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# The 51st Information Meeting

May 18, 2023

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## Hachijuni Bank's Profile

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Company name	THE HACHIJUNI BANK, LTD.
Head office	Nagano City, Nagano Prefecture
Date of establishment	August 1st, 1931
Branch network	Domestic 151 in Nagano: 131, outside Nagano: 20 Overseas Branches: 2 (Singapore, Hong Kong) Representative Offices: 2 (Shanghai, Bangkok)
No. of employees	3,041 (▲26 from FY2021)
Capital stock	¥52.2bn
Issued shares	491,103 thousand shares
Total assets	¥12,887.4bn (▲¥377.7bn from FY2021)
Net assets	¥835.4bn (+¥1.4bn)
Deposits	¥8,186.4bn (+¥119.7bn)
Loans	¥6,156.1bn (+¥182.0bn)
Total capital ratio (Basel III)	Consolidated: 18.36% (▲0.70%) Non-Consolidated: 16.55% (▲1.07%)
Ratings	S&P Global Ratings : A- R&I : A+ JCR : AA

## " From Competition to Co-Creation "

On January 20, 2023, The Hachijuni Bank, Ltd. and The Nagano Bank, Ltd. agreed to a business merger plan through a share exchange and the two banks signed a share exchange agreement. As per the agreement, The Nagano Bank, Ltd. became a wholly owned subsidiary of The Hachijuni Bank, Ltd. on June 1, 2023.

The theme of both banks moving forward is "From Competition to Co-Creation,". Cooperation and a spirit of equality will be the backdrop as the know-how, relationships, and human resources that the two banks have cultivated to date will unlock better value to our customers, local communities, shareholders, employees, and others.



As of Mar 31, 2023

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# 1 . Outline of FY2022 Financial Results

## Outline of FY2022 Financial Results

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### ◆ Consolidated

	(¥100mn)	3/2022	3/2023	Change
Consolidated gross business profit		938	915	▲23
Profit on interest		684	727	42
Profit on fees & commissions		164	172	7
Trading profit		20	9	▲11
Profit from other business transactions		69	6	▲62
General & administrative expenses		540	566	25
Credit related expenses		19	42	23
Gains/losses related to stocks		21	87	65
Gains/losses on money held in trust		5	▲3	▲8
Ordinary profit		380	348	▲31
Profit attributable to owners of parent		266	241	▲25
Ratio of consolidated profits to parent company's profits (times)		1.19	1.11	▲0.07

### ◆ 3/2024 Forecasts (Consolidated)

Ordinary profit	¥33.0bn
Profit attributable to owners of parent	¥23.0bn

### ◆ Non-Consolidated

	(¥100mn)	3/2022	3/2023	Change	3/2024 Plan
Gross business profit (A)		817	805	▲12	813
Profit on interest		684	727	43	686
Profit on fees & commissions		99	106	6	103
Profit from other business transactions		31	▲30	▲62	16
Gains/losses related to bonds (B)		19	▲46	▲66	-
G&A expenses (C)		508	528	20	536
Actual net business profit (A-C)		309	276	▲32	280
Core net business profit (A-B-C)		289	323	34	280
Excl. gains/losses on cancellation of investment trusts		339	369	29	-
Transfer to general reserve for possible loan losses (D)		▲19	9	28	4
Net business profit (A-C-D)		328	266	▲61	275
Gains/losses related to stocks (E)		21	86	64	33
Gains/losses on money held in trust		5	▲3	▲8	-
Disposal of NPL		39	32	▲7	12
Ordinary profit		313	302	▲11	285
Extraordinary gains/losses		0	0	0	-
Gains/losses on disposal of non-current assets		3	15	11	-
Impairment losses		3	14	11	-
Profit		223	215	▲8	200
Profit/losses related to securities (B+E)		41	39	▲2	33
Credit related expenses		19	41	22	17

**◆ Non-Consolidated**

- Core net business profit was ¥32.3bn (+¥3.4bn from FY2021) due to an increase in profit on interest (interest on loans of international operations, interest & dividends on securities) despite an increase in G&A expenses (personnel expenses, non personnel expenses).
- Ordinary profit was ¥30.2bn (△¥1.1bn) due to increases in losses on sales of bonds and credit related expenses despite an increase in gains on sales of stocks.
- Profit was ¥21.5bn (△¥0.8bn).

**◆ Consolidated**

- Ordinary profit was ¥34.8bn (△¥3.1bn) due to decreases in profit of non-consolidated account and profit of Hachijuni Securities Co., Ltd.
- Profit attributable to owners of parent was ¥24.1bn (△¥2.5bn).
- Ratio of consolidated profits to parent company's profits was 1.11 times (cf. 1.19 times of FY2021).

**◆ FY2023 (3/2024) Forecasts**

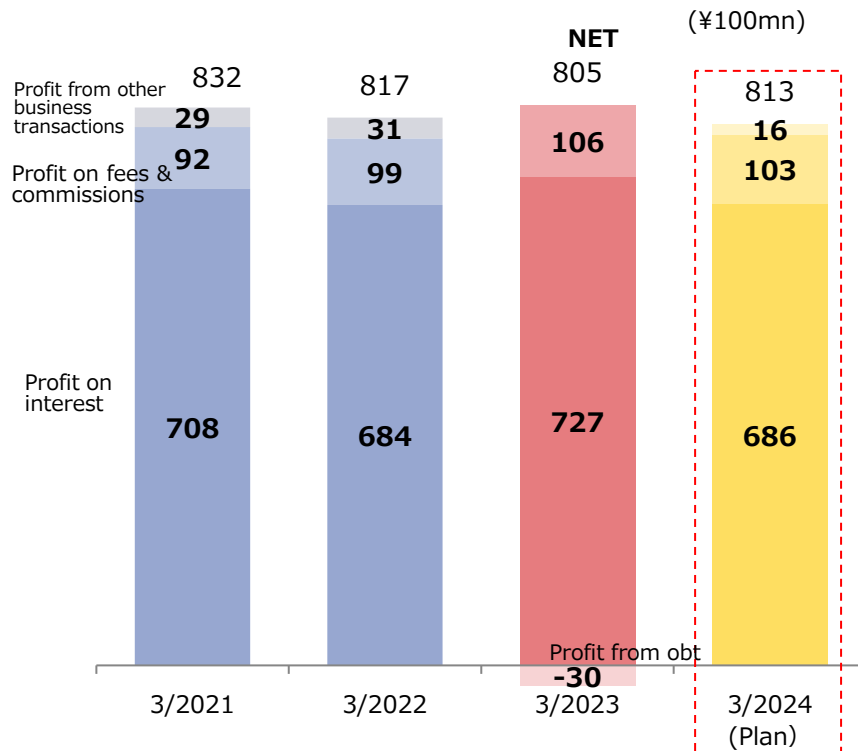
- Non-consolidated ordinary profit will be ¥28.5bn (△¥1.7bn from FY2022), profit will be ¥20.0bn (△¥1.5bn).
- Consolidated ordinary profit will be ¥33.0bn (△¥1.8bn), profit attributable to owners of parent will be ¥23.0bn (△¥1.1bn).

## Gross Business Profit (Non-Consolidated)

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Gross business profit decreased by ¥1.2bn from FY2021 due to an increase in losses on sales of bonds despite an increase in profit on interest.

### ◆ Gross Business Profit



(¥100mn)	3/2021	3/2022	3/2023
Profit on interest	708	684	727
Of which gains/losses on cancellation of investment trusts	2	▲50	▲45

### ◆ 3/2023 Increase/Decrease Factors

(¥100mn)	3/2022	3/2023	Change	For reference
Profit on interest	684	727	+43	<b>See page 8</b> Profit on Interest
Profit on fees & commissions	99	106	+6	<b>See page 12</b> Profit on Fees & Commissions
Profit from other business transactions (Of which gains/losses related to bonds)	31 (19)	▲30 (▲46)	▲62 (▲66)	<b>See page 15</b> Profit/Losses Related to Securities

### ◆ 3/2024 Initial plan at the beginning of the fiscal year

(¥100mn)

- Gross business profit: 813 (+8 from 3/2023)
- Profit on interest: 686 (▲41)
- Profit on fees & commissions: 103 (▲3)
- Profit from obt: 16 (+46)

## Profit on Interest (Non-Consolidated)

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Profit on interest increased by ¥4.3bn from FY2021 due to increases in interest on loans and interest & dividends on securities despite an increase in funding costs of international operations.

(¥100mn)			
◆Profit on Interest	3/2021	3/2022	3/2023
<b>Profit on interest</b>	<b>708</b>	<b>684</b>	<b>727</b>
Interest on loans	433	419	497
Domestic	406	396	395
International	26	22	101
Interest & dividends on securities	323	268	365
Domestic	241	182	220
International	81	86	145
Interest on deposits	▲9	▲5	▲28
Domestic	▲3	▲2	▲1
International	▲5	▲3	▲26
Interest payment on swaps, etc.※	▲41	▲33	▲106
Domestic	▲23	▲19	▲18
International	▲17	▲14	▲88

※ Interest on interest swaps, interest payables under repurchase agreements, interest on payables under securities lending transactions, and other interests were included.

◆Yield (%)	3/2021	3/2022	3/2023
<b>Yield on loans</b>	<b>0.77</b>	<b>0.72</b>	<b>0.81</b>
Domestic	0.75	0.71	0.68
Excl. loans to the Japanese govt.	0.81	0.77	0.89
International	1.25	0.88	3.26
<b>Yield on securities</b>	<b>1.15</b>	<b>0.99</b>	<b>1.64</b>
Domestic	1.05	0.81	1.22
International	1.66	1.79	3.37
<b>Funding costs</b>	<b>0.06</b>	<b>0.03</b>	<b>0.15</b>
Domestic	0.02	0.01	0.01
International	0.57	0.31	2.10
<b>Interest margin of international operations</b>	3/2022	3/2023	Change
Interest margin on loans※	0.57%	1.16%	+0.59pt
Interest margin on securities※	1.48%	1.27%	▲0.21pt

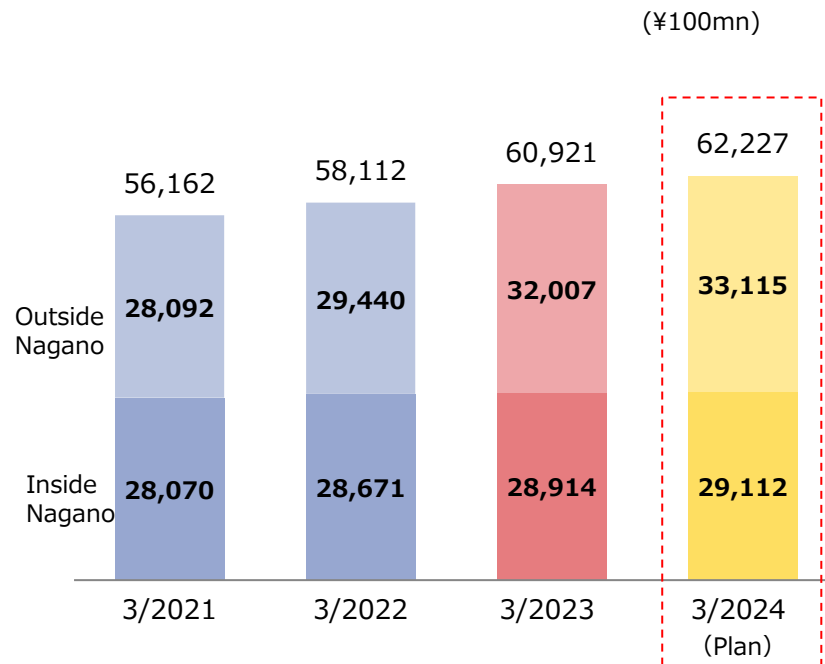
※ Interest margin was the difference between yield and funding cost.



## Major Accounts (Loans/Deposits)

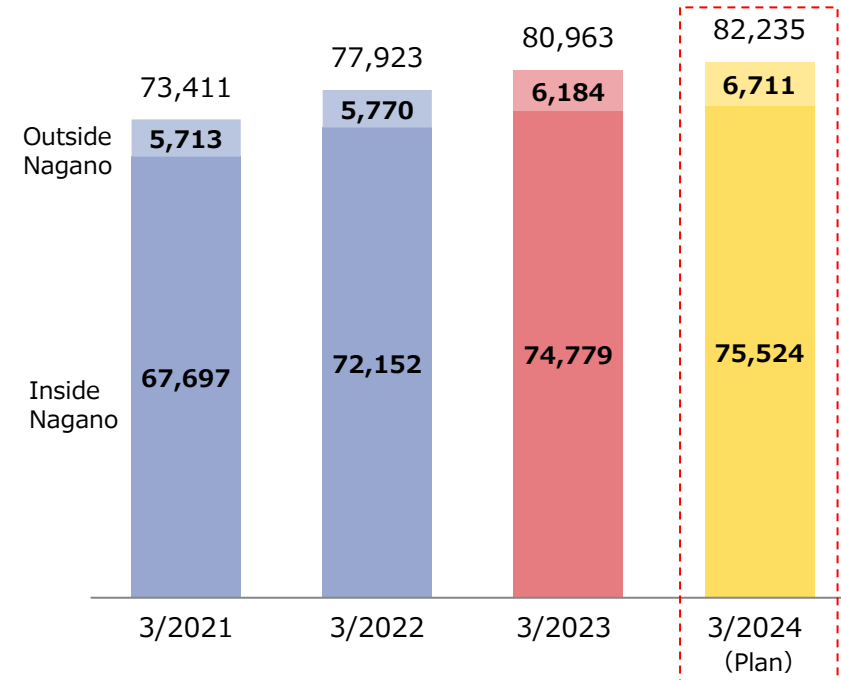
- Average balance of loans and that of deposits both marked new records.
- Loans inside and outside Nagano Prefecture increased firmly, and the increasing trend will continue.

### ◆ Average Balance of Loans



Inc/Dec ratio (Annual : %)	3/2021	3/2022	3/2023	3/2024 (Plan)
All offices	3.39	3.47	4.83	2.14
Outside Nagano	4.78	4.79	8.71	3.46
Inside Nagano	2.04	2.14	0.84	0.68

### ■ Average Balance of Deposits (¥100mn)



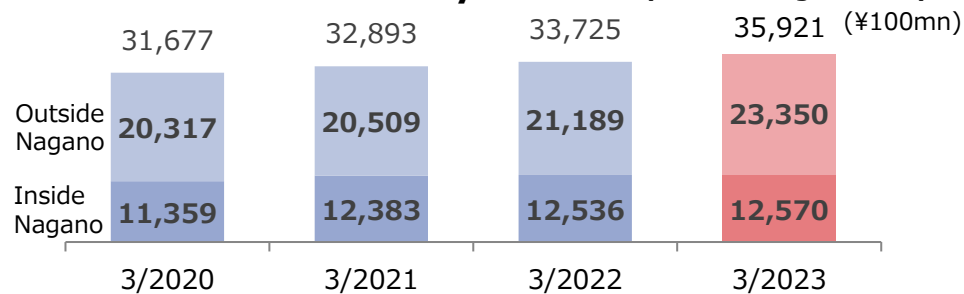
Inc/Dec ratio (Annual : %)	3/2021	3/2022	3/2023	3/2024 (Plan)
All offices	7.88	6.14	3.90	1.57
Outside Nagano	▲2.39	7.82	7.17	8.52
Inside Nagano	8.85	6.00	4.20	0.99

## Main Figures (Business Loans)

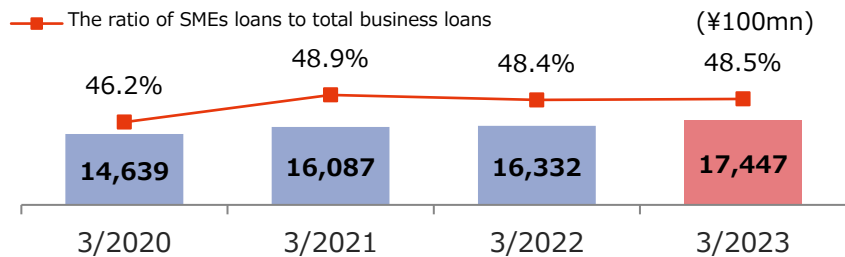
10

Business loans increased by ¥219.6bn from FY2021 due to financing support for customers in prolonged COVID-19 pandemic and recovery of depressed capital investment demand.

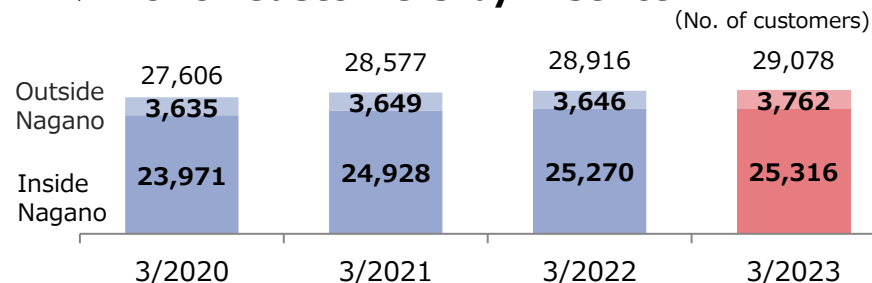
### ◆ Business Loans by District (Outstanding balance)



### ◆ Business Loans for SMEs※ (Outstanding balance)



### ◆ No. of Customers by District



### ◆ Business Loans by Sector in Nagano (Outstanding balance)

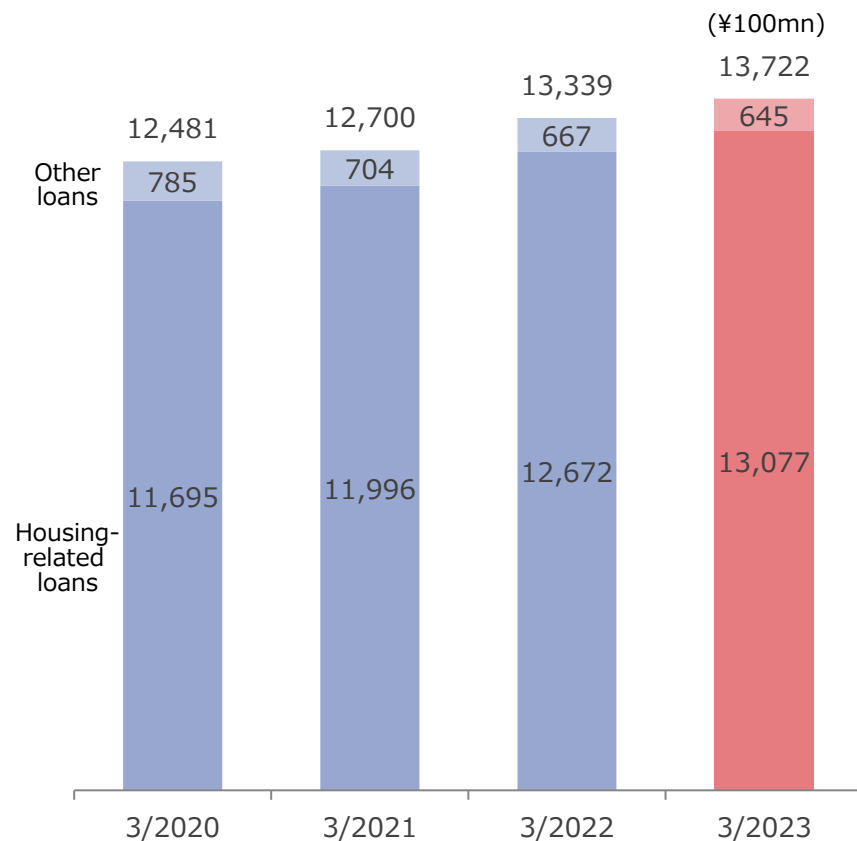
Outbreak of COVID-19 «Dec 2019»				(¥100mn)
	3/2019	3/2022	3/2023	Change from 3/2019
Manufacturing	3,542	3,881	3,968	+426(+12.0%)
Agriculture/Forestry	224	238	261	+37(+16.5%)
Fishery	0	1	0	—
Mining/Quarrying/Gravel collecting	13	10	9	▲4(▲30.7%)
Construction	714	1,002	911	+197(+27.5%)
Electricity/Gas/Heat supply/Water	9	11	11	+2(+22.2%)
Information & telecommunications	130	160	142	+12(+9.2%)
Transportation/Postal service	279	366	374	+95(+34.0%)
Wholesale/Retail	2,359	2,444	2,359	—
Finance/Insurance	78	54	72	▲6(▲7.6%)
Real estate/Rental & leasing	2,238	2,341	2,401	+163(+7.2%)
Other services	2,062	2,313	2,308	+246(+11.9%)
Local public entity	6,463	6,027	5,736	▲727(▲11.2%)
Others	45	47	45	—
<b>Total</b>	<b>18,162</b>	<b>18,901</b>	<b>18,602</b>	<b>+440(+2.4%)</b>

## Main Figures (Personal Loans)

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- Personal loans increased by ¥38.3bn from FY2021, hitting record high.
- Housing-related loans increased by ¥40.5bn due to capturing financial demand for condominiums and home purchases, hitting new record high.

### ◆ Personal Loans (Outstanding balance)



### ◆ New Increase in Housing-Related Loans

(¥100mn)

	3/2020	3/2021	3/2022	3/2023
<b>New increase</b>	1,194	1,127	1,617	1,330
Floating-rate (ratio)	672 (56.2%)	723 (64.1%)	1,227 (75.8%)	1,152 (86.6%)
10-year fixed rate (ratio)	497 (41.6%)	382 (33.8%)	354 (21.8%)	156 (11.7%)

### For reference: Migration/Settlement Loans

(¥100mn)

	3/2020	3/2021	3/2022	3/2023
<b>New increase</b>	16	22	36	29

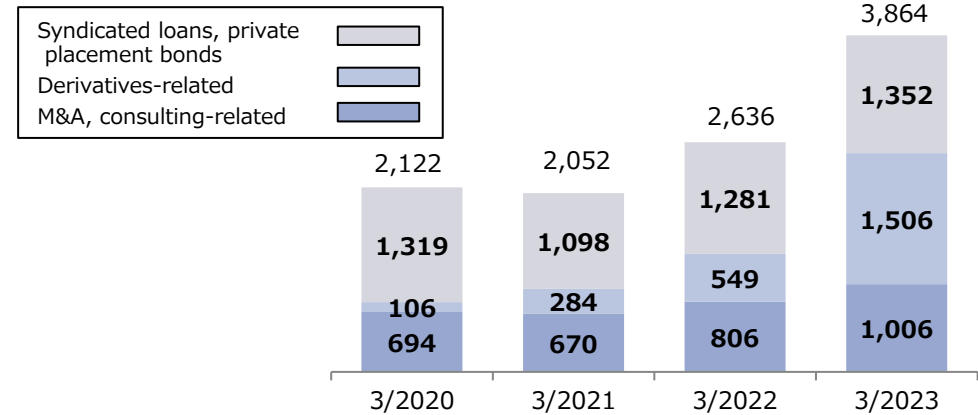
## Profit on Fees & Commissions (Non-Consolidated)

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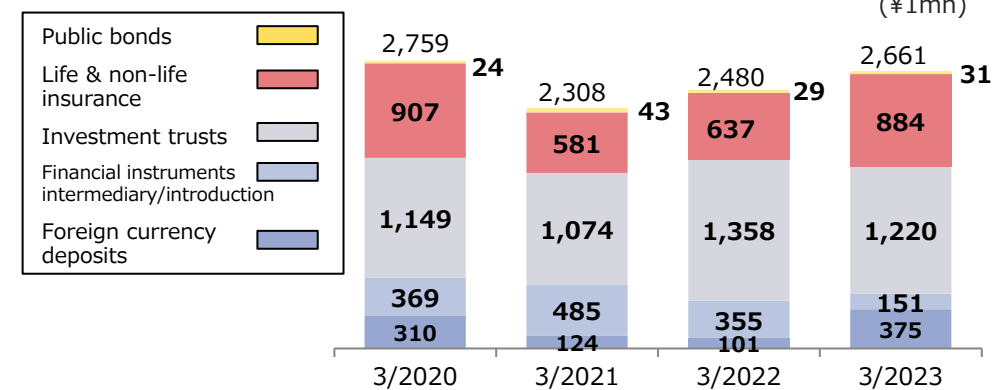
- Profit on fees & commissions was ¥10.6bn (+¥0.6bn from FY2021) due to increases in consulting-related fees and insurance agency fees despite a decrease in securities-related fees.

(¥100mn)		3/2021 Full year	3/2022 Full year	3/2023 Full year	3/2024 Plan
<b>Profit on fees &amp; commissions</b>		<b>92</b>	<b>99</b>	<b>106</b>	<b>103</b>
<b>Fees &amp; commissions</b>		<b>175</b>	<b>178</b>	<b>182</b>	<b>183</b>
Major items	Deposit/loan business	74	80	89	—
	Exchange business	59	55	51	—
	Securities-related business	21	22	17	—
	Agency business	8	9	12	—
<b>Fees &amp; commissions payment</b>		<b>82</b>	<b>78</b>	<b>76</b>	<b>79</b>
Major items	Fees related to payment loans	57	57	57	—
	Exchange business	11	9	6	—

### ◆ Corporate Banking (Major items)\* (¥1mn)



### ◆ Personal Banking (Investment type products)\* (¥1mn)



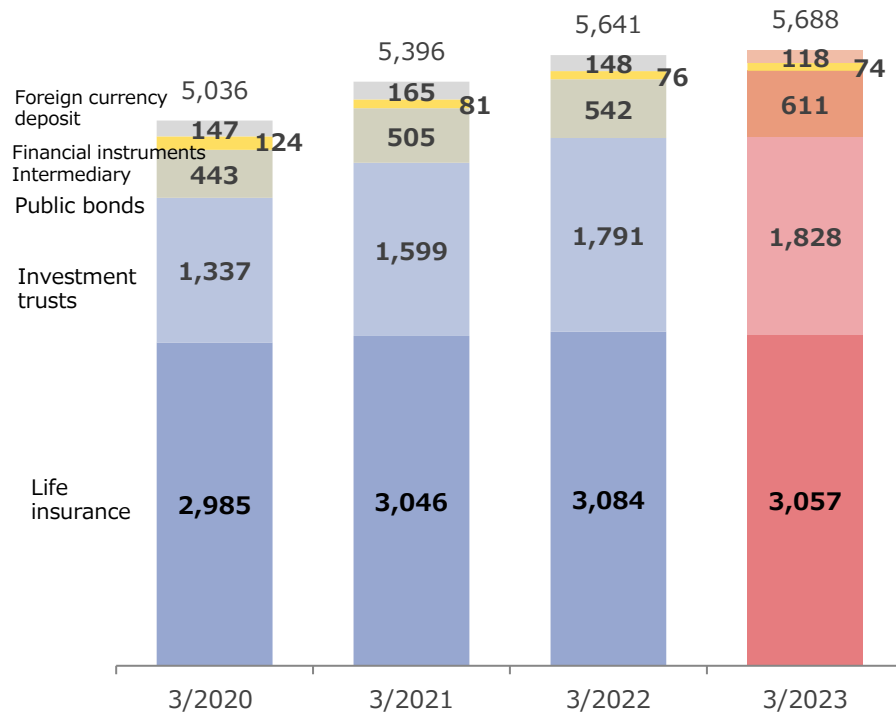
\* Incomes from consulting business in each field were shown in the above figures. Incomes other than "profit on fees & commissions" such as "profit from other business transactions" were also included.

## Investment-Type Related Income

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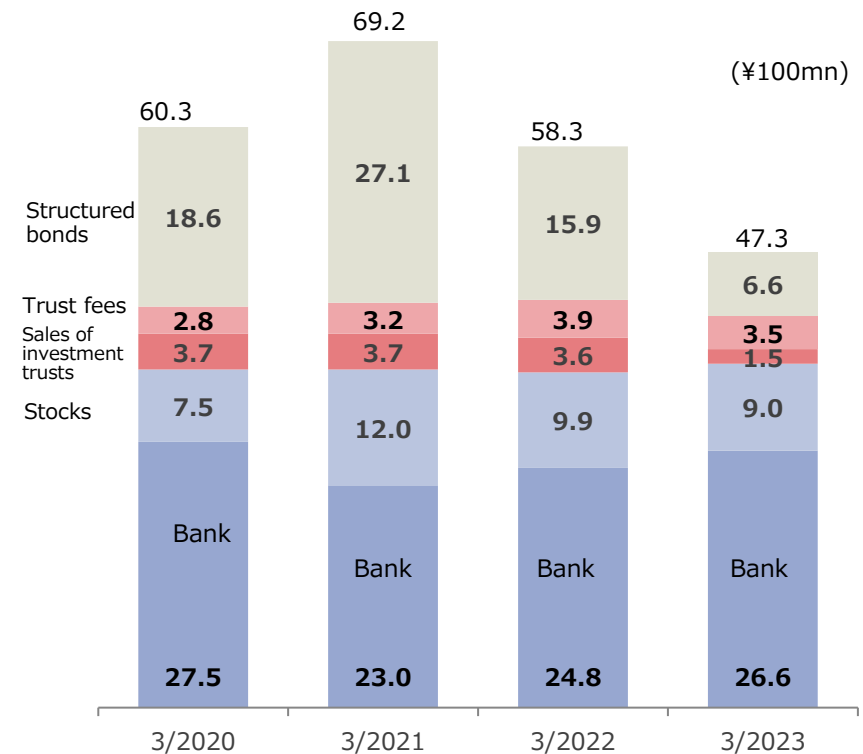
### ◆ Investment Type Products of Personal Banking (Outstanding balance)

(Market price, ¥100mn)



### ◆ Investment Type Income

(Bank + Hachijuni Securities) ※After deduction of the Bank's intermediary fee



### ◆ Investment Trust Accumulation

	3/2020	3/2021	3/2022	3/2023	9/2023 (Plan)
No. of accounts	32,787	40,701	48,785	54,599	58,099
Tsumitate NISA	10,278	16,549	23,132	28,822	31,822
Monthly installments (¥1mn)	907	1,170	1,478	1,597	1,697

◆Offering investment trust accumulation as an effective means of asset building to many customers.

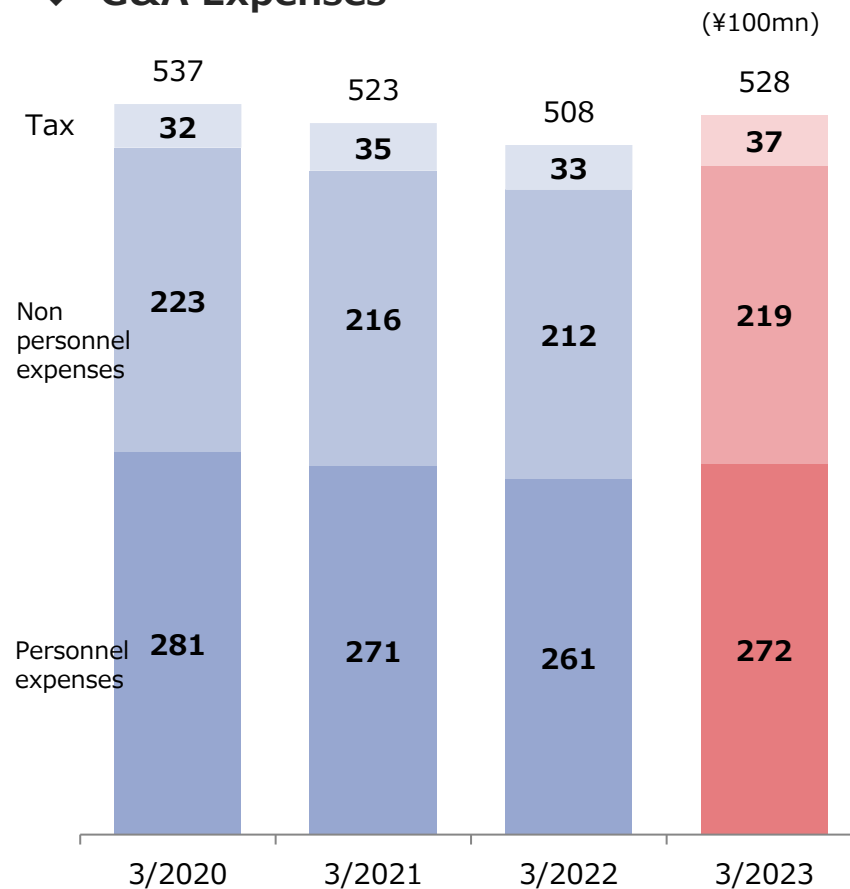
◆The number of accounts of the "Tsumitate NISA" is one of the highest in Japan, partly due to the use of the asset accumulation support plan "Tsumitama."

## General & Administrative Expenses (Non-Consolidated)

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- Personnel expenses increased by ¥1.0bn from FY2021 due to review of treatment by revision of personnel system.
- Non personnel expenses increased by ¥0.6bn from FY2021 due to increases in system investment and outsourcing expenses relating to business streamlining despite a decrease in deposit insurance premiums.

### ◆ G&A Expenses



### ◆ Depreciation and Investment Amounts

(¥100mn)	3/2022	3/2023	3/2024 (Plan)
Depreciation	34	34	44
Investment amounts	(Initial plan: 40) 43	(Initial plan: 47) 37	(Plan : 47)
Main investments	<ul style="list-style-type: none"> <li>•Reconstruction of branches</li> <li>•Maintenance and renewal of ATMs</li> </ul>	<ul style="list-style-type: none"> <li>•Introduction of office365</li> <li>•New construction of ZEB branches (3 branches)</li> <li>•Renewal of systems</li> </ul>	<ul style="list-style-type: none"> <li>•Adaptation of ATMs/equipment to new banknotes</li> <li>•Renewal of PC, etc.</li> </ul>

### ◆ Increase/Decrease Factors

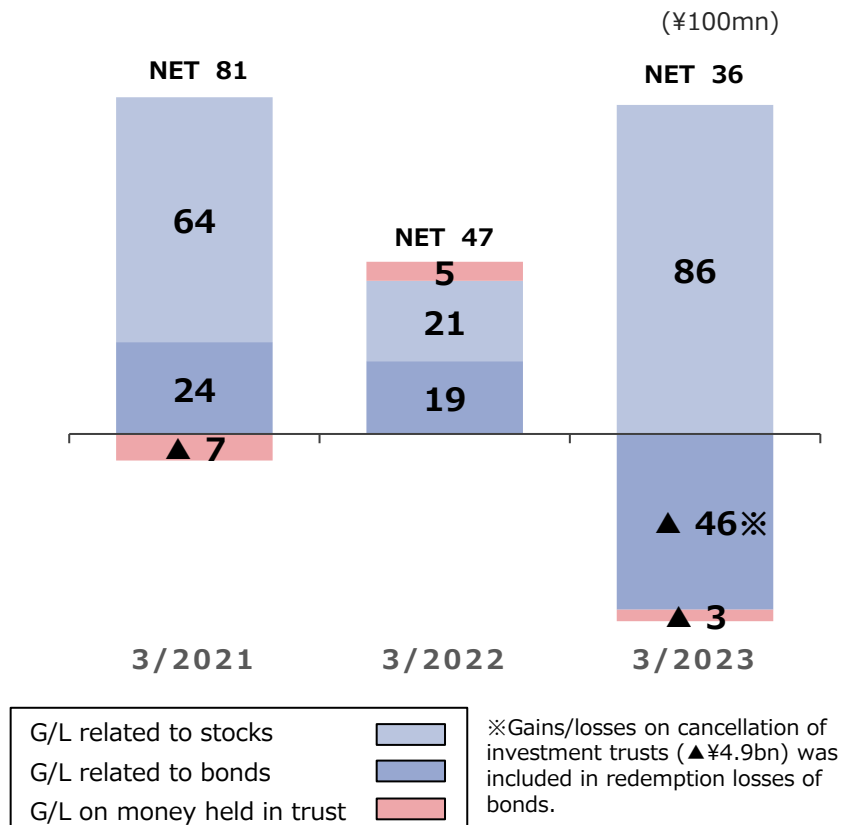
(¥100mn)	3/2022	3/2023	Change	Main factors
Personnel expenses	261	272	+10	•Review of treatment by revision of personnel system
Non personnel expenses (Of which deposit insurance premiums)	212 (21)	219 (11)	+6 (△10)	<ul style="list-style-type: none"> <li>•Increased in system expenses</li> <li>•Increased in water and utility expenses</li> <li>•Decreased in deposit insurance premiums</li> </ul>

## Profit/Losses Related to Securities (Non-Consolidated)

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Valuation losses related to bonds and that of others (investment trusts, etc.) increased due to rising interest rates of domestic and overseas, but net G/L after hedge kept the same level as FY2021.

### ◆ Profit/Losses Related to Securities



### ◆ Valuation Gains/Losses on Securities

(¥100mn)

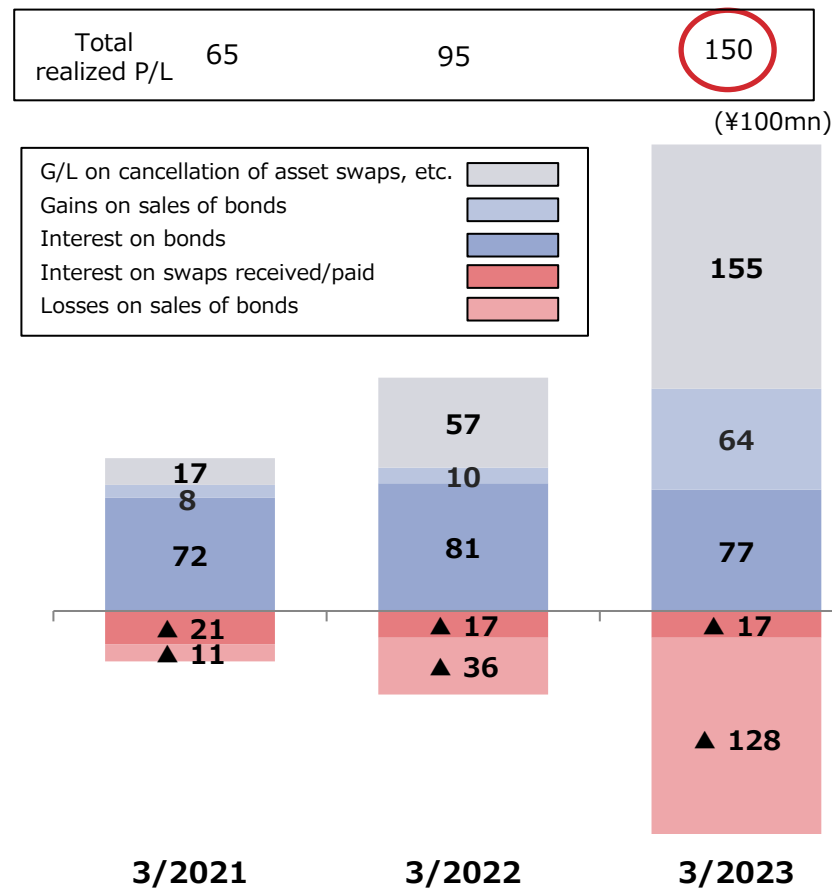
	3/2019	3/2020	3/2021	3/2022	3/2023
<b>Stocks</b>	2,355	2,276	3,900	3,915	4,165
Cross-shareholdings	2,266	2,215	3,800	3,405	3,698
<b>Bonds</b>	440	224	120	▲55	▲280
<b>Others</b>	136	148	171	▲32	▲73
<b>Total</b>	2,932	2,649	4,193	3,826	3,811
<b>Valuation G/L on interest rate swap with hedge</b>	▲137	▲276	55	255	322
<b>NET</b>	2,795	2,373	4,248	4,081	4,133

## Market Investment (Yen-Denominated Bonds)

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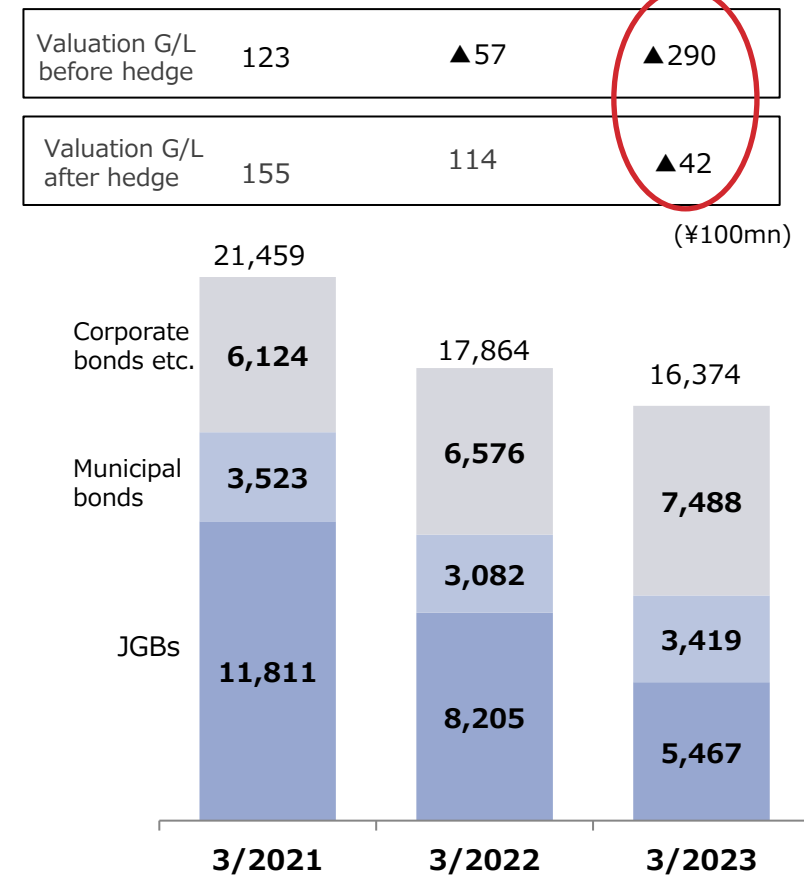
Total realized P/L was ¥15.0bn by securing gains on sales of asset swaps, etc. and interest income.

### ◆ Profit/Losses



### ◆ Holding Amounts

(Outstanding balance, Market price)



※The above figures were based on ALM accounting, so they were different from the figures on Financial Statements.

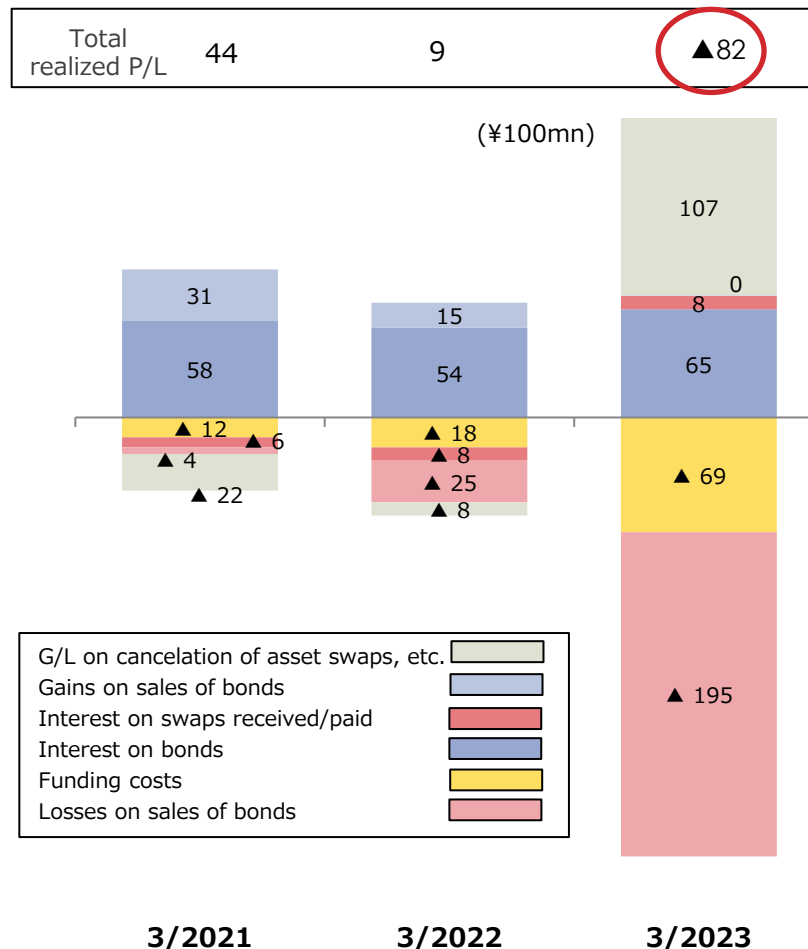


## Market Investment (Foreign Currency-Denominated Bonds)

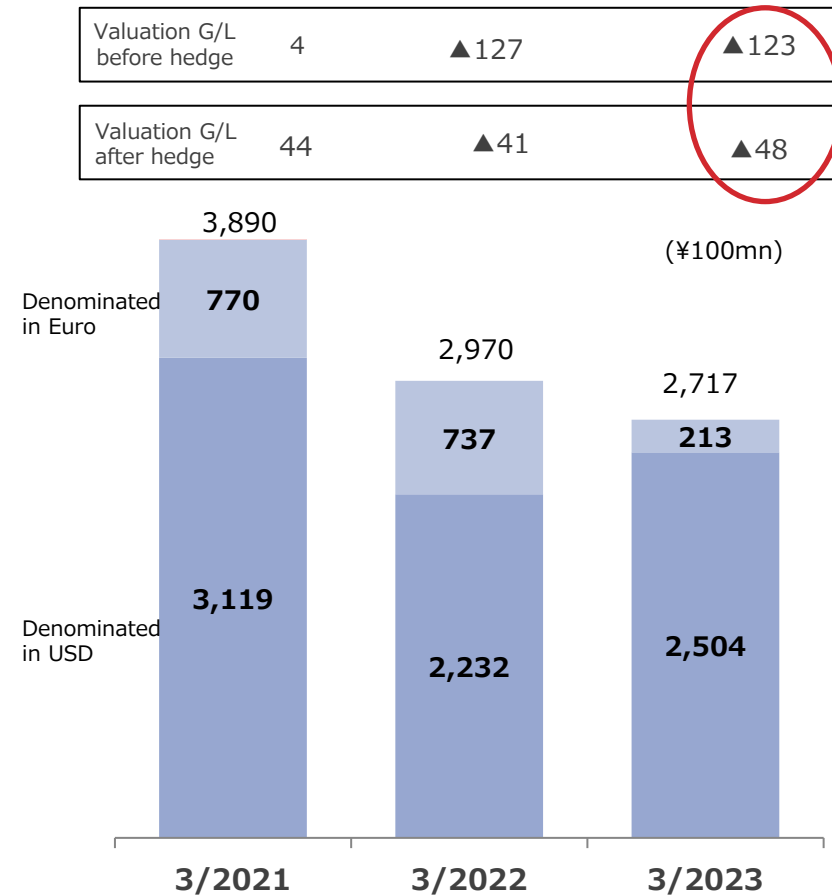
17

- Total realized P/L was ▲8.2bn as promoting risk reduction of fixed-income bonds to curb future negative spread risk and valuation losses.

### ◆ Profit/Losses



### ◆ Holding Amounts (Outstanding balance)



※The above figures were based on ALM accounting, so they were different from the figures on Financial Statements.

## The Change in Outstanding Balance of Securities

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- Amid the continued uncertainty of the market environment, the Bank aims to secure profits through flexible trading and promote portfolio restructuring by deepening and expanding diversified investments based on macro and financial trends.

(Cost basis, ¥100mn)	9/2021	3/2022	9/2022	3/2023	Directions
<b>Domestic bonds</b>	19,806	17,920	15,386	16,663	↗
<b>JGBs</b>	10,366	8,256	6,820	5,703	
<b>Municipal bonds</b>	3,177	3,076	2,409	3,417	
<b>Public bonds, corporate bonds, etc.</b>	5,694	5,953	5,527	6,783	
<b>Beneficiary interest in trust</b>	568	635	630	760	
<b>Domestic stocks</b>	1,048	1,016	1,001	985	→
<b>Domestic investment trusts etc.</b>	2,918	2,315	2,684	2,791	↗
<b>Foreign bonds</b>	3,475	3,098	2,713	2,842	↗
<b>Foreign stocks</b>	55	44	14	12	→
<b>Foreign investment trusts etc.</b>	307	366	440	351	→
<b>Total</b>	27,608	24,758	22,238	23,645	
<b>Domestic bonds duration (years)</b>	4.28	3.09	3.58	3.79	

※The above figures were based on ALM accounting, so they were different from the figures on Financial Statements.

	<2H FY2022>	<1H FY2023 plan>
<b>Bonds</b>	<p>【Domestic bonds】 Secured gains from sales and purchases of mainly medium- and short-term bonds.</p> <p>【Foreign bonds】 Sold fixed-income bonds to reduce risk.</p>	<p>【DB】 When interest rates rise, the balance will be restored.</p> <p>【FB】 Taking a cautious stance in purchasing fixed-rate bonds and focusing on spread assets such as floating-rate bonds, while paying attention to credit trends, in an effort to curb the negative spread in the portfolio.</p>
<b>Stocks</b>	Secured earnings through flexible trading, mainly of domestic stocks.	Securing earnings through flexible trading, focusing on domestic stocks
<b>Investment trusts etc.</b>	While reduced risk in interest rate-related investment trusts, expanded its diversified investments in J-REITs, equity-related investment trusts, etc.	Expanding diversified investments in J-REITs, exchange-related investment trusts, and alternative products, while keeping a close eye on market conditions.

## Credit Related Expenses

19

Credit related expenses increased by ¥2.2bn from FY2021 due to some large borrowers' business deterioration.

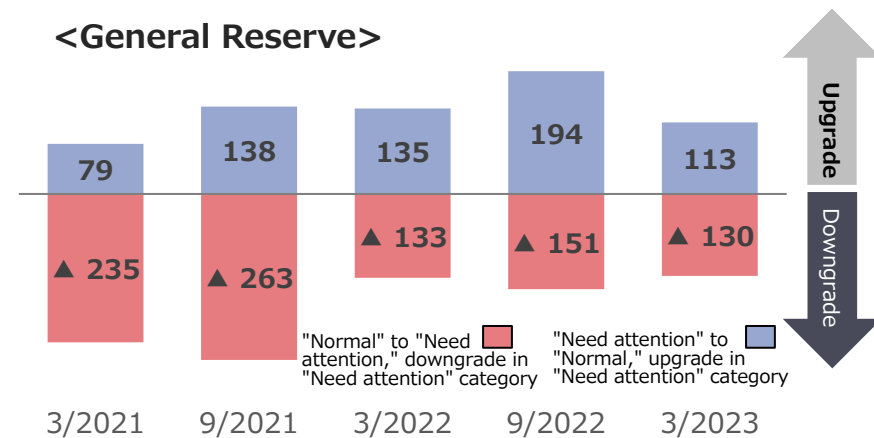
No major credit costs are expected in FY2023.

### ◆ Credit Related Expenses

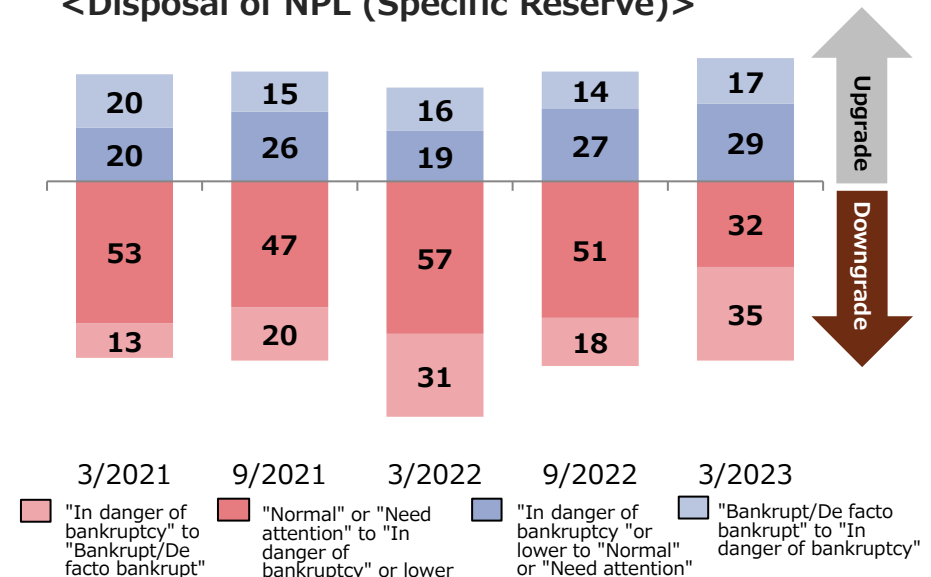
(¥100mn)	3/2020	3/2021	3/2022	3/2023	3/2024 (Forecasts)
Transfer to general reserve for possible loan losses	9	5	▲19	9	4
Disposal of NPL	▲3	82	39	32	12
Credit related expenses	6	86	19	41	17
Factors of large borrowers (More than ±¥1.0bn impact)	0	44	12	31	0

### ◆ No. of Upgrade/Downgrade

#### <General Reserve>



#### <Disposal of NPL (Specific Reserve)>

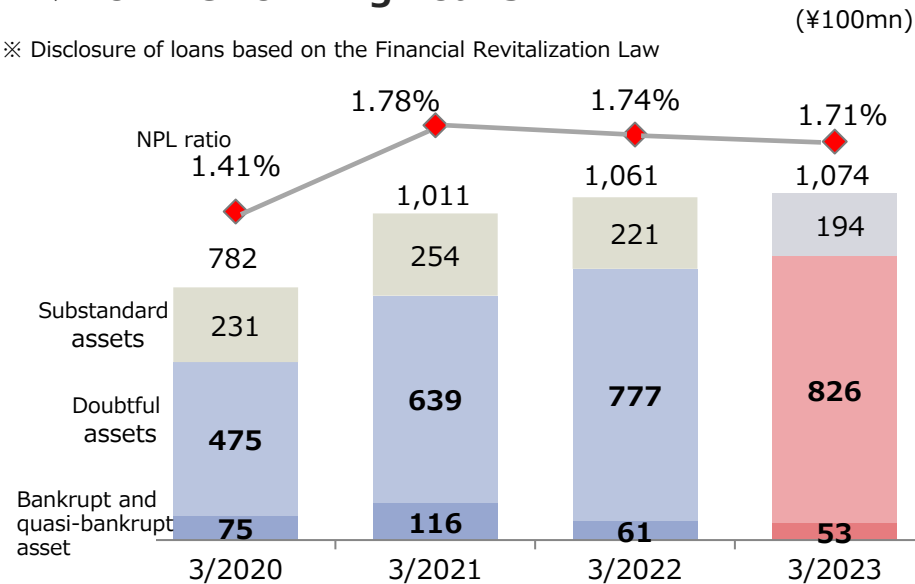


# Non-Performing Loans, Reserve for Loan Losses

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## ◆ Non-Performing Loans

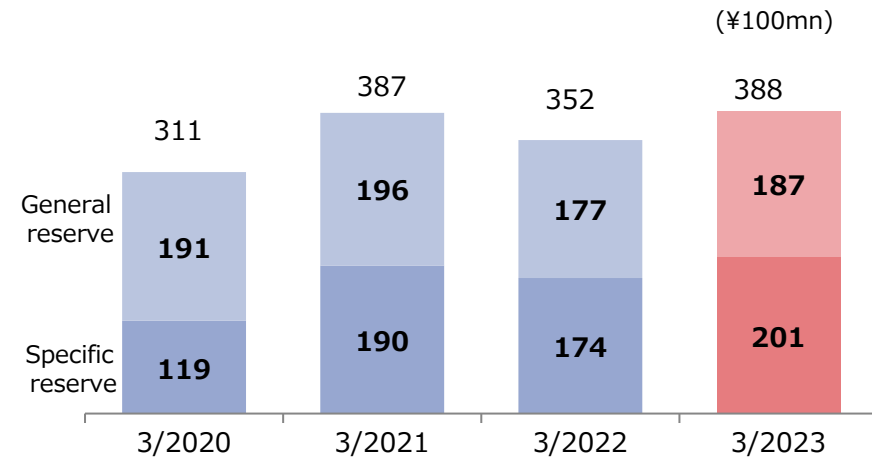
※ Disclosure of loans based on the Financial Revitalization Law



(¥100mn)	3/2020	3/2021	3/2022	3/2023
Substandard assets	231	254	221	194
Doubtful assets	475	639	777	826
Bankrupt and quasi-bankrupt assets	75	116	61	53
<b>Total</b>	<b>782</b>	<b>1,011</b>	<b>1,061</b>	<b>1,074</b>
<b>NPL ratio</b>	<b>1.41%</b>	<b>1.78%</b>	<b>1.74%</b>	<b>1.71%</b>
After partial direct charge-off (※)	1.34%	1.64%	1.71%	1.69%

※ Partial direct charge-off was not executed.  
The above figures were disclosed only for reference.

## ◆ Reserve for Loan Losses



(¥100mn)	3/2020	3/2021	3/2022	3/2023
<b>General reserve</b>	<b>191</b>	<b>196</b>	<b>177</b>	<b>187</b>
Normal	65	64	65	70
Need attention	67	72	67	61
Special attention	58	59	44	54
<b>Specific reserve</b>	<b>119</b>	<b>190</b>	<b>174</b>	<b>201</b>
In danger of bankrupt	77	107	154	185
Bankrupt/De facto bankrupt	41	82	19	15
<b>Total</b>	<b>311</b>	<b>387</b>	<b>352</b>	<b>388</b>

## Shareholder Returns and the Reduction Plan of Cross-Shareholdings

21

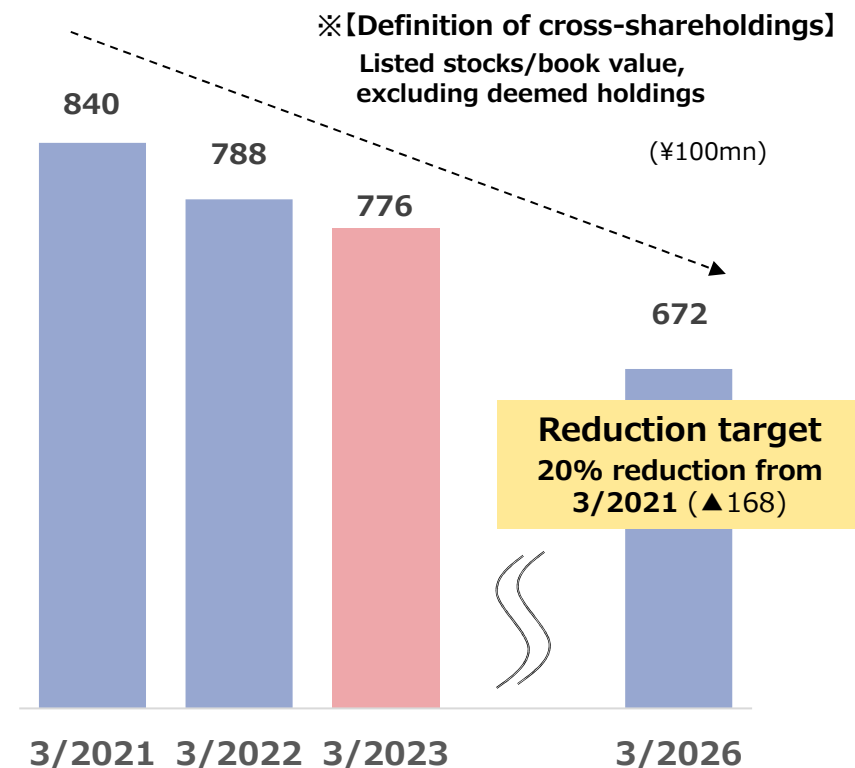
The share buyback of up to ¥10.0bn set in April 2022 was completed as planned.

Numerical targets for reduction was set based on the Bank's policy of cross-shareholdings in line with the intent of the Corporate Governance Code.

**Reduction target: 20% reduction from 3/2021 (at the start of Medium-Term Management Vision)**

◆ Shareholder Returns (¥100mn)	3/2021	3/2022	3/2023	3/2024 (Forecasts)
Annual dividends ①	68	78	95	94
Dividend per share (full year)	¥14.0	¥16.0	¥20.0	¥20.0
Interim dividend	¥6.0	¥6.0	¥10.0	¥10.0
Purchase of own stocks ②	—	—	100	Undecided
Shareholder returns ③ = ① + ②	68	78	195	(94)
Profit (consolidated) ④	223	266	241	230
Dividend payout ratio (consolidated) ① ÷ ④	30.6%	29.3%	40.0%	40.9%
Ratio of shareholder returns (consolidated) ③ ÷ ④	30.6%	29.3%	80.9%	(40.9%)

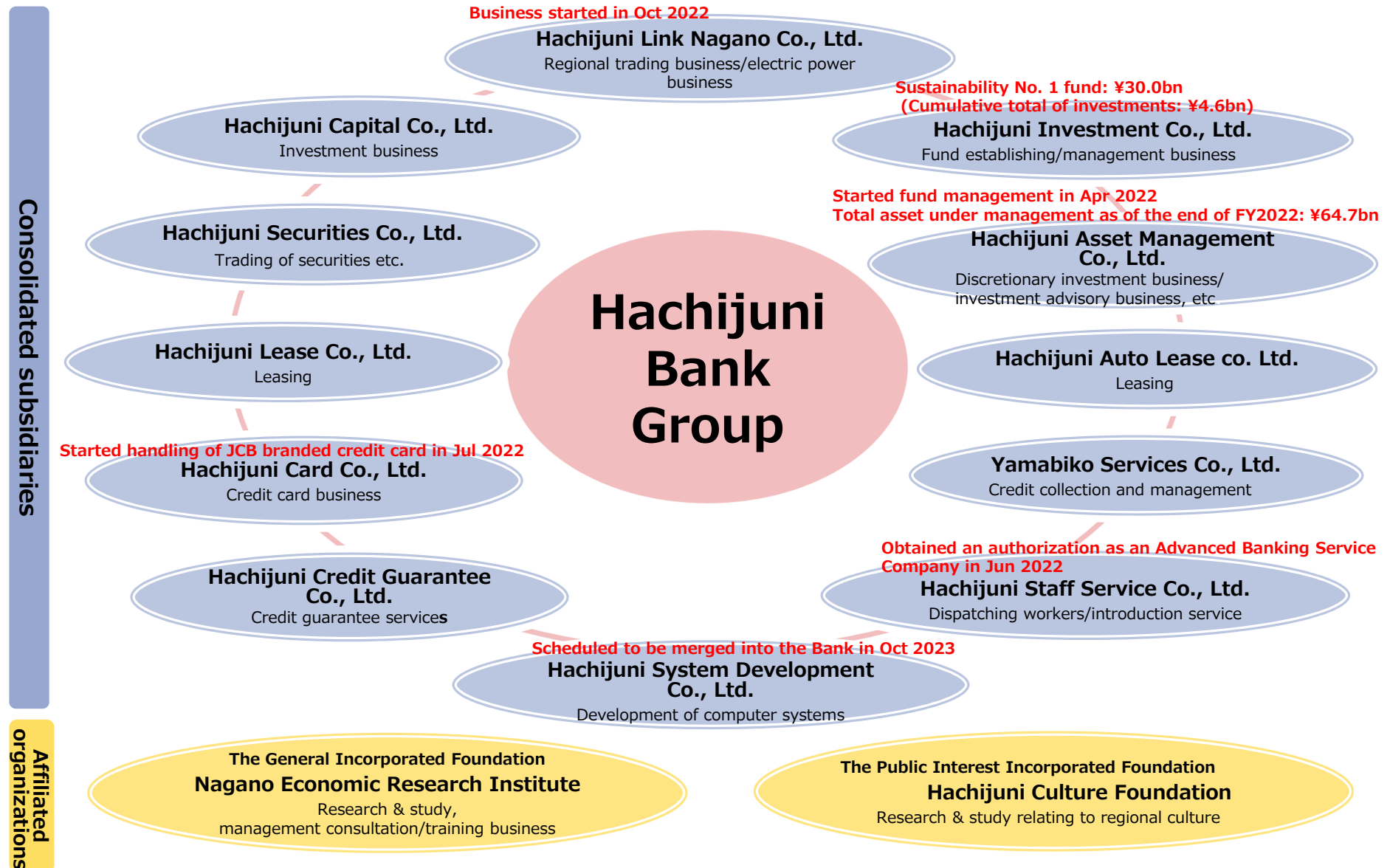
### ◆ Reduction Status of Cross-Shareholdings



### Topics

- ◆ Annual dividend per share reached a new record high.
- ◆ Ratio of shareholder returns of 80.9% is a top level of Japanese banks.

# Outline of the Group Companies



## Financial Results of the Group Companies

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Company name	Investment ratio (the Bank + subsidiaries)	3/2022 (¥1mn)		3/2023 (¥1mn)		Special remarks
		Ordinary profit	Net profit	Ordinary profit	Net profit	
Hachijuni Securities Co., Ltd.	100.0%	912	655	▲256	▲544	Slower growth in sales of stocks etc. reflecting sluggish market, suspension of sales of structured bonds
Hachijuni Lease Co., Ltd.	100.0%	1,046	725	1,096	761	An increase in sales of lease business, a decrease in expenses
Hachijuni Card Co., Ltd.	100.0%	244	158	188	130	An increase in settlement services amounts, an increase in advertising expenses of JCB card
Hachijuni Credit Guarantee Co., Ltd.	100.0%	2,718	1,790	2,609	1,719	An increase in housing loan guarantee fee income, an increase in allowance for loan losses
Hachijuni System Development Co., Ltd.	100.0%	202	141	99	66	A decrease in outsourcing fee income
Hachijuni Staff Service Co., Ltd.	100.0%	22	14	▲9	▲8	Decreases in sales of staff dispatching and in referral sales
Yamabiko Services Co., Ltd.	99.0%	163	96	41	43	A decrease in income of entrusted claims
Hachijuni Auto Lease Co., Ltd.	100.0%	807	531	947	624	An increase in gain on sale of vehicles, a decrease in credit-related expenses
Hachijuni Asset Management Co., Ltd.	100.0%	▲38	▲27	47	30	First full-year results: surplus due to trustee fees for set-up funds
Hachijuni Investment Co., Ltd.	100.0%	14	9	64	42	First full-year results: surplus due to management fees for managed funds
Hachijuni Link Nagano Co., Ltd.	100.0%	Establishment in Oct 2022		▲3	▲3	Expenses of establishment
Hachijuni Capital Co., Ltd.	41.0%	171	129	94	73	A decrease in management fee from managed funds, an increase in personnel expenses
Ratio of consolidated profits to parent company's profits (times)		1.19		1.11		

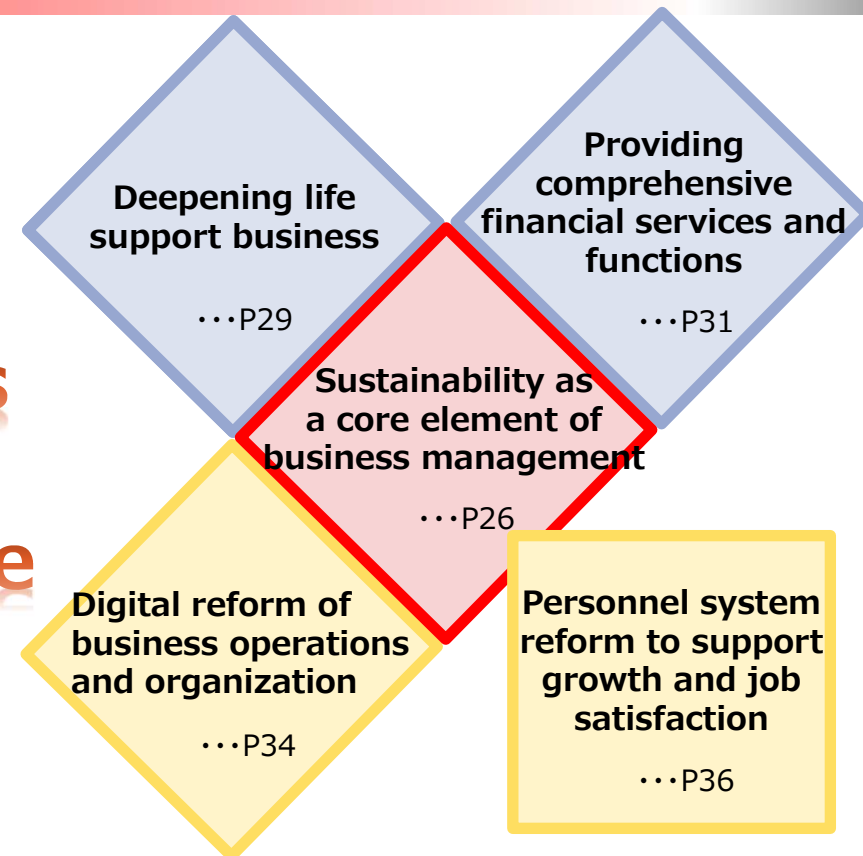
## 2. Status of Medium-Term Management Initiatives

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## Medium-Term Management Vision 2021

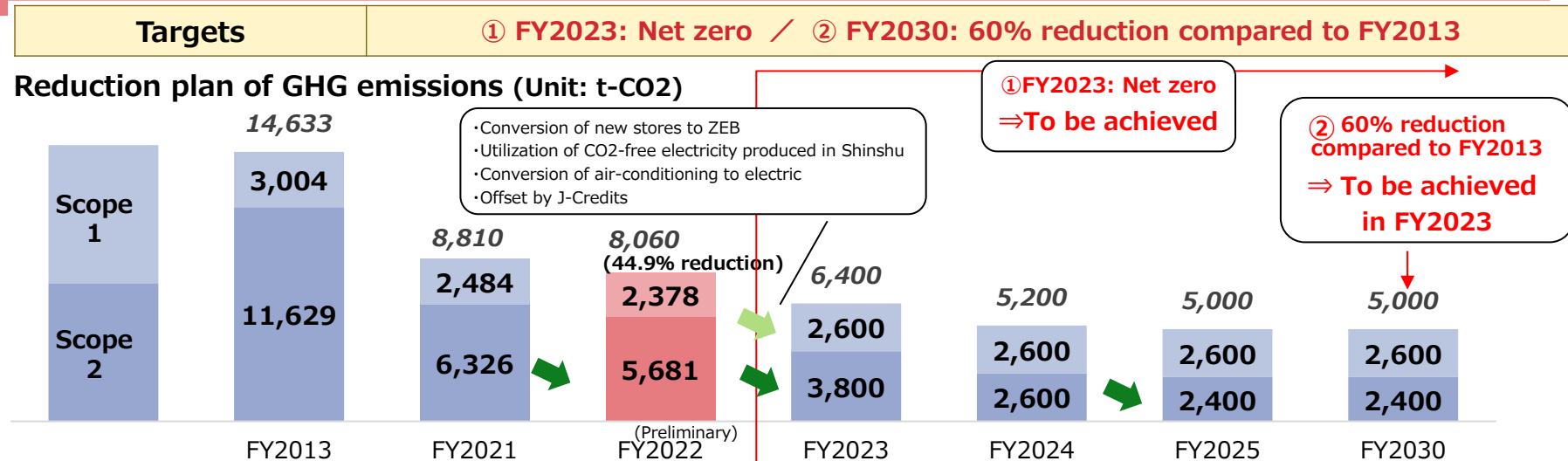
# Supporting Customers and the Region by "Finance × Non-finance × Relations"



	Medium-Term Management Targets	FY2022 results
Profit attributable to owners of parent	FY2025: ¥25.0bn or more	¥24.1bn
Ratio of consolidated profits to parent company's profits	FY2025: 1.25 times or more	1.11 times
Consolidated dividend payout ratio	FY2022~FY2025: 40% or higher, annually	40.0%
Greenhouse gas (CO2) emissions	FY2023: Net zero FY2030: 60% reduction compared to FY2013	44.9% reduction

## Sustainability as a Core Element of Business Management

### Toward Achieving Greenhouse Gas Emissions Reduction Targets



### Toward Achieving Sustainable Finance Targets

Target	FY2021 ~ FY2030 (10 years)	Sustainable Finance: Cumulative total ¥1.5tn
Dedicated products	Characteristics	FY2022 results
Sustainability Link Loan	Interest rates and other loan terms fluctuate depending on the achievement of ambitious sustainability challenge targets consistent with international principles.	¥8.0bn
Hachijuni Sustainability No.1 Fund	Support for companies that are creating new businesses and new technologies or facing business succession challenges as well as capital support for decarbonization	¥5.4bn
SDGs Loan	Interest rates fluctuate according to the achievement of goals related to the SDGs set by customers themselves.	¥7.1bn
Positive Impact Finance	The Bank and the Nagano Economic Research Institute analyze the environmental, social, and economic impact of our customers and help them increase and reduce the identified impact.	¥13.2bn
Sustainable Finance (preliminary): Cumulative total ¥410.9bn from FY2021 to FY2022		

## Sustainability as a Core Element of Business Management

### Expansion of Zero Energy Building Store Network

In FY2022, Fujimi, Omachi, and Fukushima Branches were Net Zero Energy Buildings.

In addition to reducing energy consumption by energy-saving equipment, the energy will be covered by solar power.

A geothermal heat pump system for air conditioning was adopted by Omachi Branch.

«GHG (CO<sub>2</sub>) reduction effect»  
**About 55t annually** (4 Branches total)

※ Equivalent to about 18 households

【Omachi Branch】 A geothermal heat pump system for air conditioning



【Fujimi Branch】 Appearance



«Current ZEB stores» Iwamura, Fukushima, Omachi, Fujimi Branches

### Expanding Adoption of Green Hydropower Produced locally in Nagano

The use of Nagano's "Shinshu Green Electricity", previously powering six branches, was expanded to include three office buildings at Hachijuni headquarters in Feb 2023.

"Shinshu Green Electricity" is hydroelectric power from plants operated by the Nagano Prefectural Enterprise Bureau. The electricity used in the three headquarters office buildings is now substantially 100% renewable energy produced in Nagano.

The Bank's overall renewable energy ratio has increased from 5% to 50%. One of its medium-term management targets, a 60% reduction in CO<sub>2</sub> emissions in FY2030 (compared to FY2013), is projected to be achieved by the end of FY2023, ahead of schedule.

«GHG (CO<sub>2</sub>) reduction effect»

**About 3,000t annually** ※ Equivalent to about 1,000 households

地球にやさしく、未来をあかるく。



長野県営水力の電気を使っています

## Local Decarbonization Initiatives

In April, 2023, with the aim of decarbonizing through forest maintenance in Nagano Prefecture, the Bank partnered with the Nagano Public Corporation of Forestry (NPCF) and began cooperating with the J-Credit Scheme.

Under the scheme, the government officially certifies greenhouse gas reductions and maintenance of carbon sinks, awarding "J-Credit". The Bank will continue to partner with local governments and our clients to identify opportunities to utilize the J-Credit scheme.



## Contribution to Local Communities

Supporting SDGs initiatives of local communities through volunteer activities and dedicated products.

Outline			FY2022 results
Volunteer	90th Anniversary Commemorative Project: Terraced rice field preservation activities	In Jun 2022, rice was planted in terraced rice paddies in Inakura, Ueda City, and in Obaste, Chikuma City. Rice harvested through volunteer activities will be donated to volunteer-run cafeterias for children.	<b>Total 90 participants</b> ※The size and frequency of volunteer activities was restricted due to the COVID-19 pandemic
	Regional revitalization support private placement bonds	A portion of the Bank's commissions paid by issuers is discounted. Issuers can donate the discounting amount to schools or SDGs-related organizations.	<b>Amount of bond issues: ¥8.8bn/121 cases</b> <b>Donation: ¥16mn</b>
Donation	SDGs foreign currency time deposits	Donating a portion of foreign exchange commissions to SDGs-related organizations.	<b>Deposit amount: USD47mn/282 cases</b> <b>Donation: ¥2mn</b>
Paper resource reduction	Deposit without passbook <e-livret>	An ordinary deposit account that does not issue passbooks and allows customers to check transaction details through internet banking, resulting in paper reduction.	<b>12,839 cases</b> <b>Paper resource reduction: 282kg</b>

## Deepening Life Support Business

### Life Support Services/Real Estate Agent Introduction Services

Life Support Services and Real Estate Agent Introduction Services are services to solve various problems related to customers' daily life and real estate. These services will be expanded in the future to further improve convenience.

	Results	9/2021	3/2022	9/2022	3/2023
<b>Life Support Services (※)</b>	<b>No. of cases</b>	<b>9</b>	<b>367</b>	<b>859</b>	<b>995</b>
<b>Real Estate Agent Introduction Services (for individuals)</b>	<b>No. of cases</b>	<b>33</b>	<b>107</b>	<b>164</b>	<b>126</b>



※Introducing partner companies for garden pruning, housekeeping service, etc.

### Enhancement of Inheritance-Related Products and Services

Starting trust services for individuals with the Bank as trustee (money trusts such as testamentary substitution, testamentary trusts, and estate arrangement services), responding to the asset management needs of our elderly customers and the inheritance and asset transfer needs to the next generation.

Products/Services		Characteristics	Cumulative total	
			Cases	Income
<b>Trust services for individuals</b>  <b>Started in Oct 2021</b>	<b>Relay of hearts</b>	Jointly managed designated money trust with a special clause (with a special clause for testamentary substitute and bequest and donation)	<b>77</b>	<b>¥95mn</b>
	<b>Longevity and peace of mind</b>	Jointly managed designated money trust with a special clause (with a special clause for beneficiary's agent)	<b>36</b>	
	<b>Testamentary trusts</b>	Providing comprehensive support for the preparation, safekeeping of notarized wills and execution of wills	<b>78</b>	
	<b>Estate arrangement services</b>	Handling complicated inheritance procedures such as cancellation and redemption of deposits and savings, and name change of real estate on behalf of the heirs	<b>9</b>	
<b>Real estate small-lot products</b>		Realizing simultaneously "inheritance measures" and rental income by utilizing real estate ※"Trust beneficiary right type" launched in Jan 2019, "Voluntary partnership type" launched in Apr 2022.	<b>272</b>	<b>¥128mn</b>



## Deepening Life Support Business

### Reinforcement of Consulting Functions for Special Needs

Specialized staff at inheritance/insurance plaza respond to the need of every customer.

Dedicated channel	<b>Insurance Plaza</b>  <b>Aug 2022 open</b>	<b>【Providing quality insurance consulting ~collaboration with insurance companies~】</b> Hachijuni Insurance Plaza was established by collaborating with PG Friendly Partners Co., Ltd. This plaza is the first consulting base in Japan, that is co-operated by a bank and an insurance agent. Plaza's staff respond to various insurance needs based on each customer's life plan.  <b>«Aug 2022~Mar 2023 results»</b> <b>No. of consultations: 166 (completed contracts: 99 cases)</b>
	<b>Inheritance Consulting Plaza</b>  <b>Dec 2022 open</b>	<b>【Enhancing inheritance and trust services】</b> Hachijuni Inheritance Consulting Plaza was established as a first consulting base in Nagano Prefecture. This plaza plays the role of consultation place for inheritance matters of customers by holding seminars etc.  <b>«Dec 2022~Mar 2023 results»</b> <b>No. of consultations: 63, Seminar participants: total 45</b>

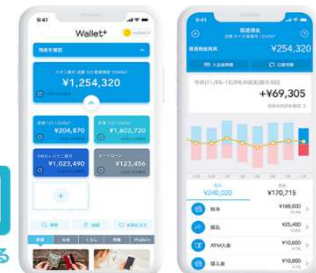


### Smartphone App. "Wallet+"

"Wallet+" service started in July, 2022 and offers as following functions;

- Checking the balance and statements
- Managing monthly income and expenditure
- Segregating deposits through a dedicated account
- Providing non-financial services such as point services and coupon distribution for use in the community

**«No. of cumulative total users as of the end of FY2022 » 58,192 cases**



## Providing Comprehensive Financial Services and Functions

### Strengthening Consulting Functions

Provided full support to customers affected by the COVID-19 pandemic through the use of subsidies such as "Business Restructuring Subsidies," M&A, syndicated loans, and funds. Continuing to provide active support in the post-COVID period.

#### ◆ Supporting Business Restructuring Subsidy (Mar 2021 ~ )

	1st period	2nd	3rd	4th	5th	6th	7th	8th	Total
No. of application	150	104	139	129	133	75	69	48	847
No. of adoption	68	46	69	67	68	54	42	23	437
Adoption rate	45.3%	44.2%	49.6%	51.9%	51.1%	72.0%	60.8%	47.9%	51.5%
Amount of grant decision (¥1mn) ※Fee-charged consulting	1,085	766	650	422	306	127	720 (Forecasts)	363 (Forecasts)	4,439

Achieving one of the highest numbers of adoptions among regional banks in Japan by making a concerted effort to support customers that are taking new initiatives in the midst of the COVID-19 pandemic.

#### ◆ M&A

Actively utilizing external networks to meet the business expansion and other needs of local companies.

	9/2021	3/2022	9/2022	3/2023
No. of contracts (companies)	4	10	10	17
Income (¥1mn)	55	145	106	203

#### ◆ Syndicated Loans

Responding to increased demand for funds of the post-COVID such as capital investment, commitment lines of credit, etc.

	9/2021	3/2022	9/2022	3/2023
Outstanding balance (¥100mn)	9,127	9,279	9,375	9,950
Amount originated by the Bank (¥100mn)	102	308	533	365
Income (¥1mn)	305	429	556	542

#### ◆ Business Funds

Working to resolve issues faced by customers and local communities through the use of business funds.  
Growth support fund investee listed on the Tokyo Stock Exchange Growth Market.

(¥1mn)

	Agriculture	Growth support	Growth support No.2	Reconstruction support	Sustainability No.1	Total
Investment results (Fund amount)	227 (1,000)	314 (500)	335 (500)	1,650 (4,195)	4,578 (30,000)	7,106 (36,195)

## Providing Comprehensive Financial Services and Functions

### Enhancing Group Functions

The Bank Group works as one to provide a wide range of consulting services related to corporate management.

New	<b>Hachijuni Link Nagano Co., Ltd.</b>	<b>Oct 2022 Started operations</b> ・Regional trading business : Support for sales channels development mainly targeting overseas markets «FY2022 results» No. of support customers: 74 ・Electric power business : Generation and supply of renewable energy «FY2022 results» No. of deal information: 45
	<b>Hachijuni Investment Co., Ltd.</b>	<b>Support by "Hachijuni Sustainability No.1 Fund" (¥30bn)</b> Invested mainly in "business succession" projects, an important management issue since establishment. «FY2022 results» Cumulative total of investments: ¥4.6bn (business succession: ¥4.3bn, venture etc.: ¥0.3bn)
Enhancing functions	<b>Hachijuni Asset Management Co., Ltd.</b>	<b>Apr 2022 Started fund management</b> Improved the Group's investment performance by strengthening its market management capabilities. «Total assets under management as of the end of FY2022» ¥64.7bn
	<b>Hachijuni Staff Service Co., Ltd.</b>	<b>Jun 2022 Obtained an authorization as an Advanced Banking Service Company</b> ※First obtained an authorization in Japan as a subsidiary engaging in temporary staffing services, etc. Reinforcing permanent staff dispatching, intermediary services for side and concurrent jobs, and contract work such as payroll administration. «FY2022 results» No. of cases: 259, completed contracts: 59
	<b>Hachijuni Card Co., Ltd.</b>	<b>Jul 2022 Started handling JCB brand credit card</b> Started handling JCB branded credit card following debit card. «FY2022 acquisition results» 2,476 customers
	<b>Hachijuni Lease Co., Ltd.</b>	<b>Promote leasing that contributes to sustainable finance</b> Promote leasing that contributes to decarbonization by utilizing subsidies etc. «FY2022 results of sustainable finance (by utilizing leases)» No. of contracts: 959, contract amounts: ¥4.4bn
	<b>Hachijuni System Development Co., Ltd.</b>	<b>IT consulting</b> ※Oct 2023 Scheduled to be merged into the Bank Support from analysis of the current state of IT utilization to the introduction and establishment of business packages. «FY2022 results» No. of cases: 35, completed contracts: 10
	<b>Nagano Economic Research Institute</b>	<b>Personnel consulting</b> Support from the design and review of personnel systems to their operation and establishment. «FY2022 results» No. of cases: 36, completed contracts: 15



## Providing Comprehensive Financial Services and Functions

### Opening of Singapore Branch (Feb 1, 2023)

#### ◆ Background of Establishment

In the Asian region, which is experiencing remarkable economic growth, the Bank has established a Hong Kong Branch, Shanghai Representative Office, Singapore Representative Office, and Bangkok Representative Office to support our clients' overseas business expansion. Singapore is the center of logistics and human flow in Southeast Asia and functions as a financial center in the region.

Continuing to support overseas business development in the ASEAN region on a long-term and stable basis, the Singapore Branch has been established through the promotion of the Singapore Representative Office to the status of a branch. The Singapore Branch will play a pivotal role in providing coverage and access to a major financial hub as the Hong Kong Branch is scheduled to be discontinued by the end of FY2023(※).

※ Subject to the approval of the relevant authorities.

#### ◆ Future Development

In addition to supporting the overseas ambitions of Japanese companies, investing in and lending to leading Southeast Asian companies in Singapore is an opportunity to expand our business by serving as a funding base.

In addition, Hachijuni Link Nagano Co., Ltd will use Singapore as a platform to support exports of local Nagano products to customers in the ASEAN region, and leverage our network to gather local information to support our customers' understanding of the ASEAN market.



★弊行の行員が出向しています。

## Digital Reform of Business Operations and Organization

### AI-Enabled Data Warehouse

Achieved in-house production of AI models through our DWH, which centrally manages the Bank's data, and DataRobot, a platform for building AI. Building more than 15 AI models per year by establishing an AI Promotion Team dedicated to data analysis and AI model creation.

#### ◆DWH (Data Warehouse)

Operation started in Mar 2019

A large database that centrally manages all data held by the Bank, including account data and data from distributed systems, in a long-term time series. It is used to analyze customers' transaction histories and other data for effective sales strategy planning. In addition, as a joint version of the Judan-kai system, each Judan-kai bank has already introduced the same system.



**DataRobot**

**In-house production  
of AI model**

#### ◆DataRobot (Decision-making AI)

Introduced in Jan 2020

A machine learning platform that enables data analysis and future prediction using AI without advanced expertise. Multiple algorithms are automatically executed to build highly accurate machine learning models in a short time. AI models can be built not only for marketing, but also for various business domains.

### Use Cases and Applications

Expanding the application of AI in areas such as marketing, credit control in the process, new credit screening, and risk management, providing effectiveness in cultivating potential customer needs and improving the efficiency of internal operations.

Themes	Status	Outline of implementation
Product promotion (Marketing)	Nov 2021 ~ present	Predicts and proposes products that match customer needs: 3 to 5 times more effective than conventional methods
Forecasts of business conditions changes (Credit control in the process)	Jul 2022 ~ present	Early identification of changes in business conditions of customers and prompt support: Faster and more sophisticated support for customers
Online lending (New credit screening)	Apr 2023 ~ present	Creation of an AI screening model that determines risk based on historical account transfer data: Accelerated responses to examinations and reduced materials through AI examination
Suspicious transaction detection (Risk management)	Jan 2023 ~ currently testing	Fraudulent transaction detection model developed by the Bank based on analysis of past suspicious transactions: Detects transactions that could not be detected by conventional methods, preventing the occurrence and expansion of damage
Business streamlining (Generative AI)	Scheduled to be tested in 1H FY2023	Starting trials with internal bank operations after eliminating the risk of generative AI, including Chat-GPT: Dramatic improvement in productivity of internal operations

## Digital Reform of Business Operations and Organization

### Electronic Contracting Service

Electronic contracting service was introduced in all stores to promote customer convenience and digitalization of loan businesses. Now proceeding preparations for acceptance of web-based housing loan application.

E-contracting services	Outline of services	«2H FY2022 results»	Oct	Nov	Dec	Jan	Feb	Mar
	<b>Electronic Contracting Service</b> Loan procedures can be completed on the web using electronic signatures.	No. of contracts	278	436	664	479	560	971
		Contract ratio	33.9%	43.6%	51.6%	59.3%	58.7%	57.8%
	<b>Overdraft Borrowing Request Service</b> Borrowing application procedures of overdraft agreement can be completed on the web.	No. of contracts	122	142	191	189	193	280
		Contract ratio	12.8%	15.4%	17.0%	20.6%	21.6%	23.3%

### Visit Reservation Service

Aiming to improve customer convenience by reducing waiting times and implementing smooth operations.

«2H FY2022 results»	Oct	Nov	Dec	Jan	Feb	Mar
<b>No. of visit reservation</b>	3,123	3,315	4,768	3,755	4,338	6,307
<b>Percentage of visit reservation for new account openings</b>	17.9 %	17.9 %	27.4 %	23.0 %	26.5 %	26.9 %



ご予約内容の選択

メニューを選択してください

相談コンサルティングへのご相談

ご予約日時を選択してください

選択されたメニューの予約できる日を表示しています

2023/5/13(土) ~ 5/19(金)

日	月	火	水	木	金
5/13	5/14	5/15	5/16	5/17	5/18
-	-	×	○	○	○

○ 予約できます △ 残りわずか × 予約できません ㊦ お電話でご予約ください

現在予約できる期間：2023/05/14(日) ~ 2023/06/12(月)

受付期間：2022/12/01(木)から

受付時間：15時前までの受付

受付開始：30日間の受付

※こちらのメニューはご予約の受付となります

## Personnel System Reform to Support Growth and Job Satisfaction

### Support for Career Development and Skills Development

Encouraging each staff to improve his or her personal skills and acquire specialized knowledge/skills in order to produce human resources who embody the image of desired human resources of "establishing strengths," "a progressive spirit," and "thinking and acting on one's own initiative" and who are needed by customers.

	Outline
<b>Career management training/career counseling</b>	Motivating each employee to think about his/her career vision, the implementation of skill development that necessary to achieve it. In addition to training, Personnel Department staff conduct career counseling with each employee to support career development.
<b>Out-of-office training</b>	Conducted out-of-office training to acquire a wide range of management skills, field-specific business knowledge, and general business skills to respond to increasingly sophisticated and diverse customer needs and changes in the environment. A total of 5,319 employees participated in this training in FY2022.
<b>Voluntary training (Sei-Sei Juku)</b>	In FY2022, a total of 37 courses in business skills, liberal arts, and qualification acquisition support courses were held, with a total of 2,203 employees participating.
<b>Your Learning</b>	Began offering "Your Learning" (external video content for self-study) free of charge in FY2022. In the first year, a total of 650 employees took 4 courses.

### Support for Acquisition of Official Qualifications

Providing support such as subsidies and incentives of up to ¥500,000 for those who pass public qualifications that are generally considered difficult to obtain. Eligible qualifications are added every year to promote the acquisition of expertise in a wide range of fields.

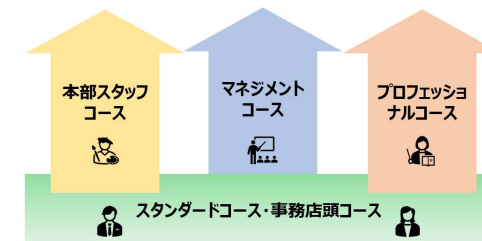
No. of employees with qualification as of the end of FY2022	Small and medium sized enterprise consultant	FP 1st grade/CFP	FP 2nd grade/AFP	Securities analyst	Real estate transaction agent
	57	129	1,223	55	305

## Personnel System Reform to Support Growth and Job Satisfaction

### Multiple-Track Course System

Multiple-Track Course System was introduced in Jul 2022 to develop high value-added human resources who can respond to changes in the Bank's business environment and customers' expectations, and to realize the Bank's transformation into a comprehensive financial service provider.

5 courses - "Professional," "Headquarters Staff," "Standard," and "OTC Administrative" in addition to the existing "Management" - encourage career development that takes advantage of each employee's strengths and aptitudes.



### Promoting Participation of Male Employees in Childcare

Setting a target of 100% utilization of childcare leave by male employees, promoting their utilization.

In Oct 2022, revised the Bank's original leave system for childcare purposes to allow employees to take 10 days of leave at the time of the birth of their spouse or by the end of the month in which the child reaches the age of two.

In FY2022, 89.5% of male employees took leave for childcare purposes, and the average number of days taken was 11.4 days.

Percentage of male employees taking childcare leave	FY2018	FY2019	FY2020	FY2021	FY2022
	28.8%	31.9%	35.9%	60.3%	89.5%



### Support for Balancing Work and Medical Treatment

Infertility treatment and outpatient cancer treatment have been added to the requirements for taking Special Leave for Personal Injury or Illness effective in Jan 2023. This Special Paid Leave grants up to 60 days per personal injury or illness when the need for long-term treatment is approved by a doctor. By enhancing the leave system and education system, the Bank will create an environment where employees can continue to work with peace of mind while undergoing treatment for injuries and illnesses.

## Personnel System Reform to Support Growth and Job Satisfaction

### Human Capital Situation

Making various efforts to create an organization where every employee can experience growth and satisfaction.

<b>Diversity</b>	Unit	FY2019	FY2020	FY2021	FY2022
No. of employees	Person	3,138	3,159	3,067	<b>3,041</b>
Of which female employees	Person	1,419	1,461	1,437	<b>1,446</b>
Female employees ratio	%	45.2	46.2	46.9	<b>47.6</b>
Average years of employment	Years	15.1	15.8	16.2	<b>15.8</b>
For male employees	Years	17.8	17.6	18.0	<b>17.5</b>
For female employees	Years	13.5	13.8	14.0	<b>14.1</b>
Percentage of women in management positions	%	9.4	10.8	11.5	<b>12.5</b>
Percentage of women in leadership positions	%	17.4	18.4	18.6	<b>19.8</b>
<b>Work life balance</b>	Unit	FY2019	FY2020	FY2021	FY2022
Average no. of days of paid leave taken	Days	13.3	13.9	14.3	<b>15.9</b>
Percentage of paid leave taken	%	69.4	72.0	74.1	<b>81.5</b>
<b>Health and productivity management</b>	Unit	FY2019	FY2020	FY2021	FY2022
Specific health guidance implementation ratio	%	62.7	49.4	86.4	<b>78.0(※)</b>
Percentage of obese people (BMI: 25 or higher)	%	20.2	20.5	19.8	<b>18.6</b>
<b>Human resource development</b>	Unit	FY2019	FY2020	FY2021	FY2022
Total training hours per year	Hours	49,651	39,431	55,216	<b>73,247</b>
Average training hours per employee	Hours	16.6	12.5	18.0	<b>24.1</b>

※Preliminary as of the end of Mar 2023

## 3. Business Integration



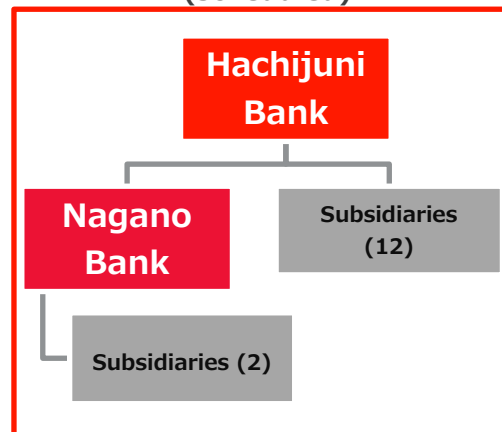
## Merger Summary

Hachijuni Bank and Nagano Bank merged on June 1, 2023, through a share exchange. Hachijuni Bank became the wholly-owning parent company and Nagano Bank became a wholly-owned subsidiary(※). The two banks will promote discussions and reviews towards early merger after business integration.

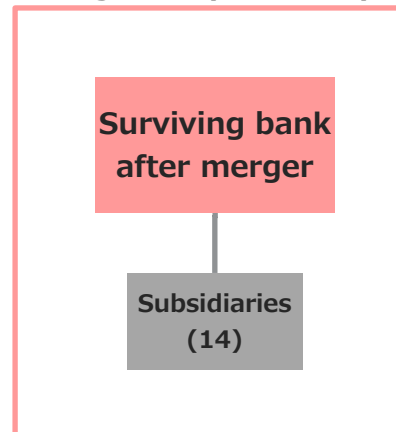
※Subject to obtaining the necessary permits and approvals by relevant authorities.

### ◆ Merger Structure and Timeline

**Jun 2023: Business integration (scheduled)**



**Early merger after the business integration (scheduled)**



- Jan 20, 2023: Execution of the Share Exchange Agreement and Business Integration Agreement
- Mar 24, 2023: Extraordinary Meeting of the Shareholders of Nagano Bank
- May 30, 2023: Delisting of Nagano Bank (scheduled)
- Jun 1, 2023: Business integration (become wholly-owned parent and subsidiary) (scheduled)

### ◆ Share exchange ratio

For each share of common stock of Nagano Bank, 2.54 shares of common stock of Hachijuni Bank will be allotted.

	Hachijuni	Nagano
Share exchange ratio	1	2.54

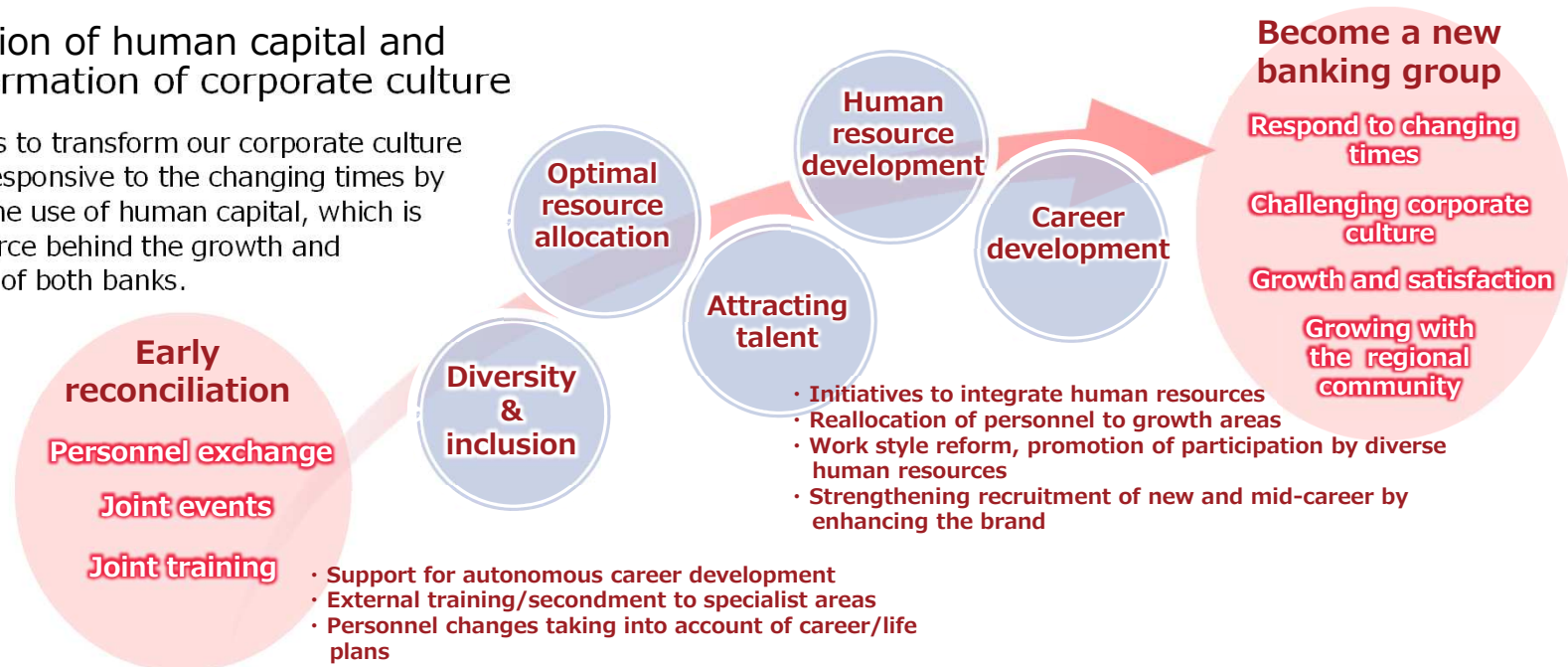




## Expected Synergies From Merger

### ◆ Utilization of human capital and transformation of corporate culture

Making efforts to transform our corporate culture to be more responsive to the changing times by maximizing the use of human capital, which is the driving force behind the growth and development of both banks.



### ◆ Enhancement of financial intermediary functions and financial services

Combining the know-how, data, and networks of the two banks and utilizing group functions, strengthening support for core business, and fostering and growing local industries.

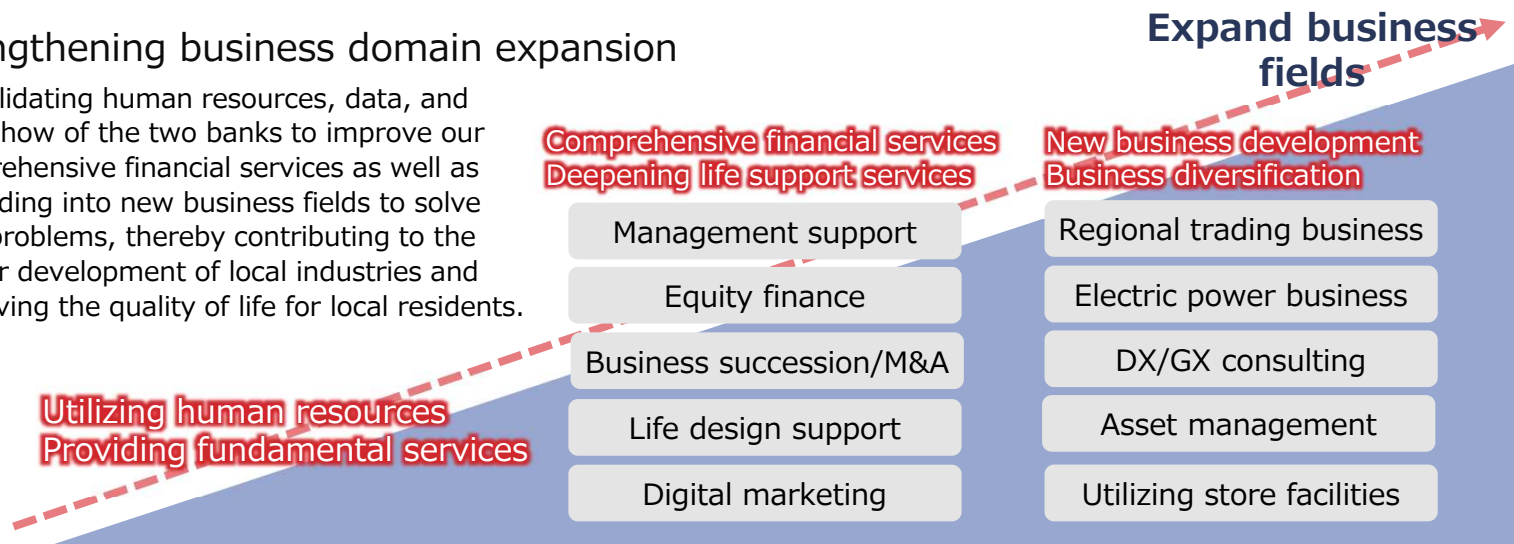
Improving the convenience of various services and providing services corresponding to our customers' needs by expanding digital channels and services.



## Merger Outcomes

### ◆ Strengthening business domain expansion

Consolidating human resources, data, and know-how of the two banks to improve our comprehensive financial services as well as expanding into new business fields to solve local problems, thereby contributing to the further development of local industries and improving the quality of life for local residents.



### ◆ Strengthening management base

Promoting management efficiency through consolidation and elimination of overlapping branches, reorganization and integration of head office organizations, and commonization of systems and paperwork, building a sound management base that will provide stable functions and services in the future.

