

Long-Term Vision 2030

Third Medium-Term Group Business Plan

(Plan Period: April 1, 2022 ~ March 31, 2025)

May 26, 2022

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1 (1) Results of the Second Medium-Term Group Business Plan

- Results in both structural reform and expansion of consulting services during the second medium-term group business plan.
- We invested for further growth and building new business models such as introduction of banking application and reorganization of group companies.
- Although consolidated ROE and net income were below the plan due to increase of credit related costs by COVID-19, core OHR realized under 60%, and profitability in core business improved.

Second Medium-Term Group Business Plan (April.2019 ~ March.2022)

Main Results

Basic strategy 1 Create growth business models with local regions	<ul style="list-style-type: none"> ● Strengthened Business Support ● Expanded consulting services for individuals ● Strengthened non-face-to-face channel
Basic strategy 2 Structural reform for enhanced productivity	<ul style="list-style-type: none"> ● Reorganized branch network ● Integrated system and unified business processing ● Reorganized Group companies and strengthened corporate governance
Basic strategy 3 Developing human resources for value creation	<ul style="list-style-type: none"> ● Revised human resources system of both banks ● Enhanced specialized personnel ● Developed diversity promotion system

<Shift of business resources by structural reform>

Human resources	Invested (Consulting field) : around 200 people (as planned) Freed-up (Business processing) : around 1,200 people (+200 than plan)
Things	Consolidation of Branch : 62 locations Function review of Branch : 152 locations (exceeded plan)
Money	Expenses*4 : -¥7.2bn compared to FY2018 (-¥2.2bn than plan)

*4 Excluding system integration costs

Achievement of Business Objectives

<FY2021>	Target	FY2021 Results
Consolidated ROE	5.0% or more	4.3%
Consolidated net income*1	around ¥47.0bn	¥42.9bn
Core OHR (Two Banks total)*2	around 60%	54.5%

【Reference】

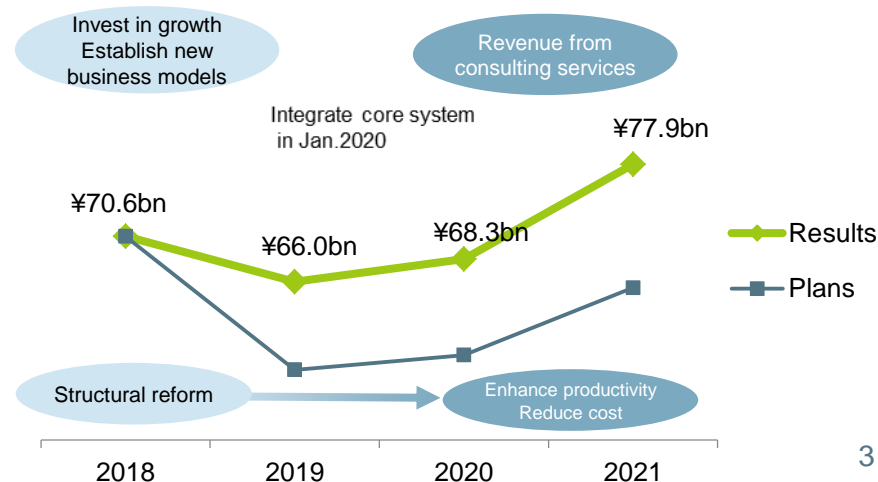
Core net business Income*3 around ¥65.0bn ¥77.9bn

*1 Attributable to owners of the parent

*2 Excluding gains/losses on cancellation of investment trusts and system integration costs

*3 Excluding gains/losses on cancellation of investment trusts and remuneration from "Special Deposit Facility to enhance the resilience of the regional financial system" and "Special Funds-applying Operations to facilitate financing in response to COVID-19" by Bank of Japan

Changes of Core Net Business Income*3



1 (2) Environmental Awareness

- Although we achieved improvement in core business profitability during the Second Medium-Term Group Business Plan, the traditional banking business faced increased severity due to technological innovations, accelerating social structure changes such as population decline, and COVID-19.
- We will continue to enhance and deepen comprehensive financial services and take on the challenge of new business areas to achieve sustainable growth of both local communities and our Group.

Challenges considering the Second Medium-Term Group Business Plan

- More efficient traditional banking services / Maintenance and expansion of customer base
- Enhancement of consulting functions and services to solve issues
- Expansion of business areas to solve various regional issues
- Contribution to decarbonized and recycling-oriented society

External Environment

Low Birthrate, Aging and Declining Population

Industrial and Work Structure Changes

Changes in Social Structure and Lifestyle (with / after COVID-19)

Innovation (Progress of Digitalization and Technology)

Shift to Decarbonized and Recycling-oriented Society

Deregulation and Changes in Competitive Environment

Direction of Initiatives

Achieve sustainable growth of both local communities and our Group

Enhancement and deepening of comprehensive financial services

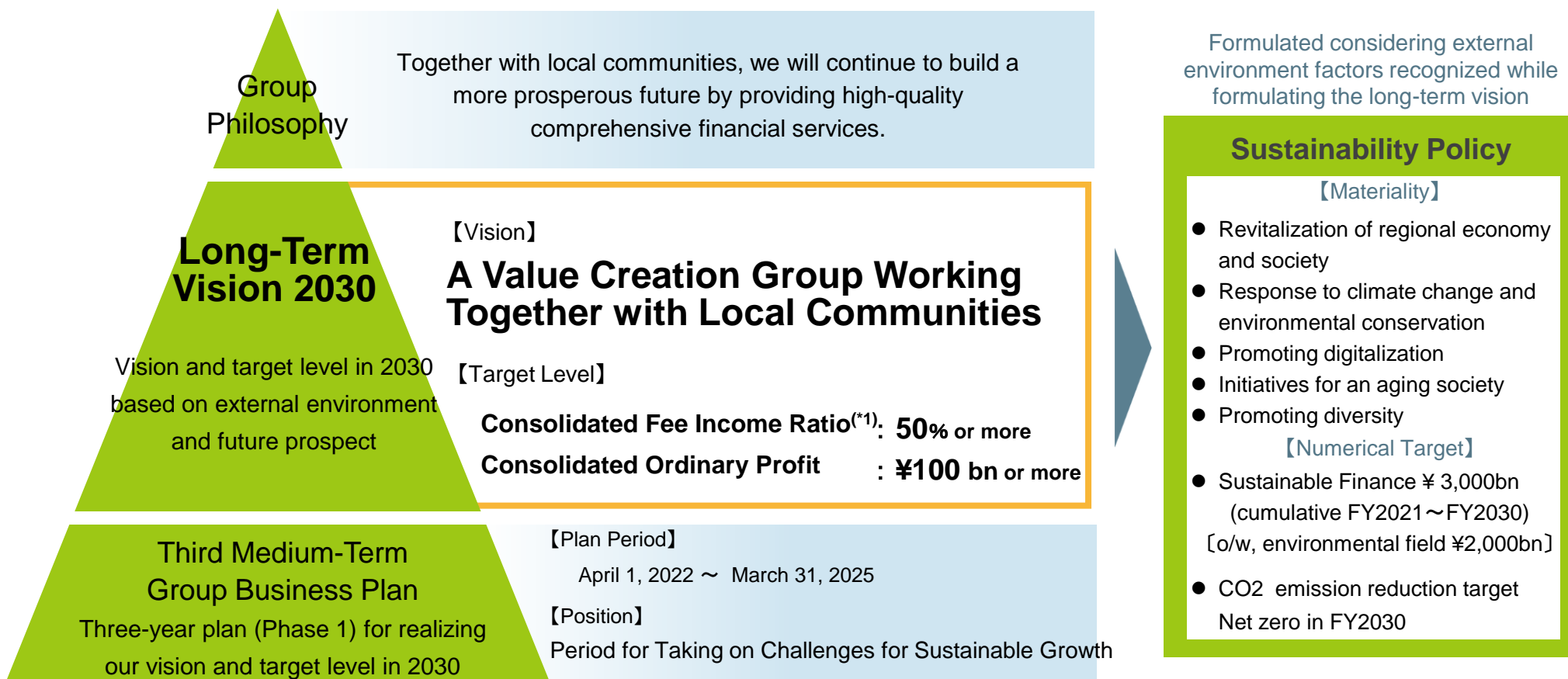
Challenge of new business areas



2 . Long-Term Vision 2030

2 (1) Formulation of Long-Term Vision

- In order to achieve sustainable growth together with local communities amidst a drastically changing business environment, we have formulated a long-term vision targeting the year 2030 as a major direction for the Group to aim for.
- “Long-Term Vision 2030” is based on our desire to “continue to create new value by working together with local stakeholders to solve their various issues” and to “contribute to the realization of sustainable local communities through value creation, and remain an essential presence in local communities.”



(*1) Consolidated Fee Income Ratio = Consolidated fee income^{*2} ÷ Income from customers^{*3}

(*2) Consolidated fee income = Fee from customers of Banks + Gross profit from customers of other group companies

(*3) Income from customers = Difference of interests between loans and deposits + Consolidated fee income ※excluding securities' income

2 (2) Approach to Realization of Long-Term Vision

- To realize our long-term vision, we will strengthen our core business areas such as traditional banking and comprehensive financial services and take effort to expand our business areas by leveraging our strengths.
- We will create new value by taking on challenges to solve regional issues beyond the framework of conventional financial services and returning the expertise obtained through these initiatives to our core business.

Strengthen core business / Develop new business areas by leveraging our strengths

【New Business Areas】

Take on the challenge to solve regional issues, going beyond the conventional framework

- We will contribute to realize sustainable local communities by taking on challenges to solve regional issues going beyond the conventional framework.
- We will return the expertise obtained through our initiatives in new businesses to core business, which will lead to the growth of our Group and local communities.

Cultivating
new
customers

【Comprehensive Financial Services Area】

Strengthen our consulting and group functions and contribute to solve more customers' issues

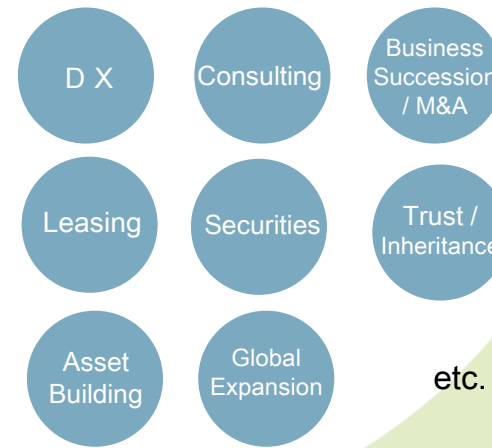
- We will expand the range of services to solve financial issues by strengthening consulting and group companies' functions.
- We will contribute to solve diverse financial issues of more customers by collaborating with our group companies and external institutions.

Deepening
relationships
with existing
customers

【Traditional Banking Services Area】

Change the way of providing services and increase their value

- We will realize thorough efficiency and services that continue to be selected by customers, through digitalization and business innovation.
- We will increase added value by providing integrated financial services together with new business areas, and maintain and expand our customer base.



Expanding
business
areas

Return the expertise cultivated in new business areas to core business

3. Summary of the Third Medium-Term Group Business Plan

3 (1) Position of the Third Medium-Term Group Business Plan

- The Third Medium-Term Group Business Plan is positioned to be a “Period for Taking on Challenges for Sustainable Growth.”
- While strengthening our management structure by innovating traditional banking services and deepening comprehensive financial services, we will take effort to sow and nurture in “New Business Areas” and aim to contribute to local communities beyond the framework of conventional financial services.



Basic Strategies

- 1 . Pursue a business model to support local communities
- 2 . Build a sustainable management base
- 3 . Develop human resources and promote active participation

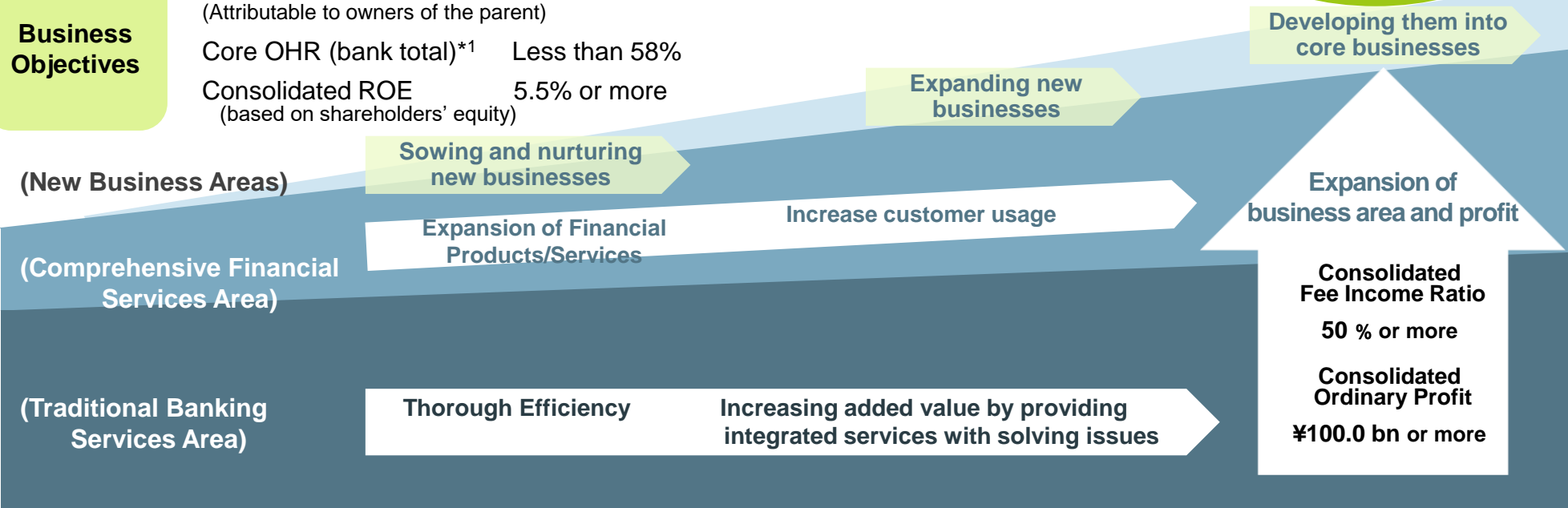
Business Objectives

Consolidated net income ¥ 52.0 bn or more
 (Attributable to owners of the parent)

Core OHR (bank total)*1 Less than 58%

Consolidated ROE 5.5% or more
 (based on shareholders' equity)

Long-Term Vision 2030
A Value Creation Group Working Together with Local Communities



* 1 Core OHR = Expenses + Core gross business profit (Gross business profit * 2 - gain/losses on bond transactions)
 * 2 Excluding gains/losses on cancellation of investment trusts and remuneration from “Special Deposit Facility to enhance the resilience of the regional financial system” and “Special Funds-applying Operations to facilitate financing in response to COVID-19 ” by Bank of Japan

3 (2) Basic Strategies of the Third Medium-Term Group Business Plan

- In the Third Medium-Term Business Plan, we will pursue a business model to support local communities aimed at contributing to them through new value creation.
- Toward new value creation, we will work to build a sustainable management base by promoting Digital Transformation(DX), etc., and to develop human resources and promote their active participation.

	Basic Strategy 1 Pursue a business model to support local communities	Basic Strategy 2 Build a sustainable management base	Basic Strategy 3 Develop human resources and promote active participation
New Business Areas	<p>【Specific Strategy 1-3】 Challenges to expand business areas</p> <ul style="list-style-type: none"> ● Provide value beyond the conventional framework utilizing the strengths of our Group and investments 	<p>【Specific Strategy 2-1】 Promoting DX</p> <ul style="list-style-type: none"> ● Provide new services by utilizing digital technology and data, increase the added value of conventional services 	<p>【Specific Strategy 2-2】 Enhancing group management</p> <ul style="list-style-type: none"> ● Organizational development related to DX and sustainability ● Business management response to expansion of business areas
Comprehensive Financial Services Area	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> ● Strengthen consulting and group functions and contribute to solve more customers' issues 	<p>● Accumulate, analyze and utilize data obtained through digital channel and face-to-face channel</p>	<p>Developing and securing human resources who can create value</p> <ul style="list-style-type: none"> ● Trainee dispatch About 120 people (3 year cumulative) ● Developing employees' digital skills DX personnel 400 people (end of Mar.2025) Basis of DX personnel 3,000 people (end of Mar.2025) * end of Mar. 2022 : about 1,200 people
Traditional Banking Services Area	<p>【Specific Strategy 1-1】 Innovating traditional banking services</p> <ul style="list-style-type: none"> ● Enhance customers' convenience utilizing digital technology and non-face-to-face services ● Increase the value of services by strengthening consulting function and providing integrated services for solving issues <p>【Specific Strategy 1-4】 Diversification of securities management / investments and financing</p> <ul style="list-style-type: none"> ● Strengthen profitability with appropriate risk-taking 	<p>● Accelerate business innovation</p> <p>● Expand non-face-to-face and remote procedures</p>	<p>Implementing diversity / Initiatives for job satisfaction</p> <ul style="list-style-type: none"> ● Expanding working opportunities for female employees Female employees ratio of positions equivalent to assistant manager or higher 35% or more (end of Mar.2025) * end of Mar. 2022 : 31%

Shifting human resources to focus area:
200 people
(3 year cumulative)
New digitalization investments
¥7.0 bn
(3 year cumulative)



● Generating management resources by promoting DX etc.
Reducing and reviewing business operations
About **580 people**
(3 year cumulative)
Cost reduction
¥3.0 bn (compared to FY21, the final year of 2nd medium-term plan)

4 . Initiatives under the Basic Strategies

【Basic Strategy 1】 Pursue a business model to support local communities ①



Strategic Goal

■ We will contribute to the realization of sustainable local communities by enhancing the quality of services to solve issues of customers and local communities and by expanding our business areas. Additionally, by enhancing customers' convenience utilizing digital technology and providing advanced face-to-face services and a peace of mind, we will aim to become an essential presence in local communities.

Specific Strategy 1-1

Innovating traditional banking services

- Integration of digital and face-to-face channels
- Increasing the value of services by providing integrated services for solving issues

Specific Strategy 1-2

Deepening comprehensive financial services

- Strengthen consulting and group companies' functions
- Provide services for more customers

Specific Strategy 1-3

Challenges to expand business areas

- Take initiatives to new areas beyond the framework of financial services
- Utilize our Group's strengths and investments / collaboration

Specific Strategy 1-4

Diversification of securities management / investments and financing

- Expand investment fields and regions
- Respond to diverse funding needs in the local regions



※ Regional issues and needs are shown in parentheses of the figure.

【Basic Strategy 1】 Pursue a business model to support local communities ②

Specific Strategy 1-1

Innovating traditional banking services



- With the improvement of convenience by providing expanded services through the digital channel and enhancing expertise of face-to-face services, we will provide financial and non-financial services to meet various customers' needs, and also better experience value through both channels.
- In response to the advancement of digitalization/ technology and the changes in value/ lifestyle of our customers, we will make a new point of contact with them by providing optimized channels.

Digital channel



Operations utilizing digital technology (Providing convenience and simplicity)

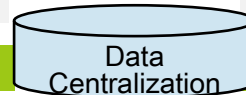
- Complete transactions anytime, anywhere in a safe, secure and speedy way
- Expand contact points with customers and understand their needs

Face-to-face channel



Operations of which only humans are capable (Providing peace of mind and added value)

- Provide information for solving wide range of issues including non-financial fields and highly specialized consultation
- Enhance the quality of consultation by also utilizing digital technology



Improve linkage between digital and face-to-face channels

Utilize transaction data obtained through enhanced digital channel



Enhancing data storage and providing new value

- Deliver advice to customers timely
- Provide information aiming at improving quality of life for customers

Enhance Smartphone / WEB

Making a new contact point with customers by using digital technologies

- Start to provide a portal for corporate customers
 - We will provide a portal with various functions such as loans and clearing services, and support business activities of corporate customers.
- Expand non-face-to-face services for individual customers
 - Continuous improvement of functions of Banking App
 - Speedy funding support by providing loans available online(WEB)



Optimize Branches / ATMs

- Maintain and expand points of contact with customers flexible operations of branch stores in response to regional characteristics / needs (service content, business days/ hours, utilizing idle properties, etc.)
- Optimize the network of ATMs taking into account the advancement of cashless society



Enhance Cashless / Clearing Services

- Provide businesses with diverse clearing functions
- Expand service lineup and improve convenience by using digital application



【Basic Strategy 1】 Pursue a business model to support local communities ③

Specific Strategy 1-2

Deepening comprehensive financial services



Traditional Banking Services Area

Shift face-to-face services to consulting services



Increase value of services by providing integrated services



Comprehensive Financial Services Area

< For Corporate Customers >

Deepening consulting function for business companies



Escorted support for sustainable growth of regional companies

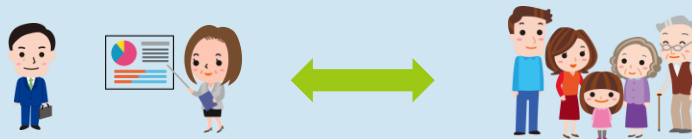


Group companies' functions (Leasing, Investment companies, Securities, Credit card, Think-tank, IT) + External partners

< For Individual Customers >

Deepening life plan consulting

- Provide services tailored to customers' life events
 - Support for asset building and asset management to meet their life stage
 - Livelihood support including non-financial services

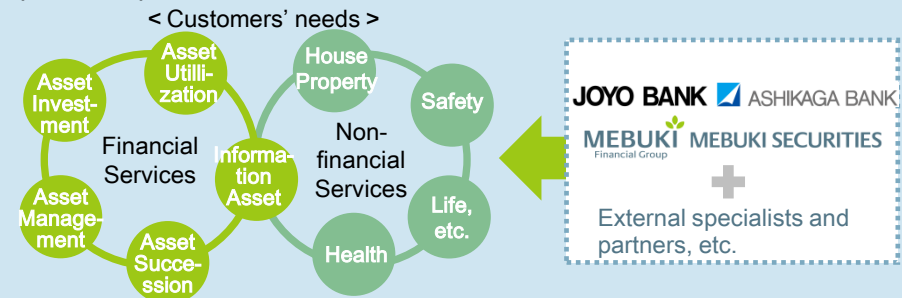


- Expand services for the digital age
 - Expand the functions of Banking App (distribution of advice / Investment trust trading, etc.)
 - Enhance robot-advisor functions
 - Utilize consultation available online (Web)



Strengthening relations with wealthy customers and business owners

- Build relations with wealthy customers / business owners and support their asset management, inheritance and asset succession
 - Initiatives for connecting to next generation, such as asset management advice and inheritance related services
 - Provide non-financial services related to livelihood support utilizing external partnerships



【Basic Strategy 1】 Pursue a business model to support local communities ④



< Regional Issues >

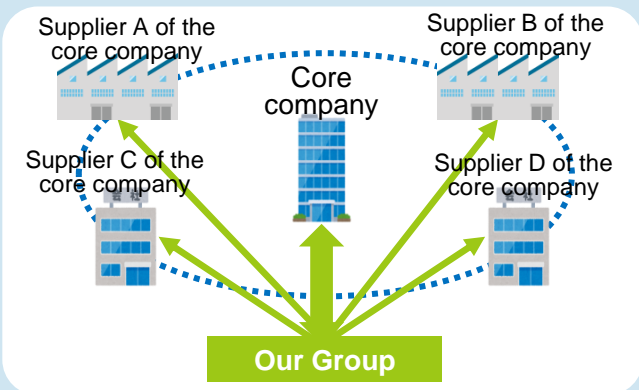
Comprehensive Financial Services Area

Initiatives for regional revitalization and SDGs

Connect businesses

- Maintain and enhance supply chain

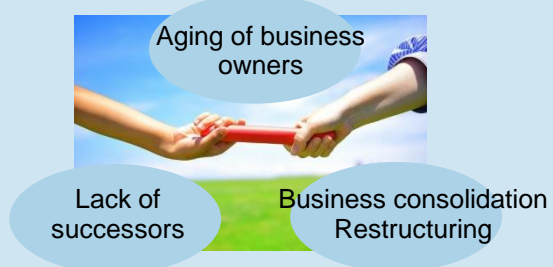
- ◆ Strengthen relations with regional core companies and establish ecosystem
- ◆ Consulting and supporting for the alliance of member companies in the ecosystem



Connect to next generation

- Enhance business succession/ M&A and strengthen our support system

- ◆ Increase our response capabilities for business succession/ M&A
 - Enhance initiatives based on characteristics of industry and region
 - Support for companies utilizing tax system applied to business succession
 - Support for business consolidation and restructuring



Connect regions

- Support initiatives for decarbonization / SDGs in local regions and for companies
- Solving regional issues by collaborating with local governments, etc.

- ◆ Support initiatives for decarbonization / SDGs in local regions and for corporate customers

Promote SDGS initiatives in local regions

- Hold SDGs related seminars, Simple evaluation



Practical support for SDGs in local regions

- Consulting for SDGs (“SDGs Declaration Support Service”, etc.)
- Sustainable finance
- Support to establish renewable energy facilities

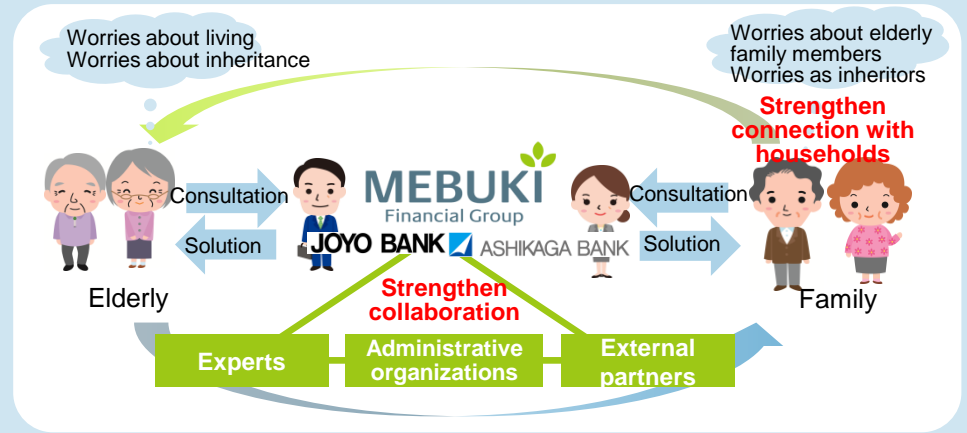


Introduce case studies of initiatives in local regions

- Media function such as dissemination of initiatives for SDGs by regional companies, etc.

Enhance our response to an aging society

- Enhance to provide various services related to gerontology
 - Strengthen connections with elderly families (households)
 - Strengthen relations with external partners, administrative organizations and experts
- One-stop services responding to problems of the elderly and their families
 - Expand services/products solving problems of the elderly and their families
 - Support to improve living environment such as reverse mortgages, relocating and renovation, etc.
 - Provide non-financial services by working with other industries

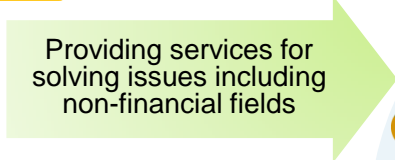
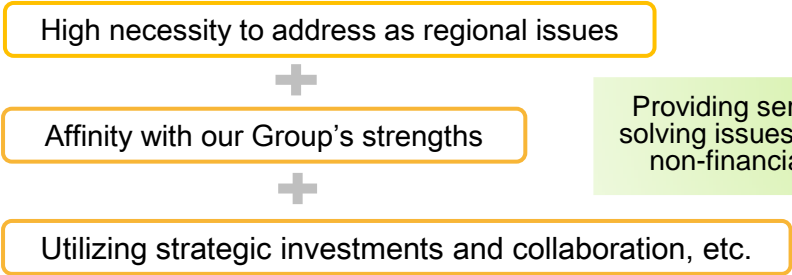


【Basic Strategy 1】 Pursue a business model to support local communities ⑤



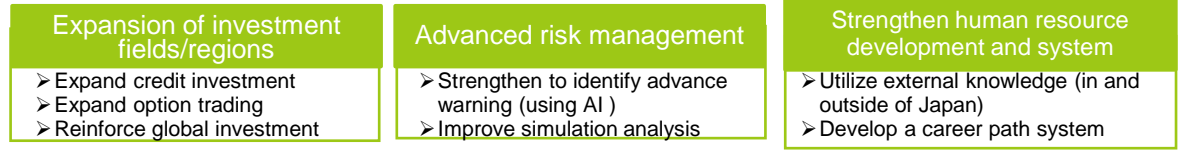
Specific Strategy 1-3 Challenges to expand business areas

“Approach to New Businesses”



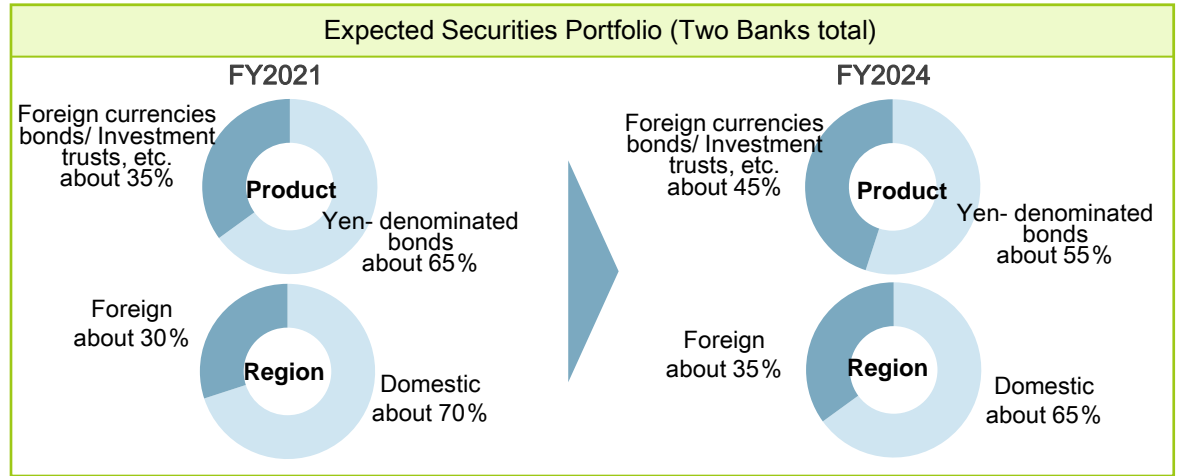
Specific Strategy 1-4 Diversification of securities management / investments and financing

Strengthen securities management



Reinforce structured finance

- Reinforce arrangement services
- Further strengthen business related to renewable energy
- Enhance equity finance



【Basic Strategy 2】 Build a sustainable management base ①



Strategic Goal

■ Through the utilization of digital technology and other means, we will work to reform our business model and to innovate operations to create new value and strengthen our management structure.

Specific Strategy 2-1

Promoting DX

Expand digital transactions

- Enhance non-face-to-face services / self transactions
- Pursue CX and UI / UX

Accelerate business innovation

- Abolition, drastic revision and simplification of administrative procedures
- Digitalization of paperwork

IT Investments
3 year cumulative **¥15.0bn**
o/w New digitalization Investments **¥ 7.0 bn**

Digital channel

Expanding APP functions and services with WEB completion scheme, linking to external services, etc.



Face-to-face channel

Enhancing digital operations, Enhancing consulting function through dialogue with customers



Back office operations

【Expanding the scope of use of digital technology】
RPA, AI-OCR, AI, Image data transmission, Low-code development tools



Data storage

Advancement of data analysis and data utilization

Internal data, External data, Financial data, Non-financial data

Shifting human resources to high value business areas

- ##### Value provided to customers
- ① Easy, convenient and safe services available anytime, anywhere
 - ② Sophisticated face-to-face consulting services
 - ③ Proposing products/services to meet customers' needs

- ##### For employees
- ① Shifting to high value business areas and promoting active participation
 - ② Improving productivity through digital support
 - ③ Efficient sales activities used in conjunction with face-to-face and non-face-to-face channels

System development for promoting DX

- DX promotion system ... Organizational development related to DX
- Securing and developing DX personnel ... DX personnel : 400 people
Basis personnel : 3,000 people (IT passport acquirers)

Strengthening infrastructure of IT/DX

- Establish a highly simple, flexible, scalable, and serviceable system infrastructure
 - Open source / Cloud computing, Using industry standard technology
 - Improve security

【Basic Strategy 2】 Build a sustainable management base ②



Specific Strategy 2-2

Enhancing group management

Optimized allocation of management resources

【Human resources (Personnel relocation)】

- By enhancing the efficiency of group management, we plan to establish a operation structure of 6,500 people in FY24 (total staff of 8,900 people including part-time workers, etc.).
- Through the digitalization and efficiency of administrative procedures, etc., we will reduce and review our business operations equivalent to 580 people and relocate 200 people to consulting, DX and new fields, etc.

Number of total employees in the Group (excluding part-time workers) (people)



Advanced group governance / risk management / profit control

- Reinforcing our Group's businesses
- Change in financial business environment / regulations

Strengthen our group organizations

- Reorganization for strengthening DX promotion
- Establish a new organization for enhancing our initiatives for sustainability
- Review our system for business operations' planning function in the Group

Brush up on our management system considering new business areas and its expansion

- Develop risk management and profit control systems

Enhance advanced market risk management

- Risk management responding to the expansion of investment fields / methods
- Appropriate response to the market risk related regulations

【Things (IT Investment)】

- For pursuing a business model supporting local communities and accelerating our business innovation, we will invest ¥ 15.0 bn in IT, of which, ¥ 7.0 bn in new digitalization, in the next three years.

Total amount of IT investments	¥ 15.0 bn (3 year cumulative)
o/w New digitalization investments	¥ 7.0 bn (same as above)

【Money (Cost reduction)】

- Through DX promotion and business innovation, we will enhance cost reduction(*) by ¥3.0 bn mainly in traditional banking area and invest to digitalization and human resources development.

(*) "Total expenses in FY2024" - "Total expenses in FY2021"

Response to climate change

- Initiatives for CO2 emission reduction
- Advanced scenario analysis and enhancement of disclosure
- Development of a framework of climate change risk management

Advanced measures for AML/CFT

- More sophisticated due diligence measures
- More sophisticated risk management system

Response to Basel III

- Response to final requirements of Basel III (credit risk, operational risk)
- Appropriate RWA management

【Basic Strategy 3】 Develop human resources and promote active participation



Strategic Goal

- Through the development and securement of human resources capable of creating value and the enhancement of job satisfaction, we will form a diverse and self-reliant group that can provide local communities and customers with new value and a peace of mind, thereby increasing the engagement of each employee.



Develop and secure human resources capable of creating value

Develop and secure human resources who can reflect both the trust and the expectations of our customers

- Develop and secure human resources with problem solving skills
 - ✓ Develop and secure human resources responsible for deepening comprehensive financial services and expanding business areas
 - ✓ Share the skill qualification system and the self-education menu in two banks
- Enhance training programs / reskilling opportunities
 - ✓ Enhance the training programs prepared for shifting human resources to front-office operations and the progress of digitalization
 - ✓ Develop joint training system in two banks, co-producing training material using video



Implementation of diversity

Expanding active working opportunities for diverse human resources

- Implementation of diversity and environmental improvement
 - ✓ Practice of initiatives based on the diversity policy
 - ✓ Increase active participation of female employees and opportunities for promotion to higher level positions
 - ✓ Initiatives for active participation of senior human resources
- Female employees ratio of positions equivalent to assistant manager or higher
<Target level> End of Mar. 2025 : 35% or more



Initiatives for enhancing job satisfaction

Cultivate organizational culture supporting sustainable growth

- Initiatives for enhancing job satisfaction
 - ✓ Support for self-motivated career building / Develop an environment that promotes challenges
 - ✓ Improve work-life balance



5. Performance Targets

5 (1) Business Objectives / Main Performance Targets

Business Objectives

- We set the goals of consolidated net income, core OHR (two banks total) and consolidated ROE (based on shareholder's equity) as our business objectives. We will achieve the levels shown on the right by carrying out basic strategies.

Business objective indicators	FY2021 (Reference)	FY2024
Consolidated net income (Attributable to owners of the parent)	¥42.9bn	¥52.0bn or more
Core OHR (Two Banks total)*1	58.1%	Under 58%
Consolidated ROE (Based on shareholder's equity)	5.1%	5.5% or more

Main Performance Targets

- Profit of banking business and consolidated income will increase due to pursuing business models to support local communities and efficiency through promotion of DX and initiatives for innovation.

Main performance targets	FY2021 (Reference)	FY2024
Core net business income (Two Banks total)*2	¥77.9bn	around ¥80.0bn
Consolidated ordinary profit	¥64.9bn	around ¥75.0bn
Average balance of Loans (Two Banks total)*3	¥11.1 tn	around ¥11.6 tn
Average balance of Deposits (Two Banks total)*4	¥16.5 tn	around ¥17.5 tn

Preconditions for Objectives and Targets

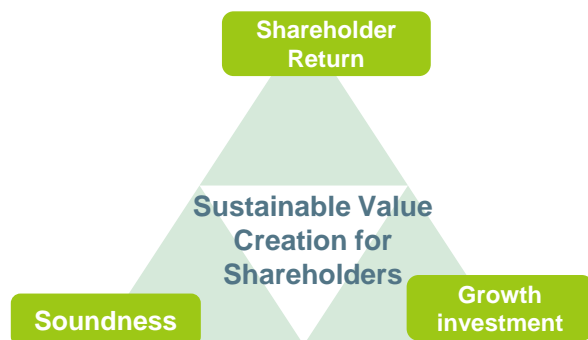
- We predict that both global and domestic economies will normalize and gradually recover from the COVID-19 pandemic. In addition, we will continue to closely monitor recession risks due to heightened uncertainties regarding the geopolitical risk of Russia and Ukraine and rising material prices.

(*1) Expenses ÷ Core gross business profit (Gross business profit*2—gain/ losses on bond transactions)
 (*2) Excluding gains/losses on cancellation of investment trusts and remuneration from “Special Deposit Facility to enhance the resilience of the regional financial system” and “Special Funds-applying Operations to facilitate financing in response to COVID-19” by Bank of Japan
 (*3) Excluding loans for “Borrowing from special account of MoF”
 (*4) Including Negotiate certificates of deposit

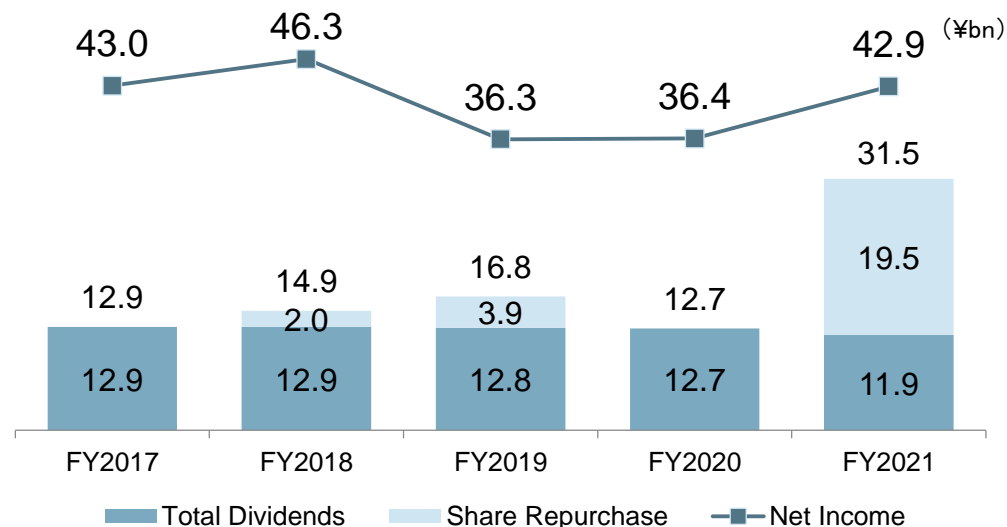
5 (2) Dividend / Shareholder Return Policy

Dividend / Shareholder Return Policy

- We will target a Total Return Ratio(*) of 30% or more while taking into account both the maintenance of solid capital levels for future growth and the appropriate distribution of profits to our shareholders. We will continue to consider the dividend level.



Results of Shareholder Return



Fiscal Year	FY2017	FY2018	FY2019	FY2020	FY2021
Annual Dividends	¥11.0	¥11.0	¥11.0	¥11.0	¥11.0
Total Dividends	¥12.9bn	¥12.9bn	¥12.8bn	¥12.7bn	¥11.9bn
Payout Ratio	30.0%	27.8 %	35.3 %	34.9 %	28.2 %
Share Repurchase	—	¥2.0bn	¥3.9bn	—	¥19.5bn
Total Return Ratio	30.0 %	32.3 %	46.2 %	34.9 %	73.3%

(*) Total Return Ratio = (Total amount of dividends + Total amount of acquisition of own shares) / Net income

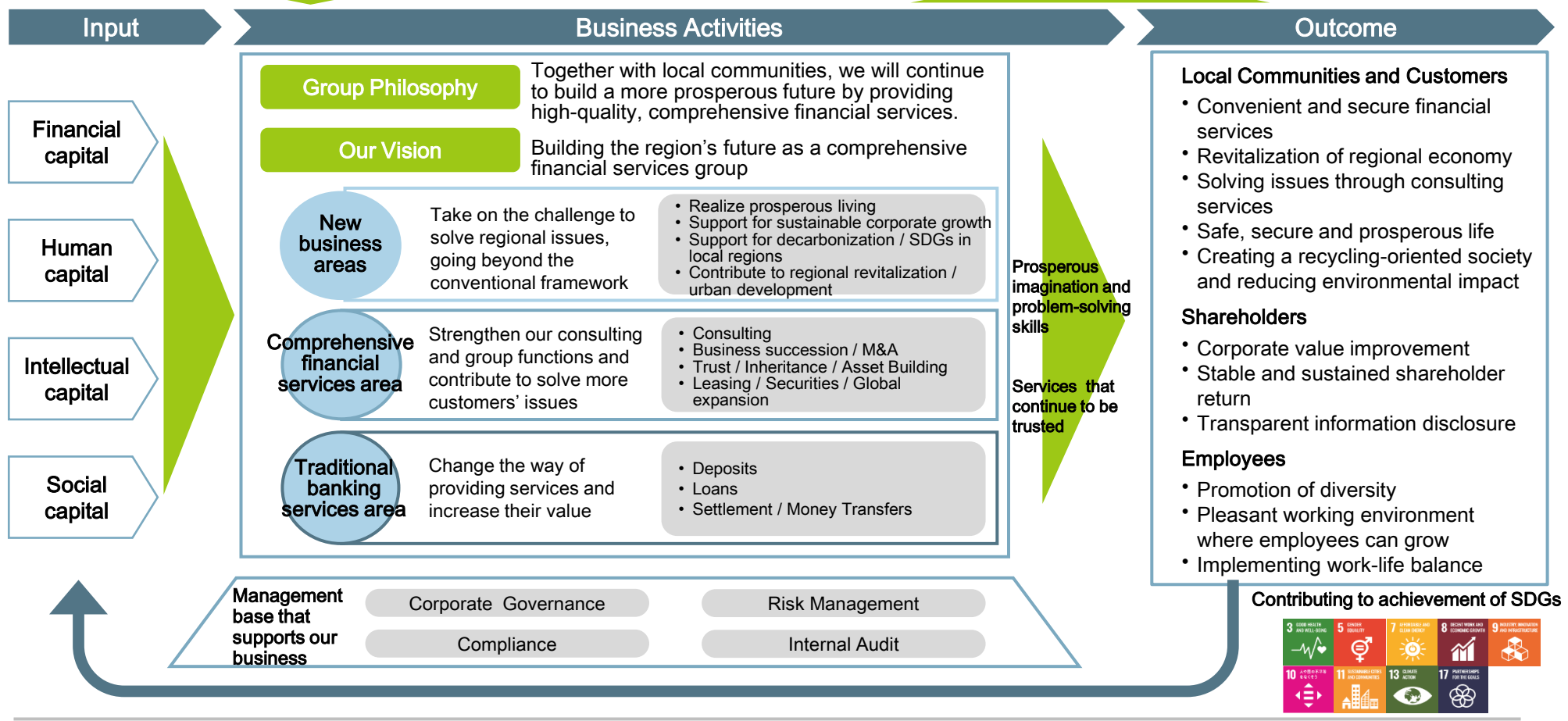
6 . Value Creation Process

Initiatives for Sustainability

6 (1) Value Creation Process

Based on the corporate philosophy of the Group, Mebuki Financial Group will provide high-quality, comprehensive financial services by taking advantage of its wide-area network, solid customer base and other strengths, while contributing to the sustainable growth of local communities through improving the Group's corporate value and creating value for stakeholders.

- External environment**
- Aging and Declining population
 - Industrial and work structure changes
 - Progress of digitalization and technology
 - Changes in lifestyle and value
 - Shift to decarbonized and recycling-oriented society



- | | | | | |
|---|--|---|--|---|
| <p>Explanation of each capital</p> | <p>Financial capital</p> <ul style="list-style-type: none"> • Sufficient capital • Sound assets • Stable funding | <p>Human capital</p> <ul style="list-style-type: none"> • Diverse human resources • Enhancing training programs and specialized human resources • Human resources rooted in local communities | <p>Intellectual capital</p> <ul style="list-style-type: none"> • Brand strength and history • Comprehensive capabilities with know-how in the Group • Advanced risk management | <p>Social capital</p> <ul style="list-style-type: none"> • Wide-area networks based in Ibaraki and Tochigi Prefectures • Solid customer base • Network with domestic and international partners |
|---|--|---|--|---|

6 (2) Sustainability Policy

Mebuki Financial Group has formulated the Group Sustainability Policy in order to reinforce further initiatives for the achievement of our long-term vision, in conjunction with the start of the 3rd Medium-Term Group Business Plan. We will establish new organizations to enhance promotion of sustainability in the Group Head Office and two subsidiary banks.

Mebuki Financial Group Sustainability Policy



Based on the group philosophy *“Together with local communities, we will continue to build a more prosperous future by providing high-quality comprehensive financial services”*, Mebuki Financial Group will support solving issues in our regions, while contributing to the achievement of sustainable growth of local communities as well as the improvement of our corporate value.

Materiality	Main initiatives in the 3rd mid-term business plan	Goal of SDGs	Long-term KPI for sustainability
Revitalization of regional economy and local communities	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Deepening consulting function for companies Initiatives for regional revitalization / SDGs Deepening life plan consulting <p>【Specific Strategy 1-3】 Challenges to expand business areas</p> <ul style="list-style-type: none"> Developing new business areas by leveraging group’s strength Utilizing strategic investments and collaboration, etc. 		<p>Sustainable finance goal</p> <p>FY2021~FY2030 (cumulative total) “ 3 trillion yen ” (o/w Environmental fields 2 trillion yen)</p>
Climate change and environment conservation	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Initiatives for regional revitalization / SDGs 		<p>CO2 emission reduction goal</p> <p>FY2030 “CO2 emission Net-zero”</p>
Promotion of digitalization	<p>【Specific Strategy 1-1】 Innovating traditional banking services</p> <ul style="list-style-type: none"> Enhancing contact points with customers and non-face-to-face services using digitalization Optimizing channel network and enhancing consulting function <p>【Specific Strategy 2-1】 Promoting DX</p>		<p>Female employees ratio of positions equivalent to assistant manager or higher</p> <p>End of Mar. 2025 “ 35% ” or more</p>
Response to aging society	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Enhancing response to an aging society 		
Promotion of diversity	<p>【Basic Strategy 3】 Develop human resources and promote active participation</p> <ul style="list-style-type: none"> Implementation of diversity 		

6 (3) Main Initiatives for Achievement of ESG / SDGs

We will work with all of our stakeholders, including customers, shareholders, employees and business partners, to create a more prosperous regional society and aim to keep growing together with our local communities.

Main initiatives as a corporate citizen

E Response to climate change



- Contribution to decarbonized society
 - Initiatives for TCFD recommendation (enhancing internal control system including scenario analysis of climate change and related disclosures)
 - Initiatives to reduce greenhouse gas emission
- Forest conservation activities, subsidies and donations to environment conservation groups

S Promotion of diversity



- Increase active participation of female employees and opportunities for promotion to higher level positions
- Develop and secure specialized human resources, active participation of senior human resources
- Investment in people
- Work-style reform / promote work-life balance
- Respect for human rights

S Build a sustainable system / Develop and secure human resources in local regions



- Promotion of digital transformation (DX)
- Innovation of business operations
- Support for financial education
- Joint support with local governments for recruiting
- Support for training young managers and successors

G Advanced corporate management



- Strengthen and improve corporate governance
- Shut out relations with anti-social forces and prevent money-laundering and financing of terrorism for a peaceful and just society

Main initiatives contributing to SDGs through the Group's businesses

E Response to climate change



- Environmental consideration and support for the spread of renewable energy through investment to green loans / bonds and environment-friendly private placement bonds, etc.
- Support for promoting environmental businesses

S Promotion of sustainability transformation (SX)



- Collaborative creation with our customers
 - For acceleration and expansion of SDGs, we will provide various products/services to raise customers' sense of participation in SDGs from the viewpoint of "activities to support the achievement of SDGs' goals in partnership with customers"



S Contributions to regional sustainable growth



- Collaboration with local regions / regional companies and regional revitalization by making the most of the Group's wide-area network
- Solving regional issues by working with local governments
- Financial support by providing sustainability linked loans to solve customers' social issues
- Expanding various services related to financial gerontology
- Expanding non-financial services responding to problems for the elderly

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