

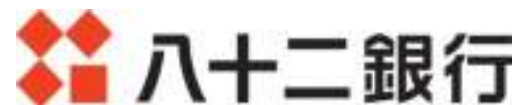
The 46th Information Meeting

The 31st Long-Term Management Plan

“Dare to Change; Create the Next Generation”

(April 2018 ~ March 2021)

Nov 12, 2020



August 1st 2021:
90th anniversary



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- Information contained herein may be changed or revised without prior notice.

<For inquiry>

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Hachijuni Bank's Profile

Company name	THE HACHIJUNI BANK, LTD.
Head office	Nagano City, Nagano Prefecture
Date of establishments	August 1st, 1931
Network	Domestic 151 (In Nagano: 131, outside Nagano: 20) Overseas branch: 1 (Hong Kong) Representative Offices: 3 (Shanghai, Bangkok, Singapore)
No. of employees	3,224
Capital stock	¥52.2bn
Issued shares	511,103 thousand shares
Total assets	¥11,268.8bn (+¥596.2bn YoY)
Net assets	¥750.8bn (+¥14.2bn YoY)
Loans	¥7,305.5bn (+¥566.8bn YoY)
Deposits	¥5,565.2bn (+¥192.6bn YoY)
Total capital ratio (Basel III)	Consolidated: 20.54% Non-consolidated: 19.09%
Ratings	S&P Global Ratings : A- R&I : A+ JCR : AA

As of Sep 30, 2020

Ministry of the Environment Support Programs for TCFD Recommendations



The Hachijuni Bank was selected as a company for a pilot program* of MoE in Sep 2020.

The Bank makes efforts to include climate-related risks and opportunities into the management strategy.



*Projects for financial institutions about measuring climate change and countermeasures' impacts, and analyzing climate-related risk/opportunities according to TCFD Recommendations.



Head Office

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2. Major Accounts and Main Figures
3. Progress in the 31st Long-Term Management Plan

Topics ①

Credit related expenses hit the highest in 11 years.

¥100mn		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Credit related expenses	1H	57	108	116	37	2	▲33	▲8	▲31	▲30	▲23	▲19	0	▲4	▲5	59
	Full year	285	231	224	97	▲5	75	5	8	▲37	▲48	▲23	▲3	17	6	(projections) 84

Topics ②

No. of business loan borrowers hit the highest in 14 years.

		3/2001	3/2003	3/2006	9/2006	3/2007	3/2008	3/2010	3/2012	3/2014	3/2016	3/2018	3/2020	9/2020
No. of borrowers	All	31,445	29,543	28,569	28,140	27,911	27,886	26,123	26,671	26,311	26,287	26,478	27,606	28,183
	In Nagano	28,603	26,755	25,331	24,840	24,524	24,348	23,008	23,504	22,981	22,862	23,057	23,971	24,524

Outline of the 1H FY2020 Financial Results

(¥100mn)

■ Consolidated				■ Non-Consolidated				3/2021 forecast
	9/2019	9/2020	Change		9/2019	9/2020	Change	
Consolidated gross business profit	502	476	▲25	Gross business profit (A)	444	418	▲26	816
Profit on interest	350	357	7	Profit on interest	348	357	8	690
Profit on fees & commissions	68	65	▲2	Profit on fees & commissions	39	36	▲2	73
Trading profit	7	12	4	Profit from other business transactions	55	22	▲32	53
Profit from other business transactions	75	39	▲35	Gains/losses related to bonds (B)	51	20	▲31	43
General & administrative expenses	299	296	▲3	G&A expenses (C)	271	263	▲8	525
Credit related expenses	0	63	62	Actual net business profit (A-C)	172	154	▲18	290
Gains/losses related to stocks	13	5	▲7	Core net business profit (A-B-C)	120	133	12	250
Gains/losses on money held in trust	▲25	▲9	15	Excl. gains/losses on cancellation of investment trusts	119	125	5	-
Ordinary profit	190	116	▲74	Transfer to general reserve for possible loan losses (D)	-	10	10	20
Profit attributable to owners of the parent	129	81	▲48	Net business profit (A-C-D)	172	144	▲28	270
Ratio of consolidated profits to parent company's profits (times)	1.079	1.215	0.136	Gains/losses related to stocks (E)	11	5	▲6	20
				Gains/losses on money held in trust	▲25	▲9	15	-
				Disposal of NPL	1	50	49	64
				Reversal of allowance for loan losses	6	-	▲6	-
				Reversal of general reserve	▲2	-	2	-
				Reversal of specific reserve	9	-	▲9	-
				Ordinary profit	168	93	▲74	210
				Extraordinary gains/losses	▲2	▲2	0	-
				Profit	120	67	▲53	150
				Credit related expenses	▲5	59	64	84
				Profit/losses related to securities (B+E)	63	25	▲37	63
◆ Consolidated: 3/2021 forecasts								
Ordinary profit			¥25bn					
Profit attributable to owners of parent			¥18bn					

Review of the 1H FY2020 Financial Results

■ Non-Consolidated

- Core net business profit was ¥13.3bn (+¥1.2bn from 1H FY2019) due to an increase in interest & dividends on securities (gains on cancellation of investment trusts) and a decrease in funding cost, in addition to a decrease in G&A expenses. Actual net business profit was ¥15.4bn (▲¥1.8bn) due to a decrease in gains related to bonds despite the increase in core net business profit.
- Ordinary profit was ¥9.3bn (▲¥7.4bn) due to decreases in actual net business profit and gains related to stocks and an increase in credit related expenses.
- Profit was ¥6.7bn (▲¥5.3bn) according to the decrease in ordinary profit.

■ Consolidated

- Ordinary profit was ¥11.6bn (▲¥7.4bn) due to the decrease in non-consolidated profit despite an increase in operating income of Hachijuni Securities Co., Ltd.
- Profit attributable to owners of the parent was ¥8.1bn (▲¥4.8bn). Ratio of consolidated profits to parent company's profit was 1.215 times, hit record high.

Ratio of consolidated profits to parent company's profits hit record high.

(Times)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
1st half	1.039	1.021	1.079	1.066	1.021	1.056	1.130	1.098	0.947	1.079	1.215
Full year	1.049	1.036	1.078	1.073	1.055	1.086	1.135	1.137	1.030	1.128	1.200 (plan)

FY2020 (3/2021) Full Year Forecasts

■ Non-Consolidated	(¥100mn)		
	3/2021	3/2020	Change
Actual net business profit	290	333	▲43
Core net business profit	250	242	+8
Net business profit	270	323	▲53
Ordinary profit	210	280	▲70
Profit	150	195	▲45

■ Consolidated	(¥100mn)		
	3/2021	3/2020	Change
Ordinary profit	250	334	▲84
Profit attributable to owners of the parent	180	220	▲40

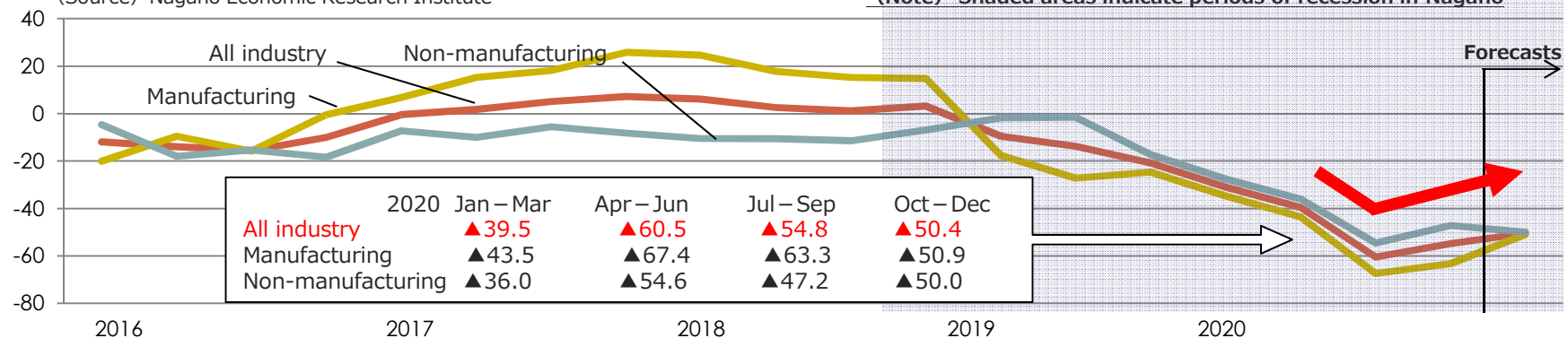
Profit attributable to owners of the parent will be ¥18.0bn (▲¥4.0bn) due to the widespread impact on group companies by Covid-19 pandemic.

Despite uncertainties, credit related expenses of 2H will decrease from that of 1H. Profit will decrease to ¥15bn (▲¥4.5bn).

■ Business confidence in Nagano shows a sign of improvement.

(Source) Nagano Economic Research Institute

(Note) Shaded areas indicate periods of recession in Nagano



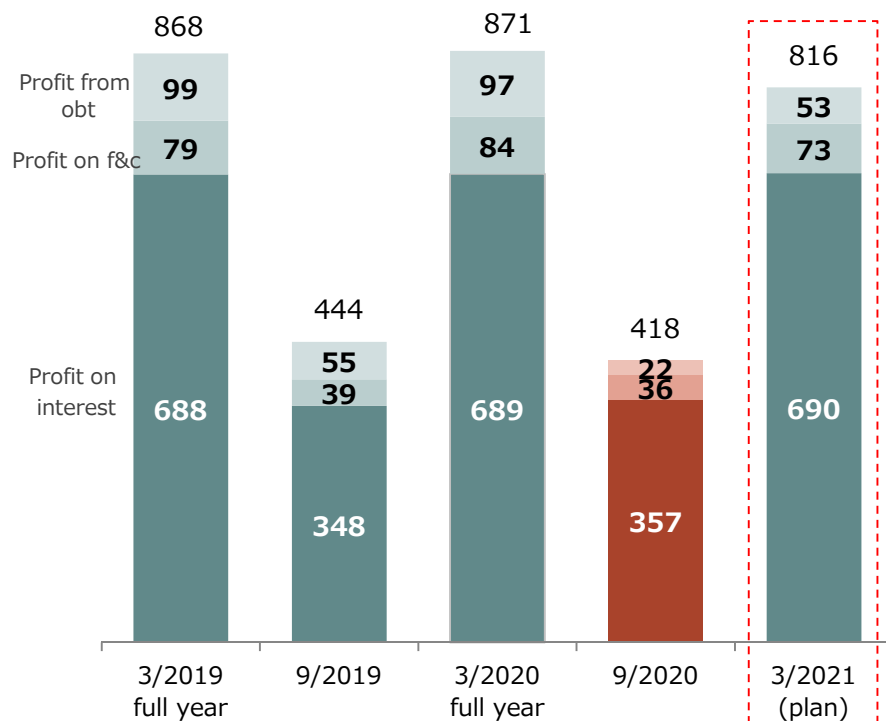
(For reference) Credit related expenses (¥100mn)	FY2016		FY2017		FY2018		FY2019		FY2020	
	1H	Full year	1H	FY	1H	FY	1H	FY	1H	FY (projections)
	▲19	▲23	0	▲3	▲4	17	▲5	6	59	84

Gross Business Profit (Non-Consolidated)

- Profit on interest increased by ¥0.8bn from 1H FY2019 due mainly to an increase in interest and dividends on securities in domestic, and a decrease in funding costs in international.

■ Gross Business Profit

(¥100mn)



(¥100mn)	3/2019 (FY)	9/2019	3/2020 (FY)	9/2020
Profit on interest	688	348	689	357
Gains/losses on cancellation of investment trusts	▲10	1	▲4	8

◆ 1H FY2020 Increase/Decrease Factors

(¥100mn)	9/2019	9/2020	Change	For reference
Profit on interest	348	357	+8	See page 8
Profit on fees & commissions	39	36	▲2	See page 9
Profit from other business transactions	55	22	▲32	See page 10

◆ FY2020 (3/2021) Plan

- Gross business profit: ¥81.6bn (▲¥5.5bn from FY2019)
- Profit on interest: ¥69.0bn (+¥0.1bn)
- Profit on f&c: ¥7.3bn (▲¥1.1bn)
- Profit from obt: ¥5.3bn (▲¥4.4bn)

Profit on Interest (Non-Consolidated)

- Interest on loans was ¥21.9bn (▲¥1.7bn from 1H FY2019).
- Interest on loans of 3/2021 will increase by ¥0.1bn from that of 3/2020.

(¥100mn)	3/2019 FY	9/2019	3/2020 FY	9/2020
Profit on interest	688	348	689	357
Interest on loans	474	236	469	219
Domestic	433	210	418	203
International	41	26	51	15
Interest & dividends on securities	302	160	316	165
Domestic	202	115	226	126
International	100	44	89	38
Interest on deposits	▲32	▲18	▲35	▲5
Domestic	▲5	▲2	▲4	▲1
International	▲27	▲16	▲30	▲3
Interest payment on interest rate swaps	▲23	▲14	▲28	▲16
Domestic	▲15	▲8	▲17	▲12
International	▲8	▲5	▲10	▲3
(¥100mn)	3/2019 FY	9/2019	3/2020 FY	9/2020
Loans to the Japanese government (average balance)	2,335	2,817	2,859	3,031

■ Yield (%)

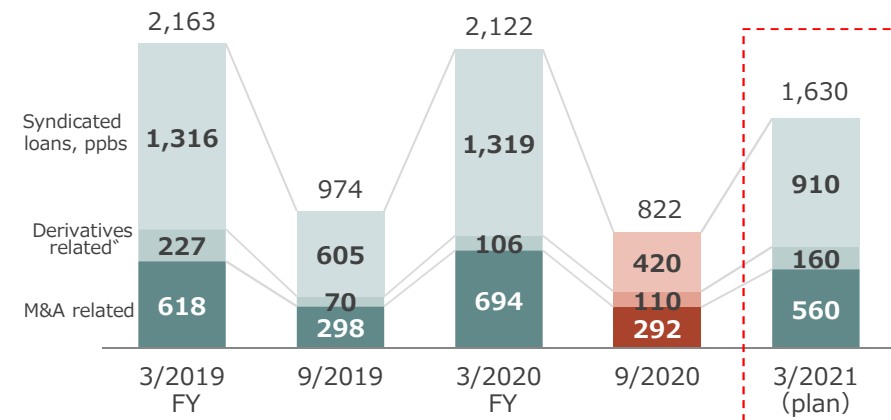
	3/2019	9/2019	3/2020	9/2020
Yield on loans	0.90	0.87	0.86	0.78
Domestic	0.84	0.80	0.79	0.75
Excl. loans to the Japanese govt.	<u>0.89</u>	<u>0.85</u>	<u>0.84</u>	<u>0.82</u>
International	2.81	2.91	2.70	1.54
Yield on securities	1.29	1.23	1.22	1.19
Domestic	1.04	1.05	1.04	1.12
International	2.46	2.25	2.14	1.54
Funding costs	0.13	0.14	0.13	0.08
Domestic	0.02	0.01	0.02	0.02
International	1.64	1.88	1.64	0.77
Yield on deposits	0.04	0.05	0.05	0.02
Domestic	0.00	0.00	0.00	0.00
International	1.90	2.05	1.94	0.62

Profit on Fees & Commissions (Non-Consolidated)

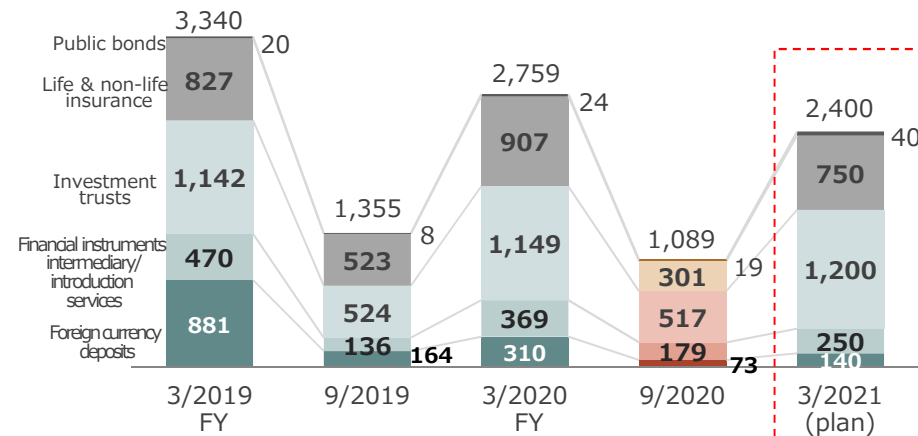
- Profit on fees & commissions was ¥3.6bn (▲¥0.2bn from 1H FY2019) due to the decline in the growth of consulting-related fees in corporate and personal banking.

		3/2019 FY	9/2019	3/2020 FY	9/2020
		(¥100mn)			
Profit on fees & commissions		79	39	84	36
Fees & commissions		173	87	180	84
〈Major items〉	Deposit/loan business	72	37	76	35
	Exchange business	59	30	60	29
	Securities-related business	19	8	21	9
	Agency business	11	6	11	4
Fees & commissions payment		94	48	96	47
〈Major items〉	Fees related to payment loans	67	34	69	35
	Exchange business	10	5	11	5

◆ Corporate Banking (¥1mn)



◆ Personal Banking (¥1mn)



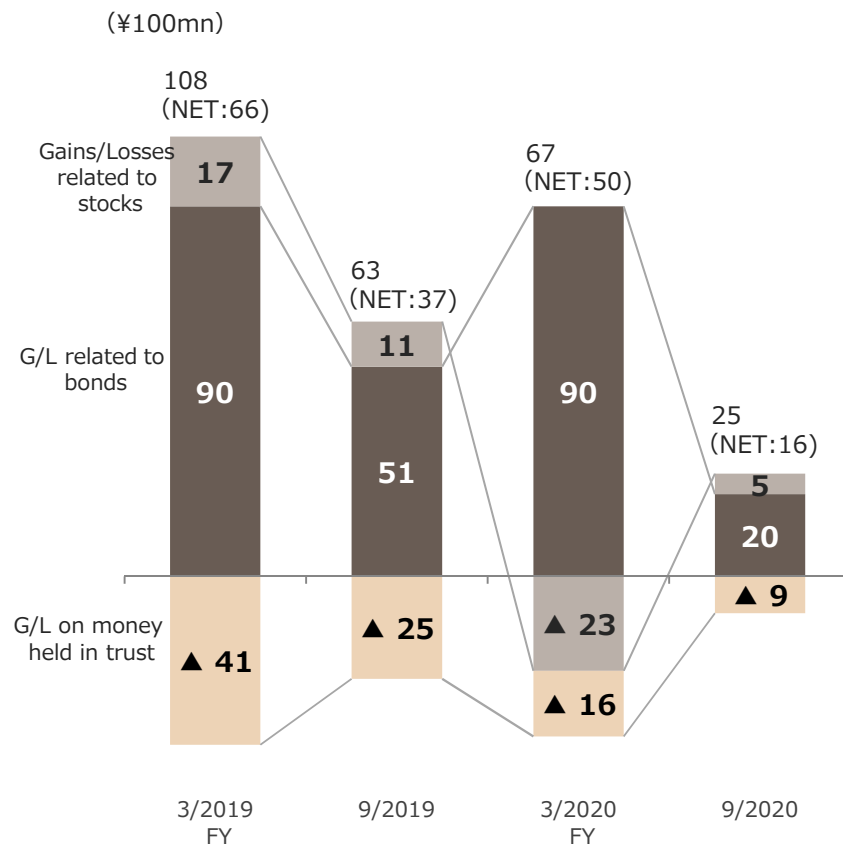
※ The above figures show incomes from consulting-related businesses.

※ Incomes other than "fees & commissions" were also included in these figures.

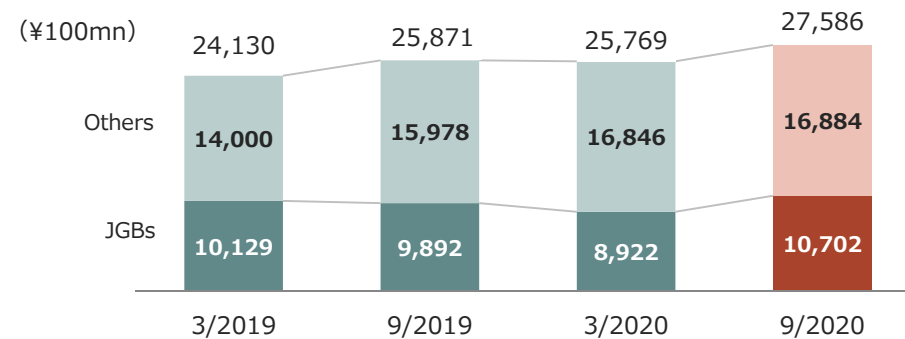
Profit/Losses Related to Securities (Non-Consolidated)

- Profit/losses related to securities was ¥2.5bn (▲¥3.7bn from 1H FY2019).
- Net P/L, including gains on money held in trust, was ¥1.6bn (▲¥2.1bn).

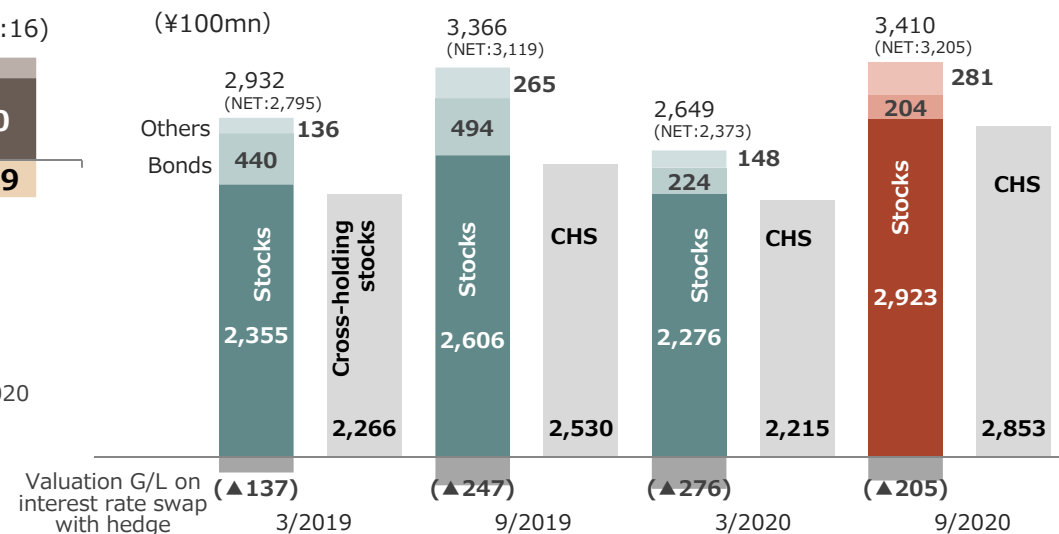
■ Profit/Losses Related to Securities



■ Average Balance of Securities (6 months)

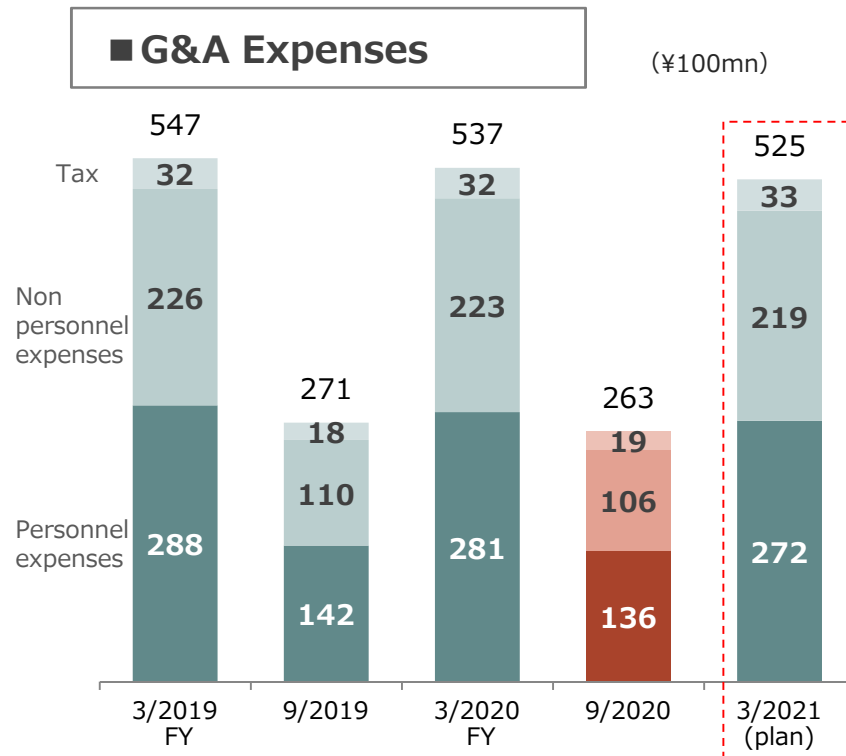


■ Valuation Gains/Losses on Securities



General & Administrative Expenses (Non-Consolidated)

- Personnel expenses was ¥13.6bn (▲¥0.5bn from 1H FY2019), non personnel expenses was ¥10.6bn (▲¥0.4bn).
- Personnel expenses decreased due to a decrease in staff headcount and a change in staff composition.



◆ **FY2020 (3/2021) Plan**

- Personnel expenses: ▲¥0.9bn from FY2019
- Non personnel expenses: ▲¥0.4bn

■ **Depreciation and Investment Amounts**

(¥100mn)	3/2020 FY	9/2020	3/2021 (FY plan)
Depreciation	37	17	37
Investment amounts	(Original plan : 72) 37	14	(Original plan : 39) 42
Main investments	*Next phased information system *Reconstruction of branches/welfare facilities	*Reconstruction of branches *Maintenance and renewal of ATM	*Reconstruction of branches *Renewal of operation concentration system *Renewal of PC/ATM

◆ **9/2020 Increase/Decrease Factors**

(¥100mn)	9/2019	9/2020	Change	Main factors
Personnel expenses	142	136	▲5	·Decrease in staff headcount [Average no. of staff : ▲242 from 1H FY2019] ·Change in staff composition
Non personnel expenses	110	106	▲4	·Decrease in telecommunications & transportation expenses, consumable supplies expenses
Tax	18	19	+1	—

Credit Related Expenses (Non-Consolidated)

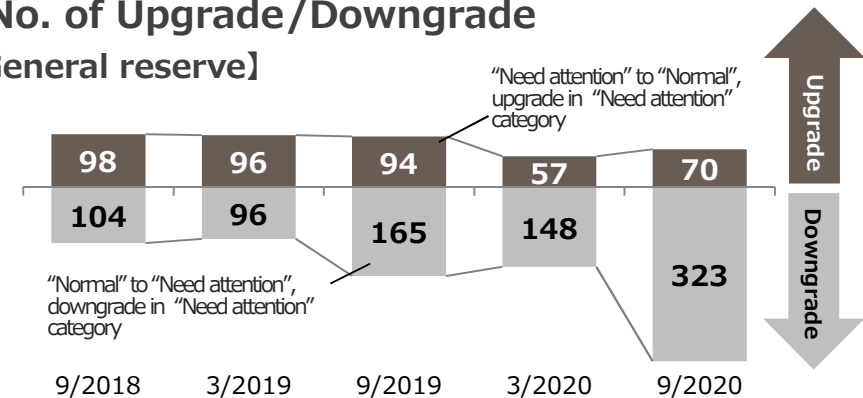
- Credit related expenses was ¥5.9bn (+¥6.4bn from 1H FY2019) due to declines in profit of Covid-hit customers and an increase in transfer to general reserve for possible loan losses reflecting downgrade of large borrowers.

■ Credit Related Expenses

(¥100mn)	3/2019 FY	9/2019	3/2020 FY	9/2020
Transfer to general reserve for possible loan losses (TGR)	▲30	2	9	10
Disposal of NPL	47	▲8	▲3	49
Credit related expenses (CRE)	17	▲5	6	59

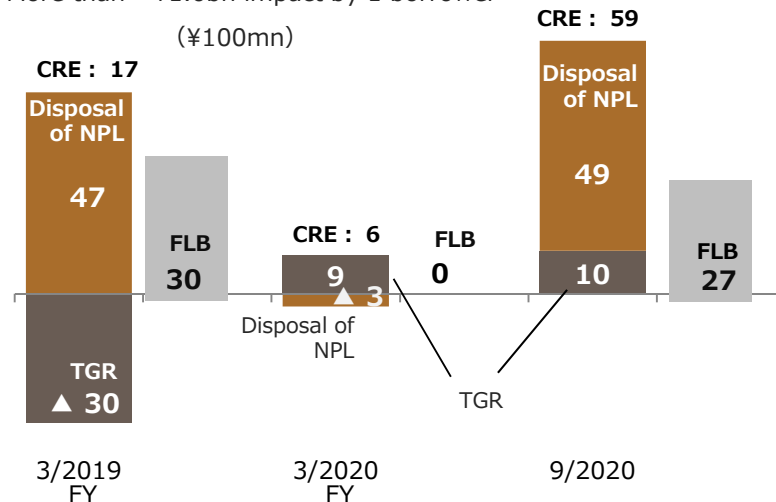
◆ No. of Upgrade/Downgrade

【General reserve】

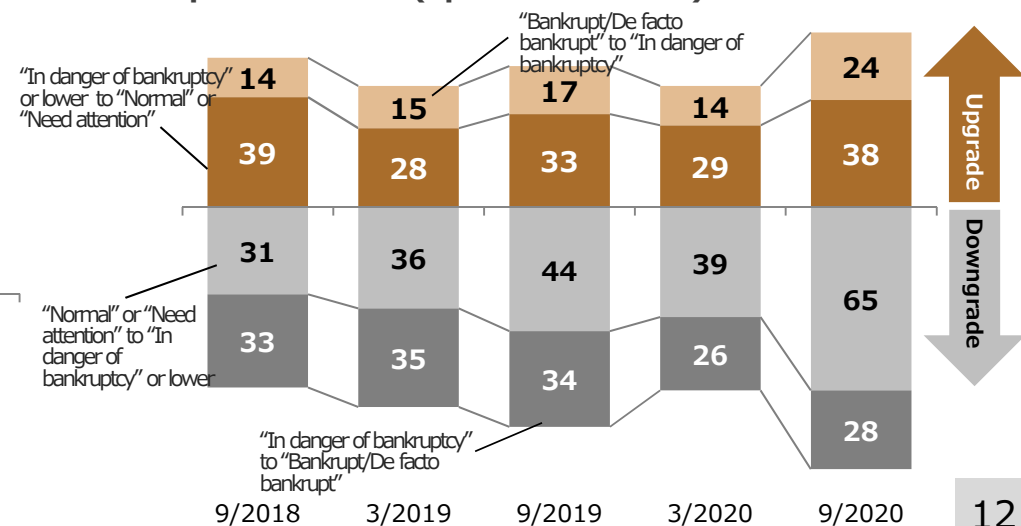


◆ Factors of Large Borrowers (FLB)

※ More than ±¥1.0bn impact by 1 borrower



【Disposal of NPL (specific reserve)】



Return to Shareholders

- Dividend payout ratio of 3/2021 will exceed 30%, achieving the target of “over 30%” of the 31st Long-Term Management Plan.

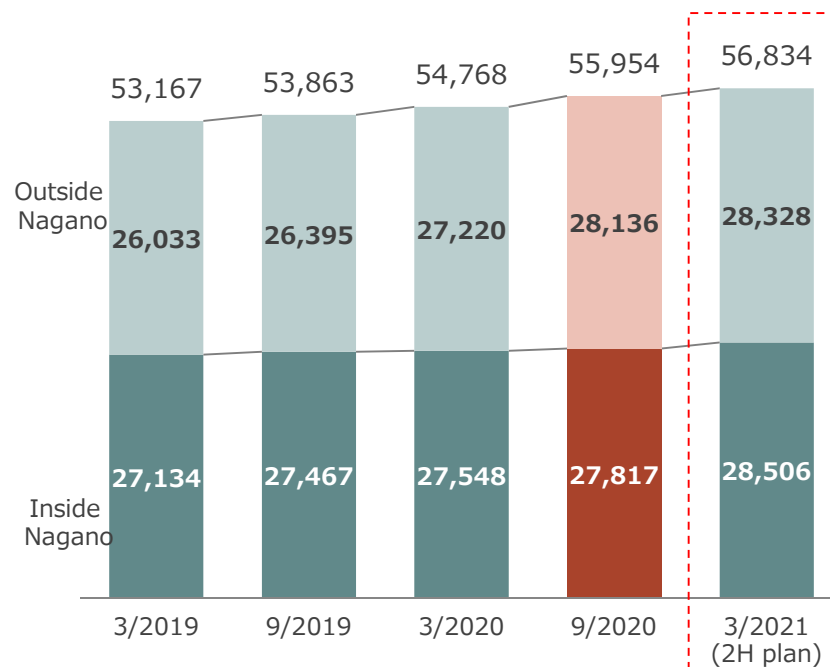
(¥100mn)	3/2017	3/2018	3/2019	3/2020	3/2021 (forecast)
Annual dividends ①	70	65	69	68	58
Dividend per share (full year)	¥14.0	¥13.0	¥14.0	¥14.0	¥12.0
Interim dividend	¥6.0	¥6.0	¥6.0	¥6.0	¥6.0
Purchase of own stocks ②	0	Note 1 29	28	29	Undecided
Shareholder returns ③ = ① + ②	70	95	98	98	—
Profit (net income) (non-consolidated) ④	231	227	224 ※Consolidated	220 ※Consolidated	180 ※Consolidated
Dividend payout ratio (non-consolidated) ① ÷ ④	30.6%	28.9%	30.9% ※Consolidated	31.1% ※Consolidated	32.6% ※Consolidated
Ratio of shareholder returns (non-consolidated) ③ ÷ ④	30.6%	41.9%	43.7% ※Consolidated	44.7% ※Consolidated	—

Note 1: Based on the resolution of Feb 2018

Major Accounts (Loans/Deposits)

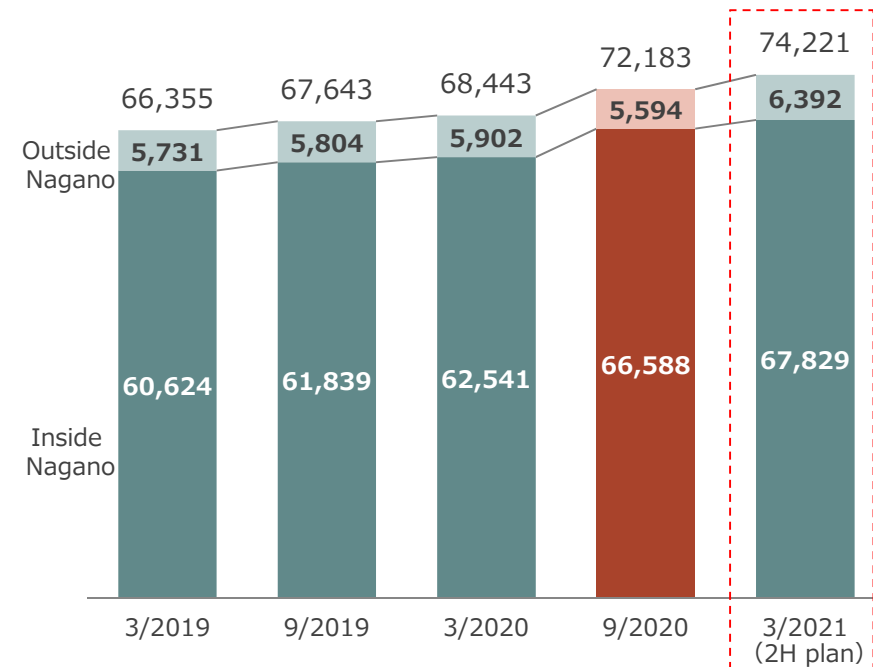
- 6 months average balance of loans and deposits marked new record highs respectively.
- Loans both inside and outside Nagano increased firmly and the increasing trend will continue.

■ Average Balance of Loans (6 months)



Inc/Dec ratio (Annual : %)	3/2019	9/2019	3/2020	9/2020	3/2021 (2H plan)
All	4.80	4.01	3.01	3.88	3.77
Outside Nagano	6.21	5.85	4.55	6.59	4.07
Inside Nagano	3.49	2.30	1.52	1.27	3.47

■ Average Balance of Deposits (6 months)

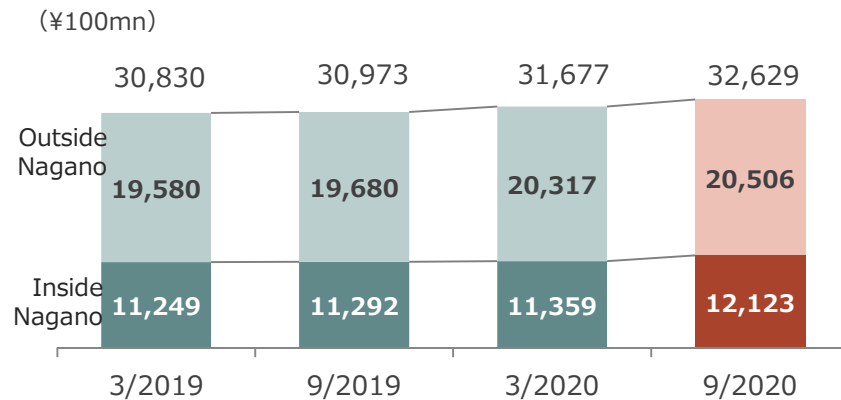


Inc/Dec ratio (Annual : %)	3/2019	9/2019	3/2020	9/2020	3/2021 (2H plan)
All	2.53	2.51	3.14	6.71	8.44
Outside Nagano	▲2.04	0.53	2.97	▲3.61	8.30
Inside Nagano	2.99	2.70	3.16	7.67	8.45

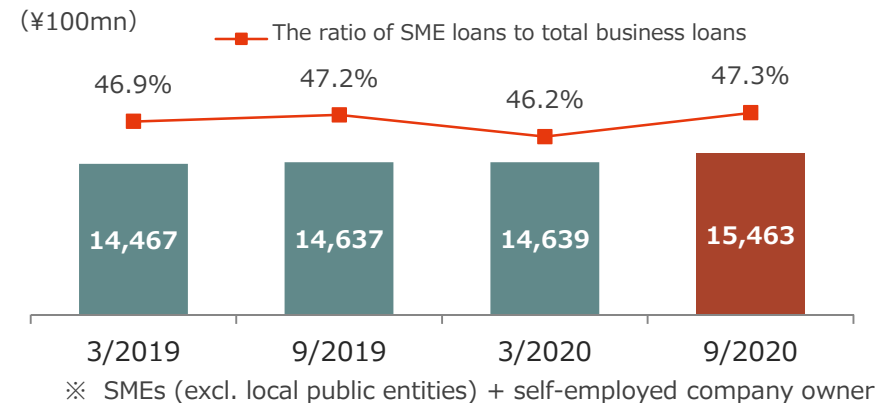
Main Figures (Business Loans)

- Business loans increased by ¥165.6bn from 1H FY2019 due to fund raising support for customers affected by Covid-19.

Business Loans by District (Outstanding Balance)



Business Loans to SMEs* (Outstanding Balance)



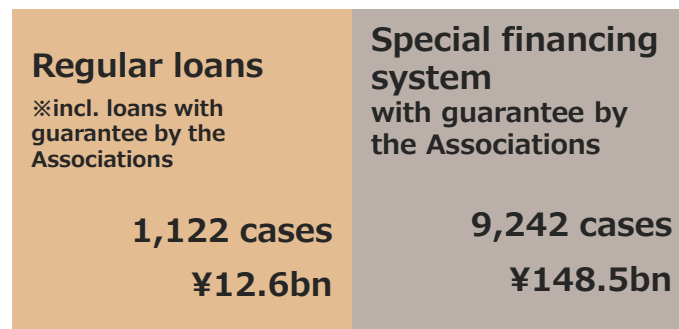
Business Loans for Real Estate Sector (Outstanding Balance)

(¥100mn)	3/2019	9/2019	3/2020	9/2020
Inside Nagano	1,712	1,674	1,699	1,673
Total	3,969	3,986	4,159	4,137
Loans to large companies	1,348	1,355	1,520	1,496

* Large companies: ¥1bn or more capital with 300 or over employees

Covid-19 dedicated loans (as of Oct 30, 2020)

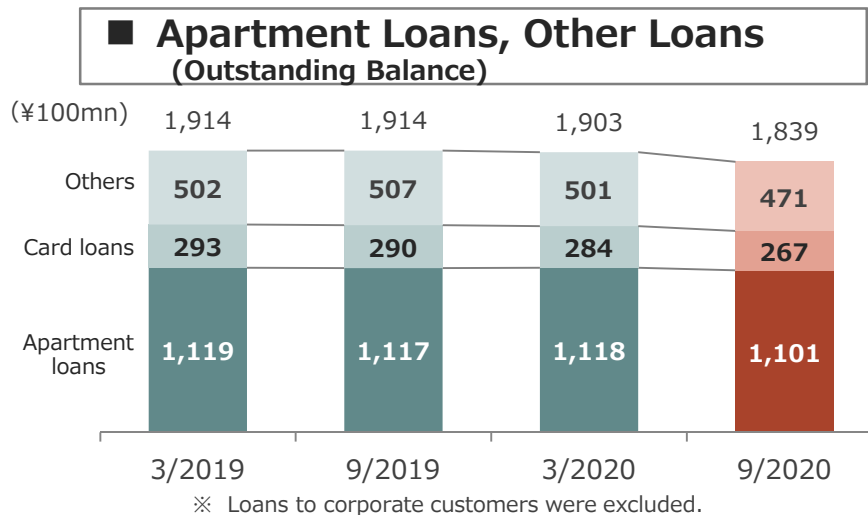
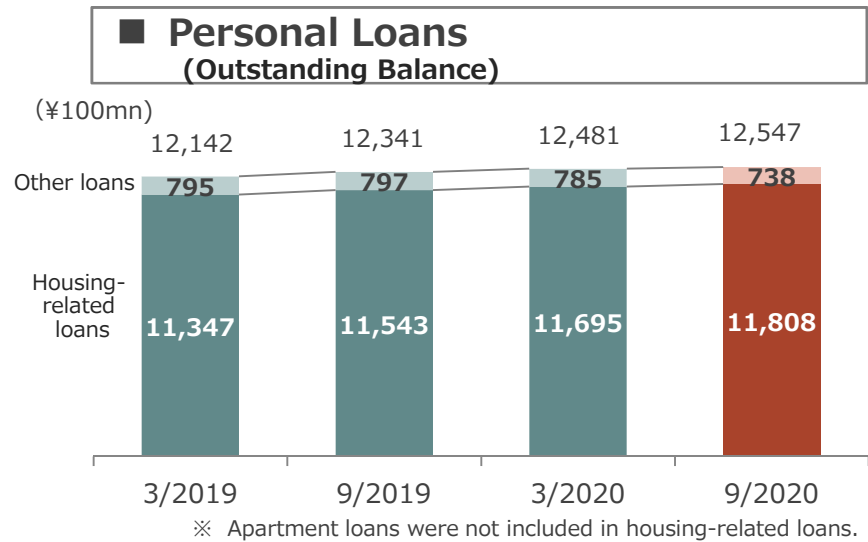
<10,364 cases / ¥161.1bn>



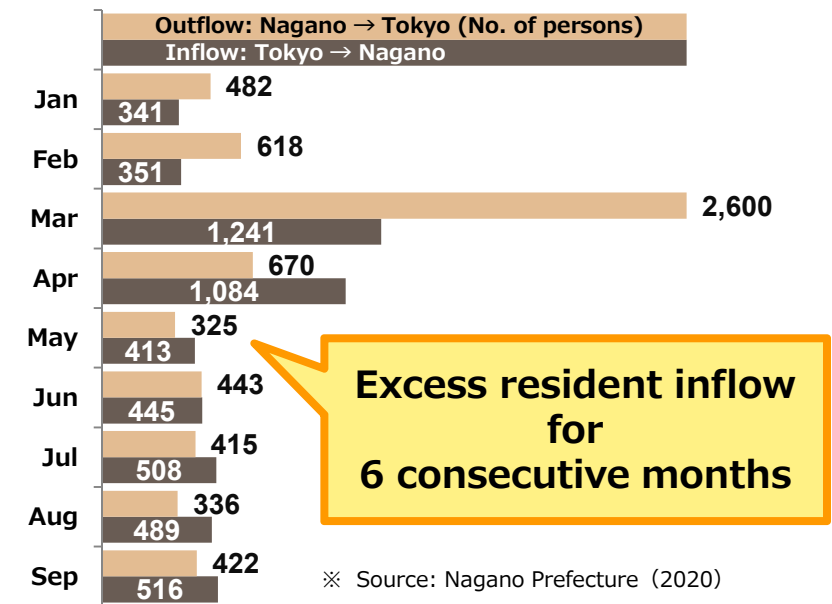
*Results from launch to Oct 30, 2020

Main Figures (Personal Loans)

- Personal loans increased by ¥20.5bn from 1H FY2019, hit record high.
- Housing-related loans increased by ¥26.4bn and also hit record high.



● Responding to migration/settlement needs



Migration/settlement loans (For houses or second houses)

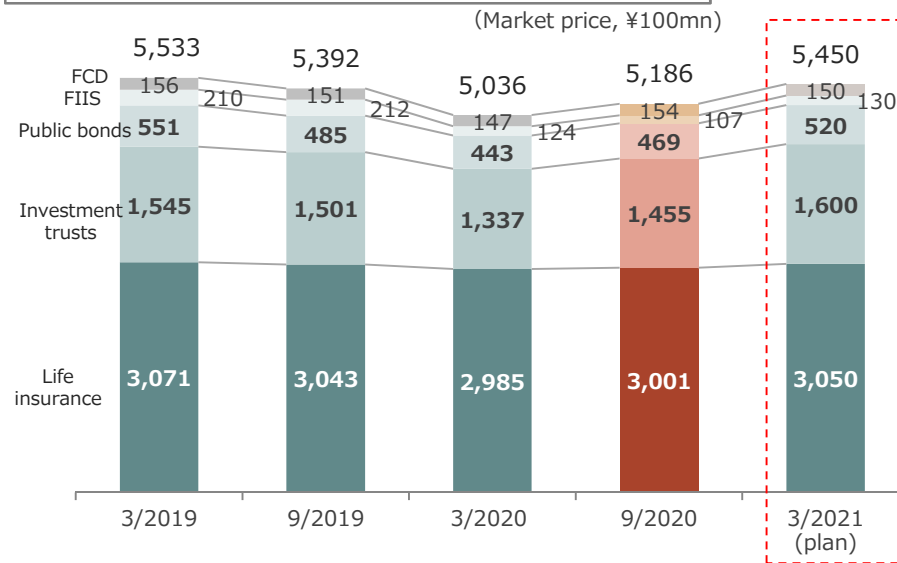
(Upper row: cases
Lower row: ¥1mn)

	FY2015	FY2016	FY2017	FY2018	FY2019	1H FY2020
Cases	25	86	93	118	75	26
¥1mn	613	1,771	2,394	3,294	1,862	491

Main Figures (Investment Type Products)

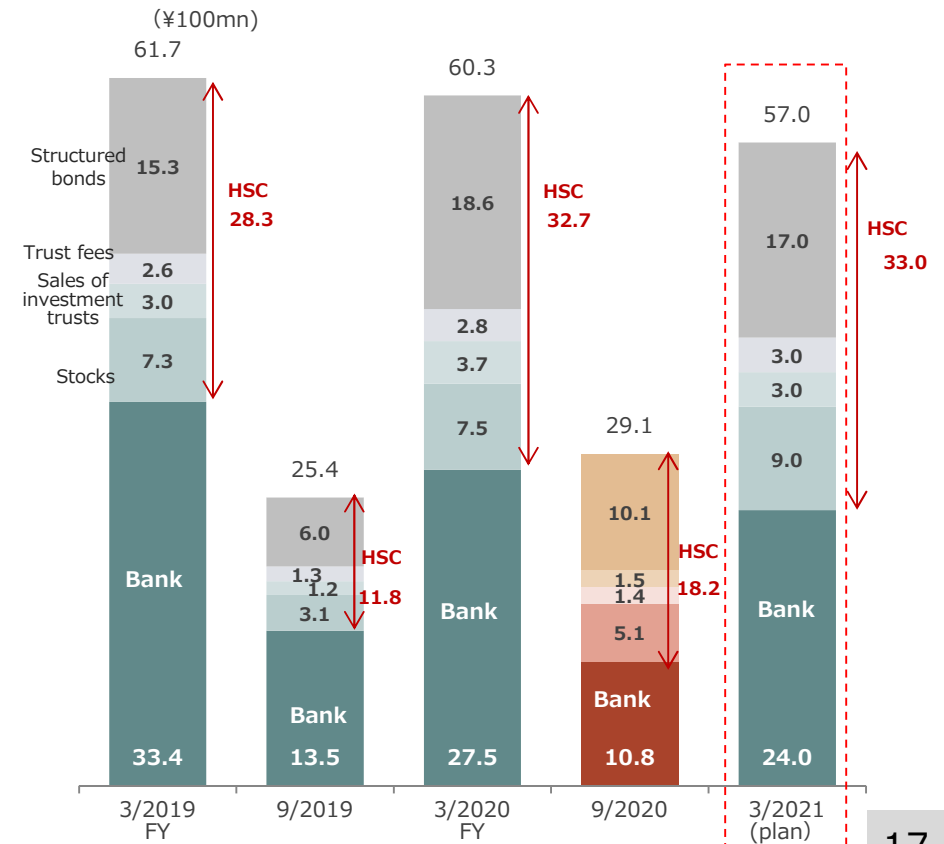
- Outstanding balance (market price) of investment type products in personal banking decreased by ¥20.6bn from 1H FY2019 due to the decline in sales reflecting low interest rates. Monthly installments of IIT of 3/2021 will be ¥1.2bn.
- Income from investment type products increased by ¥0.3bn due to firm sales of structured bonds by Hachijuni Securities Co., Ltd. (HSC)

Investment Type Products (Outstanding Balance)



Income from ITP

(Bank+HSC ※after deduction of the Bank's intermediary fee)

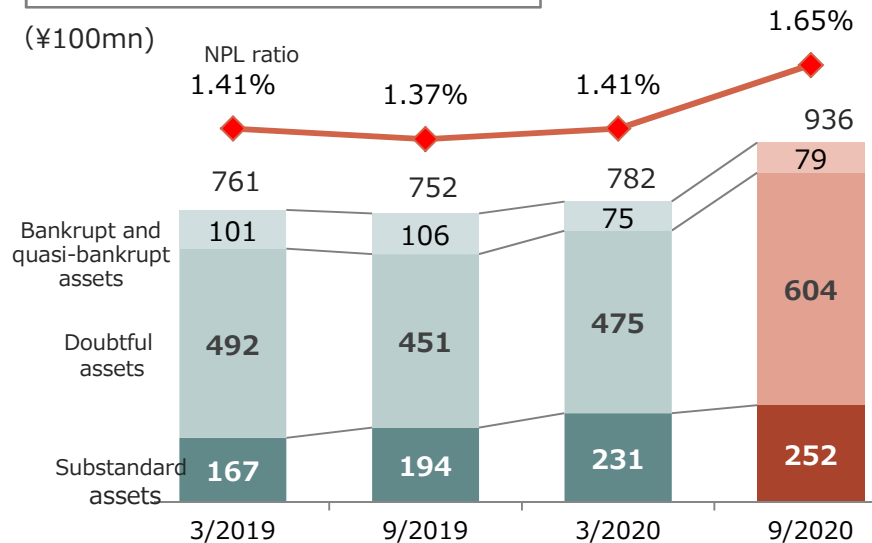


Installment-type Investment Trusts (IIT)

	3/2019	9/2019	3/2020	9/2020	3/2021 (plan)
No. of IIT accounts	25,676	28,232	32,787	36,899	39,000
Installment NISA	5,460	7,291	10,278	13,150	14,500
Monthly installments (¥1mn)	480	592	907	1,075	1,200

Main Figures (Non-Performing Loans, Reserve for Loan Losses)

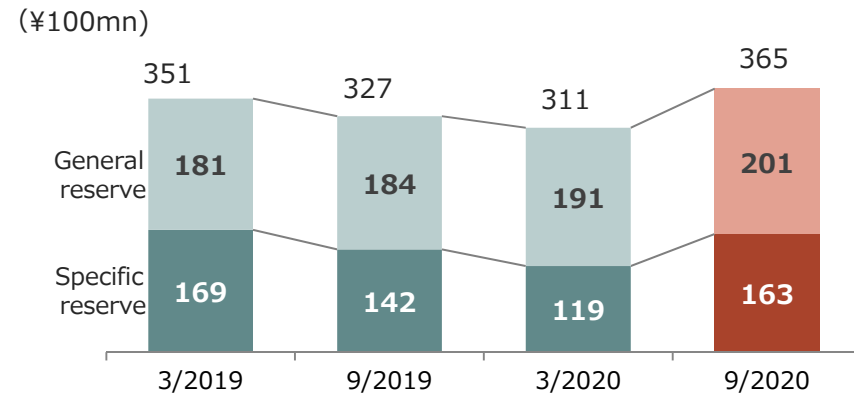
■ NPLs



(¥100mn)	3/2019	9/2019	3/2020	9/2020
Bankrupt and quasi-bankrupt assets	101	106	75	79
Doubtful assets	492	451	475	604
Substandard assets	167	194	231	252
Total	761	752	782	936
NPL ratio	1.41%	1.37%	1.41%	1.65%
After partial direct charge-off (※)	1.30%	1.26%	1.34%	1.57%

※ Partial direct charge-off was not executed.
This figure was disclosed only for the reference.

■ Reserve for Loan Losses



(¥100mn)	3/2019	9/2019	3/2020	9/2020
General reserve	181	184	191	201
Normal	64	64	65	65
Need attention	69	75	67	75
Special attention	47	44	58	60
Specific reserve	169	142	119	163
In danger of bankrupt	106	75	77	116
Bankrupt/De facto bankrupt	63	67	41	47
Total	351	327	311	365

Main Figures (the Change in Outstanding Balance of Securities)

- Increasing profitability by diversified investment mainly in yen-denominated securities investment

(Cost basis, ¥100mn)		3/2019	9/2019	3/2020	9/2020	Valuation gains/losses	Direction of 2H
Bonds	Interest bearing JGBs	8,413	8,234	8,870	9,800	172	→
	Floating-rate JGBs	1,101	824	731	346	2	→
	Inflation-protected JGBs	167	167	218	242	▲5	→
	Other domestic bonds	7,236	8,528	7,071	7,016	21	→
	Yen-denominated securitized products	598	639	656	681	14	→
	Structured bonds, Beneficial interests	87	282	802	940	1	→
	CLO	67	54	94	79	0	→
Stocks	Domestic stocks	1,138	1,122	1,138	1,144	2,923	→
Yen-denominated investment trusts	Domestic ETF	165	81	209	87	1	↑
	J-REIT	268	219	267	264	33	↑
	Other investment trusts	2,047	2,182	2,288	2,218	87	↑
	Union-type of funds etc.	193	207	214	216	▲0	→
	Hedge funds	238	227	225	185	0	→
Foreign securities	Hedge funds	49	47	48	46	7	→
	Yen-denominated foreign bonds	357	374	443	623	4	→
	Foreign stocks, ETF etc.	105	123	151	138	4	→
	Foreign currency- denominated bonds	2,123	2,356	2,760	2,829	127	→
	Foreign currency- denominated securitized products	533	594	750	605	13	→
	Foreign currency-denominated CLO	0	0	0	0	0	→
Total		24,818	26,207	26,840	27,380	3,410	
Bond duration (years)		3.62	4.21	3.77			

“Dare to Change; Create the Next Generation”

(April 2018 ~ March 2021)

Strengthening and Expansion of “Face-to-Face Sales” in Order to Realize Customer Profits ⇒ P.23

- ◆ Strengthening quantity in “face-to-face sales”
- ◆ Strengthening quality in “face-to-face sales”
- ◆ Expansion of the scope of “face-to-face sales”
- ◆ Strengthening “face-to-face sales” of the whole Hachijuni Group

Reform of “Sales Promotion Structure and Operational Processes” ⇒ P.25

- ◆ Reorganization of operational sections (change of organization, review of business, outsourcing)
- ◆ Reduction of operational processes
- ◆ Increasing operational efficiency by IT
- ◆ Review of structure (branch/staff)
- ◆ Reducing burden on the customer/ improving convenience

Expansion of Investment in Developing “Human Resources” and More Opportunities for Their Active Participation ⇒ P.24

- ◆ Career path/program of nurturing human resources
- ◆ Staff support system according to their age
- ◆ Personnel exchanges within the Hachijuni Group
- ◆ Nurturing human resources in specialized fields
- ◆ Work style reform

Progress in the 31st Long-Term Management Plan 【Numerical Target】

Management Targets	Targets	3/2021 (FY2020 plan)	Environmental Targets	Targets	9/2020 (1H FY2020)
Profit attributable to owners of the parent	¥25.0bn (FY2020)	¥18.0bn (plan)	Amount of greenhouse gas emissions reduced (compared to FY2013)	15% (FY2020)	18.8% (FY2019 result)
Ratio of consolidated profits to parent company's profit	1.25 times (FY2020)	1.20 times (plan)	No. of new contracts for electronic delivery services: cases ※1	3,000 (over 3 years)	5,545 Achieved!
Dividend payout ratio (consolidated)	Over 30% (annual)	32.6% (plan)	No. of new contracts for and renewals to e-livret: cases ※2	100,000 (over 3 years)	90,575
			No. of environmental investments and loans: cases	3,000 (over 3 years)	2,359

※1 Achieved 3,000 cases : ¥1.5mn cost reduction effect (annual)
 ※2 Achieved 100 thousands cases : ¥54mn cost reduction effect (annual)

Regional Vitality Targets	Targets	9/2020 (1H FY2020)
No. of new business launches: companies	1,000 (over 3 years)	996 Achieved!
No. of cases through business matching (sales channel development, etc.)	6,000 (over 3 years)	10,602 Achieved!
No. of cases utilizing private placement bonds, fund, etc.	500 (over 3 years)	595
No. of business successions, M&As, and change/discontinuation of businesses	1,000 (over 3 years)	952

Progress in the 31st Long-Term Management Plan 【Challenge Targets/Long-Term Management Guideline】

Challenge Targets	Targets	FY2018 (3/2019)	FY2019 (3/2020)	9/2020 (1H FY2020)
Business loans to SMEs (Outstanding balance)	【FY2027】 ¥2tn	¥1,446.7bn	¥1,463.9bn	¥1,546.3
No. of SME borrowers	【FY2027】 30,000	26,250	26,903	27,515
Income from investment type products (Bank + HSC)	【FY2022】 ¥10.0bn	¥5.4bn	¥5.7bn	¥2.9bn
OHR (gross business profit base)	【FY2022】 Under 60%	63.1%	61.7%	63.0%
Amount of greenhouse gas emissions reduced (compared to FY2013)	【FY2030】 30%	14.4%	18.8%	18.8% (FY2019 result)

Long-Term Management Guideline	Guideline	9/2020
ROE	5% or higher	1.99%

Progress in the 31st Long-Term Management Plan ①

Theme① Strengthening and Expansion of “Face-to-Face Sales” in Order to Realize Customer Profit

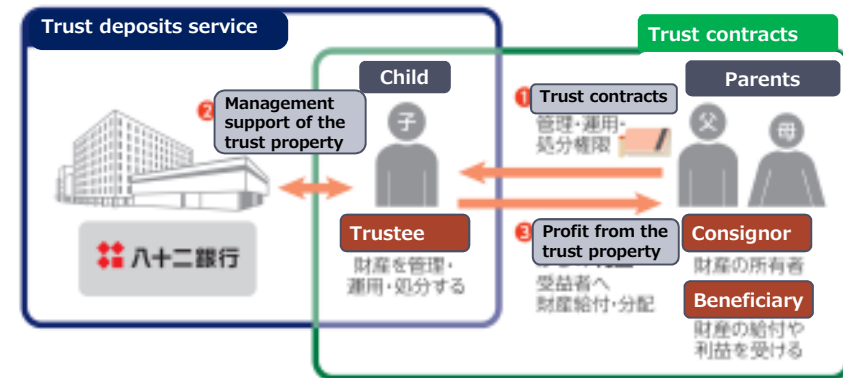
Providing financial services most suited to customer needs

Launch of “Trust Deposits Service” “Guardianship Support Deposits”

Launch of “Trust deposits service” and “Guardianship support deposits” in Oct 2020 to resolve customers’ concerns about property management

Introducing external experts to customers for trust contracts/adult guardianship system

Reinforcement of consulting function for asset succession and inheritance-related problems



Launch of Subordinated Loans (Capital Type Loans)

Target	Corporate customers
Purpose of loans	Business funds (operating capital)
Loan amount, interest rate	Individualize consultation
Loan period	More than 5 years and up to 15 years (grace period: more than 5 years)
Repayment	<ul style="list-style-type: none"> • Lump sum repayment • Equal principal repayment after grace period
Security/guarantee	Unnecessary (except covenants)

Launch of subordinated loans in Sep 2020, part of the fund raising support

Principal repayment is unnecessary during loan period (maximum 15 years) aiming at stabilization of cash flow and reinforcement of business bases of customers

Achieving customer profit through various product lineups

Progress in the 31st Long-Term Management Plan ②

Theme② Expansion of Investment in Developing “Human Resources” and More Opportunities for Their Active Participation

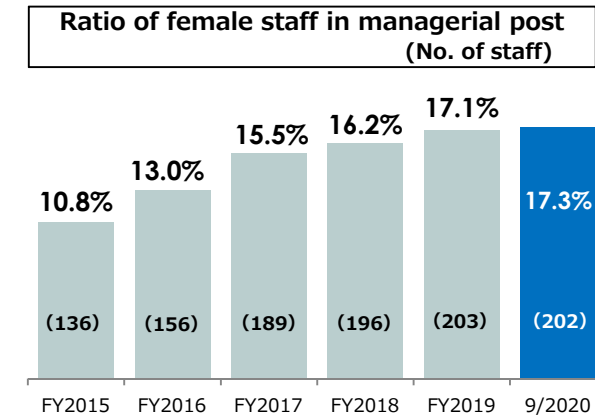
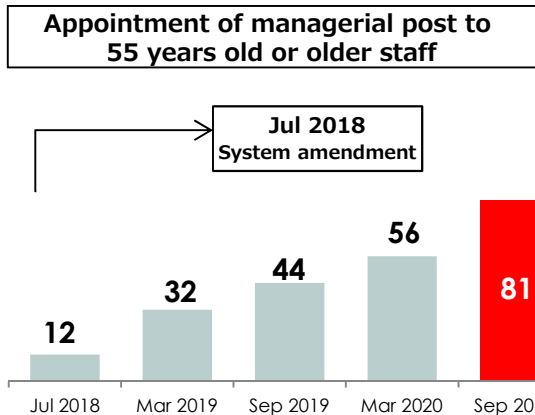
Reinforcement of personnel system focused on each staff’s growth and worthwhileness of working

Getting More Opportunities by Diverse Type of Staff

55 years old retirement system of managerial posts was abolished in Jul 2018.

Supporting achievement of work life balance and creation of carrier path by expanding personnel system

Creating a better work environment to support staff’s capabilities and eagerness



Supporting Flexible Work Style (Work Style Reform)

No. of staff using telecommuting



Mar 2020

14

Apr 2020

331

Telecommuting was introduced in Aug 2019 for staff having constraints on childcare such as pickup and drop off of the children.

331 staff used telecommuting in Apr 2020 due to the closure of schools and prevention of infection, as Covid-19 infection increased.

(Apr ~ May 2020: total 591 staff, total 2,113 days)

Supporting staff's work life balance

Progress in the 31st Long-Term Management Plan ③

Theme③ Reform of “Sales Promotion Structure and Operational Processes”

Reinforcement of sales promotion structure by increasing efficiency

Trial of “Remote Reception System”

“Remote reception system” started in Sep 2020, connecting customers’ self operation to the remote services of the Bank’s head office.

The Bank pursues safe store operation in consideration for security of both customers and staff responding to new normal in coronavirus era, improving customer convenience and the efficiency of the Bank business.



Expansion of Lunch Break System

Keeping customer convenience, improving operational efficiency by the introduction of lunch break system into branches

Jul 2019	Apr 2020	Responding to Covid-19
6	5 (total 11)	8

(No. of branches)

Organizational Reform in Head Office

Before	After
14 department, 1 division, 1 section	12 department, 1 division, 1 section
Branch Support Dept. Corporate Banking Dept. Personal Banking Dept. International and Treasury Dept. Loan Control Dept. Loan Supervision Dept. (Excerpt)	Business Planning Dept. Business Promotion Dept. International Dept. Loan Control Dept.

Head office organization was reformed according to functions in Jun 2020.

Head office staff work as one with branch staff to respond to customer needs swiftly and solve their problem, as well as communicating head office’s policy speedily.

Strategical relocation of staff through rationalization of routine work

Progress in the 31st Long-Term Management Plan ④

Deepening of Environmental Management

Deepening of Environmental Management and Contributing to SDGs

Utilization of CO2-free Electricity Made in *Shinshu*



In Jun 2020, 6 branches started to use CO2-free electric power made by hydroelectric power stations in Nagano Prefecture. (Daimon-cho, Nakano, Uedahigashi, Naka-karuizawa, Hirooka, Okaya).

Nakano and Uedahigashi branches became “CO2-free stores” as they are all-electric store using only renewable energy and making no CO2 emission.

Renewal of Regional Revitalization and SDGs Support PPBs



Supporting customers’ contribution to local communities (donation to public/local institutions) by this product from Nov 2019

Medical care, environment, and disaster recovery were added in donation purpose items in Sep 2020.

Regional revitalization and SDGs support PPBs (regional revitalization type)

The Bank discounted underwriting fees, and this discounted amount is donated to the following destination.

- 【Education】
 - Schools, educational and cultural facilities etc.
- 【Welfare】
 - Designated public-service promotion corporations, NPO etc.
- 【Sports】
 - Designated public-service promotion corporations, NPO etc.

- NEW【Medical care】**
 - Hospitals etc.
- NEW【Environment】**
 - Groups addressing environmental conservation activities
- NEW【Disaster recovery】**
 - Groups addressing disaster recovery activities