

The 55th Information Meeting

May 29, 2025



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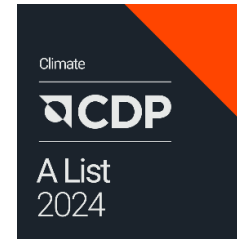
Overview of The Hachijuni Bank

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Name	The Hachijuni Bank, Ltd.
Head office	Nagano City, Nagano Prefecture
Established	August 1, 1931
Branch network	Domestic: 152 branches (132 in prefecture, 20 outside) Overseas: 1 branch (Singapore) 2 representative offices (Shanghai, Bangkok)
Employees	3,301 (+12 from Mar. 31, 2024)
Capital stock	¥52.2bn
Issued shares	493,767,000 (20mn shares canceled Jan. 2025)
Total assets	¥12,532.9bn (–¥1,178.4bn from Mar. 31, 2024)
Net assets	¥872.5bn (–¥139.1bn from Mar. 31, 2024)
Deposits	¥8,693.8bn (+¥226.1bn from Mar. 31, 2024)
Loans	¥6,026.0bn (–¥177.3bn from Mar. 31, 2024)
Capital adequacy ratio (Basel III)	Consolidated: 16.29% (–4.45% from Mar. 31, 2024) Non-consolidated: 15.65% (–5.35% from Mar. 31, 2024)
Ratings	S&P Global Ratings: A– R&I: A+ JCR: AA

Topics

- ◆ Obtained highest score of A from the CDP in its 2024 climate change rating for second consecutive year
- ◆ Signed a comprehensive business alliance agreement with Shizuoka Bank and The Yamanashi Chuo Bank in March 2025, launching the Mt. Fuji-Alps Alliance



Reference: Overview of The Nagano Bank

Name	The Nagano Bank, Ltd.
Head office	Matsumoto City, Nagano Prefecture
Branch network	Domestic: 52 branches (51 in prefecture, 1 outside)
Employees	605
Total assets	¥902.1bn
Net assets	¥16.8bn
Deposits	¥874.1bn
Loans	¥503.5bn

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Summary of FY2024 Financial Results

Summary of FY2024 Financial Results (Consolidated)

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◆ Consolidated	(¥100mn)	3/2024	3/2025	YoY
Consolidated gross business profit		1,004	1,132	127
Profit on interest		877	1,043	165
Profit on fees & commissions		184	177	(7)
Trading profit		2	2	(0)
Profit from other business transactions		(60)	(91)	(30)
General & administrative expenses		662	725	63
Credit related expenses		16	15	(1)
Gains/losses related to stocks		109	305	196
Gains/losses on money held in trust		(9)	(2)	6
Ordinary profit		352	638	286
Extraordinary gains/losses		156	10	(145)
Gain on negative goodwill		173	—	(173)
Profit attributable to owners of parent		370	479	109

• Ordinary profit

Ordinary profit grew ¥28.6bn year-on-year due to factors such as the profit on interest of The Hachijuni Bank (non-consolidated) increasing ¥14.8bn year-on-year and gains related to stocks increasing ¥19.6bn year-on-year.

• Profit attributable to owners of parent

Although extraordinary gains/losses decreased by ¥14.5bn year-on-year due to factors such as the gains on negative goodwill recorded in the previous year, profit attributable to owners of parent increased ¥10.9bn year-on-year due to an increase in ordinary profit.

*The consolidated financial results for FY2023 do not include the gains and losses of The Nagano Bank, Nagagin Lease, and Nagano Card from April to June 2023.

Summary of FY2024 Financial Results (The Hachijuni Bank, Non-consolidated)

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◆ The Hachijuni Bank	(¥100mn)	3/2024	3/2025	YoY
Gross business profit (A)		875	963	87
Profit on interest		809	958	148
Profit on fees & commissions		103	104	0
Profit from other business transactions		(38)	(101)	(63)
Gains/losses related to bonds (B)		(62)	(119)	(56)
General & administrative expenses (C)		542	614	72
Actual net business profit (A-C)		333	348	15
Core net business profit (A-B-C)		395	467	71
Excl. gains/losses on cancellation of investment trusts		408	481	72
Transfer to general allowance for credit losses (D)		2	(5)	(7)
Net business profit (A-C-D)		331	353	22
Special profit/losses				
Gains/losses related to stocks (E)		100	295	195
Gains/losses on money held in trust (F)		(9)	(2)	7
Disposal of NPLs		11	22	11
Ordinary profit		362	599	236
Extraordinary gains/losses		6	11	4
Gains/losses on disposal of non-current assets		(1)	12	14
Profit		271	459	188
Profit/losses related to securities (B+E+F)		28	173	145
Credit related expenses		13	17	4

• Profit on interest

Profit on interest grew ¥14.8bn year-on-year due mainly to increases in interest and dividends on securities and interest on loans in the domestic sector.

• Gains/losses related to bonds

Gains/losses related to bonds decreased by ¥5.6bn year-on-year as a result of reviewing portfolios due to rising interest rates.

• Core net business profit

Despite increases in general and administrative expenses, core net business profit grew ¥7.1bn year-on-year due to factors such as increased profit on interest.

• Ordinary profit

Ordinary profit grew ¥23.6bn year-on-year due mainly to increases in core net business profit and gains related to stocks.

• Profit

Profit grew ¥18.8bn year-on-year to ¥45.9 bn.

Summary of FY2024 Financial Results (The Nagano Bank, Non-consolidated)

◆ The Nagano Bank		(¥100mn)	3/2024	3/2025	YoY
Gross business profit (A)			(59)	42	101
Profit on interest			89	85	(3)
Profit on fees & commissions			3	(0)	(3)
Profit from other business transactions			(151)	(42)	109
Gains/losses related to bonds (B)			(123)	(41)	81
General & administrative expenses (C)			96	85	(10)
Actual net business profit (A-C)			(155)	(43)	111
Core net business profit (A-B-C)			(31)	(1)	30
Excl. gains/losses on cancellation of investment trusts			(31)	(4)	27
Transfer to general allowance for credit losses (D)			4	—	(4)
Net business profit (A-C-D)			(159)	(43)	116
Special profit/losses	Gains/losses related to stocks (E)		32	22	(9)
	Gains/losses on money held in trust (F)		0	(0)	(0)
	Disposal of NPLs		30	0	(30)
	Gains on reversal of allowance for credit losses		—	3	3
Ordinary profit			(158)	(15)	143
Extraordinary gains/losses			(37)	1	38
Profit			(216)	(15)	201
Profit/losses related to securities (B+E+F)			(90)	(19)	71
Credit related expenses			35	(3)	(38)

• Core net business profit

Core net business profit grew ¥3.0bn year-on-year due to factors such as decreases in other operating expenses and general and administrative expenses.

• Gains/losses related to bonds

As in the previous year, portfolios were reviewed in preparation for integration, which resulted in losses related to bonds of ¥4.1bn, an improvement of ¥8.1bn year-on-year.

• Ordinary profit

Ordinary profit grew ¥14.3bn year-on-year due to a reduction in losses related to bonds and a decrease in credit related expenses caused by factors such as the integration of financing transactions with The Hachijuni Bank.

• Extraordinary gains/losses

Extraordinary gains grew ¥3.8bn year-on-year due to the recording of reserves in preparation for integration in the previous year.

• Profit

The Nagano Bank recorded ¥1.5bn in losses, an improvement of ¥20.1bn year-on-year.

Profit on Interest

- Domestic sector: Increase of ¥12.4bn year-on-year mainly due to improved yields on loans and securities and an increase in the balance of securities.
- International sector: Increase of ¥2.4bn year-on-year mainly due to an increase in the balance of loans and securities.

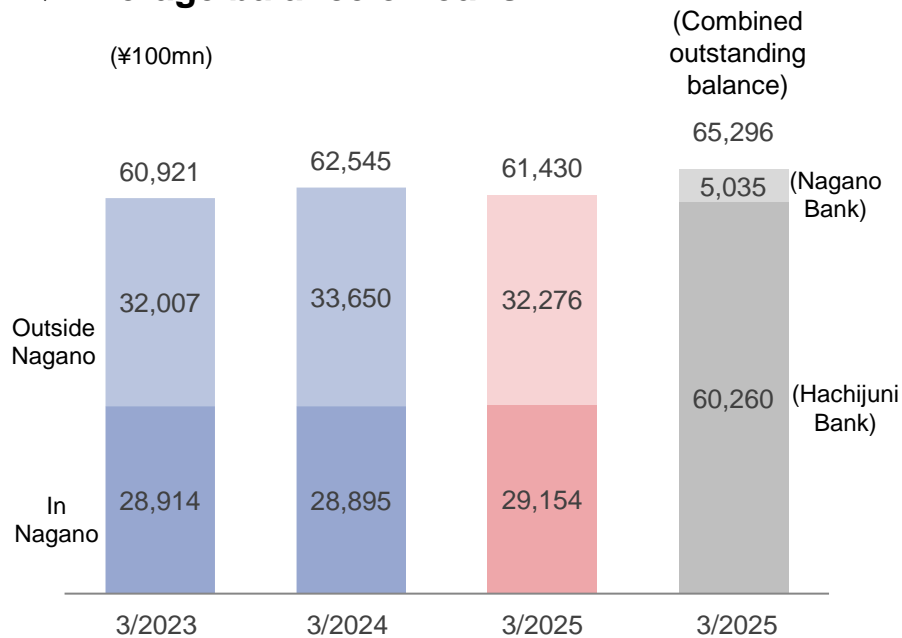
◆ Profit on interest (¥100mn)	3/2024	3/2025	YoY
Domestic sector	712	836	124
Interest income	740	930	189
Interest on loans	405	472	66
Interest and dividends on securities	305	365	60
Interest on deposits (income)	24	80	55
Funding costs	28	94	65
Interest on deposits (expenses)	1	47	46
International sector	97	121	24
Interest income	437	472	35
Interest on loans	186	188	2
Interest and dividends on securities	236	270	34
Funding costs	339	350	11
Interest on deposits (expenses)	44	41	(2)

◆ Yield (%)	3/2024	3/2025	YoY
Domestic sector			
Yield	0.62	0.81	0.19
Yield on loans	0.68	0.81	0.13
Yield on securities	1.46	1.57	0.10
Funding yield	0.02	0.08	0.06
Yield on deposits	0.00	0.05	0.05
International sector			
Yield	4.99	4.81	(0.17)
Yield on loans	5.68	5.28	(0.40)
Yield on securities	4.61	4.58	(0.02)
Funding yield	3.96	3.62	(0.34)
Yield on deposits	3.99	3.61	(0.37)

Loans and Deposits

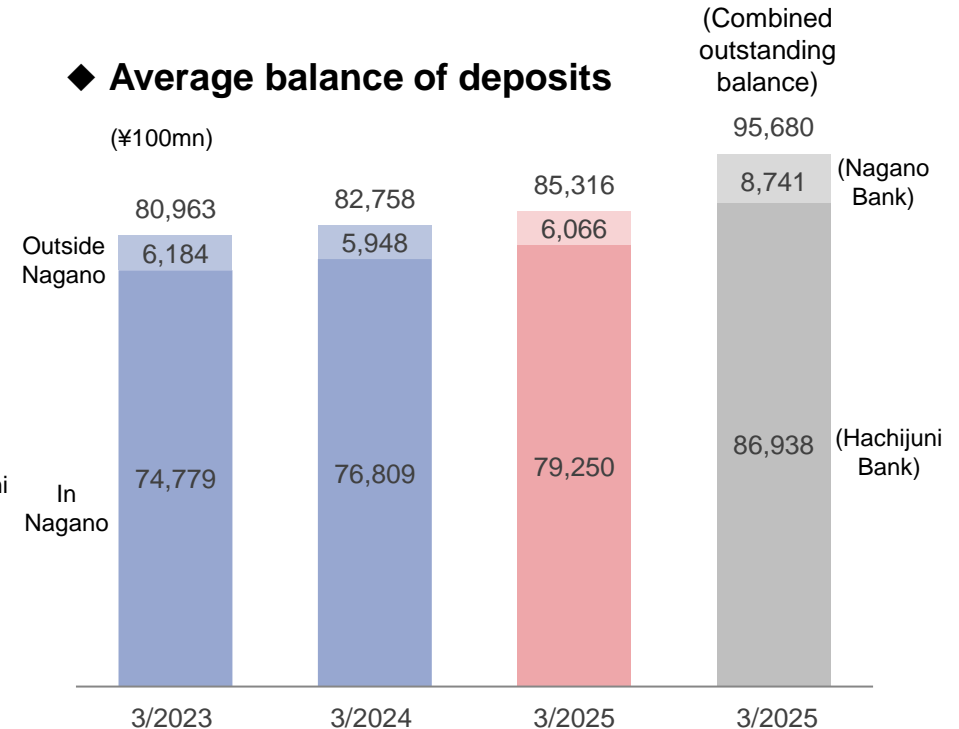
- Although the balance of business and consumer loans increased, the total balance of loans decreased due to a decrease in loans to the central government.
- The balance of deposits continued increasing steadily.

◆ Average balance of loans



YoY (%)	3/2023	3/2024	3/2025
All branches	4.83	2.66	(1.78)
Outside Nagano	8.71	5.13	(4.08)
In Nagano	0.84	(0.06)	0.89

◆ Average balance of deposits

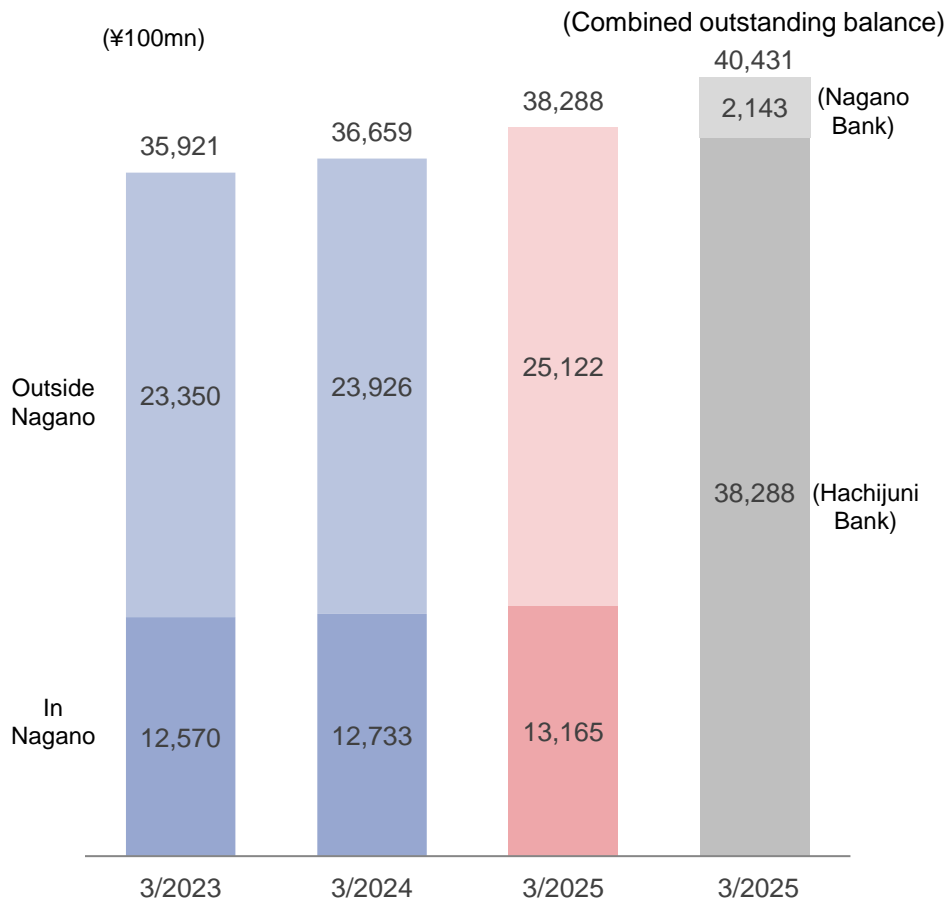


YoY (%)	3/2023	3/2024	3/2025
All branches	3.90	2.21	3.09
Outside Nagano	0.37	(3.80)	1.98
In Nagano	4.20	2.71	3.17

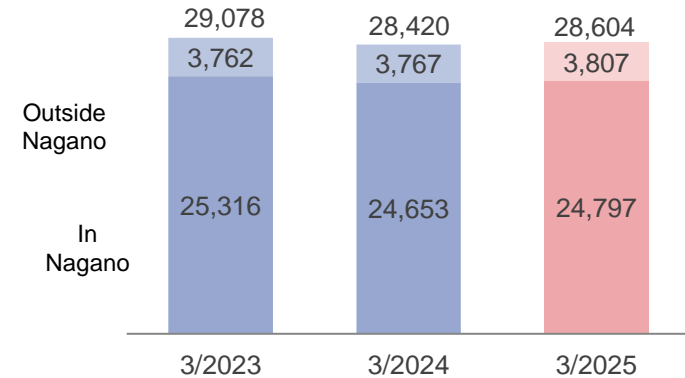
Business Loans

- Business loans maintained a positive annual growth rate both in and outside of Nagano Prefecture. The balance of both business loans and SME loans grew due to factors such as enhanced efforts for structured finance.

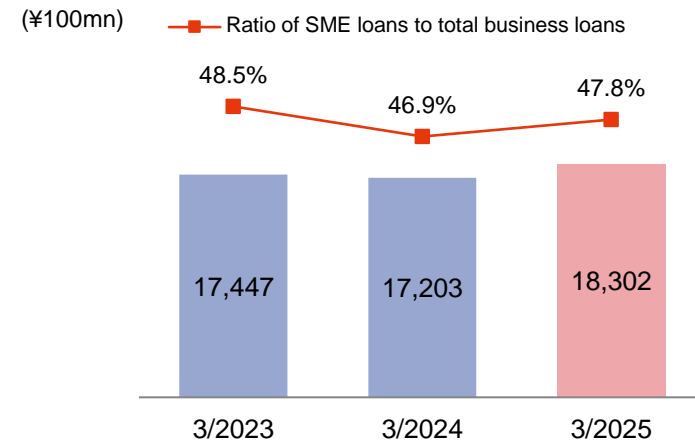
◆ Outstanding balance of business loans



◆ Number of borrowers



◆ Outstanding balance of business loans for SMEs*

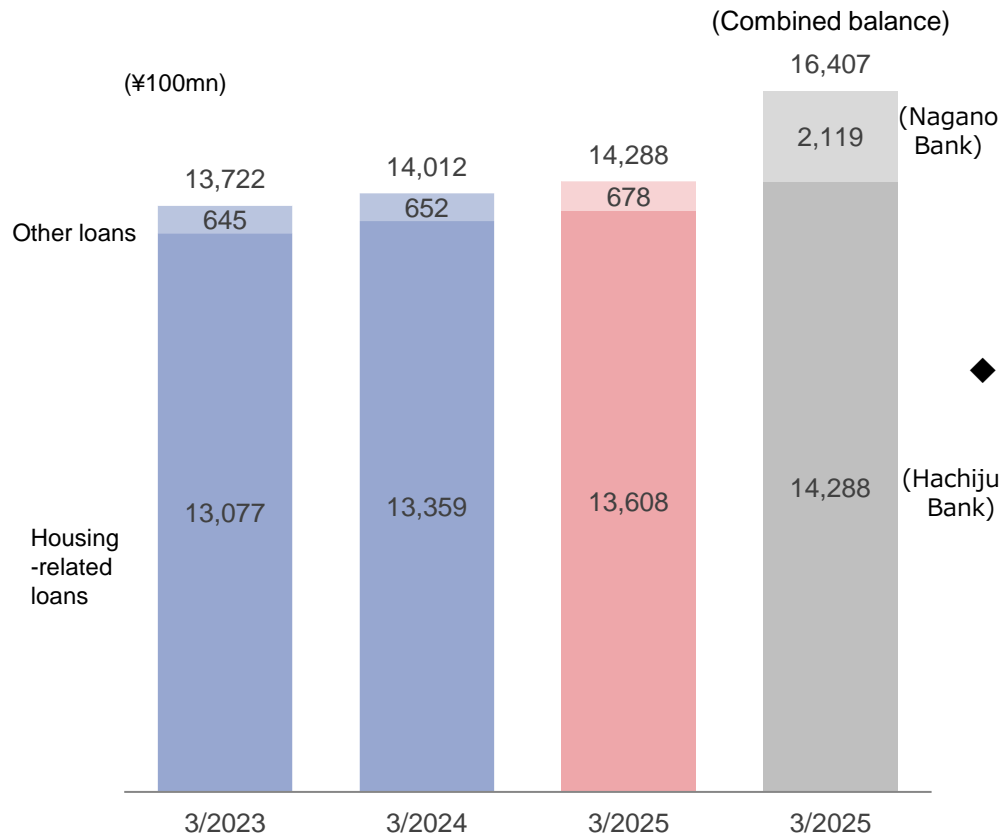


*Small and medium enterprises (excluding local governments and public corporations) and sole proprietorships

Personal Loans

- The balance of personal loans reached a record high. However, the amount of new home loans decreased due to a decline in housing demand caused by high building material prices leading to higher housing prices.

◆ Outstanding balance of personal loans



◆ New home loan amounts

(¥100mn)	3/2023	3/2024	3/2025
New loan amounts	1,330	1,177	1,137
Floating (% of total)	1,152 (86.6%)	1,147 (97.4%)	1,119 (98.4%)
10-year fixed (% of total)	156 (11.7%)	21 (1.7%)	9 (0.7%)

◆ Outstanding balance of home loans by interest rate

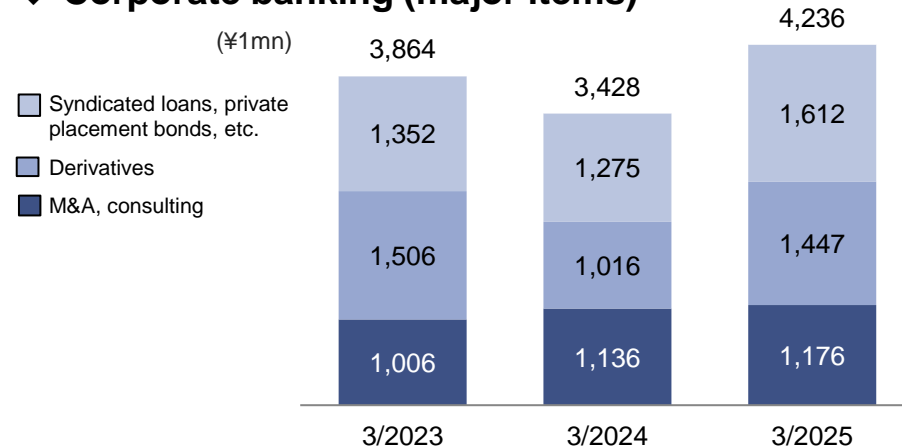
(¥100mn)	3/2023	3/2024	3/2025
Outstanding balance	12,557	12,886	13,142
Floating (% of total)	6,386 (50.9%)	7,429 (57.7%)	8,450 (64.3%)
10-year fixed (% of total)	5,332 (42.6%)	4,658 (36.1%)	4,340 (33.0%)

Profit on Fees and Commissions

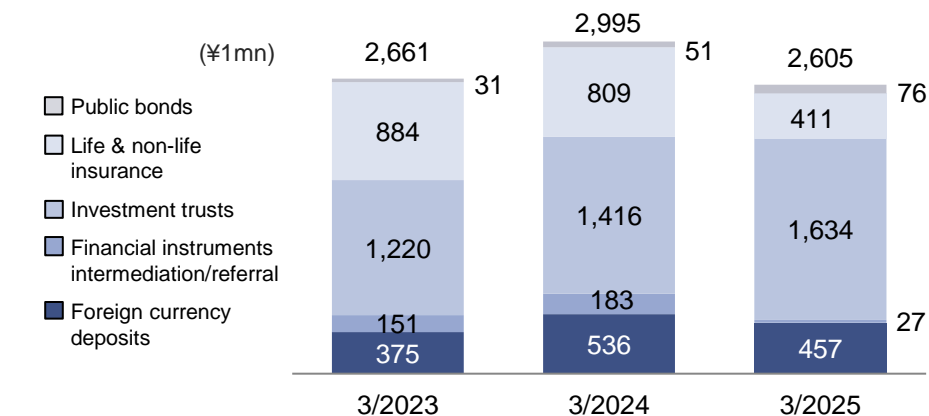
- Life insurance agency commissions decreased, but profits on fees and commissions grew ¥900mn year-on-year to ¥10.4bn due to factors such as increased syndicated loan related fees and increased domestic exchange fees.

(¥100mn)		3/2023	3/2024	3/2025
Profit on fees & commissions		106	103	104
Fees & commission income		182	186	192
Major items	Deposit/loan services	89	92	99
	Exchange services	51	51	54
	Securities-related services	17	20	20
	Agency services	12	10	6
	Fee & commission payments	76	83	88
Major items	Fees related to payment of loans	57	63	67
	Exchange services	6	6	7

◆ Corporate banking (major items)*



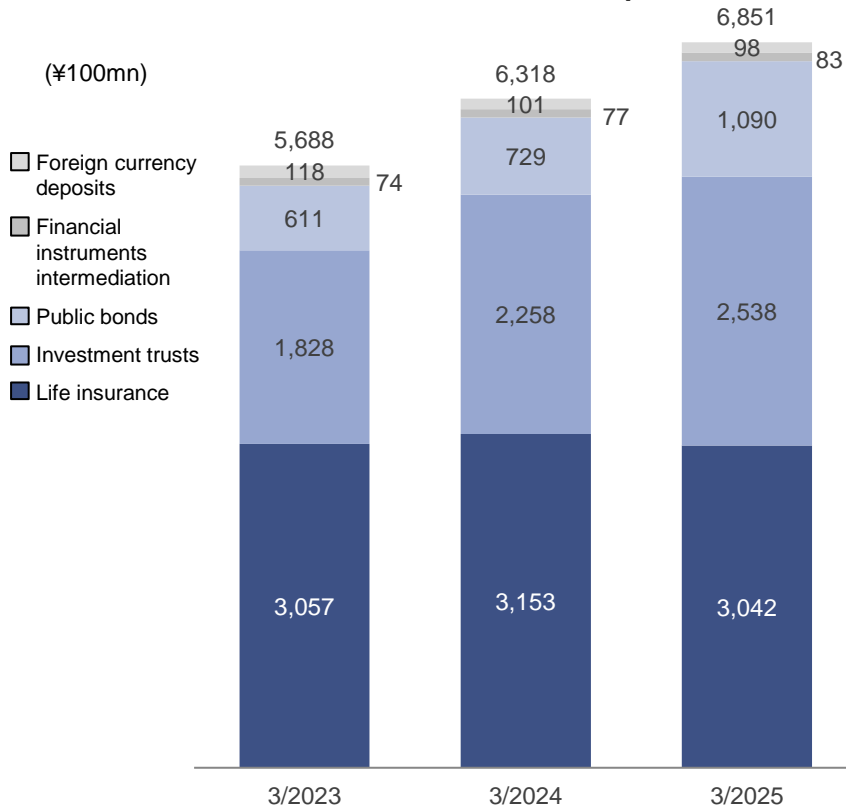
◆ Personal banking (investment products)*



* The above figures show income from consulting services in each area and also include amounts other than profit on fees and commissions, such as profit from other business transactions.

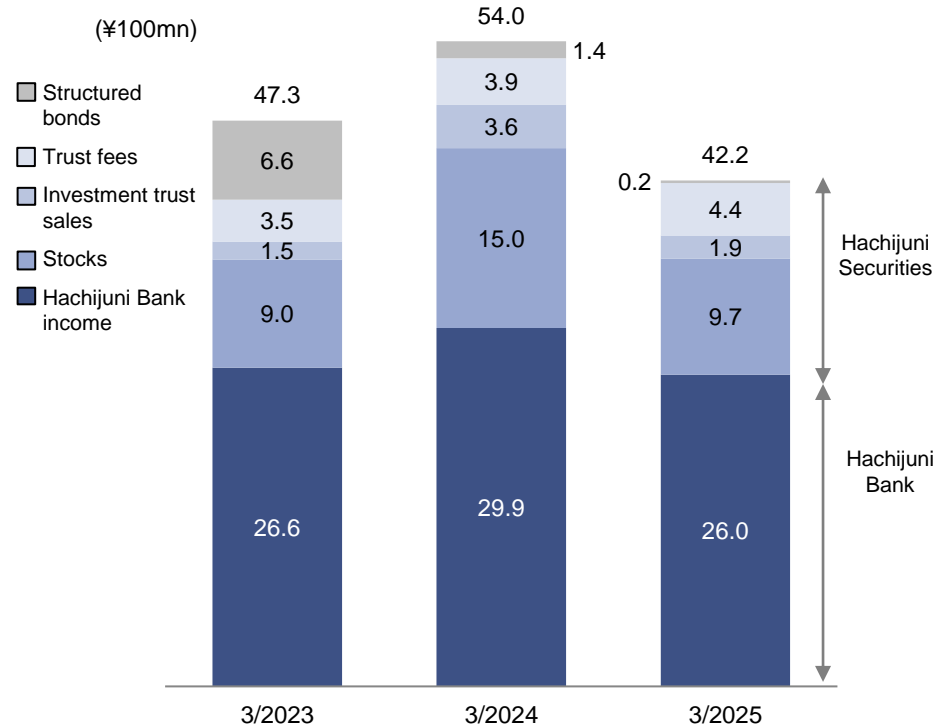
Investment Income

◆ Personal investments balance (market value)



◆ Investment income

(The Hachijuni Bank and Hachijuni Securities; excluding intermediary fees to The Hachijuni Bank)



◆ Investment trust savings accounts

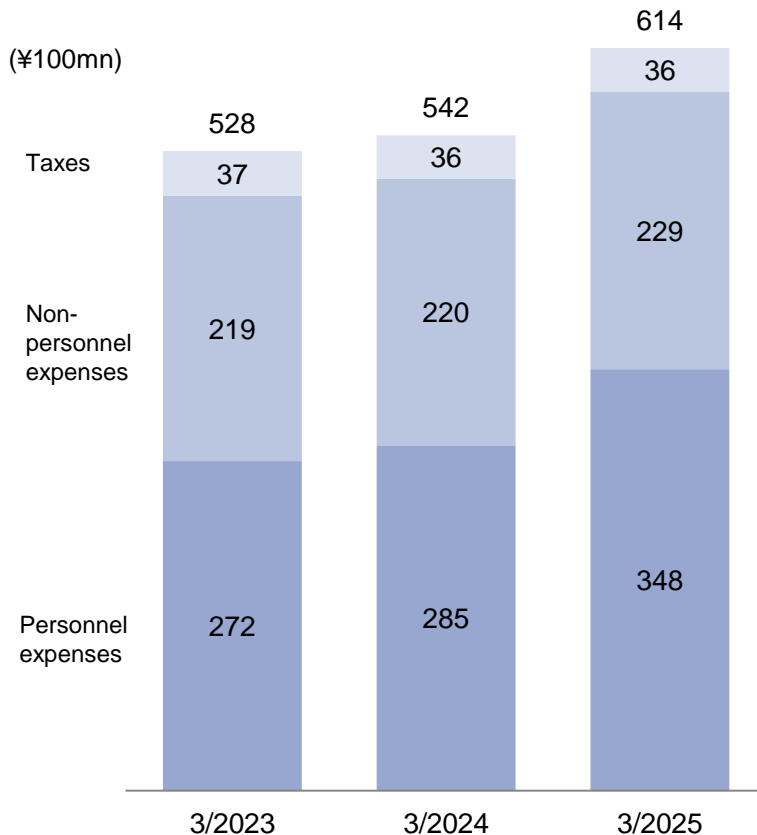
	3/2023	3/2024	3/2025	YoY
No. of accounts	54,599	60,673	70,204	9,531
Tsumitate NISA accounts	28,822	40,803	54,374	13,571
Monthly investment amount (¥1mn)	1,597	2,092	2,718	626

- We offer investment trust savings accounts to many customers as an effective way to build assets.
- We continue to be one of the leading regional banks in terms of number of investment trust savings accounts, Tsumitate NISA accounts, and monthly investment amount.

General and Administrative Expenses

- Non-personnel expenses increased ¥800mn year-on-year due to factors such as increased outsourcing expenses relating to the business merger.
- Personnel expenses increased ¥6.3bn year-on-year due mainly to increased wages, an increased number of employees on loan from The Nagano Bank, and increased staff following the absorption of Hachijuni System Development in the previous year.

◆ General and administrative expenses



◆ Main causes of expense increases

(¥100mn)	3/2024	3/2025	Main causes
Non-personnel expenses	220	229	<ul style="list-style-type: none"> • Depreciation (+¥200mn YoY) • Outsourcing expenses (+¥800mn YoY) • Contracting expenses (-¥600mn YoY)
Personnel expenses	285	348	<ul style="list-style-type: none"> • Wages increased due to higher base pay, etc. • Increased number of employees on loan from Nagano Bank • Staff increased due to absorption of Hachijuni System Development

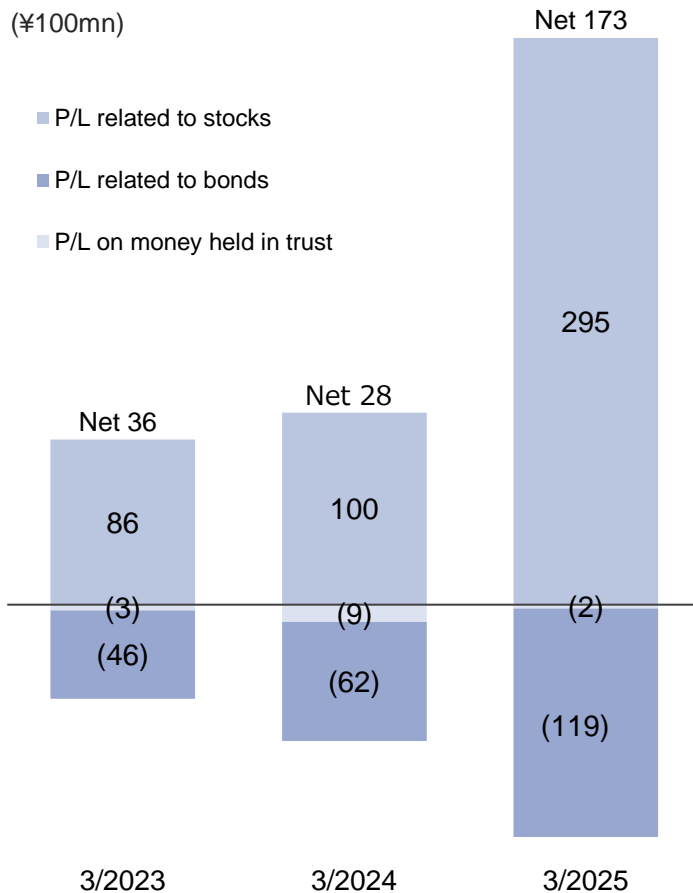
◆ Investment amount

(¥100mn)	3/2024	3/2025	Main investments
Investment amount	47	49	<ul style="list-style-type: none"> • Merger-related items (branch renovations, system revisions) • Head office renovations

Profit/Losses Related to Securities

- Despite an increase in losses related to bonds due to the sale of low-yield long-term bonds and other factors, profit/losses related to securities (trading) grew ¥14.5bn year-on-year due to an increase in profit related to stocks.
- Valuation profit/losses on securities decreased compared to the end of the previous year due to a rise in domestic interest rates and fall in domestic stock prices.

◆ Profit/losses related to securities (trading)



◆ Valuation profit/losses on securities

(¥100mn)	3/2023	3/2024	3/2025
Stocks	4,165	6,416	4,671
Strategic holdings	3,698	5,666	1,116
Bonds	(280)	(509)	(1,208)
Others	(73)	(28)	(70)
Total	3,811	5,878	3,393
Valuation P/L on hedged interest rate swaps	322	500	815
Net	4,133	6,378	4,208

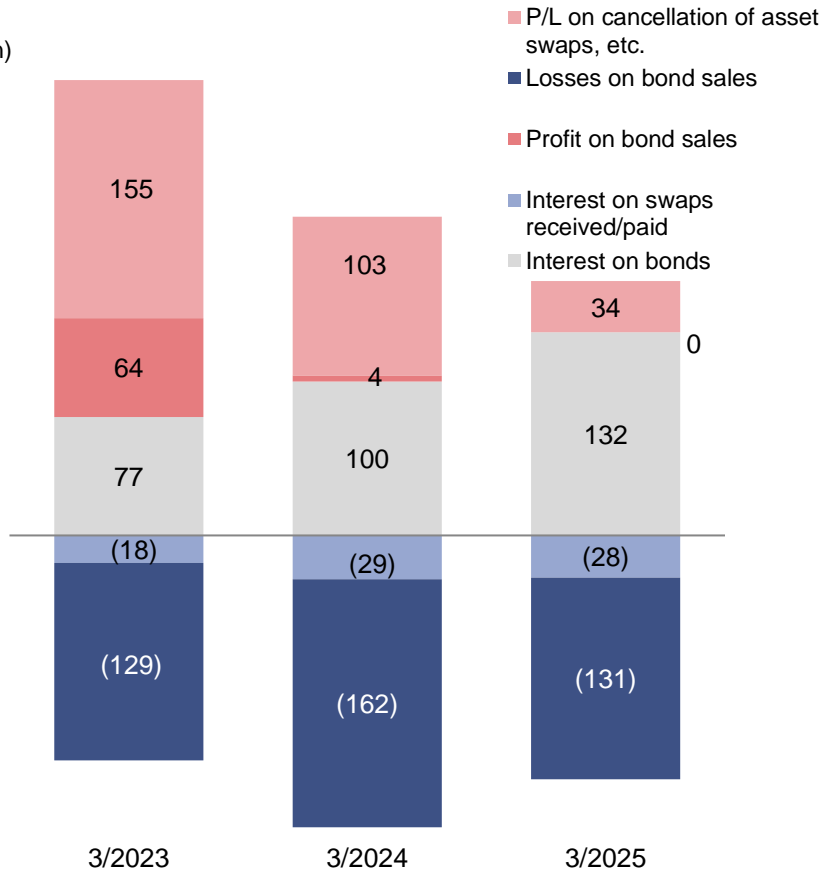
Market Investment (Yen-Denominated Bonds)

- Total realized profit was ¥700mn due to reinvesting returns mainly in medium-term bonds while reducing interest risks by selling ultra long-term (10+ year) bonds and low-yield bonds.

◆ Realized profit/losses

Total realized P/L	150	17	7
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(¥100mn)

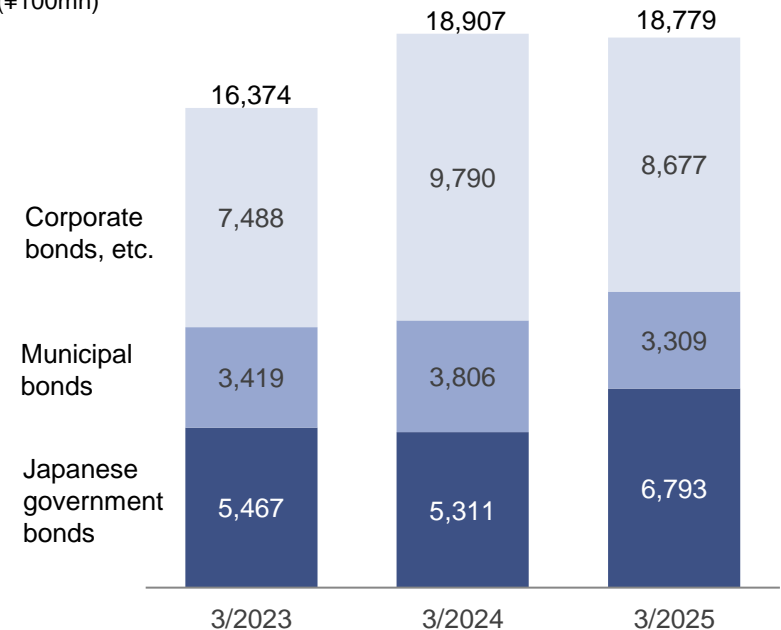


◆ Valuation profit/losses and outstanding balance

Valuation P/L excluding hedging	(290)	(524)	(1,242)
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Valuation P/L including hedging	(42)	(135)	(508)
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(¥100mn)



*Figures are based on ALM accounting for market investments and differ from the figures published in financial statements.

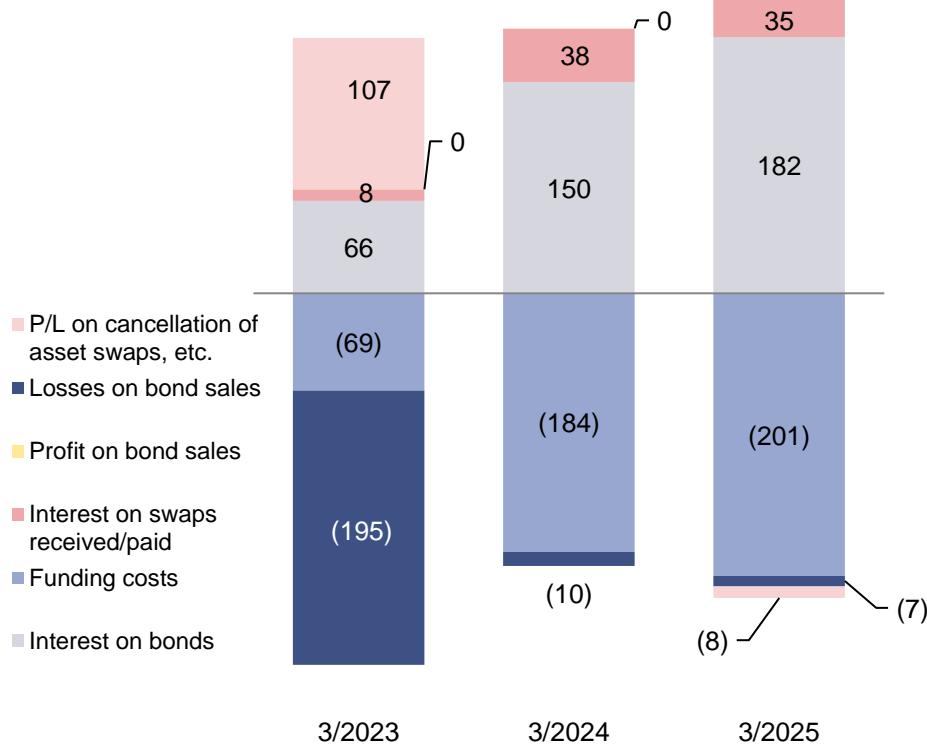
Market Investment (Foreign Currency Denominated Bonds)

- Total realized profit was ¥100mn due to selling assets with negative yields and purchasing floating-rate bonds with attractive spreads.

◆ Realized profit/losses

Total realized P/L	(82)	(5)	1
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(¥100mn)

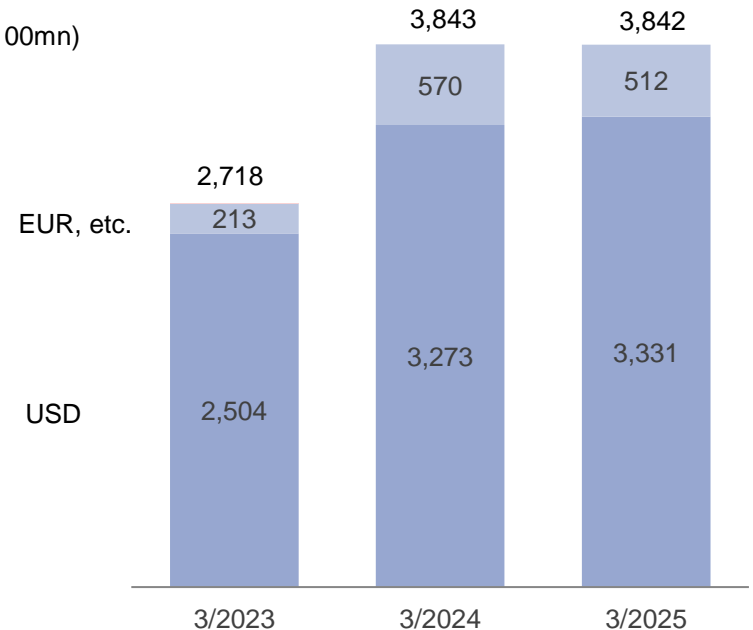


◆ Valuation profit/losses and outstanding balance

Valuation P/L excluding hedging	(123)	(162)	(153)
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Valuation P/L including hedging	(48)	(51)	(48)
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(¥100mn)



*Figures are based on ALM accounting for market investments and differ from the figures published in financial statements.

Outstanding Balance of Securities

- We aim to improve medium to long-term portfolio profitability by steadily expanding investments in domestic bonds, alternative investments, and other areas while securing stable interest and dividends and income from flexible trading.

*Figures are based on ALM accounting for market investments and differ from the figures published in financial statements.

(Based on acquisition cost (¥100mn))		9/2023	3/2024	9/2024	3/2025	Investment policy
Domestic bonds		17,903	19,429	20,730	20,020	↗
	Japanese government bonds	5,218	5,725	7,129	7,708	
	Municipal bonds	4,199	3,822	3,738	3,382	
	Public bonds, corporate bonds, etc.	7,745	9,023	9,054	8,191	
	Beneficial interests in trusts	741	859	810	739	
Domestic stocks		1,013	983	980	972	↘
Domestic investment trusts, etc.		2,952	3,185	3,444	3,558	→
Foreign bonds		3,412	4,006	3,922	3,996	↗
Foreign stocks		17	20	13	22	→
Foreign investment trusts, etc.		438	471	441	496	↗
Total		25,735	28,095	29,493	29,064	—
Domestic bond duration (including swap hedging)		3.61 years	3.32 years	3.15 years	2.96 years	—

2H FY2024 initiatives

Planned initiatives for 1H FY2025

Bonds	<ul style="list-style-type: none"> ◇ Domestic bonds <ul style="list-style-type: none"> • Sold ultra long-term (10+ year) bonds and low-yield bonds, etc. while reinvesting mainly in medium-term bonds ◇ Foreign bonds <ul style="list-style-type: none"> • Invested mainly in floating-rate bonds with attractive spreads such as CLOs and CMO floaters 	<ul style="list-style-type: none"> ◇ Domestic bonds <ul style="list-style-type: none"> • Take basic stance of monitoring monetary policy trends and reinvesting returns, and expand purchases of JGBs, etc. when interest rates are rising • Expand trading of asset swaps while monitoring spread trends ◇ Foreign bonds <ul style="list-style-type: none"> • Expand investment mainly in floating-rate bonds with attractive spreads such as CLOs and CMO floaters
Stocks	◇ Secured income by trading mainly domestic individual stocks and ETFs, including strategic holdings changed to pure investment stocks	◇ In order to secure high, stable returns over the medium to long term, secure income by flexibly trading mainly domestic stocks while continuing to sell strategic holdings changed to pure investment stocks
Investment trusts, etc.	◇ Diversified investments into alternative areas (such as private equity)	◇ Expand investment in alternative areas (such as private equity)

Credit Related Expenses

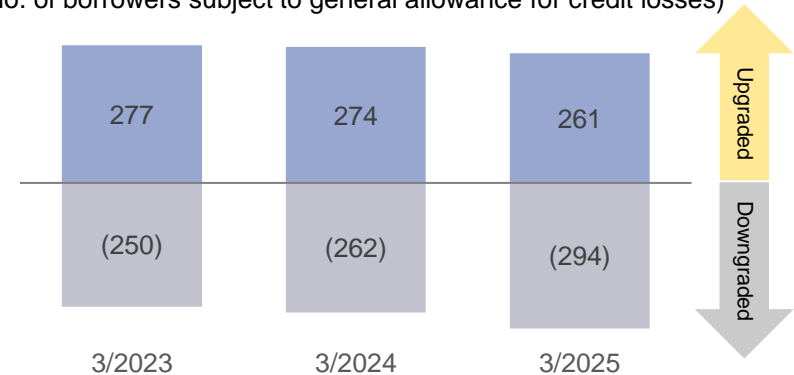
- Credit related expenses increased ¥400mn year-on-year due mainly to worse performance by borrowers caused by factors such as higher supply prices and labor expenses.
- Due to U.S. tariff policies, there are concerns that market confidence will deteriorate further in the future, and it is possible that credit related expenses for FY2025 may increase substantially.

◆ Credit related expenses

(¥100mn)	3/2023	3/2024	3/2025
Transfer to general allowance for credit losses	9	2	(5)
Disposal of non-performing loans	32	11	22
Total credit related expenses	41	13	17
Impact from large borrowers (with changes of ±¥1.0bn or more)	31	(12)	0

◆ Number of upgraded/downgraded borrowers

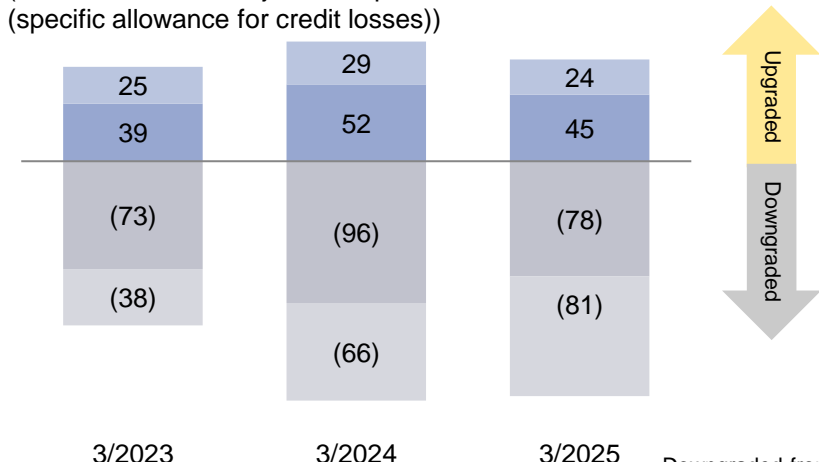
(No. of borrowers subject to general allowance for credit losses)



Downgraded from "normal" to "needs attention" or within "needs attention"

Upgraded from "needs attention" to "normal" or within "needs attention"

(No. of borrowers subject to disposal of NPLs (specific allowance for credit losses))



Upgraded from "in danger of bankruptcy" or lower to "normal" or "needs attention"

Upgraded from "de facto bankrupt" or "bankrupt" to "in danger of bankruptcy"

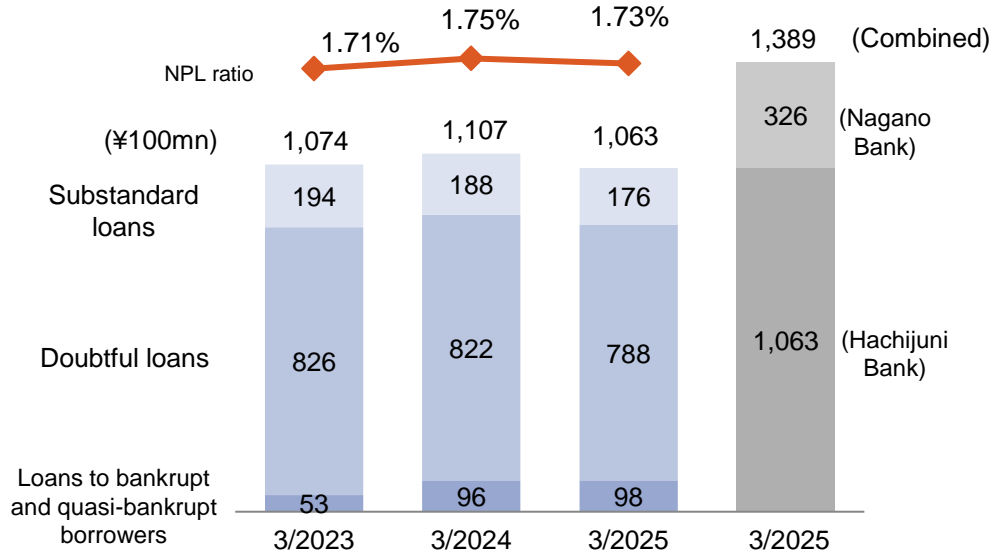
Downgraded from "normal" or "needs attention" to "in danger of bankruptcy" or lower

Downgraded from "in danger of bankruptcy" to "de facto bankrupt" or "bankrupt"

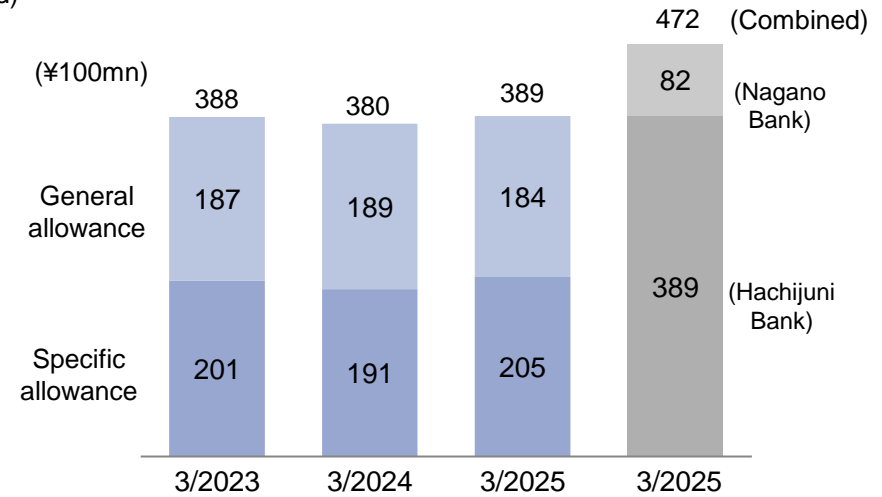
Non-performing Loans and Allowance for Credit Losses

◆ Non-performing loans

*Loans requiring disclosure under the Financial Revitalization Act



◆ Allowance for credit losses



(¥100mn)	3/2023	3/2024	3/2025
Substandard loans	194	188	176
Doubtful loans	826	822	788
Loans to bankrupt and quasi-bankrupt borrowers	53	96	98
Total	1,074	1,107	1,063
Non-performing loan ratio	1.71%	1.75%	1.73%

(¥100mn)	3/2023	3/2024	3/2025
General allowance for credit losses	187	189	184
Normal	70	72	76
Other needing attention	61	54	63
Needing special attention	54	61	43
Specific allowance for credit losses	201	191	205
In danger of bankruptcy	185	165	169
Bankrupt and de facto bankrupt	15	25	36
Total	388	380	389

Capital Adequacy Status (Non-consolidated)

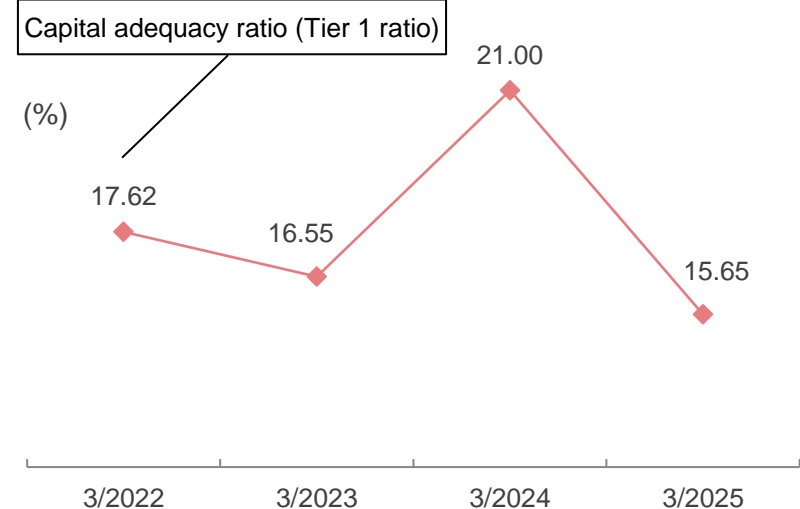
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- Under Basel III standards, our capital adequacy ratio, tier 1 ratio, and common equity tier 1 ratio are all 15.65%.
- These three ratios are the same because we have not procured funds through means such as subordinated debt.

◆ Basel III standards

	3/2024	3/2025	Change
Capital adequacy ratio	21.00%	15.65%	(5.35%)
Tier 1 ratio	21.00%	15.65%	(5.35%)
Common equity tier 1 ratio	21.00%	15.65%	(5.35%)
Total capital (¥100mn)	9,220	7,407	(1,812)
Tier 1	9,220	7,407	(1,812)
Common equity tier 1	9,220	7,407	(1,812)
Tier 2	—	—	—
Risk assets (¥100mn)	43,892	47,319	3,427
Credit risk	42,175	45,229	3,054
Operational risk	1,717	2,090	373

◆ Capital adequacy ratio (non-consolidated)



Reference: Consolidated capital adequacy ratio

	3/2022	3/2023	3/2024	3/2025
Capital adequacy ratio	19.06%	18.36%	20.74%	16.29%
Tier 1 ratio	19.06%	18.36%	20.74%	16.29%

Summary of Group Company Financial Results

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Group company name	Total investment ratio (The Hachijuni Bank and subsidiaries, etc.)	3/2024 (¥1mn)		3/2025 (¥1mn)		Notes
		Ordinary profit	Net profit	Ordinary profit	Net profit	
The Nagano Bank	100.0%	(15,851)	(21,631)	(1,513)	(1,501)	Reduced losses through reduced losses on sale of securities, reduced credit related expenses, etc.
Hachijuni Securities	100.0%	203	166	(292)	(504)	Deficit due to suspension of structured bond sales and decreased stock and investment trust fees
Hachijuni Lease	100.0%	738	512	875	624	Increased profit through increased amount of leased property delivered, reduced credit related expenses, etc.
Nagagin Lease	88.1%	(237)	(212)	264	159	Achieved profit through reduced credit related expenses, etc.
Hachijuni Card	100.0%	167	109	158	106	Increased amount of payments processed, but profit decreased due to decline in fee rates
Nagano Card	95.0%	(90)	(129)	(51)	(74)	Reduced losses through reduced credit related expenses, etc.
Hachijuni Credit Guarantee	100.0%	2,114	1,393	2,116	1,419	Guarantee fee income decreased, but profit increased due to increased interest income, etc.
Hachijuni Capital	41.0%	(20)	(47)	218	166	Achieved profit through increased dividends received and fund management fees
Hachijuni Staff Service	100.0%	14	8	33	21	Increased profit through increased income of staff referral business
Yamabiko Services	99.0%	(16)	(18)	147	104	Achieved profit through increased claims collected, etc.
Hachijuni Auto Lease	100.0%	907	596	1,078	714	Increased profit due to increased vehicle numbers
Hachijuni Asset Management	100.0%	71	49	83	56	Increased profit through increased trust fees, etc.
Hachijuni Investment	100.0%	47	31	23	14	Sales remained steady, but profit decreased due to increased labor and other expenses
Hachijuni Link Nagano	100.0%	(26)	(26)	35	34	Achieved profit through increased transactions, receiving subsidies, etc.

FY2025 Forecasts

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◆ Consolidated (¥100mn)	FY2024	1H FY2025 forecast	FY2025 annual forecast	Year-on-year	
Ordinary profit	638	375	750	112	
Profit attributable to owners of parent	479	250	500	21	
◆ Non-consolidated (¥100mn)	FY2024	1H FY2025 forecast	FY2025 annual forecast	Year-on-year	
Gross business profit (A)	963	591	1,215	252	
Profit on interest	958	512	1,056	98	
Profit on fees & commissions	104	62	125	21	
Profit from other business transactions	(101)	10	20	121	
Gains/losses related to bonds (B)	(119)	4	10	129	
General & administrative expenses (C)	614	316	659	45	
Actual net business profit (A-C)	348	275	555	207	
Core net business profit (A-B-C)	467	271	542	75	
Transfer to general allowance for credit losses (D)	(5)	4	13	18	
Net business profit (A-C-D)	353	271	542	189	
Special profit/losses	Gains/losses related to stocks (E)	295	89	177	(118)
	Gains/losses on money held in trust (F)	(2)	-	-	2
	Disposal of NPLs	22	28	49	27
Ordinary profit	599	360	725	126	
Profit	459	245	490	31	
Profit/losses related to securities (B+E+F)	173	94	187	14	
Credit related expenses	17	32	62	45	

Strengthening Shareholder Returns

- On May 9, we decided to conduct a **stock buyback (up to ¥10.0bn, 10 million shares)** and are currently in the process of repurchasing shares.
- Our planned annual dividend amount for FY2025 is **¥50 (which includes a ¥5 dividend to commemorate the integration with The Nagano Bank), our highest ever.**

	3/2023	3/2024	3/2025	3/2026 (Plan)
Annual dividend amount (A)	¥9.5bn	¥11.6bn	¥19.5bn	¥23.0bn
Annual dividends per share	¥20.0	¥24.0	¥42.0	¥50.0
Interim dividends per share	¥10.0	¥10.0	¥13.0	¥20.0
Amount of shares repurchased (B)	¥10.0bn	¥10.0bn	¥20.5bn	¥10.0bn
Shareholder returns (C = A + B)	¥19.5bn	¥21.6bn	¥40.0bn	¥33.0bn
Consolidated profit (D)	¥24.1bn	¥37.0bn	¥47.9bn	¥50.0bn
Consolidated dividend payout ratio (A / D)	40.0%	31.4% (40.9%)*	40.8%	46.1%
Consolidated shareholder return ratio (C / D)	80.9%	58.4% (76.3%)*	83.5%	66.1%

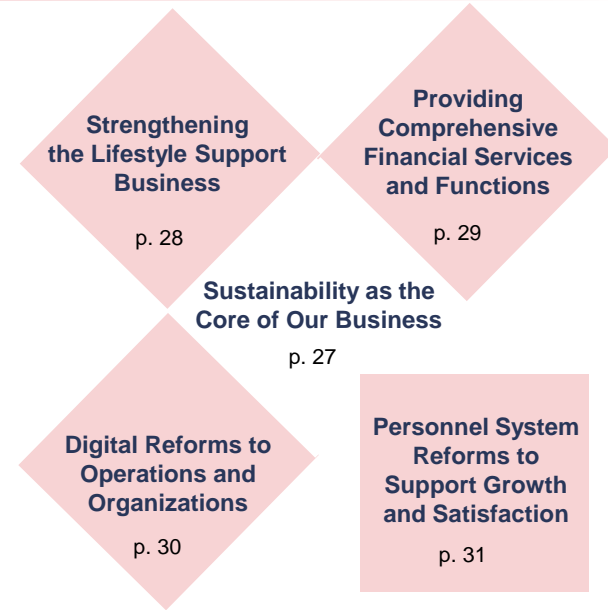
* Figures in parentheses exclude the effects of the business merger

Status of Medium-Term Management Vision 2021 Initiatives

Status of Medium-Term Management Vision 2021 Initiatives

26

Medium-Term Management Vision 2021 Supporting our customers and regions through the combination of financial services, non-financial services, and relationships



Medium-term management targets	Target figures	Results in FY2024 or up to present
Annual dividend target	Annual dividends of ¥20 or more per share each year from FY2023 to FY2025	Annual dividends per share: ¥42 (planned)
Greenhouse gas emissions (scope 1 and 2) <i>*We achieved our non-consolidated target and in October 2024 expanded the target to include emissions across the entire group.</i>	The Hachijuni Bank Group: (1) FY2025: Net zero (2) FY2030: 80% reduction compared to FY2019	(2): 66.0% reduction compared to FY2019 (preliminary figure)
New: Improving calculation of greenhouse gas emissions by borrowers (scope 3, category 15)	FY2025: Identify emissions by 450 borrowers <i>*450 borrowers is equivalent to 40% of our scope 3, category 15 emissions (as of March 31, 2024)</i>	Identified emissions of 381 borrowers
New: Renewable energy generation	FY2024 to FY2030: • Provide ¥90.0bn total in sustainable finance for commercial renewable energy generation facilities • Provide 10,000 total loans for purchasing or improving homes that have solar panels and meet ZEH standards	Total sustainable finance for commercial renewable energy generation facilities: ¥35.4bn Total loans for purchasing or improving homes that have solar panels and meet ZEH standards: 1,602

Status of Medium-Term Management Vision 2021 Initiatives

27

Sustainability as the Core of Our Business

Obtained score of A from CDP in 2024 climate change rating for second consecutive year

- We obtained the highest score of A from the CDP in its 2024 climate change rating, which evaluates the efforts of major corporations throughout the world to address environmental issues, becoming the first bank in Japan to receive an A for two consecutive years. This rating recognizes our continued efforts such as achieving net zero scope 1 and 2 greenhouse gas emissions and our support for sustainable finance.
- Moving forward, in addition to the decarbonization of The Hachijuni Bank Group, we will further strengthen our initiatives for supporting decarbonization by customers and regional communities and for creating renewable energy.



Established Suwa Area Decarbonization Consortium

- At the request of The Hachijuni Bank Group and our partners in the Suwa area, the Ministry of the Environment established the Suwa Area Consortium to Promote Decarbonization Projects under its project to promote investment and lending for regional decarbonization through local consortiums.
- Through the consortium, we will further strengthen our cooperation with local governments, businesses, and other partners to achieve the decarbonization of regional communities.

Ina North Branch moving to new wood-frame ZEB

- In early September 2025, the Ina North Branch will be relocated to a wood-frame building constructed with wood produced in Nagano Prefecture, becoming our first branch located in a wood-frame building. The new building will be a zero energy building with net zero energy consumption.
- As a new approach to serving individual customers, the building will also feature a Tully's Coffee shop to increase customer convenience and bring vitality to the area.

Community service activities

• SDGs Quest for the Future Contest

In order to create an opportunity to encourage high school students to take action to resolve social issues based on SDGs, we invited the SDGs Quest for the Future Contest to hold its first event in the Yamanashi, Nagano, and Niigata region. The event increased motivation for the regional community to work towards achieving SDGs and helped educate the young people who will support the future of the region.

• Financial and economic education

We held on-site lectures and work experience programs for students and conducted seminars for adults in order to support the building of assets, prevent financial problems, and bring vitality to the regional economy through economic and financial education.

FY2024: Held 50 educational sessions, etc. for students (2,385 participants) and 254 seminars for adults (3,033 participants).



Status of Medium-Term Management Vision 2021 Initiatives

28

Strengthening the Lifestyle Support Business

Enhancing remote transaction services

• Customer Contact Team

In July 2023, we began enhancing our remote sales efforts for customers in Nagano Prefecture in order to ensure effective and efficient contact with customers. The Customer Contact Team offers solutions for asset management to certain branch customers and provides follow-up support after investment, thereby contributing to improving the efficiency of branch sales activities.

	Referrals to branches	Referrals resulting in purchases*
FY2023	593	573
FY2024	559	660
Total	1,152	1,233

*Includes cases where one referral resulted in multiple purchases

Enhancing consulting services for individual customers

In order to satisfy a wide range of needs based on the financial life plan of each customer, we offer specialized plazas for inheritance and insurance and provide trust products and services for individual customers.

Specialized plazas	
Hachijuni Insurance Plaza (est. Aug. 2022)	Aug. 2022 to Mar. 2025: 2,544 consultation requests (1,377 resulted in purchases) (FY2024: 1,188 requests (713 purchases))
Hachijuni Inheritance Consultation Plaza (est. Dec. 2022)	Dec. 2022 to Mar. 2025: 91 seminars; 340 individual consultations (FY2024: 40 seminars, 140 consultations)

		Total (income shown in millions of yen)			
		No.	Income	FY2024 results No.	Income
Individual trust services (started Oct. 2021)	Inheritance trusts	149	13	35	2
	Old age trusts	96	15	26	4
	Testamentary trusts	278	250	135	124
	Estate planning services	61	112	28	51
Real estate interests		755	461	305	176

• End of life planning support services

	Referrals	Purchases
FY2024	92	27

• In July 2023, we established a department in our head office dedicated to addressing various customer needs relating to inheritance. We provide services such as will preparation and estate planning to address increasingly sophisticated and diverse customer needs.

Status of Medium-Term Management Vision 2021 Initiatives

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Providing Comprehensive Financial Services and Functions

Launched Tourism Team

- In December 2024, we launched the Tourism Team within our Business Promotion Department. The team will work to promote tourism in Nagano Prefecture by providing comprehensive support, including non-financial support, to local governments, destination management organizations, and tourism businesses.
- ◆ Specific efforts
 - Invested through Sustainability Fund No. 1 in new lodging business that uses trailer houses with saunas
 - Examined capital investment support through syndicated loan for constructing new gondola lift at ski resort in Nagano
 - Cooperated with Matchbox Technologies Inc. to offer solutions to local governments, etc. to resolve shortage of tourism industry staff



Inspecting a resort development site

Established Hachijuni PE Investment Limited Partnership

- In order to enhance equity support, Hachijuni Investment Co., Ltd. has operated the Hachijuni Sustainability Fund No. 1 since January 2022, but in order to flexibly respond to projects that the sustainability fund cannot address, in January 2025, we established the Hachijuni PE Investment Limited Partnership under joint investment with Hachijuni Capital Co., Ltd.
- We will use this fund for investments in companies where we anticipate an increase in corporate value and in projects that support regional development, joint investments with external private equity funds when profitability is expected, and leveraged buyouts and other projects.

Investment targets	Regional development, renewable energy projects using special purpose companies, etc.	Investments	
Total fund amount	¥10.0bn	Portfolio	2 companies
Fund period	Until December 31, 2039	Amount	¥2.8bn

Cooperation Agreement for Medical Practice Successions

- Since signing the agreement in October 2024, we have provided consultations on issues such as medical practice successions and are contributing to establishing a sustainable regional medical system in Nagano Prefecture.

Consultations to:	20 entities
Support to:	5 entities

*As of March 31, 2025

Hachijuni private placement bonds supporting regional revitalization and SDGs (via decarbonization)

- Offered from July 2024. Part of the underwriting fees we collect are donated to Nagano Prefecture.

Companies	18
Amount underwritten	¥1.15bn
Amount donated	¥2.3mn

Status of Medium-Term Management Vision 2021 Initiatives

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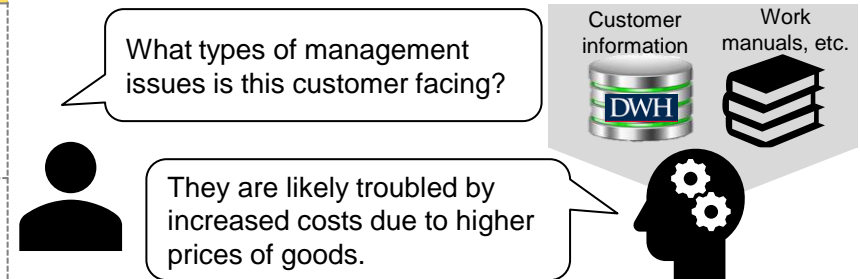
Digital Reforms to Operations and Organizations

Combining data warehouses (DWH) and generative AI

- In addition to existing initiatives such as customer targeting that combine our data warehouse (DWH) with predictive AI, currently, we are actively working to leverage the combination of our DWH with generative AI to increase the efficiency and sophistication of bank operations.

Summary of generative AI initiatives	Details
Introduced ordinary AI chatbot usable within our network	<ul style="list-style-type: none"> • In October 2023, we introduced a chatbot system to our network based on ChatGPT with added security measures for use by all branches. • Over 1,000 employees use the chatbot each month, and it is becoming an established part of our operations.
Introduced AI chatbot tailored for use in our operations	<ul style="list-style-type: none"> • In 1H FY2025, we plan to introduce a function that uses various information stored in our DWH to support operations such as financing and business referrals.

Example usage of AI chatbot tailored for use in bank operations



Continual strengthening of cybersecurity measures

- In order to appropriately respond to increasingly advanced and sophisticated cyber attacks, we have established our Cybersecurity Risk Management Standards and Cybersecurity Risk Countermeasure Standards, based on which we implement multilayered measures such as preventing unauthorized access and detecting viruses, and we continually review these measures to ensure their effectiveness.
- We perform risk evaluations based on references including the security measure standards set out by the Center for Financial Industry Information Systems, and we strengthen our cybersecurity measures based on the results of those evaluations. Additionally, we engage an external security vendor to periodically conduct vulnerability assessments and threat-led penetration tests by white-hat hackers, which we use to identify issues and strengthen security measures.

Reforms to branch operation systems

- By FY2028, we will develop new systems to remotely receive requests and provide consultations regarding inheritance, asset management, and other services online, such as through our website.
- We will progress with transitioning small branches where the volume of work has significantly decreased to cashless branches as it is necessary for a small number of employees to handle all operations at those branches.



Status of Medium-Term Management Vision 2021 Initiatives

31

Personnel System Reforms to Support Growth and Satisfaction

Management personnel development support and program for developing next generation of female leaders

- Management personnel development support

In FY2024, we launched a management personnel development support program and increased participation in outside training focusing mainly on learning together with human resources from outside the bank. In order to develop management personnel who can resolve regional issues and provide value to customers, we prepared a diverse curriculum of 16 courses, in which a total of 138 employees participated.

- Program for developing next generation of female leaders

A total of 22 employees who are in management positions or are planned to take on management positions next year participated in outside training, built networks through group seminars, and received mentoring from executive directors and department and branch managers. The program length is about one year, and in FY2025, we will select and develop a second group of employees to expand the pool of female employees who are senior management candidates.



Roundtable meeting with vice president as part of program for developing next generation of female leaders

Increasing engagement

- We are working to increase employee engagement because we believe that an environment where employees feel purposeful and satisfied is necessary in order to fulfill the expectations of our customers and communities. In the engagement survey for FY2024, we achieved a total engagement score of 3.92 out of 5, an improvement of 0.04 year-on-year, and exceeded our target.

KPI

Total engagement score

FY2024 target	FY2024 result
3.88 or more	3.92 (+0.04 YoY)

Support for independent career development

• Certification holders (total as of Mar. 31, 2025)
We offer subsidies and incentives to employees who obtain government-recognized certifications and other certifications to encourage employees to develop specialist knowledge and skills.

(March 31, 2025)	Small and medium business consultants	Grade 1 financial planners / Certified financial planners	Securities analysts	IT engineers (advanced)
Hachijuni Bank and Nagano Bank total	78	157	53	129

Status of Medium-Term Management Vision 2021 Initiatives

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Personnel System Reforms to Support Growth and Satisfaction

Human capital

- We are working to reform personnel systems and working styles to promote a workplace where our diverse group of employees can feel a sense of growth and satisfaction.

Diversity	FY2021	FY2022	FY2023	FY2024
Number of employees	3,067	3,041	3,289*	3,301
Ratio of female employees	46.9%	47.6%	47.5%	48.3%
Average years of service	16.2	15.8	14.8	14.9
Average years of service of men	18.0	17.5	16.2	16.3
Average years of service of women	14.0	14.1	13.3	13.4
Ratio of women in management positions	11.5%	12.5%	13.3%	14.5%
Ratio of women in leadership positions	18.6%	19.8%	20.5%	21.1%
Work-life balance	FY2021	FY2022	FY2023	FY2024
Average days of paid leave taken	14.3	15.9	16.0	16.0
Ratio of leave used	74.1%	81.5%	83%	82.9%
Ratio of men taking childcare leave, etc.	60.3%	89.5%	101.9%	95.2%
Human resource development	FY2021	FY2022	FY2023	FY2024
Total annual training costs (yen)	101,402,000	259,937,000	223,770,000	278,205,000
Total annual training hours	55,216	73,247	94,521	87,038
Average training hours per employee	18.0	24.1	28.7	26.4

*Absorbed Hachijuni System Development Co., Ltd. in Oct. 2023

Business Merger and Alliance

Business Merger

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Personnel exchanges in preparation for integration

• Establishing a joint sales framework

We are working to be firmly prepared for the integration in January 2026 ahead of schedule. Additionally, we are increasing the number employees on loan or with dual assignment to promptly establish a framework unifying both banks so that customers can further enjoy the benefits of the business merger and integration before the integration is completed. As of March 31, 2025, 336 employees have been loaned between or given dual assignment to both banks. In April 2025, we began reallocating branch employees regardless of whether they handle corporate or individual customers in order to achieve synergies before the integration is completed.

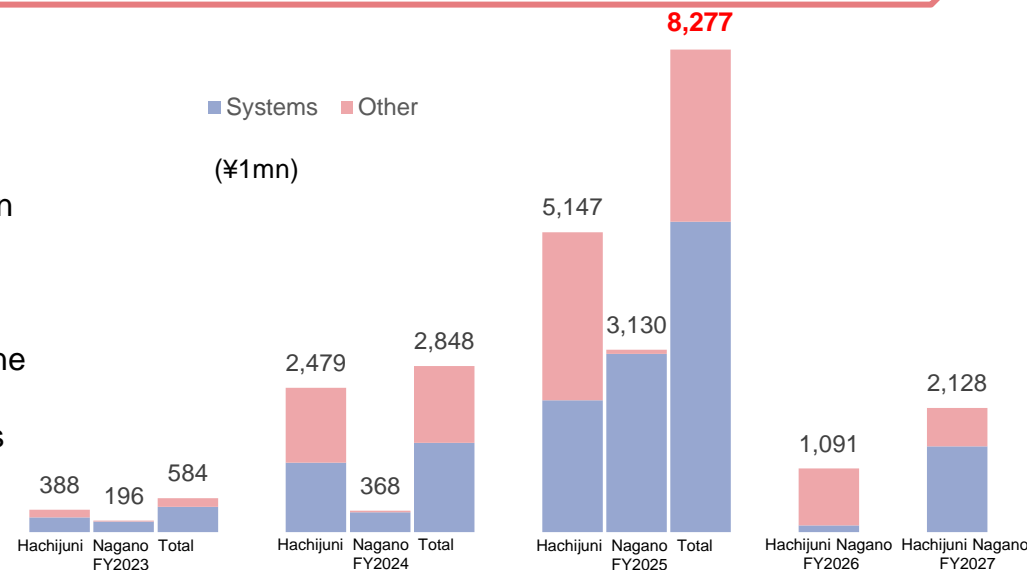
	Employees with dual assignment	Employees on full loan
Head office	112	14
Branches	178	32
Total	290	46

• Employee training

In order to ensure that bank operations proceed smoothly after integration, we have begun training on operations for The Nagano Bank employees. Training for department and branch managers and sales department employees was completed by March 31, 2025. Training for administrative department employees is planned to be held by October 2025. After learning how to perform administrative duties through group training, employees will have on-site training at The Hachijuni Bank branches to reinforce their knowledge and improve their work skills. In April 2025, we also began training for employees of The Nagano Bank's head office. Employees on loan from The Nagano Bank who are familiar with operations at both banks serve as training instructors, which increases the effectiveness of training as employees can learn of the differences between banks.

Integration costs

- Upon conducting the integration, we will also perform system integration and branch consolidations. System integration will incur costs such as for integrating core systems, while branch consolidations will entail costs including those for changing branch layouts. Therefore, in FY2025, we anticipate approximately ¥8.277bn in integration costs, which will be the highest amount over these several years.
- From FY2026, we expect that integration costs will decline and that positive cost synergies will fully take effect.
- We also anticipate further increases in positive synergies from progress in consolidating branches, optimizing staff allocation, and streamlining operations.



Business Merger

Initiatives following business merger

- In June 2023, we launched the Co-Creation Project through which The Hachijuni Bank and The Nagano Bank provide their consulting capabilities to each other to support our customers. We are further strengthening support for customers by combining the strengths of both banks.

◆ Business Co-Creation Team

June 2023 to Mar. 31, 2025 results: Formed 662 projects for solutions financing, etc.

Area	Details	3/2024	3/2025	Total
Solutions financing	Projects	17	24	41
	Purchases*	12	13	25
Foreign exchange / derivatives	Projects	43	98	141
	Purchases	23	57	80
Branch support	Projects	34	65	99
	Purchases	2	9	11
Business successions, M&A	Projects	7	44	51
	Purchases	1	11	12
Using external or group companies	Projects	32	211	243
	Purchases	1	0	1
International / corporate life insurance, etc.	Projects	38	49	87
	Purchases	3	13	16
Total	Projects	171	491	662
	Purchases	42	103	145

◆ Financing Co-Creation Team

June 2023 to Mar. 31, 2025 results: Provided support for formulating management reform plans, developed environments for financing, and provided monitoring support to customers who received joint support from both banks

Area	3/2024	3/2025	Total
Management reform plan support	8	16	24
Projects conducted through monitoring	7	10	17
Referrals to external specialists	4	12	16
Management personnel referrals	1	0	1
Business restructuring support	1	1	2
Implementing subordinate loans	0	0	0
Using revitalization funds	1	1	2
Supporting (re)vitalization of entire region	0	1	1
Total	22	41	63

From April 2024, this team has worked to expand business so that more customers can experience the benefits of the merger, and it is providing support for formulating business plans and using external organizations and specialists. **It has provided support to 532 customers (429 Hachijuni Bank customers, 103 Nagano Bank customers).**

* "Purchases" indicates the number of projects that resulted in customers purchasing products or services.

Alliance

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Mt. Fuji-Alps Alliance

- In March 2025, Shizuoka Bank, The Yamanashi Chuo Bank, and The Hachijuni Bank signed a comprehensive business alliance agreement, launching the Mt. Fuji-Alps Alliance

◆ Background and purpose

Our three banks have a shared recognition of the issues faced by our regions and customers as the prefectures in which we are based share borders and have many similarities, including regional characteristics and social issues. After thoroughly exploring the possibility of concrete joint efforts, we have launched the Mt. Fuji-Alps Alliance, a new comprehensive business alliance involving all three banks. Going forward, we will continue to contribute to the sustained growth of regional communities by expanding and upgrading our repertoire of solutions to social issues while maintaining the management independence of the three banks as well as the customer base and brand developed by each bank.



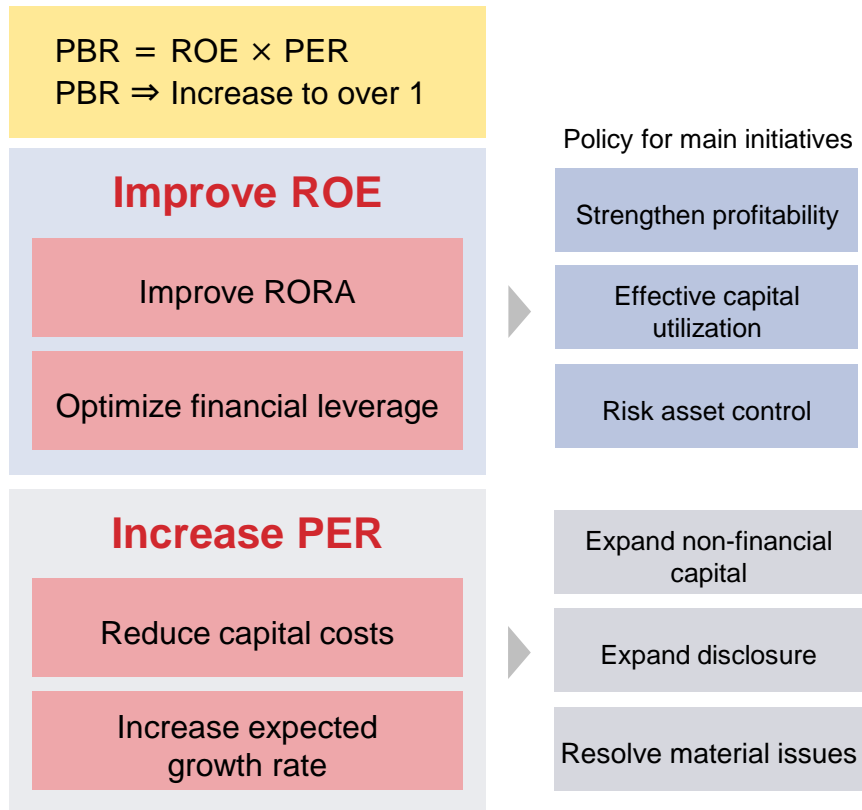
Purpose	Drawing on the shared potential of the region, including abundant natural capital, attractive industrial structure, and proximity to the Tokyo metropolitan area, Shizuoka Bank, The Yamanashi Chuo Bank, and The Hachijuni Bank will work jointly to create new value and share with the world our vision for the three prefectures.
Key initiatives	<ol style="list-style-type: none"> 1. Growing regional populations to address population decline and labor shortages We will establish a project team to create a joint framework for a migration promotion project and promptly launch initiatives. 2. Developing new businesses to attract international capital and human resources 3. Expanding joint efforts in venture and growth fields that contribute to the sustainable development of regional economies; strengthening efforts for mergers and acquisitions and business successions
Main KPIs	<ul style="list-style-type: none"> • Increase the population of the three prefectures • Generate ¥20.0bn in total income by the three banks over five years

Efforts to Increase PBR and Improve ROE

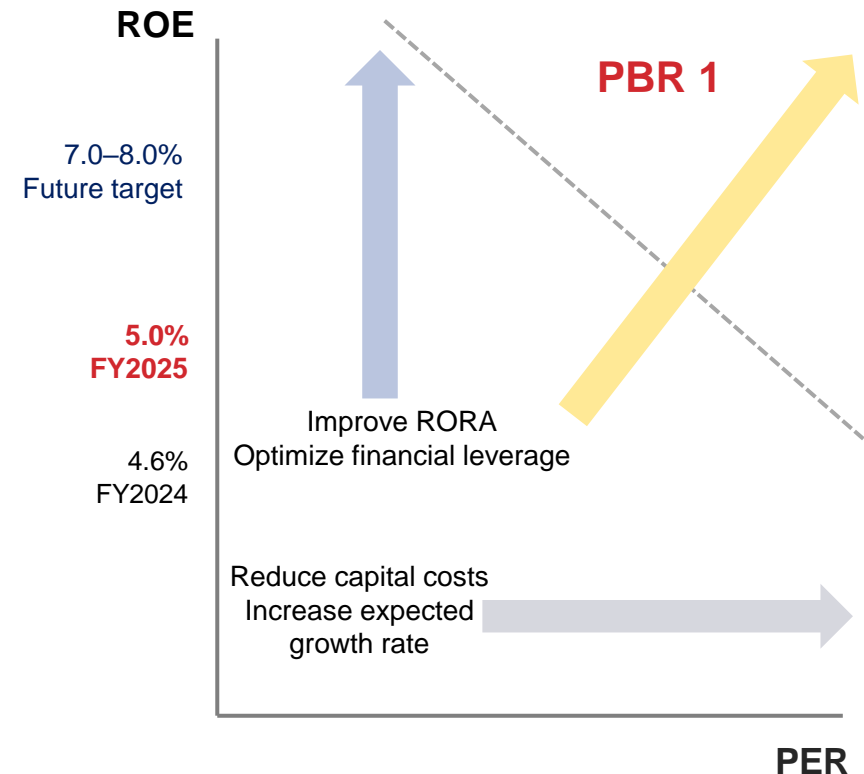
Efforts to Increase PBR

- We are working to improve ROE to increase PBR to over 1 while maintaining a balance between soundness, profitability, and shareholder returns.
- We are also taking initiatives to expand non-financial information disclosure to increase corporate value.

◆ Policy for efforts to increase PBR



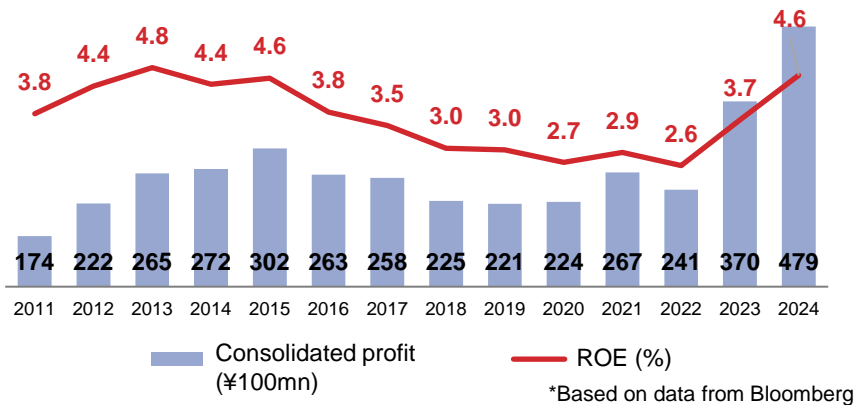
◆ Relationship between capital efficiency and expected growth



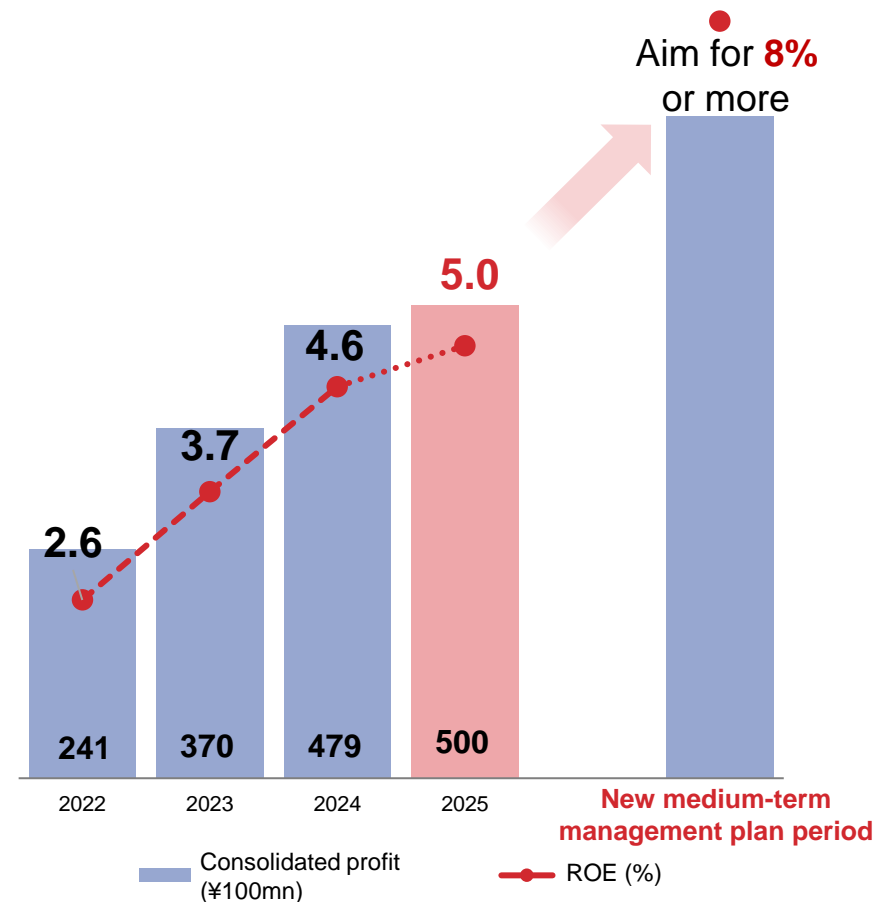
Efforts to Increase PBR

- We recognize that low ROE is the issue causing our low PBR.
- Our FY2027 target of an ROE of 5% may be achievable in FY2025.
- We will consider new targets as we aim to achieve an even higher level (8%) exceeding capital costs.

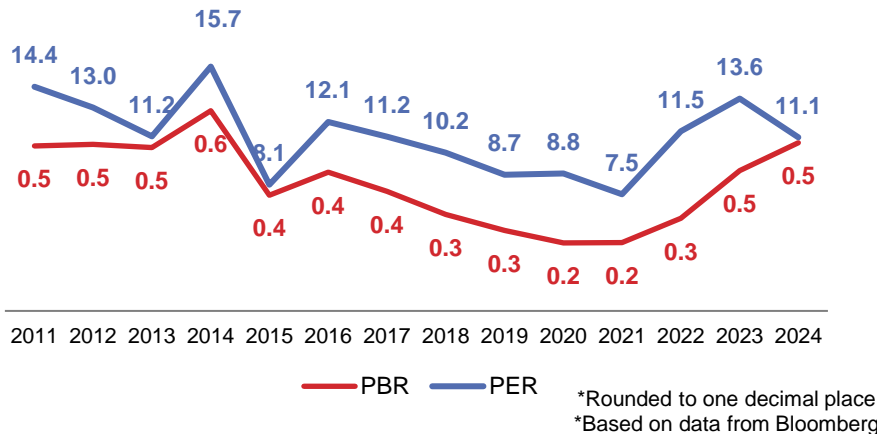
◆ ROE: Consolidated profit performance



◆ ROE targets



◆ PBR and PER performance



Efforts to Improve ROE

Strengthening profitability: Expanding interest margins in response to rising interest rates

March 31, 2025

67% loan-to-deposit ratio

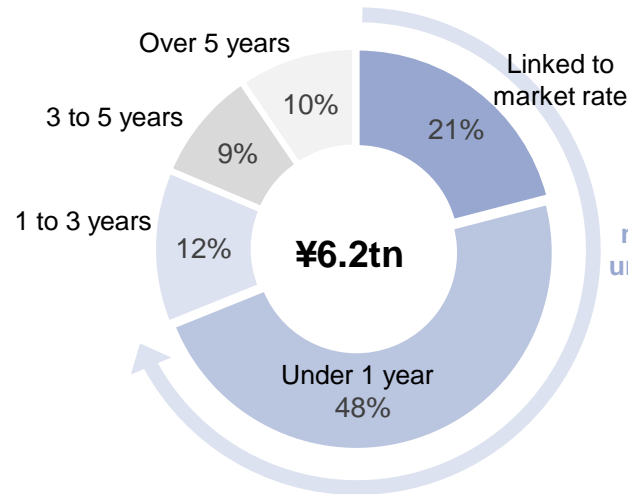
(Yen denominated)

The Hachijuni Bank and
The Nagano Bank combined

**Loans
¥6.2tn**

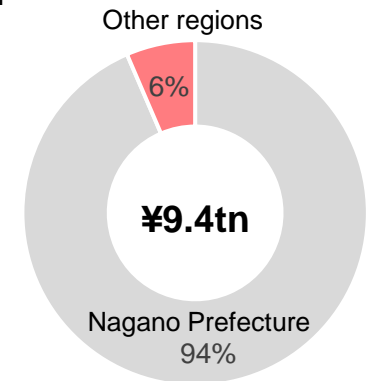
**Deposits
¥9.4tn**

◆ Loans by remaining interest period



◆ Deposits

By region



• Loans

Short term: 69% of yen-denominated loans are relatively sensitive to interest rates (+2% from Sep. 2024).

Medium to long term: A total of 81% of yen-denominated loans will be due for interest rate revision within three years.

→ Improved yields are expected upon rate revision due to an increased base rate.

• Deposits

Deposits are granularly diversified across a large number of customers mainly in Nagano Prefecture.

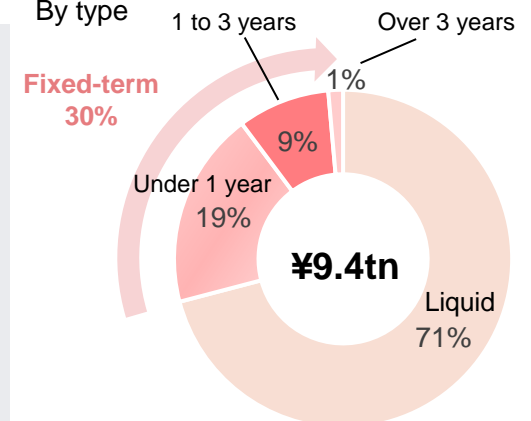
Liquid deposits, which are sensitive to interest rates, account for 71% of yen-denominated deposits.

→ An increase in financing costs due to an increase in deposit interest rates will be absorbed by interest received from loans.

Financing cost estimate: Liquid deposits, approximately ¥6.7bn per year (if 40% of policy interest rate changes are reflected)

• A 0.25% increase in policy interest rate would increase income by about ¥4.0bn per year.

By type

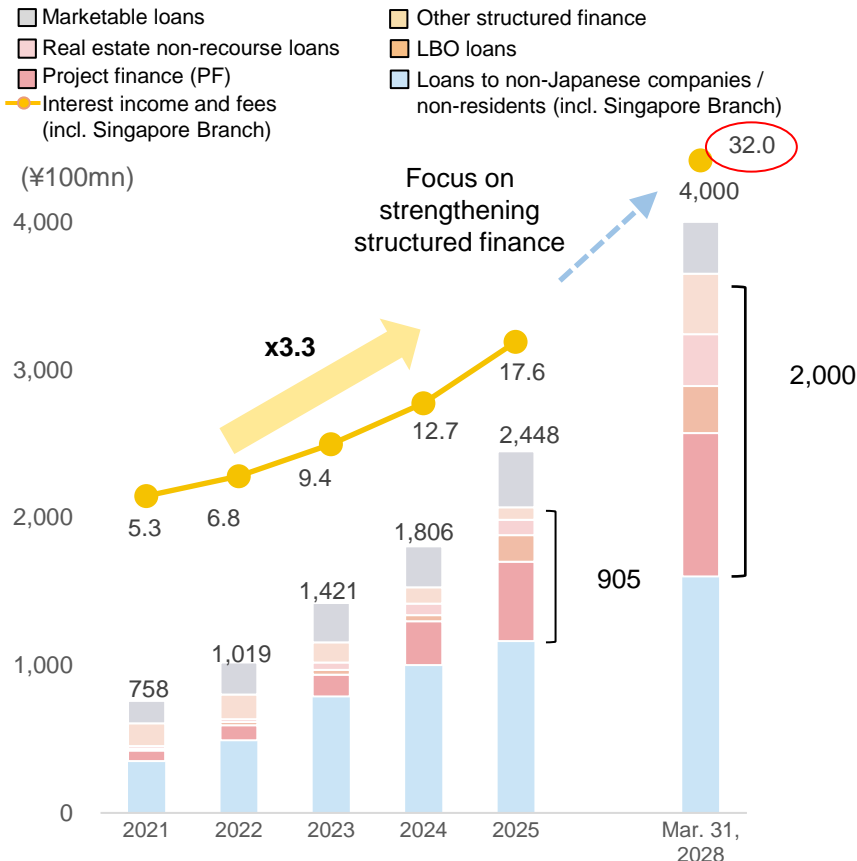


Efforts to Improve ROE

Structured finance initiatives

- Over the past four years, both the balance and income of structured finance and marketable loans handled by the Structured Finance Team (established in June 2024) of the Financial Market Department and loans for non-Japanese companies and non-residents handled by that team and the Singapore Branch have grown approximately three times larger. By March 31, 2028, we aim to achieve a balance of ¥400.0bn and income of ¥3.2bn.
- We are working to increase the profitability of our structured finance services by developing human resources and enhancing our framework.

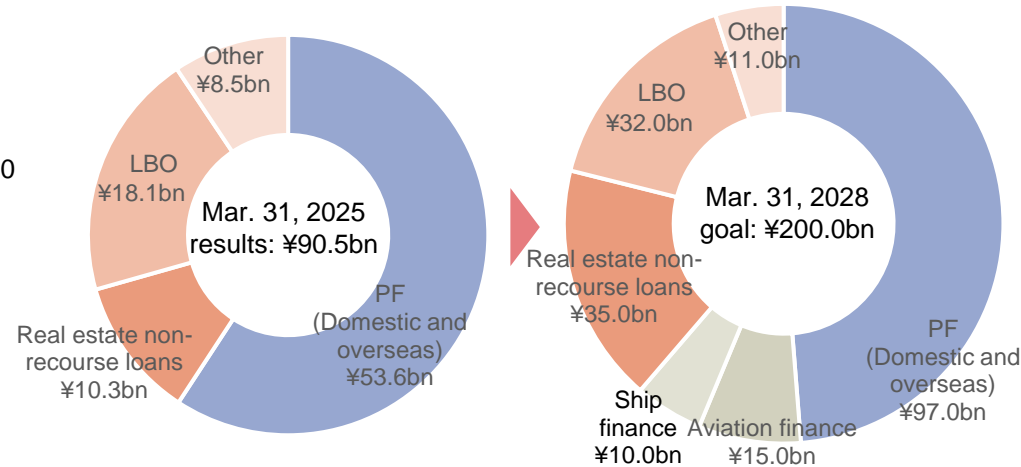
◆ Balance and income (Financial Market Dept., Singapore Branch)



◆ Structured finance initiatives

- Develop specialized human resources by continually increasing staff and loaning out employees as trainees
- Clarify priority areas, enhance framework (including in regard to management) to strengthen measures
- Expand handling of products with high risk-return ratios

◆ Composition by product



◆ Initiatives for loans to non-Japanese companies / non-residents

- Strengthen global deal intake through collaboration between the Financial Market Department and the Singapore Branch.

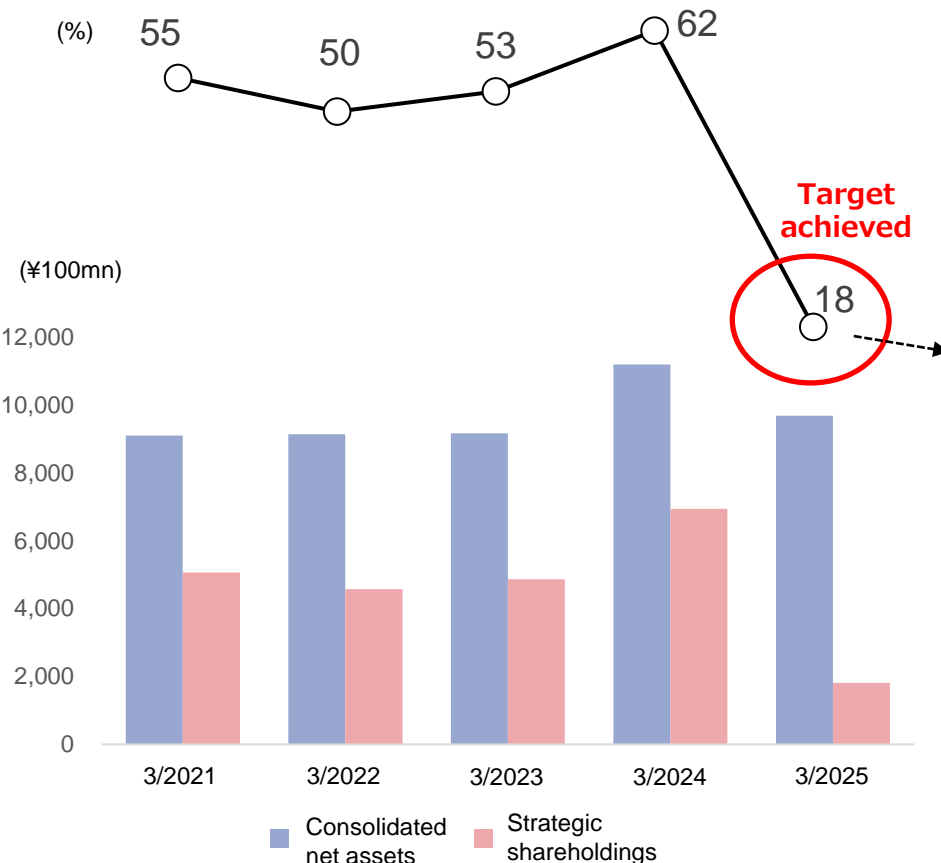
Efforts to Improve ROE: Strategic Shareholding Reductions

- Based on our Strategic Shareholding Policy established in accordance with the Corporate Governance Code, we have set numerical targets and are working to reduce our strategic shareholdings.

◆ Strategic shareholding reduction plan and results

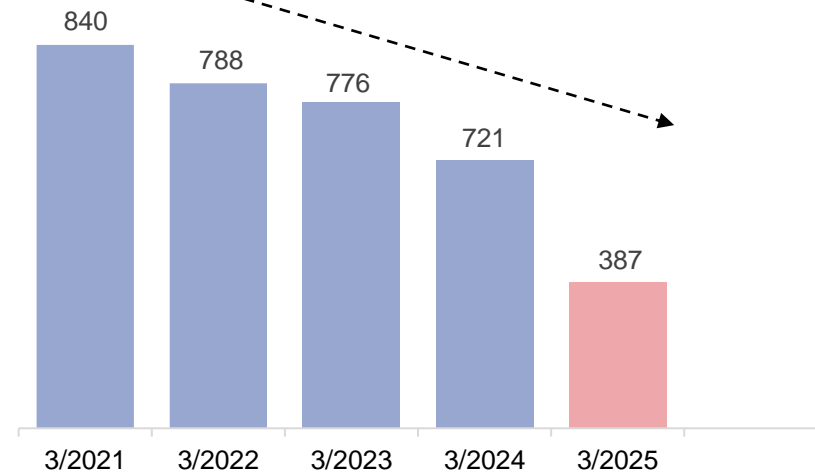
Target: Under 20% of net assets by March 2030

Based on market price of listed and unlisted shares; including deemed holdings



◆ Book value of strategic shareholdings (for listed shares)

(¥100mn)



◆ Reduction methods and approaches

Strategic Shareholding Policy and Reduction Methods: p. 43

Investment Guidelines Following Change of Purpose: p. 44

Topics

- In FY2024, we achieved our target of reducing strategic shareholdings to under 20% of net assets.
- Moving forward, we will continue working to further reduce strategic shareholdings.

Efforts to Improve ROE: Strategic Shareholding Policy and Reduction Methods

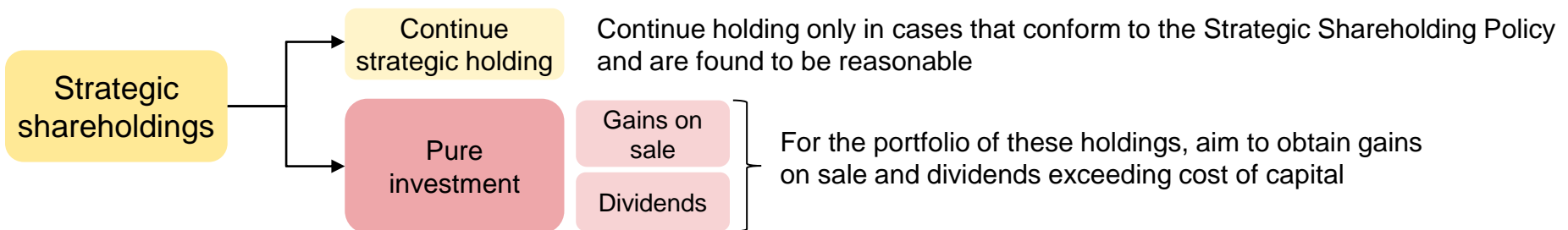
- We will continue reducing strategic holdings based on our Strategic Shareholding Policy.
- In cases where we can reach an agreement with the issuer, we will change the purpose of holdings to pure investment and aim to achieve returns exceeding cost of capital for our portfolio of those holdings.

■ Strategic Shareholding Policy

- Our basic policy is to continue the reduction of our strategic shareholdings following sufficient dialogue with the issuers of those shares. However, we will continue strategic shareholdings in limited cases where our strategic investments will contribute to the growth of regional economies by strengthening relationships to help resolve the management issues and increase the corporate value of the issuers of those shares, or cases where the holdings are found to be reasonable from the perspective of management strategy, such as in cases of business alliances.
- In regard to all shares that we hold as of the reference date, we have verified that our holding of each issuer's shares is reasonable from the perspective of whether the benefits received from the issuer and the risks related thereto are balanced against indices that take into account cost of capital and other factors.
- The board of directors will verify the reasonableness of holding each issuer's shares each year and disclose the details of that verification through an appropriate method.

■ Approach to reductions

- When reducing strategic shareholdings, in cases where we are able to reach an agreement with the issuer that each party is free to sell the other party's shares it holds at its sole discretion, we will change the purpose of those holdings to pure investment and change the department responsible for managing those holdings to the department responsible solely for investment.
- After changing the purpose of holdings to pure investment, we will aim to **obtain returns (gains on sale and dividends) exceeding cost of capital** for our portfolio of those holdings.



Topics: In FY2024, the amount of gains on sale of strategic shareholdings and holdings whose purpose was changed to pure investment was approximately ¥32.3bn (based on market value).

Efforts to Improve ROE: Investment Guidelines Following Change of Purpose

44

- For strategic shareholdings whose purpose has been changed to pure investment, we will conduct disciplined investment in accordance with our guidelines.

■ Notes on holding and trading

Trading discretion	We will be able to trade shares freely, and trades or the timing thereof will not be restricted by the will of the issuer. We will not change the purpose of holdings to pure investment unless we have reached an agreement with the issuer regarding our ability to sell the shares at our discretion.
Independence of investment department	When making investment decisions, the independence of the investment department will be ensured, and we will develop an organizational structure necessary for making appropriate investment decisions.
Investment discipline and reports to management	We will establish plans and policies that include profit targets and report them to management. We will also regularly evaluate the status of our efforts and the results thereof and report them to management.
Appropriate exercise of voting rights	We will exercise voting rights appropriately to contribute to increasing the corporate value of the issuer from the perspective of pure investment.

■ Voting standards for pure investment stocks (excerpt)

Purpose: In regard to voting rights for shares held for pure investment purposes, we have established voting standards for the purpose of appropriately exercising voting rights as the asset owner of the shares, and we will exercise voting rights based on the perspective of contributing to increasing the corporate value of the issuers of those shares over the medium to long term.

Proposal	Standard for judgment
Disposal of surplus	Does the disposal of surplus achieve appropriate shareholder returns in light of performance and financial status?
Election of directors	Is it appropriate to elect the director based on performance and governance considerations?
Election of audit and supervisory board members	Is it appropriate to elect the audit and supervisory board member based on compliance and governance considerations?
Director compensation	Is the distribution appropriate based on performance and other considerations?

- In addition to the above, we have established voting standards for proposals such as outside director and audit and supervisory board member compensation, articles of incorporation amendments, takeover defense measures, the appointment of accounting auditors, and shareholder proposals.

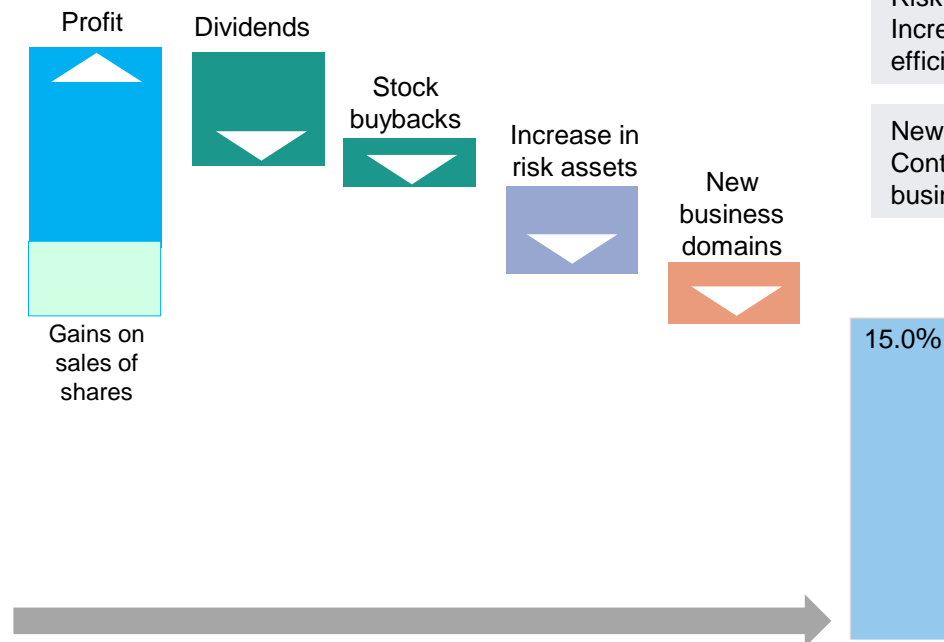
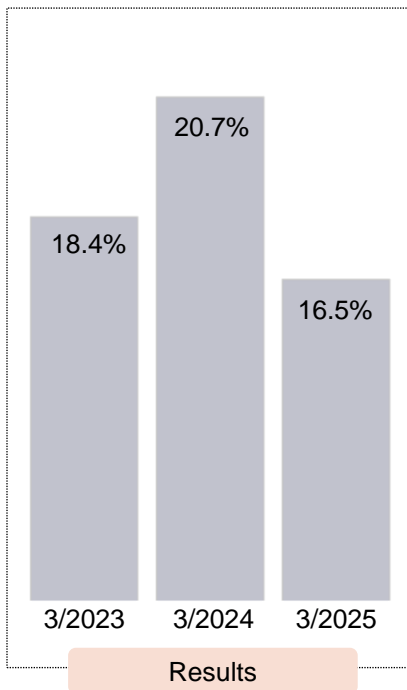
Efforts to Improve ROE

Effective capital utilization and risk asset control

◆ Capital allocation

- We will maintain a consolidated CET1 ratio of about 15% through shareholder returns and appropriate increases in risk assets.
- **By systematically achieving gains on sales of shares, we will gradually limit the risk of share price changes in regard to CET1 and aim to achieve more stable deployment of capital.**

Consolidated CET1 ratio



Shareholder returns:
Provide stable dividends and flexible stock buybacks

Risk assets:
Increase with focus on management efficiency, and increase in key areas

New business domains:
Continue considering new businesses and domains

15.0% Minimum level to be maintained based on dividend limit of 10.5% and factors including risks of natural disasters and market shocks, such as the 2008 global financial crisis