for loan losses
The Bank records allowance for loan losses as follows, in accordance with predetermined standards for write-offs and provisions.
Concerning claims related to debtors who are legally bankrupt due to bankruptcy or special liquidation, etc. (hereinafter referred to as "bankrupt borrowers") and claims related to debtors in similar situations (hereinafter referred to as "substantially bankrupt borrowers"), the expected disposable amounts of collateral and collectable amounts by guarantee are deducted from the carrying amount after direct reduction as described in the notes below, and the remaining amount is recorded. In addition, concerning claims related to debtors who are not currently in bankruptcy but are deemed to have a high possibility of going bankrupt in the future (hereinafter referred to as "potentially bankrupt borrowers"), the expected disposable amounts of collateral and collectable amounts by guarantee are deducted from the amount of claims, and of the remaining amount, the amount deemed necessary based on a comprehensive judgment of the debtor's ability to pay is recorded.
Claims other than the above are primarily recorded based on the amount of expected loss for the next one year or the next three years, and the amount of expected loss is calculated by obtaining the loss rate based on the average value of loan losses performance rates or bankruptcy probability over a certain period in the past based on the record of loan losses or bankruptcies over a one-year or three-year period, and making necessary adjustments such as future projections. All claims are assessed by sales-related divisions with a subsequent audit by the credit department, which is independent from the sales-related divisions, in accordance with the Bank's policy and guidelines for the self-assessment of asset quality.
Concerning claims with collateral and guarantees for bankrupt borrowers and substantially bankrupt borrowers, the amount remaining after deducting the valuation of collateral and the amount deemed collectible by guarantees from the amount of claims is directly deducted from the amount of claims as an estimated uncollectible amount, and that amount is 159 million yen (83 million yen at the end of the previous fiscal year).
Concerning allowance for loan losses of consolidated subsidiaries, etc., for general claims, the amount deemed necessary in consideration of past loan losses performance rates, etc. is recorded, and for specific claims such as doubtful claims, recoverability is individually considered and the estimated uncollectible amount is recorded.
- (5) Standards for recording provision for bonuses
To prepare for the payment of bonuses to employees, of the estimated amount of bonuses to be paid to employees, the amount attributable to the fiscal year under review is recorded as provision for bonuses.
- (6) Standards for recording provision for bonuses for directors (and other officers)
To prepare for the payment of bonuses to directors (and other officers), of the estimated amount of bonuses to be paid to directors (and other officers), the amount attributable to the fiscal year under review is recorded as provision for bonuses for directors (and other officers).
- (7) Standards for recording provision for reimbursement of deposits
Concerning provision for reimbursement of deposits, in order to prepare for reimbursement requests from depositors for deposits for which recording of liabilities has been discontinued, an amount deemed necessary based on estimated losses that may arise in response to future reimbursement requests is recorded.
- (8) Accounting method for retirement benefits
In calculating the projected benefit obligation, mainly the benefit formula basis is used to attribute the expected benefit attributable to the respective fiscal year. Unrecognized net actuarial gains (losses) are amortized on a straight-line basis, primarily over 1 year within the employees' average remaining service period, commencing from the next fiscal year of incurrence.
- (9) Standards for recording significant income and expenses
- (i) Method for recognizing revenue
Revenue from contracts with customers is recognized in the consolidated statements of income based on the satisfaction of performance obligations identified for each contract, according to the actual state of the transaction in the contract. The main component of this is fees and commissions, which can be broadly divided into foreign exchange deposit business, housing loans handling business, card settlement business, toto and lottery sales business, and other businesses.
- (ii) Revenue recognition for major transactions
For revenue from contracts with customers, the timing of satisfaction of performance obligations, which is an item that significantly impacts the determination of the timing of revenue recognition, is determined as follows, and it is a revenue recognition method that faithfully represents each economic reality. Most transactions are settled in cash at the time of transaction, and claims recognized from other transactions are, in principle, collected within one year.
Of the foreign exchange deposit business, foreign exchange business revenue consists primarily of remittance and transfer fees and is recognized at the time of settlement. Moreover, deposit business revenue consists primarily of ATM usage fees and periodic account management service fees. ATM usage fees are recognized when transactions are executed, and periodic account management service fees are recognized over the period of service.
Revenue related to the housing loans handling business consists primarily of administrative fees related to the handling of housing loans and apartment loans for investment, and is recognized when the related services are provided.
Revenue related to card settlement business consists primarily of debit card settlement fees and other card-related business revenues. Debit card settlement fees are recognized at the time of settlement, and other card-related revenues are recognized over the period of service.
Revenue related to the toto and lottery sales business consists primarily of fees received on toto and lottery sales, which is received as consideration for toto and lottery sales and recognized primarily on the date of the transaction with the customer.
Revenue related to other businesses includes advertising placement fees received, affiliate fees received, etc., and is recognized when the related services are provided or over the period during which the related services are provided.
In addition to fees and commissions, there is revenue related to the trust business provided by consolidated subsidiaries, which is mainly fees received as consideration for providing services such as management of properties entrusted by settlors, and is recognized over the period during which the related services are provided.
- (10) Standards for conversion of foreign currency-denominated assets and liabilities into Japanese currency
Foreign currency-denominated assets and liabilities of the Bank and its consolidated subsidiaries, etc. are converted mainly based on the exchange rate on the consolidated closing date.
- (11) Significant hedge accounting methods
- (i) Hedging against interest rate risk
The Bank applies deferral hedge accounting method based on the rules of the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guidance No. 24, March 17, 2022) for interest rate derivatives to manage interest rate risks arising from various financial assets and liabilities. Under these rules, the effectiveness of fair value hedge is assessed for each designated group consisting of hedged items (such as deposits and loans and bills discounted) and the corresponding hedging instruments (such as interest rate swaps) classified by the duration to maturity. In addition, under these rules, the effectiveness of cash flow hedges is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.
- (ii) Hedging against currency fluctuations risk
The Bank applies deferral hedge accounting method based on the rules of the "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020, "Industry Committee Practical Guidance No.25") for currency swaps and foreign exchange swaps to manage currency fluctuations risk arising from financial assets and liabilities denominated in foreign currencies. Under these rules, the Bank assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.
- (12) Goodwill amortization method and amortization period
Goodwill is amortized using the straight-line method over a period of 10 years.

(13) Scope of funds in the consolidated statements of cash flows

The scope of funds in the consolidated statement of cash flows refers to cash and due from banks on the consolidated balance sheets, excluding time deposits with deposit terms of more than three months and certificates of deposit.

(Significant accounting estimates)

Items for which amounts were recorded in the consolidated financial statements for the fiscal year under review based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the next fiscal year are as follows.

1. Allowance for loan losses

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

	As of March 31, 2024	As of March 31, 2025
Allowance for loan losses	3,756 million yen	6,214 million yen

(2) Information that contributes to the understanding of the content of significant accounting estimates for identified items

(i) Calculation method

The calculation method for allowance for loan losses is described in "Notes (Significant matters serving as the basis for the preparation of consolidated financial statements), 4. Matters concerning accounting policies, (4) Standards for recording allowance for loan losses."

(ii) Main assumptions

The main assumption is "future performance outlook of borrowers in determining debtor classification." "Future performance outlook of borrowers in determining debtor classification" is set based on individual evaluations of each debtor's earning capacity.

The Bank's products for individuals are categorized by product type and risk characteristics. Based on the assumption that a certain level of correlation exists between loan losses performance rates in the past and expected loss rates, the loss rate is primarily determined by the average value of loan losses performance rates over a certain period in the past based on the record of loan losses over a three-year period. For claim categories with no historical defaults, the loss rate is obtained based on conservative estimates, etc., incorporating long-term perspectives such as economic cycles.

(iii) Impact on the consolidated financial statements for the next fiscal year

If the assumptions used in the initial estimates change due to a deterioration in repayment capacity of individual customers resulting from unexpected changes in economic conditions, or due to changes in the performance of individual borrowers, etc., it may have a significant impact on the allowance for loan losses in the consolidated financial statements for the next fiscal year.

2. Fair value of financial instruments

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

Described in "Notes (Notes on financial instruments), 2. Matters concerning the fair value, etc. of financial instruments."

(2) Information that contributes to the understanding of the content of significant accounting estimates for identified items

(i) Calculation method

The calculation method for fair value of financial instruments is described in "Notes (Notes on financial instruments), 3. Matters concerning the breakdown, etc. of fair value of financial instruments by level, (Note 1) Description of the valuation techniques and inputs used in fair value measurements."

(ii) Main assumptions

The main assumptions are the inputs used in the mark-to-market valuation model, including directly or indirectly observable inputs in the market such as foreign exchange rates, yield curves, fair value of securities, etc., as well as inputs that are not observable in the market, including significant estimates such as correlation coefficients.

(iii) Impact on the consolidated financial statements for the next fiscal year

Fair value of financial instruments may fluctuate due to changes in inputs, which are the main assumptions, due to changes in the market environment, etc.

(Changes in accounting policies)

(Application of the Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.)

The Bank has applied the "Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Accounting Standard for Corporate Tax, etc.") from the beginning of the fiscal year ended March 31, 2025.

Regarding the revision of the accounting classification of income taxes (taxes imposed on other comprehensive income), the Bank has followed the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Accounting Standard for Corporate Tax, etc. and the transitional treatment stipulated in the proviso of Paragraph 65-2, Item (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022).

Furthermore, there were no effects on the consolidated financial statements due to these changes in accounting policies.

(Unapplied Accounting Standards)

· "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

· "Implementation Guidance on Accounting Standard for Leases" (ASBJ Statement No. 33, September 13, 2024)

(1) Outline

ASBJ undertook a review of Japanese accounting standards as part of its efforts to align them with international practices, aiming to develop lease accounting standards which require the recognition of complete assets and liability information of all leases by a lessee, based on international accounting standards. As a basic policy, lease accounting standards, etc. have been issued that are based on the single accounting model under IFRS 16. However, instead of adopting all provisions of IFRS 16, only its principal provisions have been incorporated in order to achieve simplicity and high convenience, while aiming to ensure that the application of IFRS 16 to non-consolidated financial statements would generally require no adjustments.

As part of the lessee accounting treatment, a lessee's cost allocation method for leases follows IFRS 16, whereby a single accounting model is applied to all leases—whether classified as finance leases or operating leases—under which depreciation related to right-of-use assets and interest expenses related to lease liabilities are recognized.

(2) Scheduled application date

The accounting standards are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effect of application of the accounting standards

The amount of impact on the consolidated financial statements resulting from the application of the "Accounting Standard for Leases" etc. is currently being assessed.

(Notes on consolidated balance sheets)

*1. Total amount of shares of non-consolidated subsidiaries and affiliates

	As of March 31, 2024	As of March 31, 2025
Shares	1 million yen	1 million yen

*2. Of the securities received through cash-secured bond lending transactions, securities that the Bank has the right to freely dispose of by way of sale or (re)pledging are as follows.

	As of March 31, 2024	As of March 31, 2025
Securities (re)pledged as collateral	510,025 million yen	481,435 million yen
Securities held without such disposal at the end of the fiscal year under review	44,249 million yen	36,372 million yen

- *3. Claims based on the Banking Act and the categories of the Financial Revitalization Act are as follows. Claims are those recorded in (i) corporate bonds in "securities" on the consolidated balance sheets (limited to those that guarantee all or part of the redemption of the principal and payment of interest, and the issuance of such corporate bonds is limited to private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), (ii) loans and bills discounted, (iii) foreign exchanges, (iv) accrued interest and suspense payments in "other assets," (v) those recorded in each account under "customers' liabilities for acceptances and guarantees," as well as (vi) the securities noted in the notes, if such securities are lent (limited to those by means of loans for use and lease agreements).

	As of March 31, 2024	As of March 31, 2025
Bankrupt and practically bankrupt claims	1 million yen	1 million yen
Doubtful claims	1,360 million yen	2,159 million yen
Loans past due over three months	815 million yen	930 million yen
Restructured loans	897 million yen	1,437 million yen
Total	3,074 million yen	4,528 million yen

Bankrupt and practically bankrupt claims are claims against debtors who are bankrupt due to reasons such as the commencement of bankruptcy proceedings, the commencement of reorganization proceedings, or petitions for the commencement of rehabilitation proceedings, and claims equivalent thereto.

Doubtful claims are claims that do not fall under bankrupt and practically bankrupt claims, for which the debtor has not yet reached bankruptcy, but their financial condition and business performance have deteriorated, and there is a high possibility that collection of the principal of the claims and the receipt of interest in accordance with the contract will not be possible.

Loans past due over three months are loans and bills discounted that do not fall under bankrupt and practically bankrupt claims or doubtful claims, for which payment of the principal or interest is delayed for three months or more from the day after the scheduled payment date.

Restructured loans are loans and bills discounted that do not fall under bankrupt and practically bankrupt claims, doubtful claims, or loans past due over three months, for which interest rate exemptions or reduction, interest payment deferrals, principal repayment deferrals, debt waivers, and other arrangements that are advantageous to the debtor are undertaken for the purpose of helping the debtor rebuild and support their business.

The above claim amounts are the amounts before deduction of allowance for loan losses.

- *4. Assets pledged as collateral are as follows.

	As of March 31, 2024	As of March 31, 2025
Assets pledged as collateral		
Monetary claims bought	233,730 million yen	233,384 million yen
Securities	879,101 million yen	1,005,477 million yen
Loans and bills discounted	1,348,268 million yen	1,940,742 million yen

Debt corresponding to assets pledged as collateral

Cash collateral received for securities lent	9,632 million yen	8,726 million yen
Borrowed money	2,565,800 million yen	2,749,800 million yen

In addition to the above, securities have been pledged as collateral for foreign exchange settlements, derivative transactions, etc., and the amounts are as follows.

	As of March 31, 2024	As of March 31, 2025
Securities	1,688 million yen	246,542 million yen

In addition, other assets include margin deposits for futures transactions, cash collateral pledged for financial instruments and other guarantee deposits. These amounts are as follows.

	As of March 31, 2024	As of March 31, 2025
Deposit for central counterparty	185,150 million yen	— million yen
Margin deposits for futures transactions	1,666 million yen	2,063 million yen
Cash collateral pledged for financial instruments	31,340 million yen	46,182 million yen
Other guarantee deposits	14,204 million yen	13,716 million yen

- *5. Overdraft agreements and commitment line agreements for loans are agreements that promise to lend funds up to a certain limit when receiving an offer to execute a loan from a customer, as long as there is no violation of the conditions stipulated in the agreement. The balance of unexecuted loans related to these agreements is as follows.

	As of March 31, 2024	As of March 31, 2025
Balance of unexecuted loans	644,832 million yen	680,794 million yen
Of which: those whose original agreement period can be canceled unconditionally at any time	640,354 million yen	671,193 million yen

Since many of these agreements expire without loans being executed, the balance of unexecuted loans does not necessarily affect the future cash flows of the Bank and its consolidated subsidiaries, etc. Many of these agreements contain clauses to the effect that the Bank and its consolidated subsidiaries, etc. may refuse to accept a loan application or reduce the maximum agreement amount if there are changes in financial conditions, preservation of claims, or other reasonable reasons. In addition, even after signing an agreement, the Bank regularly monitors the customer's business conditions based on predetermined internal procedures, reviews the agreement as necessary, and takes measures to protect credit.

- *6. Accumulated depreciation of tangible fixed assets is as follows.

	As of March 31, 2024	As of March 31, 2025
Accumulated depreciation	4,370 million yen	5,208 million yen

- *7. The Bank has entered into overdraft agreements with banks with the aim of improving the efficiency of fund management and securing alternative liquidity. The balance of unexecuted borrowings related to overdraft agreements at the end of the fiscal year under review is as follows.

	As of March 31, 2024	As of March 31, 2025
Total overdraft limit	10,000 million yen	10,000 million yen
Balance of executed borrowings	— million yen	— million yen
Balance	10,000 million yen	10,000 million yen

(Notes on consolidated statements of income)

- *1. Other ordinary income includes the following items.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Gains from dormant deposits	32 million yen	81 million yen
Amortization of unrealized actuarial losses	56 million yen	0 million yen

*2. Other ordinary expenses include the following items.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Losses on reimbursement of deposits	32 million yen	64 million yen
Charge-off of loans	518 million yen	815 million yen
Stock market listing expenses	195 million yen	— million yen

(Notes on consolidated statements of comprehensive income)

*1. Reclassification adjustments and income taxes and tax effect amounts related to other comprehensive income

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
(Millions of yen)		
Valuation difference on available-for-sale securities		
Amount incurred during the period	(2,090)	(13,680)
Reclassification adjustments	(10)	0
Before income taxes and tax effect adjustments	(2,101)	(13,680)
Income taxes and tax effect amounts	625	4,447
Valuation difference on available-for-sale securities	(1,475)	(9,232)
Deferred gains or losses on hedges		
Amount incurred during the period	(7,694)	(5,102)
Reclassification adjustments	7,441	5,778
Before income taxes and tax effect adjustments	(253)	675
Income taxes and tax effect amounts	77	(209)
Deferred gains or losses on hedges	(175)	465
Foreign currency translation adjustment		
Amount incurred during the period	3,028	(1,576)
Reclassification adjustments	—	—
Before income taxes and tax effect adjustments	3,028	(1,576)
Income taxes and tax effect amounts	—	—
Foreign currency translation adjustment	3,028	(1,576)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the period	0	15
Reclassification adjustments	(56)	(0)
Before income taxes and tax effect adjustments	(55)	15
Income taxes and tax effect amounts	17	(4)
Remeasurements of defined benefit plans, net of tax	(38)	10
Total other comprehensive income	1,338	(10,332)

(Notes on consolidated statements of change in net assets)

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

1. Matters concerning the type and total number of issued shares, and the type and number of treasury shares

(Thousands of shares)

	Number of shares at the beginning of the fiscal year under review	Number of shares increased during the fiscal year under review	Number of shares decreased during the fiscal year under review	Number of shares at the end of the fiscal year under review	Summary
Issued shares					
Common shares	164,463	10,018	—	174,482	(Note 1)
Total	164,463	10,018	—	174,482	
Treasury shares					
Common shares	—	0	—	0	(Note 2)
Total	—	0	—	0	

(Note 1) The increase in common shares of 10,018 thousand shares was due to an increase of 5,555 thousand shares from a capital increase through a public offering and an increase of 4,463 thousand shares from a capital increase through a third-party allotment.

(Note 2) The increase in common shares of 0 thousand shares was due to the purchase of shares less than one share unit.

2. Matters concerning share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be issued upon exercise of share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights				Balance at the end of the fiscal year under review (million yen)	Summary
			Number of shares at the beginning of the fiscal year under review	Number of shares increased during the fiscal year under review	Number of shares decreased during the fiscal year under review	Number of shares at the end of the fiscal year under review		
The Bank	Share acquisition rights as stock options			—		44		
	Total			—		44		

3. Matters concerning dividends
Not applicable.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Matters concerning the type and total number of issued shares, and the type and number of treasury shares

(Thousands of shares)

	Number of shares at the beginning of the fiscal year under review	Number of shares increased during the fiscal year under review	Number of shares decreased during the fiscal year under review	Number of shares at the end of the fiscal year under review	Summary
Issued shares					
Common shares	174,482	—	—	174,482	
Total	174,482	—	—	174,482	
Treasury shares					
Common shares	0	0	—	0	(Note)
Total	0	0	—	0	

(Note) The increase in common shares of 0 thousand shares was due to the purchase of shares less than one share unit.

2. Matters concerning share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be issued upon exercise of share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights				Balance at the end of the fiscal year under review (million yen)	Summary
			Number of shares at the beginning of the fiscal year under review	Number of shares increased during the fiscal year under review	Number of shares decreased during the fiscal year under review	Number of shares at the end of the fiscal year under review		
The Bank	Share acquisition rights as stock options		—				409	
Total			—				409	

3. Matters concerning dividends
Not applicable.

(Notes on consolidated statements of cash flows)

*1. The relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts of items listed on the consolidated balance sheets is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and due from banks account	4,791,097 million yen	4,241,858 million yen
Time deposits and certificates of deposit with deposit terms of more than three months	(6) million yen	(6) million yen
Cash and cash equivalents	4,791,091 million yen	4,241,852 million yen

(Notes on lease transactions)

- Finance lease transactions
Not applicable.
- Operating lease transactions
Of operating lease transactions, future lease payments for non-cancelable leases

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Within 1 year	1,280	1,280
Over 1 year	2,532	1,251
Total	3,812	2,532

(Notes on financial instruments)

1. Matters concerning the status of financial instruments

(1) Action policy on financial instruments

The main businesses of the Group are the deposit business, foreign exchange business and lending business for individuals, and the Group offers ordinary deposits, general time deposits and foreign currency ordinary deposits to both individual and corporate customers, as well as new term deposits and foreign currency time deposits to individual customers. In addition to using these financial liabilities as the main source of funds to provide unsecured card loans with guarantees, housing loans, etc. to individual customers, the Group carries out purchases of securities and monetary claims bought, the establishment of money trusts, market transactions such as call loans, and derivatives and foreign exchange-related transactions that accompany the sale of financial instruments to customers. Remaining aware of the importance of our social responsibility and public mission as a bank, the Group strictly refrains from conducting operations that exceed management strength, such as excessive pursuit of profit, etc., and in particular, manages deposits entrusted by customers with due consideration for safety. In addition, with the aim of optimizing asset/liability composition and securing an appropriate level of capital adequacy across all operation and procurement work, the Group conducts asset and liability management (ALM) operations that focus on interest rate sensitivity, funding liquidity, market liquidity, etc.

The Group takes a cautious approach to derivative transactions and has a policy of not treating them as speculative means of earning income.

(2) Details and risks of financial instruments

The financial assets held by the Group are mainly securities, monetary claims bought, and loans and bills discounted.

Securities are mainly Japanese government bonds, Japanese municipal bonds, corporate bonds, foreign securities, etc., and these are exposed to credit risk of issuers, interest rate fluctuation risk, market price fluctuation risk, foreign exchange fluctuation risk and liquidity risk. Monetary claims bought are mainly various trust beneficiary rights, and these are exposed to credit risk of issuers and underlying assets, and interest rate fluctuation risk. Loans and bills discounted are mainly loans to the Ministry of Finance and loans to individual customers, and loans to individual customers are exposed to credit risk of individual customers. They are not particularly exposed to specific concentration risks such as industries or regions.

In terms of financial liabilities, the Group offers products such as ordinary deposits, general time deposits and foreign currency ordinary deposits to individual and corporate customers, as well as new term deposits and foreign currency time deposits to individual customers. New term deposits are exposed to interest rate fluctuation risk, but this risk is hedged by conducting corresponding interest rate swap transactions. Foreign currency ordinary deposits and foreign currency time deposits are exposed to exchange rate fluctuation risk, but this risk is hedged by conducting corresponding forward exchange transactions.

Derivative transactions are future forward exchange transactions and currency swap transactions aimed at hedging exchange rate fluctuation risk related to foreign currency-denominated claims and debts, as well as interest rate swap transactions and interest rate swaptions aimed at hedging interest rate fluctuation risk related to deposits. Regarding hedging instruments and hedged items related to hedge accounting, hedging policies, methods for evaluating the effectiveness of hedges, etc., please refer to "Significant matters serving as the basis for the preparation of consolidated financial statements, 4. Matters concerning accounting policies, (1) Significant hedge accounting methods" listed above.

(3) Risk management system for financial instruments

The Group has established the Regulations for Bank-wide Risk Management as the basic matters for risk management. The types of risks to be managed are classified and identified as (1) credit risk, (2) market risk, (3) funding liquidity risk, (4) market liquidity risk, (5) settlement risk, and (6) operational risk (processing risk, system risk, etc.), and the Group has established basic policies for managing each risk. In addition, on the premise of ensuring the adequacy of capital, and while taking into consideration the external economic environment, the Group has established "ALM rules" aimed at building a sound and optimal operation and procurement portfolio in order to realize management strategies and maximize profit.

The types of risks to be managed are reviewed as necessary, and new risks that have arisen in response to changes in the environment are added to the list of risks to be managed. From the perspective of comprehensively managing these risks, the Group has established the Risk Management Division, which oversees risk management for the entire Group, and conducts comprehensive and systematic management of each risk. Moreover, ALM is managed and operated by the ALM Division.

The Group considers market risk and credit risk to be the most important risks in assessing capital adequacy, and through the process of allocating capital to each risk category and controlling risks within the allocated amount, the Group implements risk management that accepts risks only to the extent that the Group can ensure adequate capital adequacy.

(i) Management of credit risk

Currently, the Bank takes risks mainly in loans for individuals such as housing loans and Rakuten Bank Super Loans (card loans), as well as Rakuten Card trust beneficiary rights, as its main credit risk. However, the Bank quantitatively understands and manages credit risk by conducting risk measurement based on attributes and changes in delinquency status of debtors, recovery rate after default, etc. In addition, for securities holdings and corporate customers with business loans, the Bank grants common debtor ratings stipulated in the Internal Rating Detailed Rules and manages credit limit based on the credibility of the debtors. Moreover, the management status of various credit risks is reported monthly to the Risk Management Committee and the Board of Directors, etc.

(ii) Management of market risk

Market risk is managed based on the Regulations for Market Risk Management and Detailed Regulations for Market Risk Management, which stipulate the method of measurement of risk capital, loss-cut rules, as well as monitoring methods and cycles. Measurement of risk capital results are used for capital allocation management, and the status of compliance with the rules is reported to the Risk Management Committee and Board of Directors, etc. on a daily or monthly basis.

(4) Quantitative information on market risk

(Management of interest rate risk)

The Group's financial assets impacted by interest rate risk, which is a major risk variable, are mainly securities, monetary claims bought, and loans and bills discounted.

In addition to ordinary deposits to individual and corporate customers, and ordinary time deposits and new term deposits to individual customers, financial liabilities also include foreign currency ordinary deposits, foreign currency time deposits, and interest rate swap transactions among derivative transactions.

The Group evaluates these financial assets and financial liabilities at fair value under certain interest rate fluctuations, and the net impact amount after offsetting (hereinafter referred to as the "present value") is used for quantitative analysis in managing interest rate fluctuation risk.

In calculating the present value impact amount, the target financial assets and financial liabilities are divided into a fixed interest rate group and a floating interest rate group, the balance is broken down into appropriate periods according to the interest rate due date, and the interest rate fluctuation range for each period is used. For example, assuming that all risk variables other than interest rates are constant as of March 31, 2025, if all benchmark interest rates rose by 10 basis points (0.1%), present value would increase by 2,863 million yen. Conversely, if they declined by 10 basis points (0.1%), present value would decrease by 2,863 million yen.

The impact amount does not take into account the correlation between interest rates and other risk variables, and foreign currency-denominated assets and liabilities are calculated by converting them into Japanese yen based on the exchange rate as of March 31, 2025. In addition, the Bank has not ruled out a scenario wherein interest rates become negative depending on the period when they decline by 10 basis points.

(Management of foreign exchange risk)

The Group's financial assets impacted by foreign exchange risk, which is a major risk variable, are foreign securities and foreign exchanges.

Financial liabilities include foreign currency-denominated ordinary deposits and foreign currency time deposits among deposits, and forward exchange transactions and foreign exchange swap transactions among derivative transactions. The Group uses the present value impact amount of these financial assets and financial liabilities under certain exchange rate fluctuations for quantitative analysis in managing exchange rate fluctuation risk.

In calculating the present value impact amount, the target financial assets and financial liabilities are divided by currency, and the exchange rate fluctuation range for each currency is used. For example, assuming that all risk variables other than foreign exchanges are constant as of March 31, 2025, if the yen rose 10% against each currency, present value would decrease by 96 million yen. Conversely, if the yen declined 10%, present value would increase by 96 million yen.

The impact amount does not take into account the correlation between foreign exchanges and other risk variables, and present value impact amounts by currency are calculated by converting them into Japanese yen based on the exchange rate as of March 31, 2025.

(5) Supplementary explanation on matters concerning the fair value, etc. of financial instruments

As certain preconditions, etc. are used in the measurement of the fair value of financial instruments, the values may differ depending on different preconditions, etc.

2. Matters concerning the fair value, etc. of financial instruments

Consolidated balance sheet amounts, fair value and differences are as follows. Shares, etc. with no market price and investments in partnerships, etc. are not included in the following table (see (Note 1)). In addition, since cash and due from banks, call loans, cash collateral provided for securities borrowed, foreign exchanges (assets and liabilities), negotiable certificates of deposit, call money, and cash collateral received for securities lent are settled in a short period of time, notes are omitted because the fair value approximates the carrying amount.

As of March 31, 2024

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims bought (*1)	2,550,791	2,551,404	613
(2) Securities			
Held-to-maturity debt securities	761,164	748,763	(12,401)
Other securities	326,142	326,142	—
(3) Loans and bills discounted	4,069,567		
Allowance for loan losses (*1)	(3,667)		
	4,065,899	4,064,411	(1,487)
Total assets	7,703,997	7,690,722	(13,275)
(1) Deposits	10,442,382	10,442,429	46
(2) Borrowed money	2,565,800	2,565,800	—
Total liabilities	13,008,182	13,008,229	46
Derivative transactions (*2)			
Items to which hedge accounting is not applied	2,634	2,634	—
Items to which hedge accounting is applied (*3)	(5,870)	(5,870)	—
Total derivative transactions	(3,235)	(3,235)	—

(*1) General allowance for loan losses and individual allowance for loan losses corresponding to loans and bills discounted are deducted. Allowance for loan losses for monetary claims bought is directly deducted from the consolidated balance sheet amount due to its immateriality.

(*2) Derivative transactions recorded in other assets and liabilities are collectively displayed.

Net claims and debts arising from derivative transactions are presented on a net basis, and items that total net debt are presented in parentheses.

(*3) To stabilize the cash flow for unfulfilled firm contracts related to the payment of principal and interest on hedged foreign currency-denominated securities and foreign currency-denominated time deposits, currency swaps and forward exchange contracts designated as hedging instruments are mainly applied using deferred hedging.

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims bought (*1)	2,919,399	2,919,367	(31)
(2) Securities			
Held-to-maturity debt securities	1,267,508	1,225,836	(41,672)
Other securities	520,689	520,689	—
(3) Loans and bills discounted	5,044,131		
Allowance for loan losses (*1)	(6,095)		
	5,038,036	5,028,792	(9,243)
Total assets	9,745,633	9,694,685	(50,947)
(1) Deposits	11,451,517	11,451,742	224
(2) Borrowed money	2,749,800	2,750,009	209
Total liabilities	14,201,317	14,201,752	434
Derivative transactions (*2)			
Items to which hedge accounting is not applied	(336)	(336)	—
Items to which hedge accounting is applied	(3,265)	(3,265)	—
Total derivative transactions	(3,601)	(3,601)	—

(*1) General allowance for loan losses and individual allowance for loan losses corresponding to loans and bills discounted are deducted. Allowance for loan losses for monetary claims bought is directly deducted from the consolidated balance sheet amount due to its immateriality.

(*2) Derivative transactions recorded in other assets and liabilities are collectively displayed. Net claims and debts arising from derivative transactions are presented on a net basis, and items that total net debt are presented in parentheses.

(Note 1) The consolidated balance sheet amounts of shares, etc. with no market price and investments in partnerships, etc. are as follows, and they are not included "other securities" in the fair value information of financial instruments.

(Millions of yen)

Category	As of March 31, 2024	As of March 31, 2025
(i) Unlisted shares (*1)	1,800	1,800
(ii) Shares of non-consolidated subsidiaries (*1)	1	1
(iii) Investments in partnerships (*2)	1,592	1,400
(iv) Other securities (*1)	7	7
Total	3,402	3,209

(*1) Unlisted shares and shares of non-consolidated subsidiaries and other securities are not subject to fair value disclosure in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

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

(Note 2) Scheduled redemption amount after the consolidated closing date for monetary claims and securities with maturity

As of March 31, 2024

(Millions of yen)

	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years
Monetary claims bought	1,694,437	561,349	124,194	54,591	116,239
Securities	48,802	81,219	274,743	212,435	470,074
Held-to-maturity debt securities	—	74,647	236,840	199,814	249,861
Of which: Japanese government bonds	—	39,981	77,971	159,561	247,145
Corporate bonds	—	34,666	158,869	40,252	2,716
Others	—	—	—	—	—
Other securities with maturity	48,802	6,571	37,902	12,620	220,212
Of which: Japanese government bonds	—	—	—	—	119,937
Corporate bonds	—	530	17,101	8,996	12,384
Foreign bonds	48,802	6,041	20,800	3,624	87,890
Loans and bills discounted	955,933	198,424	197,633	280,952	2,436,623
Total	2,699,173	840,993	596,571	547,978	3,022,937

As of March 31, 2025

(Millions of yen)

	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years
Monetary claims bought	1,900,974	369,324	361,011	59,213	228,896
Securities	42,459	392,500	386,281	454,945	511,984
Held-to-maturity debt securities	1,197	358,902	360,067	331,362	215,978
Of which: Japanese government bonds	—	89,920	192,598	216,018	118,691
Corporate bonds	1,197	268,981	167,469	115,343	97,286
Others	—	—	—	—	—
Other securities with maturity	41,261	33,598	26,214	123,582	296,005
Of which: Japanese government bonds	—	—	—	115,088	—
Corporate bonds	—	6,130	10,362	8,494	11,988
Foreign bonds	41,261	27,467	15,851	—	284,017
Loans and bills discounted	1,651,242	362,046	427,669	834,341	1,768,832
Total	3,594,676	1,123,871	1,174,962	1,348,500	2,509,713

(Note 3) Scheduled amount to be repaid after the consolidated closing date for borrowed money and interest-bearing liabilities

As of March 31, 2024

(Millions of yen)

	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years
Deposits	10,422,424	13,675	4,573	442	1,266
Borrowed money	—	1,577,800	988,000	—	—
Total	10,422,424	1,591,475	992,573	442	1,266

(Note) Among deposits, demand deposits are included in "Within one year."

As of March 31, 2025

(Millions of yen)

	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years
Deposits	11,278,228	162,533	6,604	1,689	2,461
Borrowed money	400,600	2,349,200	—	—	—
Total	11,678,828	2,511,733	6,604	1,689	2,461

(Note) Among deposits, demand deposits are included in "Within one year."

3. Matters concerning the breakdown, etc. of fair value of financial instruments by level

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

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

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

As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	14,408	190,224	204,633
Securities				
Other securities				
Japanese government bonds, Japanese municipal bonds, etc.	119,937	—	—	119,937
Corporate bonds	12,384	—	26,628	39,012
Foreign bonds	—	82,107	85,051	167,159
Others	—	32	0	33
Derivative transactions				
Interest rate-related	—	12,571	—	12,571
Foreign currency-related	—	7,175	—	7,175
Bond-related	—	—	—	—
Total assets	132,321	116,296	301,905	550,523
Derivative transactions				
Interest rate-related	—	12,418	—	12,418
Foreign currency-related	—	10,563	—	10,563
Bond-related	1	—	—	1
Total liabilities	1	22,981	—	22,982

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	10,300	298,066	308,366
Securities				
Other securities				
Japanese government bonds, Japanese municipal bonds, etc.	115,088	—	—	115,088
Corporate bonds	11,988	—	24,988	36,976
Foreign bonds	—	87,296	281,301	368,598
Others	—	26	0	26
Derivative transactions				
Interest rate-related	—	19,865	—	19,865
Foreign currency-related	—	10,251	—	10,251
Bond-related	2	—	—	2
Total assets	127,078	127,740	604,357	859,176
Derivative transactions				
Interest rate-related	—	19,803	—	19,803
Foreign currency-related	—	13,917	—	13,917
Bond-related	—	—	—	—
Total liabilities	—	33,721	—	33,721

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheets at fair value
As of March 31, 2024

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	2,346,771	2,346,771
Securities				
Held-to-maturity debt securities				
Japanese government bonds, Japanese municipal bonds, etc.	512,886	—	—	512,886
Corporate bonds	235,876	—	—	235,876
Others	—	—	—	—
Loans and bills discounted	—	—	4,064,411	4,064,411
Total assets	748,763	—	6,411,183	7,159,946
Deposits	—	10,442,429	—	10,442,429
Borrowed money	—	2,565,800	—	2,565,800
Total liabilities	—	13,008,229	—	13,008,229

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	2,611,001	2,611,001
Securities				
Held-to-maturity debt securities				
Japanese government bonds, Japanese municipal bonds, etc.	587,682	—	—	587,682
Corporate bonds	638,153	—	—	638,153
Others	—	—	—	—
Loans and bills discounted	—	—	5,028,792	5,028,792
Total assets	1,225,836	—	7,639,793	8,865,629
Deposits	—	11,451,742	—	11,451,742
Borrowed money	—	2,750,009	—	2,750,009
Total liabilities	—	14,201,752	—	14,201,752

(Note 1) Description of the valuation techniques and inputs used in fair value measurements

Assets

Monetary claims bought

For monetary claims bought, fair value is measured using valuation techniques such as the present value technique for future cash flows. We make maximum use of observable inputs in valuation, and inputs include discount rate, loss rate in case of bankruptcy, etc. If significant unobservable inputs are used in the measurement, they are classified as Level 3 fair value. Otherwise, they are classified as Level 2 fair value.

Securities

Securities are classified as Level 1 fair value when unadjusted quoted prices in active markets are available. This mainly includes Japanese government bonds and corporate bonds.

If the market is not active, they are classified as Level 2 fair value, even if published quoted prices are used.

If quoted prices are not available, fair value is measured using valuation techniques such as the present value technique for future cash flows. We make maximum use of observable inputs in valuation, and inputs include discount rate, loss rate in case of bankruptcy, etc. If significant unobservable inputs are used in the measurement, they are classified as Level 3 fair value.

Loans and bills discounted

For loans and bills discounted, fair value is measured by discounting the total amount of principal and interest for each category based on the type of loan, internal rating, and term using a discount rate that reflects credit risk, etc., on the market interest rate. For those with floating interest rates, since market interest rates are reflected in a short period of time, the carrying amount is used as the fair value, as the carrying amount approximates the fair value unless the borrower's credit standing changes significantly after the loan is executed. In addition, the fair value of claims, etc. for bankrupt and practically bankrupt borrowers, and potentially bankrupt borrowers is measured based on the discounted present value using the discounted present value of estimated future cash flows or amounts expected to be recovered from collateral and guarantees, etc. If the impact of unobservable inputs on fair value is significant, they are classified as Level 3 fair value, and if not, they are classified as Level 2 fair value.

Liabilities

Deposits

For demand deposits that are paid immediately upon demand on the consolidated closing date, the relevant amount is used as the fair value. Moreover, for time deposits, fair value is measured based on the discounted present value obtained by discounting future cash flows by classifying them into certain periods. Discount rates are based on market interest rates. For those with a short deposit period (within one year), the carrying amount is used as the fair value, as the fair value approximates the carrying amount. The fair value is classified as Level 2 fair value.

Borrowed money

For borrowed money, the present value is measured by discounting the total amount of principal and interest of the borrowed money classified into certain periods by the interest rate that takes into account the remaining period of the borrowed money and credit risk. For those with floating interest rates, since market interest rates are reflected in a short period of time and the credit standings of the Bank and its consolidated subsidiaries, etc. have not changed significantly after execution, the carrying amount is used as the fair value, as it is considered that the fair value approximates the carrying amount. For contracts with a short contract period (within one year), the carrying amount is used as the fair value, as the fair value approximates the carrying amount. The fair value is classified as Level 2 fair value.

Derivative transactions

Derivative transactions are classified as Level 1 fair value when unadjusted quoted prices in active markets are available.

However, since most derivative transactions are over-the-counter transactions and there are no published quoted prices, fair value is measured using valuation techniques such as the present value technique and the Black-Scholes model, depending on the type of transaction and the period to maturity. The main inputs used in these valuation techniques are interest rates and foreign exchange rates, volatility, etc. If unobservable inputs are not used or the impact is insignificant, they are classified as Level 2 fair value, and plain vanilla swap transactions, forward exchange transactions, etc. are included.

(Note 2) Level 3 fair value information for financial instruments recorded on the consolidated balance sheets at fair value

(1) Quantitative information on significant unobservable inputs

As of March 31, 2024

Category	Valuation technique	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Monetary claims bought	Present value technique	Discount rate	0.310% - 1.576%	0.934%

As of March 31, 2025

Category	Valuation technique	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Monetary claims bought	Present value technique	Discount rate	0.310% - 2.174%	1.255%

(2) Reconciliation from the beginning balances to the ending balances, and valuation gains and losses recognized in profit or loss for the period

As of March 31, 2024

	Balance at beginning of period	Profit or loss or other comprehensive income for the period		Net purchases, sales, issuances, and settlements	Transfer into Level 3	Transfer out of Level 3	Balance at end of period	(Millions of yen) Gains or losses on valuation of financial assets and financial liabilities held at the end of the period included in profit or loss for the period
		Recorded in profit or loss	Recorded in other comprehensive income (Note)					
Monetary claims bought	131,724	—	3	58,496	—	—	190,224	—
Securities	42,004	—	243	69,433	—	—	111,680	—
Other securities	42,004	—	243	69,433	—	—	111,680	—

(Note) Included in "valuation difference on available-for-sale securities" in the consolidated statements of comprehensive income.

As of March 31, 2025

	Balance at beginning of period	Profit or loss or other comprehensive income for the period		Net purchases, sales, issuances, and settlements	Transfer into Level 3	Transfer out of Level 3	Balance at end of period	(Millions of yen) Gains or losses on valuation of financial assets and financial liabilities held at the end of the period included in profit or loss for the period
		Recorded in profit or loss	Recorded in other comprehensive income (Note)					
Monetary claims bought	190,224	—	(129)	107,971	—	—	298,066	—
Securities	111,680	—	(291)	194,901	—	—	306,291	—
Other securities	111,680	—	(291)	194,901	—	—	306,291	—

(Note) Included in "valuation difference on available-for-sale securities" in the consolidated statements of comprehensive income.

(3) Explanation of valuation processes used for fair value

The Group has established fair value measurement policies and procedures, and measures fair value in accordance with these policies and procedures. An independent valuation division verifies the operational status for whether the fair value obtained is measured using valid valuation techniques and inputs as well as whether they are classified into an appropriate level of the fair value hierarchy, which ensures the appropriateness of the policies and procedures for the measurement of fair value.

In measuring fair value, the Group uses a valuation model that most appropriately reflects the nature, characteristics and risks of each asset. When using quoted prices obtained from third parties, the Group verifies whether the prices are valid using appropriate methods, such as confirming the valuation techniques and inputs used and comparing them with the fair value of similar financial instruments.

(4) Explanation of the impact on fair value of changes in significant unobservable inputs

The significant unobservable input used in measuring the fair value of monetary claims bought is the discount rate. The discount rate consists of TIBOR, Japanese government bond interest rates, etc. and credit risk premiums. In general, a significant increase (decrease) in the discount rate will cause a significant decrease (increase) in fair value.

(Notes on securities)

*1 In addition to "securities" on the consolidated balance sheets, some of the trust beneficiary rights in "monetary claims bought" are included.

*2 "Shares of subsidiaries and consolidated subsidiaries, etc., and shares of affiliated companies" are stated as notes in the financial statements.

1. Trading account securities
Not applicable.
2. Held-to-maturity debt securities
As of March 31, 2024

(Millions of yen)				
	Type	Consolidated balance sheet amount	Fair value	Unrealized gains/ losses
Securities with fair value exceeding consolidated balance sheet amount	Japanese government bonds	7,923	7,926	2
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	24,326	24,347	20
	Others	—	—	—
	Subtotal	32,250	32,273	22
Securities with fair value not exceeding consolidated balance sheet amount	Japanese government bonds	516,735	504,960	(11,775)
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	212,178	211,529	(648)
	Others	—	—	—
	Subtotal	728,914	716,490	(12,424)
Total		761,164	748,763	(12,401)

As of March 31, 2025

(Millions of yen)				
	Type	Consolidated balance sheet amount	Fair value	Unrealized gains/ losses
Securities with fair value exceeding consolidated balance sheet amount	Japanese government bonds	—	—	—
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	54,404	54,582	177
	Others	—	—	—
	Subtotal	54,404	54,582	177
Securities with fair value not exceeding consolidated balance sheet amount	Japanese government bonds	617,229	587,682	(29,547)
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	595,874	583,571	(12,303)
	Others	—	—	—
	Subtotal	1,213,104	1,171,253	(41,850)
Total		1,267,508	1,225,836	(41,672)

3. Other securities
As of March 31, 2024

(Millions of yen)				
	Type	Consolidated balance sheet amount	Acquisition cost	Unrealized gains/ losses
Securities with consolidated balance sheet amount exceeding acquisition costs	Equity securities	—	—	—
	Bonds	8,946	8,934	11
	Japanese government bonds	—	—	—
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	8,946	8,934	11
	Others	149,612	149,320	291
	Foreign bonds	78,685	78,415	270
	Others	70,927	70,905	21
	Subtotal	158,558	158,255	303
Securities with consolidated balance sheet amount not exceeding acquisition costs	Equity securities	—	—	—
	Bonds	150,003	154,600	(4,596)
	Japanese government bonds	119,937	123,973	(4,036)
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	30,066	30,626	(560)
	Others	222,213	230,813	(8,600)
	Foreign bonds	88,474	89,147	(673)
	Others	133,738	141,665	(7,926)
	Subtotal	372,216	385,414	(13,197)
Total		530,775	543,669	(12,894)

As of March 31, 2025

		(Millions of yen)		
	Type	Consolidated balance sheet amount	Acquisition cost	Unrealized gains/ losses
Securities with consolidated balance sheet amount exceeding acquisition costs	Equity securities	—	—	—
	Bonds	—	—	—
	Japanese government bonds	—	—	—
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	—	—	—
	Others	256,314	256,055	258
	Foreign bonds	175,188	174,958	229
	Others	81,126	81,097	29
	Subtotal	256,314	256,055	258
Securities with consolidated balance sheet amount not exceeding acquisition costs	Equity securities	—	—	—
	Bonds	152,064	161,464	(9,400)
	Japanese government bonds	115,088	123,473	(8,385)
	Japanese municipal bonds	—	—	—
	Short-term corporate bonds	—	—	—
	Corporate bonds	36,976	37,991	(1,014)
	Others	420,677	438,112	(17,434)
	Foreign bonds	193,410	194,172	(762)
	Others	227,267	243,939	(16,672)
	Subtotal	572,741	599,576	(26,834)
	Total	829,056	855,632	(26,576)

4. Held-to-maturity debt securities sold during the fiscal year under review
Not applicable.

5. Other securities sold during the fiscal year under review
Fiscal year ended March 31, 2024

		(Millions of yen)		
	Sales amount	Total gain on sales	Total loss on sales	
Equity securities	—	—	—	—
Bonds	3,000	—	—	—
Japanese government bonds	—	—	—	—
Japanese municipal bonds	—	—	—	—
Short-term corporate bonds	—	—	—	—
Corporate bonds	3,000	—	—	—
Others	4,823	10	—	—
Foreign bonds	4,823	10	—	—
Total	7,823	10	—	—

Fiscal year ended March 31, 2025

		(Millions of yen)		
	Sales amount	Total gain on sales	Total loss on sales	
Equity securities	—	—	—	—
Bonds	—	—	—	—
Japanese government bonds	—	—	—	—
Japanese municipal bonds	—	—	—	—
Short-term corporate bonds	—	—	—	—
Corporate bonds	—	—	—	—
Others	704	—	0	0
Foreign bonds	704	—	0	0
Total	704	—	0	0

6. Securities for which the holding purpose has been changed
Not applicable.

7. Impaired securities
Not applicable.

(Valuation difference on available-for-sale securities)

The breakdown of valuation difference on available-for-sale securities recorded on the consolidated balance sheets is as follows.

As of March 31, 2024

		(Millions of yen)
	Amount	
Valuation difference	(12,881)	
Other securities	(12,881)	
(+) Deferred tax assets (or (-) Deferred tax liabilities)	3,745	
Valuation difference on available-for-sale securities (before adjustment of amount equivalent to equity)	(9,135)	
(-) Amount equivalent to non-controlling interests	325	
Valuation difference on available-for-sale securities	(8,809)	

As of March 31, 2025

	(Millions of yen)
	Amount
Valuation difference	(26,562)
Other securities	(26,562)
(+) Deferred tax assets (or (-) Deferred tax liabilities)	8,193
Valuation difference on available-for-sale securities (before adjustment of amount equivalent to equity)	(18,368)
(-) Amount equivalent to non-controlling interests	279
Valuation difference on available-for-sale securities	(18,088)

(Notes on derivative transactions)

1. Derivative transactions to which hedge accounting is not applied

For derivative transactions to which hedge accounting is not applied, the notional amount or amount equivalent to the principal stipulated in the contract, fair value, and unrealized gains/losses as of the consolidated closing date for each type of transaction are as follows. The notional amount itself does not indicate the market risk associated with derivative transactions.

(1) Interest rate-related transactions

As of March 31, 2024

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
OTC	Interest rate swaption				
	Sold	138,298	138,298	(12,417)	(12,417)
	Purchased	138,308	138,308	12,400	12,400
Total		—	—	(17)	(17)

(Notes) 1. The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

As of March 31, 2025

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
OTC	Interest rate swaption				
	Sold	156,748	156,748	(19,799)	(19,799)
	Purchased	156,862	156,862	19,786	19,786
Total		—	—	(12)	(12)

(Notes) 1. The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

(2) Foreign currency-related transactions

As of March 31, 2024

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
OTC	Forward exchange contracts				
	Sold	357,500	274	4,079	4,079
	Purchased	368,475	1,275	1,771	1,771
	Currency options				
	Sold	127	—	(0)	(0)
	Purchased	127	—	0	0
Currency swaps	12,319	12,319	(3,367)	(3,367)	
Total		—	—	2,482	2,482

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

As of March 31, 2025

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
OTC	Forward exchange contracts				
	Sold	681,330	330	2,212	2,212
	Purchased	771,370	1,790	1,059	1,059
	Currency options				
	Sold	59	—	(0)	(0)
	Purchased	59	—	0	0
Currency swaps	12,262	12,262	(3,672)	(3,672)	
Total		—	—	(400)	(400)

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

(3) Bond-related transactions

As of March 31, 2024

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
Listed	Bond futures				
	Sold	—	—	—	—
	Purchased	1,456	—	(1)	(1)
Total		—	—	(1)	(1)

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

As of March 31, 2025

(Millions of yen)

Category	Type	Notional amount		Fair value	Unrealized gains/losses
		Total	Over 1 year		
Listed	Bond futures				
	Sold	—	—	—	—
	Purchased	274	—	2	2
Total		—	—	2	2

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.

2. Derivative transactions to which hedge accounting is applied

For derivative transactions to which hedge accounting is applied, the notional amount or amount equivalent to the principal stipulated in the contract and fair value as of the consolidated closing date for each type of transaction and by hedge accounting method are as follows. The notional amount itself does not indicate the market risk associated with derivative transactions.

(1) Foreign currency-related transactions

As of March 31, 2024

(Millions of yen)

Hedge accounting method	Type	Main hedged items	Notional amount		Fair value
			Total	Over 1 year	
Principle processing method	Forward exchange contracts	Unfulfilled firm contracts related to foreign currency-denominated time deposits	45	9	(4)
	Sold		240	41	23
	Purchased	Foreign currency-denominated loans and bills discounted and securities	71,387	67,309	(5,889)
	Currency swaps		—	—	(5,870)
Total			—	—	(5,870)

(Note) Deferred hedging is mainly used in accordance with Industry Committee Practical Guidance No. 25.

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type	Main hedged items	Notional amount		Fair value
			Total	Over 1 year	
Principle processing method	Forward exchange contracts	Unfulfilled firm contracts related to foreign currency-denominated time deposits	30	11	(0)
	Sold		241	59	5
	Purchased	Foreign currency-denominated loans and bills discounted and securities	280,815	208,930	(3,270)
	Currency swaps		—	—	(3,265)
Total			—	—	(3,265)

(Note) Deferred hedging is mainly used in accordance with Industry Committee Practical Guidance No. 25.

(Notes on retirement benefits)

1. Overview of retirement benefit plans adopted

The Group mainly adopts defined benefit plans and defined contribution plans as its retirement benefit plans. The Group's defined benefit plans are primarily retirement lump-sum payment plans. Retirement lump-sum payment plans do not involve external funding for retirement benefit plan obligations, and the Group is responsible for paying the benefits directly to the beneficiaries. There are no legal requirements for funding. Retirement lump-sums are paid based on salary and period of service, etc., based on retirement allowance regulations such as the employment regulations of each company.

2. Defined benefit plans

(1) Reconciliation of retirement benefit obligations at the beginning and end of the period

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of retirement benefit obligations at beginning of period	1,292	1,442
Service cost	208	190
Interest cost	14	20
Amount of actuarial gains and losses	(0)	(15)
Retirement benefits paid	(81)	(107)
Amount of past service cost	—	—
Others	9	36
Balance of retirement benefit obligations at end of period	1,442	1,566

(2) Reconciliation of pension assets at the beginning and end of the period

Not applicable.

(3) Reconciliation of the balance of retirement benefit obligations and pension assets at the end of the period, and retirement benefit liability and retirement benefit asset recorded on the consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Funded defined benefit obligations	—	—
Plan assets	—	—
Unfunded defined benefit obligations	1,442	1,566
Net liability in the consolidated balance sheets	1,442	1,566
Retirement benefit liability	1,442	1,566
Retirement benefit asset	—	—
Net liability in the consolidated balance sheets	1,442	1,566

(4) Amount of retirement benefit expenses and their breakdown items

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Current service cost	208	190
Interest cost	14	20
Expected return on plan assets	—	—
Amortization of unrecognized actuarial gains (losses)	(56)	(0)
Amortization of unrecognized past service cost	—	—
Others	(0)	—
Retirement benefit expenses	166	209

(5) Remeasurements of defined benefit plans, net of tax

The breakdown of items (before income taxes and tax effect deduction) recorded in remeasurements of defined benefit plans, net of tax is as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Past service cost	—	—
Actuarial gains and losses	(55)	15
Others	—	—
Total	(55)	15

(6) Remeasurements of defined benefit plans

The breakdown of items (before income taxes and tax effect deduction) recorded in remeasurements of defined benefit plans is as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Unrecognized past service cost	—	—
Unrecognized actuarial gains and losses	(0)	(15)
Total	(0)	(15)

(7) Matters concerning pension assets

Not applicable.

(8) Matters concerning the calculation basis in actuarial calculation

Major calculation bases in actuarial calculation (presented as weighted averages)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Discount rate	1.4%	1.7%
Expected long-term rate of return on plan assets	—	—
Expected future salary increase rate	0.8 to 2.8%	0.8 to 2.9%

3. Defined contribution plans

The required contributions to the defined contribution plans of the Bank and its consolidated subsidiaries were 40 million yen for the previous fiscal year and 41 million yen for the fiscal year under review.

(Notes on stock options, etc.)

1. Expenses and account names related to stock options

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
General and administrative expenses	143 million yen	431 million yen

2. Details, volume and changes of stock options

(1) Details of stock options

	February 2024 Stock Options 1	February 2024 Stock Options 2	February 2024 Stock Options 3	February 2024 Stock Options 4
Category and number of grantees	63 employees of the Bank	498 employees of the Bank	407 employees of the Bank	662 employees of the Bank
Number of stock options granted by class of shares (Note 1)	6,500 common shares	57,300 common shares	56,800 common shares	130,000 common shares
Grant date	February 29, 2024	February 29, 2024	February 29, 2024	February 29, 2024
Vesting conditions	Continuous service from the grant date (February 29, 2024) to the vesting date (February 27, 2025)	Continuous service from the grant date (February 29, 2024) to the vesting date (February 27, 2026)	Continuous service from the grant date (February 29, 2024) to the vesting date (February 27, 2027)	Continuous service from the grant date (February 29, 2024) to the vesting date (February 28, 2028)
Requisite service period	From February 29, 2024 to February 27, 2025	From February 29, 2024 to February 27, 2026	From February 29, 2024 to February 27, 2027	From February 29, 2024 to February 28, 2028
Exercise period	From February 28, 2025 to February 28, 2034	From March 2, 2026 to February 28, 2034	From March 1, 2027 to February 28, 2034	From February 29, 2028 to February 28, 2034

	June 2024 Stock Options 1	June 2024 Stock Options 2	June 2024 Stock Options 3	June 2024 Stock Options 4
Category and number of grantees	6 Executive Officers of the Bank	1 Executive Officer of the Bank	7 Executive Officers of the Bank	14 Executive Officers of the Bank and Directors of subsidiaries of the Bank
Number of stock options granted by class of shares (Note 1)	600 common shares	100 common shares	1,300 common shares	19,300 common shares
Grant date	June 26, 2024	June 26, 2024	June 26, 2024	June 26, 2024
Vesting conditions	Continuous service from the grant date (June 26, 2024) to the vesting date (June 25, 2026)	Continuous service from the grant date (June 26, 2024) to the vesting date (June 25, 2027)	Continuous service from the grant date (June 26, 2024) to the vesting date (June 25, 2028)	(Note 2)
Requisite service period	From June 26, 2024 to June 25, 2026	From June 26, 2024 to June 25, 2027	From June 26, 2024 to June 25, 2028	No specified requisite service period
Exercise period	From June 26, 2026 to June 26, 2034	From June 28, 2027 to June 26, 2034	From June 26, 2028 to June 26, 2034	From June 26, 2024 to June 26, 2064

	July 2024 Stock Options	August 2024 Stock Options 1	August 2024 Stock Options 2	August 2024 Stock Options 3
Category and number of grantees	1 Director of the Bank	7 employees of the Bank	60 employees of the Bank	513 employees of the Bank
Number of stock options granted by class of shares (Note 1)	14,700 common shares	700 common shares	6,000 common shares	52,000 common shares
Grant date	July 22, 2024	August 29, 2024	August 29, 2024	August 29, 2024
Vesting conditions	(Note 2)	Continuous service from the grant date (August 29, 2024) to the vesting date (August 28, 2026)	Continuous service from the grant date (August 29, 2024) to the vesting date (August 28, 2027)	Continuous service from the grant date (August 29, 2024) to the vesting date (August 28, 2028)
Requisite service period	No specified requisite service period	From August 29, 2024 to August 28, 2026	From August 29, 2024 to August 28, 2027	From August 29, 2024 to August 28, 2028
Exercise period	From July 22, 2024 to July 22, 2064	From August 31, 2026 to August 29, 2034	From August 30, 2027 to August 29, 2034	From August 29, 2028 to August 29, 2034

	February 2025 Stock Options 1	February 2025 Stock Options 2	February 2025 Stock Options 3
Category and number of grantees	1 employee of the Bank	9 employees of the Bank	369 employees of the Bank
Number of stock options granted by class of shares (Note 1)	100 common shares	900 common shares	37,000 common shares
Grant date	February 26, 2025	February 26, 2025	February 26, 2025
Vesting conditions	Continuous service from the grant date (February 26, 2025) to the vesting date (February 25, 2027)	Continuous service from the grant date (February 26, 2025) to the vesting date (February 25, 2028)	Continuous service from the grant date (February 26, 2025) to the vesting date (February 25, 2029)
Requisite service period	From February 26, 2025 to February 25, 2027	From February 26, 2025 to February 25, 2028	From February 26, 2025 to February 25, 2029
Exercise period	From February 26, 2027 to February 26, 2035	From February 28, 2028 to February 26, 2035	From February 26, 2029 to February 26, 2035

(Note 1) The number of stock options is converted to the number of shares.

(Note 2) Those who have been allotted share acquisition rights may exercise them starting from the day after the termination of their position as a director, executive officer, audit and supervisory board member, or employee of the Bank, or subsidiaries or affiliates of the Bank, for only up to 10 days thereafter.

In addition to the above, the Bank's parent company Rakuten Group, Inc. grants stock compensation-type stock options to the Bank's Directors and employees, and of the amount borne by the Bank, the amount incurred by the end of the fiscal year under review is recorded as compensation expenses.

(2) Volume and changes of stock options

The number of stock options outstanding for the fiscal year under review is converted to the number of shares.

(i) Number of stock options

	February 2024 Stock Options 1	February 2024 Stock Options 2	February 2024 Stock Options 3	February 2024 Stock Options 4
Before vesting (shares)				
At the end of the previous fiscal year	6,400	56,500	55,500	128,000
Granted	—	—	—	—
Lapsed	500	5,500	5,700	13,600
Vested	5,900	—	—	—
Unvested balance	—	51,000	49,800	114,400
After vesting (shares)				
At the end of the previous fiscal year	—	—	—	—
Vested	5,900	—	—	—
Exercised	—	—	—	—
Lapsed	—	—	—	—
Unexercised balance	5,900	—	—	—

	June 2024 Stock Options 1	June 2024 Stock Options 2	June 2024 Stock Options 3	June 2024 Stock Options 4
Before vesting (shares)				
At the end of the previous fiscal year	—	—	—	—
Granted	600	100	1,300	19,300
Lapsed	—	—	—	—
Vested	—	—	—	—
Unvested balance	600	100	1,300	19,300
After vesting (shares)				
At the end of the previous fiscal year	—	—	—	—
Vested	—	—	—	—
Exercised	—	—	—	—
Lapsed	—	—	—	—
Unexercised balance	—	—	—	—

	July 2024 Stock Options	August 2024 Stock Options 1	August 2024 Stock Options 2	August 2024 Stock Options 3
Before vesting (shares)				
At the end of the previous fiscal year	—	—	—	—
Granted	14,700	700	6,000	52,000
Lapsed	—	—	400	4,400
Vested	—	—	—	—
Unvested balance	14,700	700	5,600	47,600
After vesting (shares)				
At the end of the previous fiscal year	—	—	—	—
Vested	—	—	—	—
Exercised	—	—	—	—
Lapsed	—	—	—	—
Unexercised balance	—	—	—	—

	February 2025 Stock Options 1	February 2025 Stock Options 2	February 2025 Stock Options 3
Before vesting (shares)			
At the end of the previous fiscal year	—	—	—
Granted	100	900	37,000
Lapsed	—	—	600
Vested	—	—	—
Unvested balance	100	900	36,400
After vesting (shares)			
At the end of the previous fiscal year	—	—	—
Vested	—	—	—
Exercised	—	—	—
Lapsed	—	—	—
Unexercised balance	—	—	—

(ii) Unit price information

	February 2024 Stock Options 1	February 2024 Stock Options 2	February 2024 Stock Options 3	February 2024 Stock Options 4
Exercise price (yen)	0.01	0.01	0.01	0.01
Fair value unit price at grant date (yen)	2,979	2,979	2,979	2,979
	June 2024 Stock Options 1	June 2024 Stock Options 2	June 2024 Stock Options 3	June 2024 Stock Options 4
Exercise price (yen)	0.01	0.01	0.01	0.01
Fair value unit price at grant date (yen)	2,900	2,900	2,900	2,900
	July 2024 Stock Options	August 2024 Stock Options 1	August 2024 Stock Options 2	August 2024 Stock Options 3
Exercise price (yen)	0.01	0.01	0.01	0.01
Fair value unit price at grant date (yen)	3,270	3,310	3,310	3,310
	February 2025 Stock Options 1	February 2025 Stock Options 2	February 2025 Stock Options 3	
Exercise price (yen)	0.01	0.01	0.01	
Fair value unit price at grant date (yen)	5,731	5,731	5,731	

(Note) The number of stock options is converted to the number of shares.3. Method of estimating fair value unit price of stock options

The method for estimating fair valuation unit price for stock options granted in the fiscal year under review is as follows.

- (1) Valuation method used: Black-Scholes equation
(2) Main basic numerical values and estimation method

	June 2024 Stock Options 1	June 2024 Stock Options 2	June 2024 Stock Options 3	June 2024 Stock Options 4
Volatility of share price (Note 1)	26.09%	23.91%	24.18%	27.42%
Estimated remaining period (Note 2)	2 years	3 years	4 years	5 years
Estimated dividend (Note 3)	-yen per share	-yen per share	-yen per share	-yen per share
Risk-free interest rate (Note 4)	0.355%	0.398%	0.505%	0.610%

	July 2024 Stock Options	August 2024 Stock Options 1	August 2024 Stock Options 2	August 2024 Stock Options 3
Volatility of share price (Note 1)	27.57%	29.96%	26.39%	25.58%
Estimated remaining period (Note 2)	5 years	2 years	3 years	4 years
Estimated dividend (Note 3)	-yen per share	-yen per share	-yen per share	-yen per share
Risk-free interest rate (Note 4)	0.634%	0.360%	0.384%	0.432%

	February 2025 Stock Options 1	February 2025 Stock Options 2	February 2025 Stock Options 3
Volatility of share price (Note 1)	42.17%	26.57%	25.24%
Estimated remaining period (Note 2)	2 years	3 years	4 years
Estimated dividend (Note 3)	-yen per share	-yen per share	-yen per share
Risk-free interest rate (Note 4)	0.797%	0.861%	0.952%

(Note 1) For February 2025 Stock Options 1, the figure is calculated based on the Bank's actual share price from April 21, 2023 (listing date) to February 25, 2025. For other stock options, the figure is calculated based on the actual share price of comparable listed companies.

(Note 2) This period is estimated based on the assumption that the stock options, which are subject to a vesting condition based on a certain period, are exercised on the starting date of the exercise period. When the vesting condition is based on the termination of the position or status of officers and employees, the estimated remaining period is calculated based on the average period of service from past records.

(Note 3) This figure is estimated according to actual dividends paid recently.

(Note 4) This figure is the yield on government bonds corresponding to the estimated remaining period.

4. Method for estimating the number of stock options vested

As it is difficult, in principle, to reasonably estimate the number of stock options that will be forfeited in the future, the number here reflects only stock options that have actually been forfeited.

(Notes on tax effect accounting)

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Tax losses carried forward	2,208 million yen	2,736 million yen
Allowance for loan losses	1,017 million yen	1,604 million yen
Losses from bad debts	449 million yen	530 million yen
Excess depreciation	511 million yen	733 million yen
Retirement benefit liability	441 million yen	498 million yen
Impairment losses on securities	189 million yen	157 million yen
Valuation difference on available-for-sale securities	3,745 million yen	8,193 million yen
Others	2,236 million yen	3,158 million yen
Subtotal of deferred tax assets	10,801 million yen	17,613 million yen
Valuation allowance	— million yen	— million yen
Total deferred tax assets	10,801 million yen	17,613 million yen
Deferred tax liabilities		
Deferred gains or losses on hedges	— million yen	126 million yen
Difference in shares of affiliates due to corporate division	124 million yen	127 million yen
Total deferred tax liabilities	124 million yen	253 million yen
Net deferred tax assets	10,677 million yen	17,359 million yen

(Note) Tax losses carried forward and the amounts of deferred tax assets by the expiration of the carryforward period
As of March 31, 2024

	Within 1 year	Over 1 year and within 2 years	Over 2 years and within 3 years	Over 3 years and within 4 years	Over 4 years and within 5 years	Over 5 years	Total
Tax losses carried forward (*1)	—	—	—	—	—	2,208	2,208
Deferred tax assets	—	—	—	—	—	2,208	(*2) 2,208

(*1) Tax losses carried forward are calculated by applying the legal effective tax rate.

(*2) Deferred tax assets of 2,208 million yen are recorded for the tax losses carried forward of 2,208 million yen. The Bank determines that the tax losses carried forward are recoverable based on the expected future taxable income.

As of March 31, 2025

	Within 1 year	Over 1 year and within 2 years	Over 2 years and within 3 years	Over 3 years and within 4 years	Over 4 years and within 5 years	Over 5 years	Total
Tax losses carried forward (*1)	—	—	—	—	30	2,705	2,736
Deferred tax assets	—	—	—	—	30	2,705	(*2) 2,736

(*1) Tax losses carried forward are calculated by applying the legal effective tax rate.

(*2) Deferred tax assets of 2,736 million yen are recorded for the tax losses carried forward of 2,736 million yen. The Bank determines that the tax losses carried forward are recoverable based on the expected future taxable income.

2. If there is a significant difference between the legal effective tax rate of the company submitting consolidated financial statements and the burden rate of income taxes after the application of tax effect accounting, a breakdown by major item that caused said difference
Notes are omitted because the difference between the legal effective tax rate and the burden rate of income taxes after the application of tax effect accounting is less than 5/100 of the legal effective tax rate.

3. Adjustments to the amounts of deferred tax assets and deferred tax liabilities due to changes in rates of income taxes
With the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) on March 31, 2025, the Special Corporate Tax for Defense will be imposed starting from consolidated fiscal years beginning on or after April 1, 2026. Consequently, the legal effective tax rate used for calculating deferred tax assets and deferred tax liabilities will change from the 30.62% so far to 31.51% for temporary differences expected to be resolved in consolidated fiscal years beginning on or after April 1, 2026. As a result of the tax rate change, deferred tax assets for the fiscal year under review increased by 310 million yen, valuation difference on available-for-sale securities increased by 231 million yen, deferred gains or losses on hedges decreased by 2 million yen, and income taxes - deferred decreased by 81 million yen.

(Notes on business combination, etc.)

Not applicable.

(Notes on asset retirement obligations)

Fiscal year ended March 31, 2024

Since the total amount of asset retirement obligations is immaterial, it is omitted.

Fiscal year ended March 31, 2025

Since the total amount of asset retirement obligations is immaterial, it is omitted.

(Notes on real estate for rent, etc.)

Not applicable.

(Notes on revenue recognition)

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

Disaggregation of revenue from contracts with customers

Category	(Millions of yen)
Ordinary income	137,950
Of which: fees and commissions	42,849
Foreign exchange deposit business	27,005
Housing loans handling business	2,868
Card settlement business	11,105
toto and lottery sales business	3,120
Other businesses	5,244
Consideration paid to customers	(6,494)

(Note) Fees and commissions' foreign exchange deposit business income is mainly generated from the Sales & Product Planning Division (Personal Customers), the Sales & Product Planning Division (Corporate Customers) and the Innovative Service Planning Division, while other businesses' income is mainly generated from the Sales & Product Planning Division (Personal Customers). The above table also includes income based on ASBJ Statement No. 10, "Accounting Standard for Financial Instruments."

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Disaggregation of revenue from contracts with customers

Category	(Millions of yen)
Ordinary income	184,534
Of which: fees and commissions	46,345
Foreign exchange deposit business	29,386
Housing loans handling business	2,793
Card settlement business	12,151
toto and lottery sales business	3,367
Other businesses	5,791
Consideration paid to customers	(7,145)

(Note) Fees and commissions' foreign exchange deposit business income is mainly generated from the Sales & Product Planning Division (Personal Customers), the Sales & Product Planning Division (Corporate Customers) and the Innovative Service Planning Division, while other businesses' income is mainly generated from the Sales & Product Planning Division (Personal Customers). The above table also includes income based on ASBJ Statement No. 10, "Accounting Standard for Financial Instruments."

(Notes on segment information, etc.)

[Segment information]

Although the Group is engaged in some non-banking businesses, these businesses are not significant in terms of volume, and the reportable segment is the banking business only, and therefore, this information is omitted.

[Related information]

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

1. Information by service

The Group's ordinary income from external customers in the banking business category accounts for more than 90% of ordinary income on the consolidated statements of income, and therefore, this information is omitted.

2. Information by region

(1) Ordinary income

For the Group, the amount classified as ordinary income from external customers in Japan exceeds 90% of ordinary income on the consolidated statements of income, and therefore, this information is omitted.

(2) Tangible fixed assets

(Millions of yen)		
Japan	Taiwan	Total
3,182	1,154	4,336

3. Information by major customer

(Millions of yen)		
Name of the company	Ordinary income	Related segment name
Rakuten Group, Inc. and its group companies	30,004	Banking business

(Note) Ordinary income is stated instead of general company sales.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by service

The Group's ordinary income from external customers in the banking business category accounts for more than 90% of ordinary income on the consolidated statements of income, and therefore, this information is omitted.

2. Information by region

(1) Ordinary income

For the Group, the amount classified as ordinary income from external customers in Japan exceeds 90% of ordinary income on the consolidated statements of income, and therefore, this information is omitted.

(2) Tangible fixed assets

(Millions of yen)		
Japan	Taiwan	Total
2,936	1,683	4,619

3. Information by major customer

(Millions of yen)

Name of the company	Ordinary income	Related segment name
Rakuten Group, Inc. and its group companies	39,303	Banking business

(Note) Ordinary income is stated instead of general company sales.

[Information on impairment losses on fixed assets by reportable segment]

Not applicable.

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

Since the Group consists of a single segment of the banking business, this information is omitted.

[Information on gain on negative goodwill by reportable segment]

Not applicable.

[Related party information]

1. Transactions with related parties

(1) Transactions between the company submitting consolidated financial statements and related parties

(a) Parent company and major shareholders of the company submitting consolidated financial statements (limited to companies, etc.), etc.

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

(b) Companies, etc. that have the same parent company as the company submitting consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting consolidated financial statements

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

(Millions of yen)

Type	Name of the company, etc.	Location	Capital	Business details and work	Ownership ratio of voting rights, etc.	Relationship with related parties	Transaction details	Transaction amount	Items	Balance at end of period
Subsidiary of parent company	Rakuten Card Co., Ltd.	Minami-Aoyama, Minato-ku, Tokyo	19,323	Credit card business	—	Loan guarantee Outsourcing Collection agency, etc.	Underwriting of beneficiary rights	Note 2 304,372	Monetary claims bought	Note 1 2,152,451
							Balance of consumer loans guaranteed by the subsidiary of parent company	208,037	Accounts payables	Note 1 18,000
							Guarantee fees paid	Note 3 12,062	—	—
							Proceeds from subrogation	7,991	—	—
							Interest received on beneficiary rights	Note 1 17,455	Accrued interest	Note 1 2,009

(Notes) 1. Transaction conditions are determined in consultation with Rakuten Card Co., Ltd. in consideration of general market conditions.

2. Transaction amounts for underwriting of beneficiary rights are shown as net amounts.

3. Guarantee fees are determined in consultation with Rakuten Card Co., Ltd., taking into consideration the generally accepted guarantee fee rate.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Name of the company, etc.	Location	Capital	Business details and work	Ownership ratio of voting rights, etc.	Relationship with related parties	Transaction details	Transaction amount	Items	Balance at end of period
Subsidiary of parent company	Rakuten Card Co., Ltd.	Minami-Aoyama, Minato-ku, Tokyo	19,323	Credit card business	—	Loan guarantee Outsourcing Collection agency, etc.	Underwriting of beneficiary rights	Note 2 198,963	Monetary claims bought	Note 1 2,351,414
							Balance of consumer loans guaranteed by the subsidiary of parent company	186,123	Accounts payables	Note 1 33,000
							Guarantee fees paid	Note 3 10,814	—	—
							Proceeds from subrogation	6,061	—	—
							Interest received on beneficiary rights	Note 1 25,450	Accrued interest	Note 1 3,841

(Notes) 1. Transaction conditions are determined in consultation with Rakuten Card Co., Ltd. in consideration of general market conditions.

2. Transaction amounts for underwriting of beneficiary rights are shown as net amounts.

3. Guarantee fees are determined in consultation with Rakuten Card Co., Ltd., taking into consideration the generally accepted guarantee fee rate.

(2) Transactions between consolidated subsidiaries of the company submitting consolidated financial statements and related parties

Nothing significant to mention.

2. Notes regarding the parent company or significant affiliates
- (1) Information on parent company
Rakuten Group, Inc. (listed on the Tokyo Stock Exchange)
- (2) Summary of financial information of significant affiliates
Not applicable.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,493.84 yen	1,729.90 yen
Profit per share	198.42 yen	291.03 yen
Diluted profit per share	198.41 yen	290.77 yen

(Notes) 1. The basis of the calculation of profit per share and diluted profit per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit per share		
Profit attributable to owners of parent, adjusted (millions of yen)	34,436	50,779
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent for common share (millions of yen)	34,436	50,779
Average number of common shares issued during the period (thousand shares)	173,547	174,482
Diluted profit per share		
Profit attributable to owners of parent, adjusted (millions of yen)	—	—
Increase number of common shares (thousand shares)	15	156
[Of which: share acquisition rights] (thousand shares)	(15)	(156)
Overview of diluted shares that have not been included in the calculation of diluted profit per share due to their anti-dilutive effect	—	August 2024 Stock Options 1, 2, 3 Common shares: 53,900 shares February 2025 Stock Options 1, 2, 3 Common shares: 37,400 shares

2. The basis of the calculation of net assets per share is as follows:

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	279,587	319,117
Deduction from total net assets (millions of yen)	18,938	17,279
[Of which: share acquisition rights] (millions of yen)	(44)	(409)
[Of which: non-controlling interest] (millions of yen)	(18,894)	(16,870)
Net assets attributable to common shareholders at the end of the period (millions of yen)	260,648	301,837
Number of common shares outstanding at the end of the period used in the calculation of net assets per share (thousand shares)	174,482	174,482

(Significant subsequent events)

Not applicable.

Disclosure regarding Composition of Capital

Consolidated Capital Adequacy Ratio

(Millions of yen)

Item	End of FY2024	End of FY2023
Basic items related to core capital		
Shareholders' equity related to common shares or mandatory convertible preferred shares	315,090	264,311
Of which: share capital and capital surplus	43,159	43,159
Of which: retained earnings	271,931	221,151
Of which: treasury share	0	0
Of which: earnings to be distributed	—	—
Of which: amounts other than the above	—	—
Accumulated other comprehensive income included in core capital	4,557	5,335
Of which: foreign currency translation adjustment	4,546	5,335
Of which: amount related to retirement benefits	10	0
Share acquisition rights related to common shares or mandatory convertible preferred shares	—	44
Total amount of share award rights and share acquisition rights related to common shares or mandatory convertible preferred shares	409	—
Adjusted non-controlling interests related to core capital	2,663	1,390
Total provisions included in basic items related to core capital	3,421	2,287
Of which: general allowance for loan losses included in core capital	3,421	2,287
Of which: eligible allowance included in core capital	—	—
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in core capital: instruments and reserves)	—	—
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in core capital: instruments and reserves)	—	—
Of capital-raising instruments issued through measures related to recapitalization by public institutions: amount included in basic items related to core capital	—	—
Of the amount equivalent to 45% of the difference between the land revaluation value and the carrying amount before revaluation: amount included in basic items related to core capital	—	—
Of non-controlling interests: amount included in basic items related to core capital due to transitional measures	5,682	8,751
Basic items related to core capital (A)	331,825	282,121
Adjustment items related to core capital		
Total intangible fixed assets (excluding those related to mortgage servicing rights)	21,218	16,304
Of which: amount related to goodwill	—	26
Of which: amount other than goodwill and mortgage servicing rights	21,218	16,278
Deferred tax assets (excluding temporary differences)	2,736	2,208
Shortfall of eligible allowance	—	—
Amount equivalent to capital that increased due to securitization transactions	—	—
Amount of the mark-to-market valuation difference arising from the mark-to-market valuation of liabilities that is included in capital	—	—
Retirement benefit asset	—	—
Investments in own shares (excluding those reported in the net assets section)	—	—
Intentionally held eligible capital-raising instruments of other financial institutions, etc.	—	—
Eligible common shares, etc. of minority investment financial institutions, etc.	—	—
Amount exceeding the 10% standard for specific items	—	—
Of which: amount related to eligible common shares, etc. of other financial institutions, etc.	—	—
Of which: amount related to intangible fixed assets related to mortgage servicing rights	—	—
Of which: amount related to deferred tax assets (limited to temporary differences)	—	—
Amount exceeding the 15% standard for specific items	—	—
Of which: amount related to eligible common shares, etc. of other financial institutions, etc.	—	—
Of which: amount related to intangible fixed assets related to mortgage servicing rights	—	—
Of which: amount related to deferred tax assets (limited to temporary differences)	—	—
Adjustment items related to core capital (B)	23,954	18,513
Capital		
Amount of capital (C) = (A) - (B)	307,871	263,608
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets (D)	2,689,116	2,257,553
Of which: total amount included in risk-weighted assets due to transitional measures	—	—
Of which: exposure to other financial institutions, etc.	—	—
Of which: amounts other than the above	—	—
Amount obtained by dividing the total amount equivalent to market risk by 8% (E)	—	—
Amount obtained by dividing the total amount equivalent to operational risk by 8% (F)	212,310	152,392
Credit risk-weighted assets adjustment (G)	—	—
Amount equivalent to operational risk adjustment (H)	—	—
Floor adjustment	—	—
Total amount of risk-weighted assets, etc. (I) = (D) + (E) + (F) + (G) + (H)	2,901,426	2,409,945
Consolidated capital adequacy ratio		
Consolidated capital adequacy ratio (Japanese domestic standard) = (C) / (I) x 100 (%)	10.61%	10.93%

Rakuten
Bank

<https://www.rakuten-bank.co.jp/corp/english/>

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