

# Integrated Report 2026

Year Ended March 31, 2026



The Japanese word mebuki, or “green shoots,” conveys an image of new leaves budding on tree branches. This word is used in the Group’s name to express its approach of drawing on the knowledge and creativity of each of its companies to create fresh ideas and new value. The name Mebuki expresses our wish to create new energy and value in local communities and pursue sustainable growth along with these communities.

### Mebuki Financial Group Philosophy

**Together with local communities, we will continue to build a more prosperous future by providing high-quality, comprehensive financial services.**

The ingenuity of the entire Group will be combined to contribute to sustainable growth in communities.

We will build a better future together with local communities, seeking solutions to challenges that affect these communities by providing high-quality, comprehensive financial services.

### Mebuki Financial Group Sustainability Policy

Based on the Mebuki Financial 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 and group companies 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.

# 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

# 10th Anniversary of Mebuki Financial Group

COLORING  
THE FUTURE,  
TOGETHER.



ANNIVERSARY

## Commemorative tagline: “Coloring the future, together”

We represented our diverse stakeholders—including customers, local communities, shareholders, and the Group itself—using a variety of “colors.”

It expresses our strong desire to create new value by bringing together each stakeholder’s unique qualities and to build a richly colorful future together.

## Commemorative logo

The logo depicts “leaves,” inspired by mebuki (“budding”), the origin of the Company’s name, rising into the future on the wind. The way the leaves vividly take on color as hope and possibilities expand symbolizes our commitment to turning diversity into strength and working together as one Group alongside all our stakeholders.

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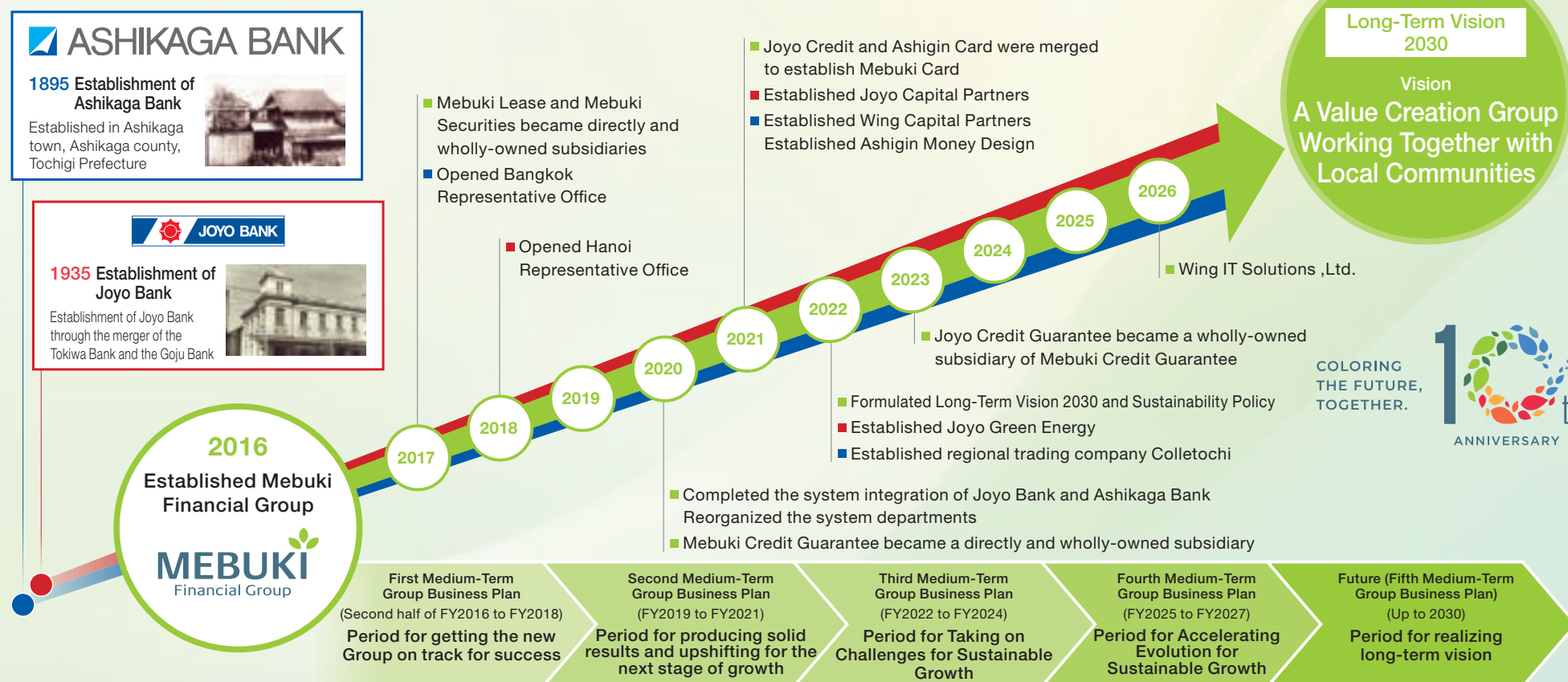
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### Editorial Policy

We have prepared this report (Integrated Report for the year ended March 31, 2026) to communicate to stakeholders the Group's efforts toward sustainable value creation in an easy-to-understand manner. We have compiled this report by integrating the Group's philosophy, medium-term business plan, and financial information, along with non-financial information such as our initiatives for value creation and sustainability. This report also serves as disclosure materials (explanatory documents regarding the status of business and assets) pursuant to Articles 21 and 52-29 of the Banking Act. When using this publication as a disclosure document, please refer to it together with the Financial Data 2026 for the year ended March 31, 2026. Details on Sustainability and ESG information are available on our website: <https://www.mebuki-fg.co.jp/eng/sustainability/>

# Developments of Mebuki Financial Group

Based on the Mebuki Financial Group Philosophy "Together with local communities, we will continue to build a more prosperous future by providing high-quality, comprehensive financial services," the Group will combine the ingenuity of the entire Group to contribute to the achievement of sustainable growth of local communities as well as the improvement of our corporate value.



## Social events

|      |                                                           |      |                                |      |                                                                  |      |                                                                               |      |                       |
|------|-----------------------------------------------------------|------|--------------------------------|------|------------------------------------------------------------------|------|-------------------------------------------------------------------------------|------|-----------------------|
| 1945 | End of the Pacific War                                    | 2005 | Opening of the Tsukuba Express | 2019 | Suffered extensive damage by Typhoon Hagibis and other disasters | 2022 | Russia's invasion into Ukraine                                                | 2025 | Holding of Osaka EXPO |
| 1964 | Tokyo Olympic and Paralympic Games                        | 2011 | Great East Japan Earthquake    | 2020 | Spread of COVID-19                                               | 2023 | COVID-19 reclassified to Category V under the Infectious Diseases Control Law |      |                       |
| 1974 | Completion of Tohoku Expressway within Tochigi Prefecture | 2015 | SDGs adopted by the U.N.       | 2021 | Tokyo Olympic and Paralympic Games                               | 2024 | New banknotes issued for the first time in 20 years                           |      |                       |
| 1982 | Opening of Tohoku Shinkansen                              |      |                                |      |                                                                  |      |                                                                               |      |                       |
| 1985 | Holding of Tsukuba EXPO                                   |      |                                |      |                                                                  |      |                                                                               |      |                       |

# Development from the Business Integration

From the time of the business integration to the present, the business environment has been harsh for us as a financial institution; however, we have created synergies in terms of both top-line and cost performance and worked on structural reforms and earnings structure transformation.

Going forward, we will continue to respond flexibly to changes in the social environment and solve issues faced by local communities, leading to the sustainable growth of the Group.

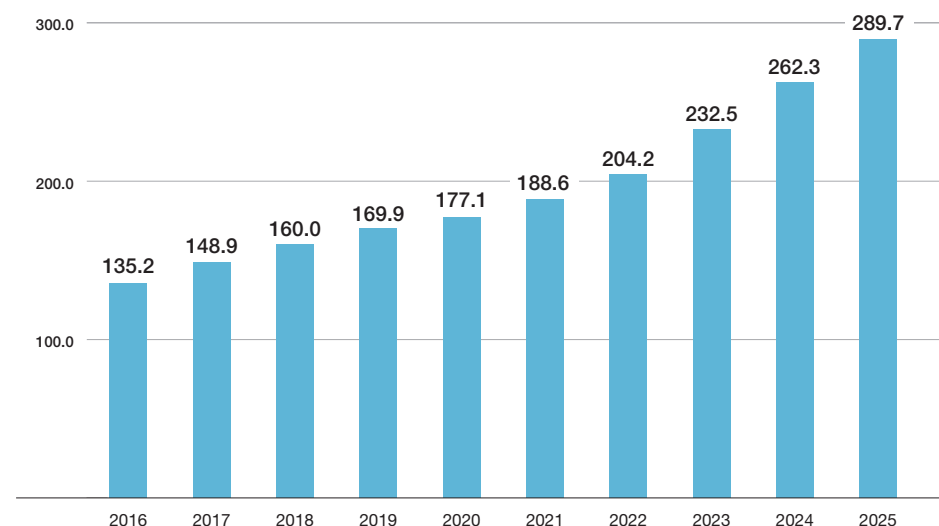
## Main integration synergies

### ① Top-line synergies

Since the business integration, Joyo Bank and Ashikaga Bank have been promoting the sharing of sales activity-related know-how with one another, as well as the sharing of marketing-related know-how for non-face-to-face sales for special-purpose loans, such as loans for automobiles or education. This sharing has helped create synergies that also contribute to the top-line, including a significant increase in the banks' loan balances. In the corporate business sector, the two banks have facilitated over 5,000 business matching cases between their clients since the integration, leading to results like the expansion of sales channels. However, because there has been a noticeable slowdown in the growth of synergies in this sector—including in collaboration and co-financing between the two banks—we recognize the need for a re-evaluation. This includes a review of the KPIs that should be established and measured as top-line synergies.

#### Unsecured loans

(Billion yen)



### ② Cost synergies

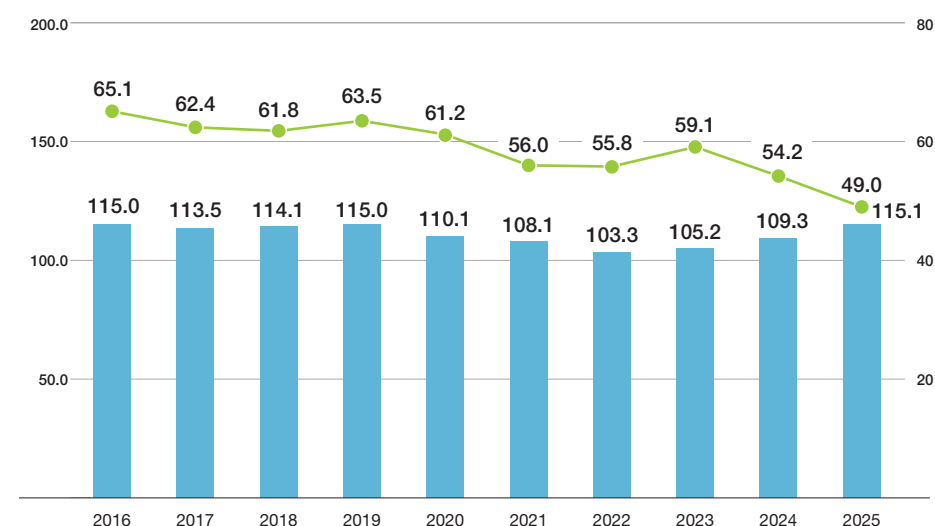
Since the integration of the core systems of Joyo Bank and Ashikaga Bank in January 2020, there has been an aggressive push toward structural reforms, including the integration of back-office operations and the integration of distributed systems other than the core systems. As a result, it has been possible to significantly reduce the volume of administrative work while at the same time steadily reap the effects of cost/expense reductions.

As a result of this reduction in administrative work, it has been possible to make progress in the reallocation of personnel to strategic areas, such as the bolstering of personnel assigned to consulting functions. Further to this, the banks have also been able to push ahead with the development of a system that can respond to the diversifying and sophisticated demands of our customers.

#### Expenses/OHR\*

(Billion yen)

(%)



\* Based on core gross business profit (excluding gains/losses on cancellation of investment trusts and gains/losses on futures and options)

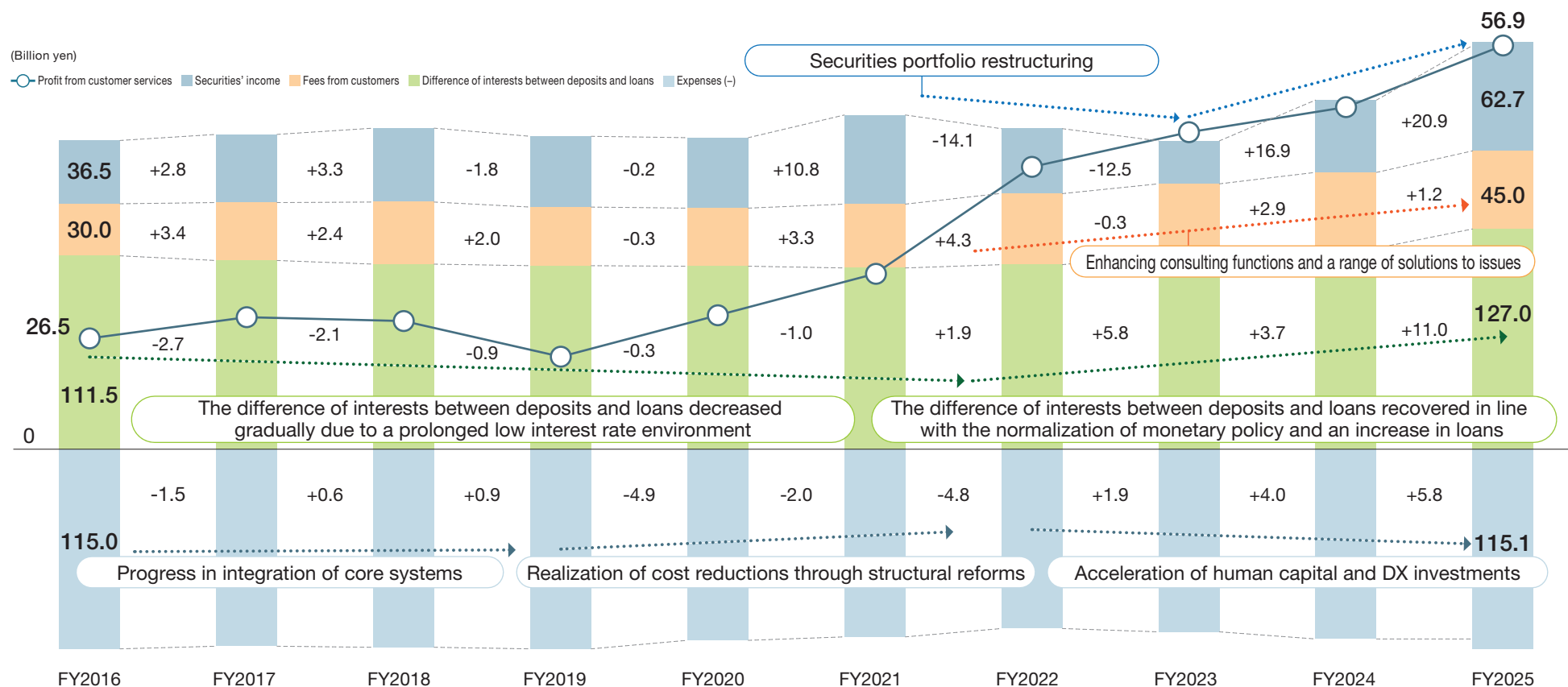
## Development from the Business Integration

### Changes in the earnings structure since the business integration

Since our business integration in October 2016, the environment surrounding the Group has been challenging, including the negative interest rate policy, the spread of COVID-19, and intensifying competition, including with other industries. Against this backdrop, the banks have been able to sustain growth in profits from customer services\* since 2019 by strengthening consulting functions to boost fee income and implementing structural reforms like integrating core systems and reviewing branch networks. More recently, the growth has also been driven by increased lending and improved loan yields resulting from rising policy rate and market interest rate.

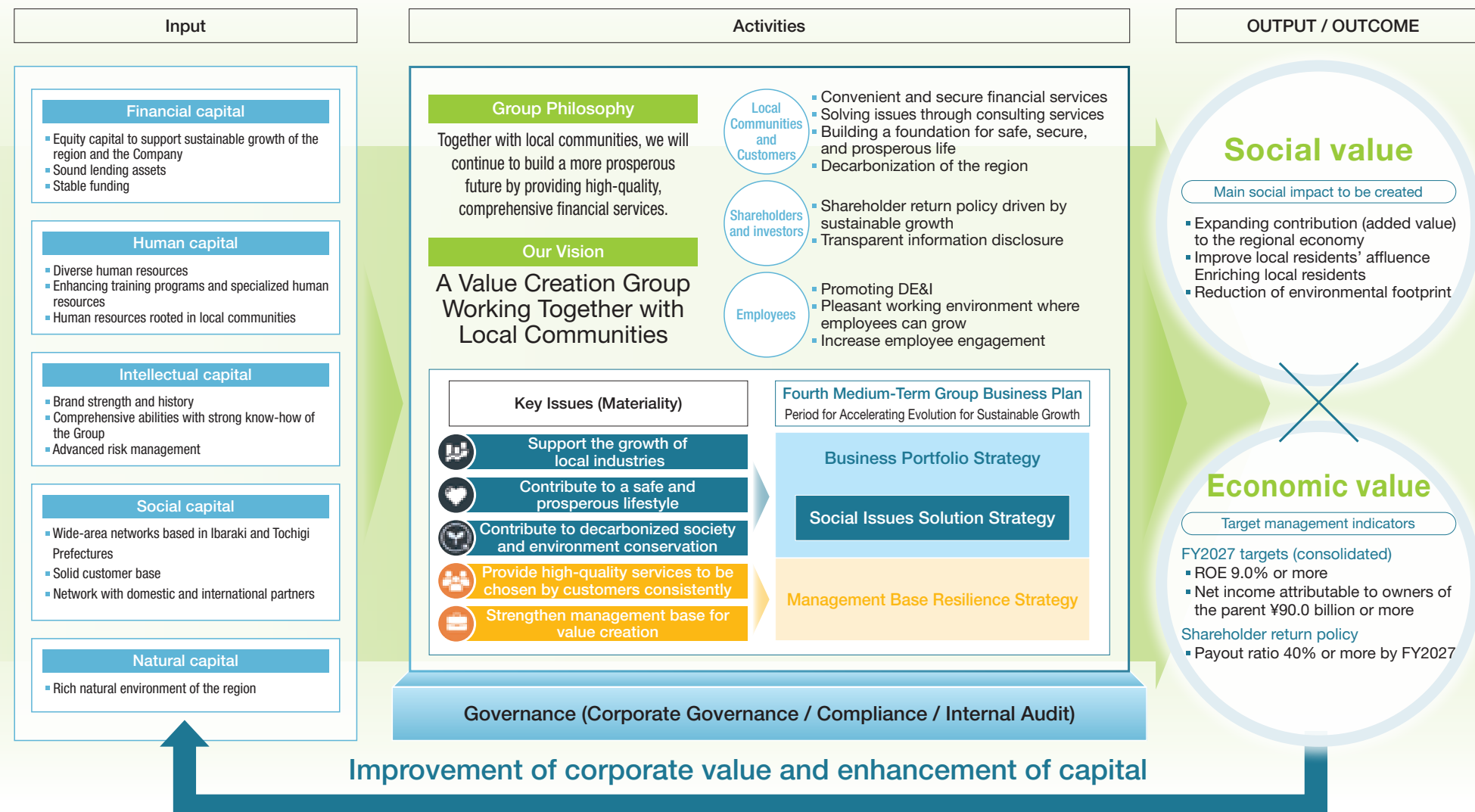
### New challenges

The termination of the negative interest rate policy by the Bank of Japan and the subsequent increase in policy interest rate are historical turning points, not only for the financial industry but also for the Japanese economy. We believe that these changes will have a significant impact on the Group's business strategies. Amid these major changes in the business environment, in order to achieve sustainable growth as a regional financial group, it is of the utmost importance to enhance regional sustainability. For this reason, we recognize that it is necessary to help find solutions to the social issues facing local communities so as to create a virtuous cycle that will lead to the growth of the Group.



# 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.



# Greetings from the President and Executive Vice President



Corporate value improvement



## The ongoing challenge to become a value creation group working together with local communities

The environment surrounding regional financial institutions is undergoing a historic turning point as a “world with interest rates” becomes firmly established, presenting a prime opportunity for banks to once again generate profit through their core function of financial intermediation. At the same time, rising geopolitical risks are causing instability in the global economic situation, including the Japanese economy.

Furthermore, in local communities, various social issues, including labor shortages, are becoming increasingly apparent as a result of the declining birthrate and aging population.

Against this backdrop, the Group will further refine its traditional banking operations, including deposits, loans, and money transfers, while strengthening its comprehensive financial services and new business areas, including business succession, M&A, and startup support, and further enhance its role as “A Value Creating Group Working Together with Local Communities.”

Under the Fourth Medium-Term Group Business Plan, which is positioned as a “Period for Accelerating Evolution for Sustainable Growth,” the Group is accelerating initiatives for three basic strategies: the Social Issues Solution Strategy, Business Portfolio Strategy, and Management Base Resilience Strategy, which are linked to our materiality defined from social issues as the starting point. In addition, by defining our risk-taking strategies for each business segment, the Company is implementing growth strategies for each segment while optimizing the allocation of resources. Through these activities, we will create both social value and economic value and work to sustainably improve corporate value.

The Group will celebrate a major milestone on October 1 of this year, the 10th anniversary of its founding. On the occasion of this anniversary, under the slogan of “Coloring the future, together,” we are determined to co-create new value together with our stakeholders while respecting diverse individualities.

In order to meet the expectations of customers, local communities, and shareholders, we will continue to mobilize the Group's ingenuity and work to create a prosperous future for local communities. We ask for your continued support.

**Tetsuya Akino**

Mebuki Financial Group  
President and Director

**Kazuyuki Shimizu**

Mebuki Financial Group  
Executive Vice President and Director

## A Message from the President



**Tetsuya Akino**

Mebuki Financial Group  
President and Director

## Leveraging the Group's comprehensive strengths built over 10 years since the integration to further solidify our vision of becoming a "Value Creating Group Working Together with Local Communities"

### Significant progress in building the Group's management foundation over 10 years since the integration

Mebuki Financial Group will celebrate the 10th anniversary of its foundation in October 2026. At the time of the business integration, I was involved in the management of Joyo Bank as the General Manager of the Personnel Division and as the General Manager in charge of the Corporate Management Department of Mebuki Financial Group. After that, I was involved in the promotion of group management as the director in charge of Corporate Planning. Looking back on the past 10 years, I believe that the Group has significantly strengthened its management foundation as a group with total assets of ¥20 trillion under the "one headquarters with multiple brands" structure that the Group has been advocating.

With regard to one headquarters, Mebuki Financial Group, as the holding company, is now in a position to play an integrated role in the formulation of strategies, resource allocation, risk management, and capital policy for the Group as a whole. At the same time, regarding the multiple brands structure, in addition to Joyo Bank and Ashikaga Bank, Group companies such as Mebuki Lease, Mebuki Securities, Mebuki Credit Guarantee, and Mebuki Card have become able to demonstrate their respective identities across a wide area.

Joyo Bank and Ashikaga Bank have built different histories, cultures, and brands in their respective regions. I believe that what sets the Group apart is not forcing these strengths into a single mold, but rather allowing each brand to play to its strengths under a shared strategy and set of values.

We have also made progress in integrating systems and standardizing administrative processes. In particular, the integration of the banks' core systems

## A Message from the President

has greatly contributed to improving the efficiency of internal administration and management systems. In addition to cost synergies from these infrastructure improvements, top-line synergies, including those in sales and securities management, have been steadily emerging.

For example, business matching and syndicated loans to connect the customers of the two subsidiary banks, the development of new markets through Mebuki Lease and Mebuki Securities, and the building of a diversified securities portfolio by leveraging the investment styles of the two subsidiary banks are just a few examples of the results achieved through the business integration.

At the same time, the issues surrounding regional economies, such as population decline, labor shortages, and changes in the industrial structure, are becoming increasingly complex and diverse. The situation cannot be adequately addressed by the Group's existing services alone. We need to increase new solutions that go beyond the framework of finance, and to that end, increasing the number of partners with whom we can work together to solve regional issues will be a key priority.

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### Taking advantage of a “world with interest rates” to enhance support for our customers

Looking back on the past year, a major change in the business environment that stands out is the transition to a “world with interest rates.” As the Japanese economy transitions from prolonged deflation to stable growth accompanied by inflation of around 2%, we believe that rising interest rates offer many benefits for the economy as a whole.

For the Group as well, rising interest rates will lead to an improvement in the net interest margin and the yield on our securities portfolio, providing a significant boost to our earnings. The Group holds deposits of approximately ¥18 trillion, which are used for lending and securities investment. Changes in the interest rate environment have a direct impact on this business model.

There is also rampant demand for funds. Corporate capital investment includes not only aggressive investments to expand business and support digital transformation, but also defensive investments to upgrade aging facilities and address labor shortages. In addition, demand for working capital is trending upward in line with inflation. For the Group, this, combined with rising interest rates, is providing a tailwind for improving profitability.

At the same time, in securities investment, a decline in bond prices due to a rise in long-term interest rates is an issue. The Group has been restructuring its portfolio while also taking advantage of the benefits of diversified investments, including

stocks. We will continue to closely monitor market conditions and rigorously manage our portfolio while balancing risk and return.

Furthermore, rising interest rates are not necessarily a positive development for all customers. Depositors and asset managers benefit from interest on deposits and expanded opportunities for asset management, but customers with borrowings bear an increased burden. For businesses, in addition to the burden of interest rates, coping with rising material costs and wage increases also poses a major challenge.

Support for passing on cost increases and improving productivity is especially important for business operators. Rather than simply raising prices, it is necessary to offer proposals tailored to each company's specific challenges, such as innovative marketing strategies, enhancing value-added services, improving operational efficiency through the use of IT and AI, and addressing labor shortages.

In a deflationary economy, lowering costs without raising prices was a priority for many companies. However, in an inflationary economy, companies must evolve to set appropriate prices and provide value commensurate with those prices. The Group aims to be a source of support for major transformations, including shifts in customer mindsets.

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### The first year of the Fourth Medium-Term Plan is off to a good start; PBR exceeds 1.0x

FY2025, the first year of the Fourth Medium-Term Group Business Plan, was a year in which we achieved significant results. Net income attributable to owners of the parent was ¥84.1 billion, a record high since the business integration, and core net business income was ¥119.6 billion. ROE rose to 8.2% and the PBR exceeded 1.0x, indicating that we made some progress not only in terms of profit levels but also in capital efficiency and market valuation.

One achievement I feel is particularly significant is that we were able to broadly share our business growth with our stakeholders. We significantly increased the dividend for shareholders from ¥16 per share in FY2024 to ¥28 per share in FY2025. We also implemented a pay raise for our employees, including a base pay increase. In addition, we are now able to pay a tangible amount of interest to depositors. I believe it is of great significance that we have been able to share the fruits of the Group's growth with so many of you.

This is due not only to improved earnings resulting from rising interest rates, but also to growth in corporate lending and an increase in service revenue generated through consulting. Through our consulting sales approach, which we have

## A Message from the President

consistently strengthened since the Third Medium-Term Group Business Plan, we are now able to provide high added value, and we are establishing a system that enables us to offer a wide range of proposals to a diverse customer base, from corporate customers to individual customers.

As part of our digital transformation efforts, the number of users of our banking app has reached 1.50 million. We are also putting a framework in place to analyze the data collected through our app and conduct marketing that is nearly one-to-one, tailored to our customers' demographics and needs. Going forward, we will leverage AI to improve the accuracy of our recommendations and make more effective use of our interactions with customers.

### Transformation of our earnings structure and enhancement of capital efficiency

In order to sustainably increase returns to shareholders, it is of the utmost importance to further solidify the Group's earnings base. While rising interest rates are currently providing a tailwind, we will not rely solely on this trend; instead, we will press ahead with the business portfolio strategy outlined in the Fourth Medium-Term Group Business Plan to firmly establish the transformation of the Group's earnings



structure and improve capital efficiency.

One measure is to optimize the loan portfolio and strictly control risk assets. In light of recent market conditions, the Group has raised its recognized cost of capital to 8–9% and is now operating with an even greater focus on the quality of earnings through an emphasis on profitability. Specifically, we will curb low-yield fixed-rate loans to a certain extent, and going forward, we will place greater emphasis on profitability in our lending to large corporations. At the same time, with regard to loans to local small and medium-sized enterprises and individuals—which constitute our core market—we will continue to actively take on risk and provide the funding necessary for the growth of local industries.

Second, by deepening the Group's sales synergies, we will fully demonstrate our ability to provide value as a regional consulting company with banking functions. Marking 10 years since the integration, we are concluding the infrastructure-building phase and entering the deepening phase, in which we will fully leverage the Group's comprehensive strengths to contribute to the regional economy. At the core of this is our Group's integrated approach to M&A and advanced inheritance and asset succession solutions for high-net-worth individuals. For example, in the high-net-worth client business, The Ashikaga Bank has obtained its own trust business license and handles everything—including the execution of testamentary trusts—in-house, whereas Joyo Bank outsources these services to trust companies and other entities outside the Group.

Beyond simply providing direct services, testamentary trusts have a significant ripple effect in protecting and revitalizing the local economy by firmly securing ties with local clients during the transition from the parent generation to the next, thereby preventing the outflow of valuable assets from the region and channeling them back into the Group's advanced investment management and asset succession frameworks.

Going forward, we will reexamine the unique strengths held by both subsidiary banks and consolidate and bring these functions in-house within the Group. Rather than simply chasing short-term profits, we will fully leverage M&A to support the survival of local companies and trust services to pass on valuable assets to the community across generations. Through this “in-depth regional development that only Mebuki Financial Group can provide,” we will chart a solid growth trajectory for our fee-based business.

Awareness of financial indicators is also increasing. While the fact that the PBR has exceeded 1.0x marks a milestone, it simply means that the company has reached the minimum starting point for a listed company. The best way to further improve corporate value is to steadily improve ROE. Our target for FY2026 is an ROE of 9% or more. We will proactively reallocate the excess capital generated by the sale of

## A Message from the President

low-yield bonds and the reduction of strategic shareholdings to support regional growth and advanced solution areas, thereby structurally improving capital efficiency.

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### Expanding human capital investments to diversify human resources and strengthen specialization

Investing in human capital is essential for supporting the Group's growth. As the challenges faced by our communities and customers become increasingly complex, we need to establish a personnel structure capable of adapting to these changes. To that end, it is important to hire people from diverse backgrounds to bring new insights and fresh perspectives into the organization.

Over the past several years, Joyo Bank and Ashikaga Bank combined have hired around 100 mid-career employees annually, accounting for more than 30% of all new hires. The addition of professionals with experience not only in the financial industry but also in IT, consulting, and other diverse fields is bringing fresh perspectives to the organization. At the same time, to develop these human resources, we are expanding the open recruitment of trainees and the post challenge program. Assignments include industries outside the financial sector, and we pay close attention to cultural integration as part of our training program.

The use of digital transformation (DX) and AI should not be considered in isolation from human capital. We will digitize administrative and routine tasks as much as possible so that we can focus on high-value-added work that only humans can perform. For example, abilities such as strategy formulation, decision-making, communication, handling unexpected situations, and ethics and morals are unique to humans. Assigning personnel to jobs that require these abilities will help enhance the Group's competitiveness.

Furthermore, the results of an engagement survey revealed that "trust relationship with management," "the significance of duties," and "a sense of growth" are key factors. It is essential for management to present credible strategies and to create more opportunities for each employee to recognize the social significance of their work. We will further enhance employee engagement through initiatives that help us share the meaning of our work, including feedback and words of appreciation from our customers.



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### Visualizing social value and further value creation

In the Fourth Medium-Term Group Business Plan, we introduced social impact indicators to balance social value and economic value. The term "social impact" may sound abstract, but what is important to the Group is to visualize the changes we have brought about in the local economy and for our customers through our business activities, and to use that insight to inform discussions at the Board of Directors and drive action on the ground.

A representative indicator is added value of customers to which the Group has proactively supported in their growth. In the past, discussions at the Board of Directors meetings had tended to focus primarily on internal matters, such as the Group's profits and growth. However, with the introduction of perspectives such as regional added value, I feel there has been an increase in outward-looking discussions, such as "Has the regional economy become more prosperous?" and "What kind of impact has this had on customers?"

The growth of regional financial institutions cannot be achieved without the sustainable growth of the region. Even as the issues for the regional economy become increasingly sophisticated and complex, the Group will continue to strive to provide new services tailored to local conditions by leveraging the capabilities of Group companies and collaborating with external partners. Leveraging the comprehensive strengths of the Group, cultivated over the 10 years since the business integration, we will continue to strive for further evolution as we work toward realizing our vision of being "A Value Creation Group Working Together with Local Communities."

## A Message from the Joyo Bank President



### Connecting companies with companies and people with people to drive sustainable growth in the region



#### For local companies, the impact of inflation is more severe than that of rising interest rates

For local companies, the impact of inflation, which has been ongoing for some time, is more severe than the rise in borrowing costs resulting from the recent increase in interest rates. In addition to rising prices, pressure for wage increases is also mounting, and whether companies can cope with this has become a major challenge for them. Through escorted consulting, Joyo Bank provides solutions that not only address financial needs but also help our clients solve their issues.

One of these is support for passing on price increases. How to pass on price increases is a challenge facing every industry, including ours. How can we increase added value through creative approaches in marketing and other areas? Mebuki Financial Group assists customers with a wide range of functions and solutions.

The results of a survey we conducted in FY2025 among our approximately 3,000 corporate customers revealed that while 90% of companies are passing on price increases, the rate of price pass-through remains at about 50%. How can we improve the situation in which companies are forced to absorb the remaining 50%? It is also important to consider how to support B2C companies—that is, retailers—which are considered to be facing relatively tough conditions. Among the companies that have been unable to adapt to prolonged inflation, quite a few have suffered significant damage as a result of the deteriorating situation in the Middle East. As has been reported in the news—such as companies that use naphtha-derived raw materials facing procurement restrictions, construction firms unable to obtain materials,

and medical facilities unable to get gloves—these issues were, of course, also affecting our customers.

According to a survey conducted in June 2026, more than 90% of customers have been affected in some way, highlighting the significant impact that such geopolitical risks have on corporate financial health and business operations.

However, even under these circumstances, there are quite a few companies for which taking early action can pave the way for improvement and recovery. Our credit examination departments send out alerts ahead of time to alert customers and encourage them to take prompt action. For clients requiring particular attention, we identify the specific clients we will support each period and then proactively reach out to them to assist in developing business improvement plans.

In an environment marked by high uncertainty, I believe that steadfastly continuing this kind of steady, hands-on support is the most effective approach.

#### Building a strong industrial base is essential for achieving regional sustainability

To achieve regional sustainability (sustainable growth), it is essential, as a fundamental prerequisite, to have a solid industrial base; in other words, it is indispensable for the region to have attractive industries and workplaces. On top of that, another important factor is the ability to lead a prosperous life. Mebuki Financial Group has explicitly identified two key materiality areas: “Support the growth of local industries” and “Contribute to a safe and prosperous lifestyle.”

Fortunately, Ibaraki Prefecture is geographically close to the Tokyo metropolitan area and has a well-developed

## A Message from the Joyo Bank President

transportation network by land, sea, and air. The prefecture boasts vast flatlands that account for approximately two-thirds of its total land area, and it consistently ranks among the top in the country, having ranked first nationwide in the number of companies from outside the prefecture establishing operations here in FY2025 and fourth nationwide in the number of factories established. We must continue to maintain this strength and, while encouraging the influx of outside capital (from outside the prefecture), develop this area into a key industrial hub within Japan.

To further strengthen the industrial infrastructure, we are working closely with Ibaraki Prefecture to focus on efforts to attract businesses. This includes not only factories, but also research laboratories, corporate headquarters, and facilities for new industries. Recently, there have been developments such as JX Advanced Metals Corporation, which was founded in Hitachi City, expanding with a new plant in Hitachinaka City, and Hitachi, Ltd. announcing the establishment of a new research and development center for next-generation social infrastructure in Hitachi City.

If attracting outside investment is the cornerstone of sustainability, as it helps strengthen the industrial base, then I believe that strengthening the leading mid-sized companies in the prefecture is equally important. For mid-sized local companies to grow stronger, do business with large companies outside the prefecture, and attract outside investment, the supply chains that support them must also be strengthened. We will also pay close attention to small and medium-sized enterprises and small businesses that connect to mid-sized companies, and support them with a wide range of solutions, including digital transformation (DX) and AI.

The third initiative is to revitalize business succession and M&A. From the perspective of regional industrial competitiveness, while the presence of many small and medium-sized enterprises is important, the key factor is ultimately how many strong companies there are. Accordingly, initiatives aimed at consolidating people, goods, and money to some extent will likely become

necessary going forward. Rather than simply acting as an intermediary for business succession or M&A, we strategically propose the most suitable partner for each case while keeping the region's future in mind. Ultimately, I believe this will lead to the creation of attractive workplaces.

If we create an environment where local residents can live with peace of mind and establish a solid industrial foundation, our social infrastructure will also become more robust. In addition to living environment facilities such as transportation and communications infrastructure and water and sewer systems, infrastructure also includes public buildings such as schools and hospitals, all of which require investment for renewal. In recent years in particular, the restructuring of medical institutions due to population decline has become a major challenge for the region, and as a regional financial institution, we will provide support in addressing this issue as well.

Fourth, I believe that coexistence with foreign workers is also a key factor from a sustainability perspective. Amid a severe labor shortage facing local companies, Joyo Bank has signed partnership agreements with Indonesian educational institutions and regularly holds seminars on utilizing foreign human resources for local companies. Although we do not directly provide recruitment services, we want to partner with trusted local companies and other organizations to attract highly skilled professionals and create an environment where they can live here with peace of mind. To make this a reality, we are currently exploring ways to create a system that will benefit local educational institutions, local businesses, and Joyo Bank in a win-win arrangement.

### Our vision is to serve as a liaison (bridge) connecting companies, local communities, and people

In these turbulent times, what should our ideal state look like? Joyo Bank has adopted the catchphrase of "Best Partner Bank." The meaning behind that is being an accompanying supporter.

My message in the Integrated Report for the previous fiscal year was titled "Be the first and last port of call." This expresses our desire to be a bank people can rely on—the bank they turn to first when something comes up, or the bank they reach out to as a last resort after going through a process of trial and error.

These two have always been, and will continue to be, important to us, but in addition to them, we hope to take on the role of a liaison moving forward. Liaison is a French word that means "bridge" or "connect." In other words, liaisons may be facilitators or coordinators.

There are limits to what a single company like ours can do on its own. That is precisely why we want to loudly proclaim our desire to improve the region, engage companies, local governments, and schools that share this vision, generate a powerful movement, and create social value. By maximizing our ability to connect companies with companies, regions with regions, and people with people to the utmost extent, our ultimate vision is to become a comprehensive trading company that shapes the region—a role that transcends the boundaries of a mere financial institution.

Of course, this is not volunteer work. Promoting the renewal of regional industries through M&A and human resources exchange, and helping companies become stronger and more prosperous, will inevitably flow back to us as economic value in the form of generating sound demand for our bank's financing and enabling us to receive fair compensation.

When we resonate with everyone and create a powerful wave of change, the modesty of remaining in the background is no longer a virtue. What we need is the ability to communicate effectively, and we are actively working to strengthen that capability. We have prepared several new projects to build on our track record of concrete achievements and expand our network of partners, so please look forward to the future evolution of Joyo Bank.

## A Message from the Ashikaga Bank President



**Kazuyuki Shimizu**

President,  
The Ashikaga Bank, Ltd.

## We will continue to take bold, forward-looking challenges and create new value together with the local community



### Aiming for balanced management in a “world with interest rates”

While rising interest rates present an opportunity for banks to increase their net interest margin, they also carry the risk of higher credit costs due to intensifying competition for deposits and an increased repayment burden on customers. We will achieve both the growth of core net business income through loan volume and interest margins and the appropriate control of credit costs. I believe that this kind of balanced management is what is needed.

With regard to deposits, competition to attract new customers is intensifying in terms of both quality and quantity due to structural changes—such as population decline and the outflow of people to the Tokyo metropolitan area—as well as shifts in the competitive landscape, including the rise of online banks. For individual customers, we need to expand our points of contact through payment features and apps, encourage them to designate us as their payroll deposit and pension account, and build a highly sticky deposit base. For our corporate customers, we will aim to establish them as our primary banking partners for deposit transactions by consistently handling their payment transactions and deepening our overall business relationship through solving issues.

At the same time, with regard to lending, capital investment remains robust despite factors such as rising construction costs. The key role of regional financial institutions in a “world with interest rates” is to carefully listen to what our customers hope to achieve and provide the funding necessary for their growth. Furthermore, given the possibility that corporate bankruptcies may increase in the future, it is necessary to thoroughly implement early warning management. We believe that quickly identifying changes in our customers’

circumstances not only reduces the Ashikaga Bank’s risk but also leads to early proposals for improvement and support for business recovery.

### Supporting the articulation of issues through dialogue to foster regional and corporate growth

We place the highest priority on meaningful dialogue with our customers. For corporate customers, we conduct a business assessment to carefully determine what the management aims to achieve and how they perceive the company’s strengths and weaknesses. Based on that, we share which strengths to develop and which issues to prioritize addressing, and by quantifying these as much as possible, we lay the groundwork for subsequent implementation and reflection.

Even when small and medium-sized business owners have wonderful ideals and aspirations, they may find it difficult to articulate or quantify them due to factors such as a shortage of staff. So, we act as if we were part of the staff, helping to create materials that can be explained to employees and supporting the development and execution of business plans. We will look back in one year on what we were able to accomplish and what we were not able to accomplish, and use that to guide our next steps.

We believe that engaging in this cycle together with our customers is the foundation of problem-solving finance. That is precisely why I think it is extremely important to verbalize, visualize, and quantify.

Ever since I was appointed president, I have made CSV management the cornerstone of our business strategy. We strive to balance social value—how to increase our customers’ profits—with economic value, which represents our profits. The key is the thinking that our customers should profit first, and that a portion of those results will then return to us as profit. Getting this order

## A Message from the Ashikaga Bank President

wrong makes it difficult to gain the trust of customers. We hope that by ensuring every employee shares this philosophy and providing financing and solutions that contribute to our customers' growth, we can create a virtuous cycle of sustainable growth for both the region and Ashikaga Bank.

### Expanding connections with customers based on dialogue

For example, a company that can operate its business without needing to take out loans can be said to have a sound business foundation. However, even such companies are bound to have their own concerns and challenges as they strive for growth. We believe that by helping to solve these issues, we will not only forge new connections with Ashikaga Bank but also expand our local network of personal relationships through initiatives such as matching clients with one another.

When communicating with corporate customers, it is important to build relationships in which they are willing to share their financial statements. That is because we need financial statements to draw up business plans with them. As we share management issues and discuss business plans and future directions, it will become clear how we can be of assistance. I think the key going forward will be how we can build these kinds of connections.

For individual customers, our standard practice is to provide support through a goal-based approach. Especially when dealing with high-net-worth customers, it is important to make recommendations based on their overall financial assets and liabilities, including insurance, investment trusts, real estate, and loans, rather than focusing solely on their deposits. Furthermore, even if a person's age, family structure, and asset size are the same, their investment options will vary depending on their past experiences and values. We believe it is essential to thoroughly understand our customers' perspectives in order to provide the most appropriate support for asset management and asset succession.

### Enhancing problem-solving capabilities through digital technologies and specialized human resources

When it comes to supporting productivity improvements at local companies, embracing ICT and digital transformation (DX) is an unavoidable challenge. It is not uncommon for local companies to have systems that were implemented to address specific challenges but do not integrate with one another, resulting in a patchwork system overall.

Therefore, in April 2026, Ashikaga Bank established Wing IT Solutions, a company specializing in online marketing and system development. This is a major step forward in driving the digital solutions strategy for the entire Group. Going forward, the company plans to leverage its strong system development capabilities and digital technologies to actively support the integration and modernization of our customers' entire systems.

Within the bank, we are also working to enhance our operations through the use of digital technology and AI. In particular, in the area of lending operations, we are exploring the implementation of AI agents and other technologies, and are currently establishing a system to identify changes in our customers' needs more quickly and accurately.

Furthermore, securing and developing personnel with specialized expertise is essential for enhancing problem-solving capabilities. Ashikaga Bank has addressed the human resources issues faced by its clients through personnel introduction services. Furthermore, we are expanding our scope of support beyond simply introducing personnel to include issues related to a company's human capital, such as human resources systems, employee benefits, and pension plans.

Within the bank, we are also continuously strengthening our mid-career hiring efforts, focusing primarily on roles that require specialized expertise, such as business succession and M&A. The benefits of embracing a diverse workforce extend beyond merely advancing our solutions. The infusion of external insights and values is helping to reexamine conventional wisdom within the bank and drive change in its organizational culture.

In addition, each branch practices autonomous management, in which they define their own goals and

determine the actions necessary to achieve them. Since shifting to a system in which employees at each branch speak up on their own initiative and take responsibility for their comments, the engagement survey scores, which had been somewhat stagnant, have shown a clear improvement.

### Aiming to be a co-creation catalyst as a regional hub

Ashikaga Bank cannot exist apart from the region. No matter what the times may bring, we will continue to live alongside our community and grow together with it. In this context, we aim to serve as a "co-creation catalyst" that connects local human resources and information to generate new value. In addition to our financial services, we offer solutions for a wide range of challenges, including IT, business succession, M&A, human resources, and asset succession.

By linking these multifaceted functions and serving as a co-creation catalyst that drives behavioral change among our customers, we fulfill the role we advocate as the hub of the local industrial ecosystem.

FY2026 marks a milestone year for Mebuki Financial Group, as it celebrates its 10th anniversary. Going forward, we will shift our focus to a deepening phase in which we will further develop the infrastructure we have established to date into synergies for our sales operations.

Particularly in our business targeting high-net-worth individuals, we will share within the Group the expertise we have pioneered and cultivated in advanced trust functions, such as testamentary trusts, for which we were the first to obtain regulatory approval, and expand these services to Joyo Bank's vast customer base.

By sharing our strengths across the entire Group and further strengthening our collaboration in the areas of M&A and business matching, we will create immense value for the entire Northern Kanto region that transcends the limitations of a single bank. We will take on every challenge with a forward-looking and bold approach, and continue to create new value together with all our stakeholders, including our customers, local communities, shareholders, investors, and employees.

# Strengths Cultivated by Mebuki Financial Group

## Strengths of Mebuki Financial Group

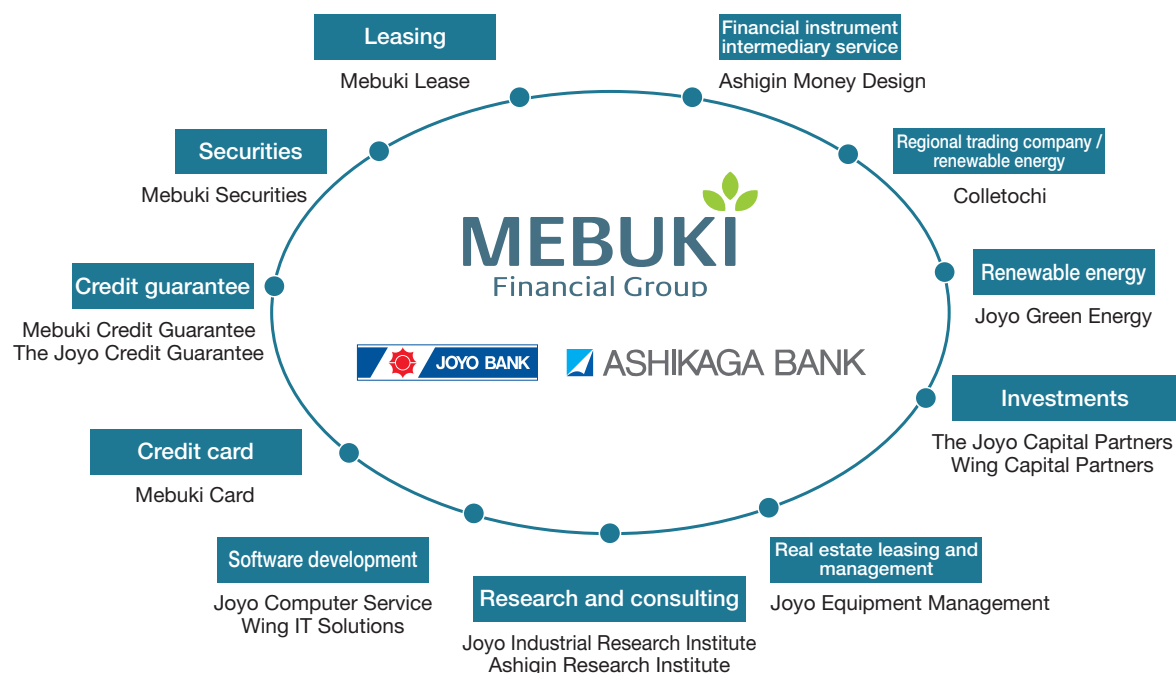
### Strength 1 Group's Comprehensive Capabilities for Solving Customer Issues

In addition to banking, the Group offers a broad range of services expected of a regional banking group, including leasing, securities, credit guarantees, and credit cards. This enables us to provide optimal solutions to address the issues faced by local customers through one-stop financial services delivered by the Group as a whole. Our services extend well beyond finance to include IT subsidiaries, think tanks, and a regional trading company, through which we promote DX among local businesses, conduct research on regional economies, and promote local specialty products.

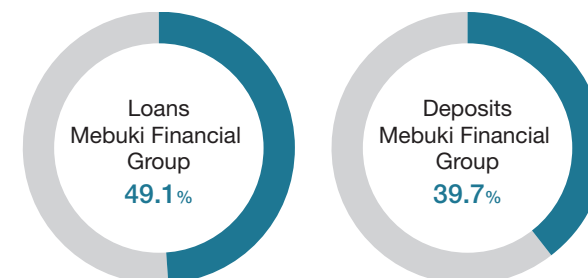
### Strength 2 Customer Base in an Economically Significant Region

Ibaraki and Tochigi Prefectures have a combined population of approximately 4.6 million and constitute a region with a large economy by national standards. Within their respective prefectures, Joyo Bank and Ashikaga Bank both hold the top shares of loans and deposits, providing the Group with a solid customer base. By working together, the two banks in neighboring prefectures can make maximum use of this customer base, provide customers with services and solutions that a single bank could not offer on its own, and generate synergies.

#### Group Structure



#### Shares of loans and deposits



The shares were calculated based on data in the November 2025 Special Issue of Kinyu Journal entitled "Financial Map 2026."

#### Branch network

- Number of domestic branches: 314
- Overseas branches (representative offices): 6

#### Contributing to local communities and the environment

- Joyo Green Energy Co., Ltd. (renewable energy)
- Colletochi, Ltd. (regional trading company / renewable energy)

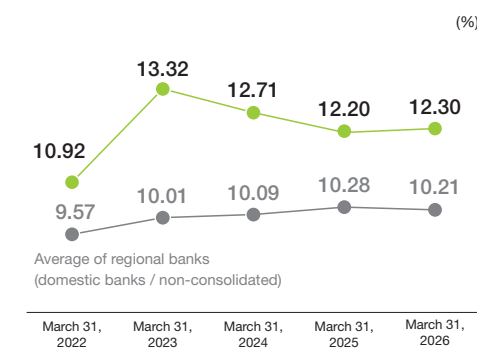
## Strengths Cultivated by Mebuki Financial Group

### Strength 3 Risk-taking capacity backed by ample capital

The capital adequacy ratio at the end of FY2025 was 12.30%, significantly above the average for regional banks. The Group regards this as capacity to take risks and believes it can capture further earnings opportunities by allocating funds not only to local companies

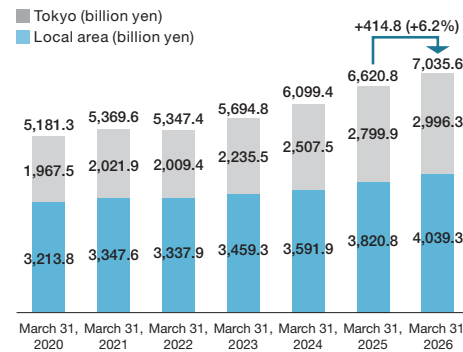
but also to lending to large companies in urban areas and structured finance. This will enable us to increase profits from customer services and expand the earning power of our core business.

#### Capital adequacy ratio (consolidated)

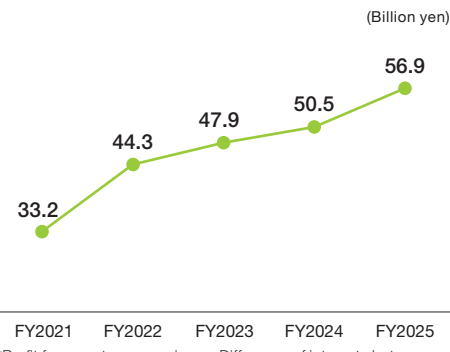


Source: Average figures for regional banks were compiled based on "Overview of Financial Statements of Regional Banks for FY2025" from the website of the Regional Banks Association of Japan.

#### Corporate loans—ending balance by region—

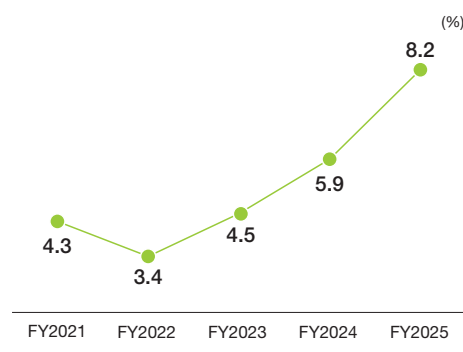


#### Profit from customer services\*



\*Profit from customer services = Difference of interests between deposits and loans + Fees from customers - Expenses

#### ROE (consolidated / net assets basis)



## Challenges Facing Mebuki Financial Group

Although the extensive plains in both prefectures offer advantages for factory locations and agricultural production, they also tend to disperse the population. As the population declines, maintaining roads, bridges, water and sewerage systems, healthcare, and other social infrastructure is becoming increasingly difficult. There are also limits to how much the Group can streamline its bank branch network through consolidation and other measures, and the number of branches remains high compared with regional banks of a similar size.

In addition, competition to recruit personnel continues to intensify as the population declines, creating challenges in securing human resources. To address these geographic and human-resource-related challenges, the Group is focusing on transformation through DX. We have formulated a DX roadmap and are progressively implementing it.

# Business Development Focused on Creativity, Growth, and Improvement

To realize our long-term vision, we will further refine our traditional banking services areas, such as deposits, loans, and money transfers, and strengthen our core business by enhancing our consulting capabilities and solution offerings to address customer challenges. At the same time, we will take on the challenge of creating new businesses that leverage these 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.

Cultivating  
new  
customers

Deepening  
relationships  
with existing  
customers

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

## Creativity Challenge Area (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.

## Growth Enhancement Area (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.

## Improvement Area (Traditional Banking Services Area)

### Refine existing businesses to 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 through the integrated provision of the areas to strengthen growth and areas to pursue innovation, and maintain and expand our customer base.

|          |       |                                   |                          |
|----------|-------|-----------------------------------|--------------------------|
| Deposits | Loans | Settlement/<br>Money<br>Transfers | Securities<br>management |
|----------|-------|-----------------------------------|--------------------------|

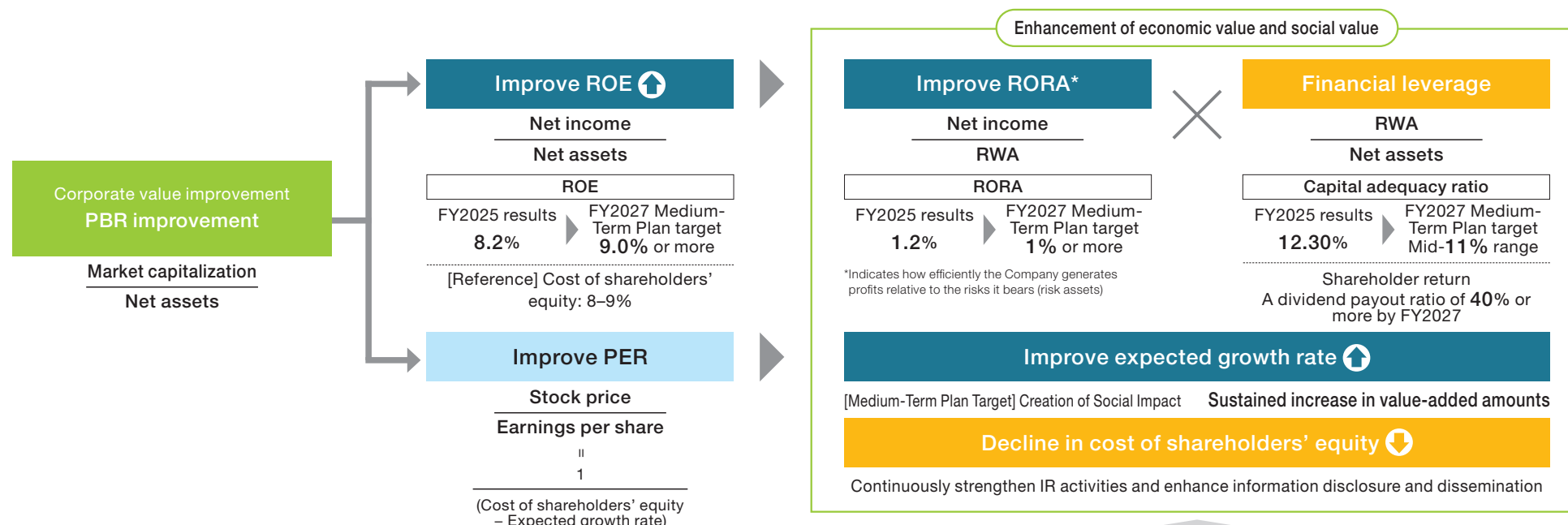
|                   |                     |                               |
|-------------------|---------------------|-------------------------------|
| DX                | Consulting          | Business<br>succession<br>M&A |
| Leasing           | Succession          | Trusts/<br>Inheritance        |
| Asset<br>Building | Global<br>Expansion | etc.                          |

Return the expertise cultivated in new business areas to core business

Expansion of business areas

# Developing Strategies to Enhance Corporate Value and Social Impact

Through the strategic development of the Fourth Medium-Term Group Business Plan, we will enhance both economic and social value and work to improve PBR.



## Fourth Medium-Term Group Business Plan

### Social Issues Solution Strategy

- Provide solutions to promote the growth of businesses
- 100-Year Life Support (support to prepare for 100-year life)
- Assist the sustainability of local communities - Enhancing initiatives for regional revitalization -

### Business Portfolio Strategy (strengthening high RORA areas and improving RORA)

- Strengthening individual and local corporate loans (focusing on risk taking in high RORA areas)
- Continuing to expand fee income from customers
- Improving profitability of urban corporations and structured finance (focusing on RORA)
- Securing stable securities carry trades through the core portfolio (risk control)
- Appropriate cost control with increased gross business profit (OHR reduction)

### Management Base Resilience Strategy

- Add value through DX (strategic use of data and AI)
- Promote alliances (wide-area cooperation, regional cooperation, external business cooperation and utilization of capital)
- Strengthen human capital and promote DE&I (increase human capital investment)
- Advance risk management (advancement of RAF)

### Enhancing Shareholder Returns and Capital Management

- Review of shareholder return policy (stable and sustainable increase in dividends per share)
- Identifying further growth opportunities and implementing capital management aiming at target capital adequacy ratio
- Steady reduction of strategic shareholdings (¥30.0 billion reduction from FY2022 level by the end of FY2027)

# Overall Policy for Sustainability

## Aiming for a Sustainable Society

Based on the Mebuki Financial 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 resolve a variety of issues with community members to create value for all stakeholders, improve the Group’s corporate value, and contribute to the sustainable growth of local communities.

## Sustainability Management

Recognizing issues about sustainability as important management agendas, we have formulated and been proactively engaged in the Group Sustainability Policy with the aim of achieving both sustainable growth and corporate value enhancement of the Group while solving the issues of and realizing the sustainable growth of local communities.

In addition, to clarify our initiatives regarding Environment, Human Rights, and Diversity, the Group has formulated the Group Environmental Policy, Group Human Rights Policy, Group Diversity Policy, Environmentally and Socially Friendly Investments and Loans Policy, and Procurement and Purchasing Guidelines to operate its business based on these policies.

| Mebuki Financial Group Sustainability Policy                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Based on the Mebuki Financial 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 and group companies 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.                                                                                                                                                                                                                                                                                                |
| Group Environmental Policy                                                        | Under the “Group Environmental Policy” to reduce the environmental impact of its own corporate activities, Mebuki Financial Group recognizes that environmental issues, including climate change, are so critical that we have been promoting decarbonization and various other environmental conservation initiatives. For more information on the Group Environmental Policy, please visit:<br>➡ <a href="https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_environmental_policy.pdf">https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_environmental_policy.pdf</a>                                                                                                                                      |
| Group Human Rights Policy                                                         | Mebuki Financial Group has established the Group Human Rights Policy to respect the basic human rights of all stakeholders and has pushed forward with the initiatives to respect human rights by paying attention to how the corporate activities of our borrowers and suppliers (supply chain) negatively affect human rights. For more information on the Group Human Rights Policy, please visit:<br>➡ <a href="https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_human_rights_policy.pdf">https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_human_rights_policy.pdf</a>                                                                                                                                |
| Group Diversity Policy                                                            | Mebuki Financial Group has established the Group Diversity Policy so that executives and employees with diverse abilities and personalities can maximize their ability to think and act flexibly, and we have been strengthening and accelerating our efforts to ensure diversity. For more information on the Group Diversity Policy, please visit:<br>➡ <a href="https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_diversity_policy.pdf">https://www.mebuki-fg.co.jp/eng/sustainability/pdf/group_diversity_policy.pdf</a>                                                                                                                                                                                       |
| Environmentally and Socially Friendly Investments and Loans Policy                | Concerning investments and loans to particular sectors that could have a negative impact on the environment and society, Mebuki Financial Group has established the Environmentally and Socially Friendly Investments and Loans Policy and sought to reduce and prevent their impact on the environment and society. For more information on the Environmentally and Socially Friendly Investments and Loans Policy, please visit:<br>➡ <a href="https://www.mebuki-fg.co.jp/eng/sustainability/pdf/investments_and_loans_policy.pdf">https://www.mebuki-fg.co.jp/eng/sustainability/pdf/investments_and_loans_policy.pdf</a>                                                                                             |
| Procurement and Purchasing Guidelines                                             | Aiming for a sustainable society, Mebuki Financial Group has established the Group-wide Procurement and Purchasing Guidelines to procure and purchase goods and services necessary for its business activities, and is engaged in responsible purchasing activities in consideration of the environment and society. We also make these guidelines publicly available and work with our suppliers on collaborative efforts. For more information on the Procurement and Purchasing Guidelines, please visit:<br>➡ <a href="https://www.mebuki-fg.co.jp/eng/sustainability/pdf/procurement_and_purchasing_guidelines.pdf">https://www.mebuki-fg.co.jp/eng/sustainability/pdf/procurement_and_purchasing_guidelines.pdf</a> |

## Overall Policy for Sustainability

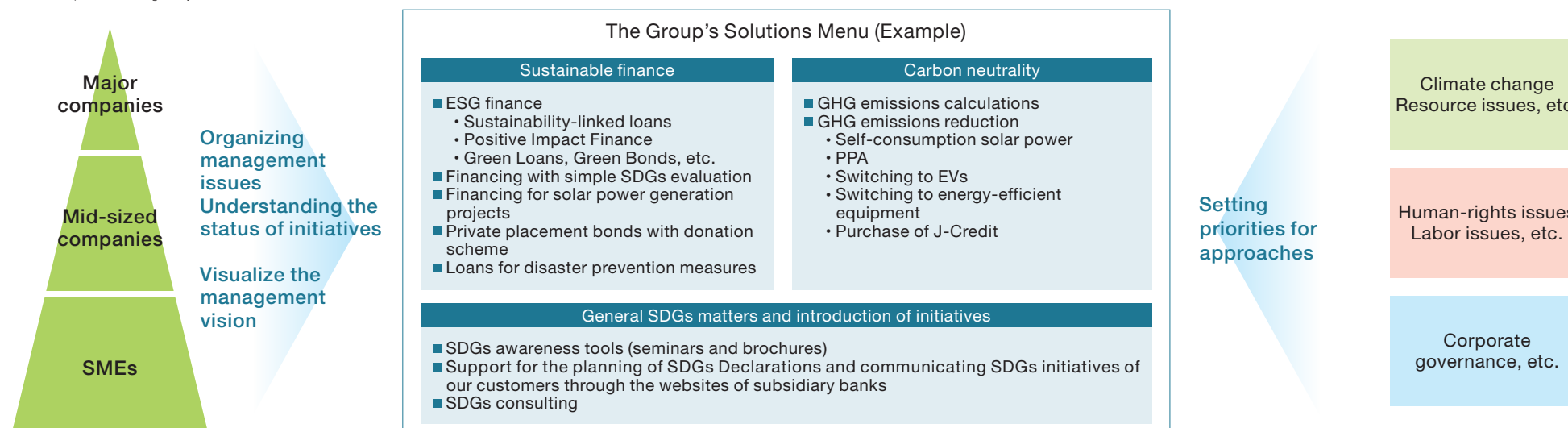
### Long-term KPIs for Sustainability

We aspire to realize sustainable local communities and enhance corporate value, and thus have set Long-term KPIs for sustainability in order to clearly define our basic stance and goals related to sustainability. As regional financial institutions, we will strengthen our efforts to solve the issues of local communities and contribute to realizing sustainable local communities by achieving the long-term KPIs.

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sustainable finance goals</b>                                | <p>Mebuki Financial Group will promote sustainable finance in order to contribute to the realization of sustainable local communities through the provision of financial services to our customers.</p> <ul style="list-style-type: none"> <li>■ Target amount: ¥3 trillion (of which, ¥2 trillion in environmental fields)</li> <li>■ Period: FY2021–FY2030</li> <li>■ Result (cumulative total from FY2021 to FY2025): ¥2,241.7 billion (of which, ¥1,618.1 billion in environmental fields)</li> </ul>                    |
| <b>CO<sub>2</sub> emission reduction target (Scope 1, 2)</b>    | <p>Mebuki Financial Group will reduce its own CO<sub>2</sub> emissions through its business activities and accelerate its contribution to realizing a decarbonized society and sustainable regional growth.</p> <ul style="list-style-type: none"> <li>■ CO<sub>2</sub> emissions reduction target for FY2030: Net zero</li> <li>■ FY2025 CO<sub>2</sub> emissions: 6,576 tons of CO<sub>2</sub> (reduction rate from FY2013: -70.7%)*<sup>1</sup></li> </ul>                                                                |
| <b>Ratio of female employees in manager positions or higher</b> | <p>Mebuki Financial Group strives to improve organizational productivity and support employees' work-life balance in order to promote mutual understanding among employees and allow them to fully demonstrate their abilities. One particularly important theme is accelerating the active participation of women in the workforce.</p> <ul style="list-style-type: none"> <li>■ Target As of end of Mar. 2028, 27% or more*<sup>2</sup></li> <li>■ Results As of end of Mar. 2026, 25.0% (progress rate: 92.6%)</li> </ul> |

\*1: The figures shown in terms of CO<sub>2</sub> emissions for FY2025 are currently being verified by a third party for the purpose of ensuring the transparency and accuracy of our corporate disclosures. The finalized figures produced by this third-party verification will be disclosed on the Group's website as soon as they have been finalized.

\*2: In an effort to increase the number of female employees in manager positions, we aim to achieve 30% or higher in terms of the ratio of female employees in manager positions or higher by the end of March 2030, and in the Fourth Medium-Term Group Business Plan (FY2025 to FY2027), to 27% or higher by the end of March 2028.



# Environmental Analysis

## Operating foundation

### Characteristics of major markets (Ibaraki and Tochigi Prefectures)

Ibaraki Prefecture and Tochigi Prefecture have a combined prefectural gross product of approximately 25 trillion yen. They are located close to the Tokyo metropolitan area, and have transportation networks that include land, sea, and air routes, making them highly convenient for logistics.

In addition to their mild climates, the region where they are situated is located on the vast Kanto Plain, making it a suitable location for factories and farmland. This means that not only manufacturing but also agriculture ranks high in terms of shipment value nationwide.

#### Economic scale

| Economic indicators                                                                 |                                                 | Ibaraki Prefecture    |                        | Tochigi Prefecture    |                        |
|-------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------|------------------------|-----------------------|------------------------|
|    | Nominal prefectural gross product* <sup>1</sup> | 14.5 trillion yen     | (ranked 11th in Japan) | 9.5 trillion yen      | (ranked 16th in Japan) |
|    | Prefectural income per capita* <sup>1</sup>     | 3.48 million yen      | (ranked 3rd in Japan)  | 3.43 million yen      | (ranked 6th in Japan)  |
|   | Number of business establishments* <sup>2</sup> | 98,000 establishments | (ranked 13th in Japan) | 71,000 establishments | (ranked 20th in Japan) |
|  | Manufactured goods shipped* <sup>3</sup>        | 15.0 trillion yen     | (ranked 8th in Japan)  | 9.8 trillion yen      | (ranked 13th in Japan) |
|  | Agricultural output* <sup>4</sup>               | 453.6 billion yen     | (ranked 3rd in Japan)  | 295.9 billion yen     | (ranked 10th in Japan) |
|  | Fishery catch* <sup>5</sup>                     | 231,000 tons          | (ranked 3rd in Japan)  | —                     | —                      |

\*<sup>1</sup> "Prefectural Accounts" by the Cabinet Office (2022) \*<sup>2</sup> "2024 Economic Census for Business Frame" by Statistics Bureau, Ministry of Internal Affairs and Communications \*<sup>3</sup> "2024 Annual Business Survey" by Statistics Bureau, Ministry of Internal Affairs and Communications  
 \*<sup>4</sup> "2023 Agricultural Production Income Statistics" by the Ministry of Agriculture, Forestry and Fisheries \*<sup>5</sup> "2024 Fishery and Aquaculture Production Statistics" by the Ministry of Agriculture, Forestry and Fisheries  
 \*<sup>6</sup> "2025 Survey of Factory Location Trends" by the Ministry of Economy, Trade and Industry

#### Regional characteristics

| Transportation                                                                                                               |                    |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Extensive land, sea, and air transportation network</b><br>Development of highways, railway networks, ports, and airports |                    |
| Agriculture                                                                                                                  |                    |
| <b>Top-level agricultural output in Japan</b><br>(2023)                                                                      |                    |
| Ibaraki Prefecture                                                                                                           | Tochigi Prefecture |
| 3rd                                                                                                                          | 10th               |
| Industry                                                                                                                     |                    |
| <b>Top-level number of factory locations in Japan*<sup>6</sup></b><br>(2025)                                                 |                    |
| Ibaraki Prefecture                                                                                                           | Tochigi Prefecture |
| 4th                                                                                                                          | 7th                |

## Environmental Analysis

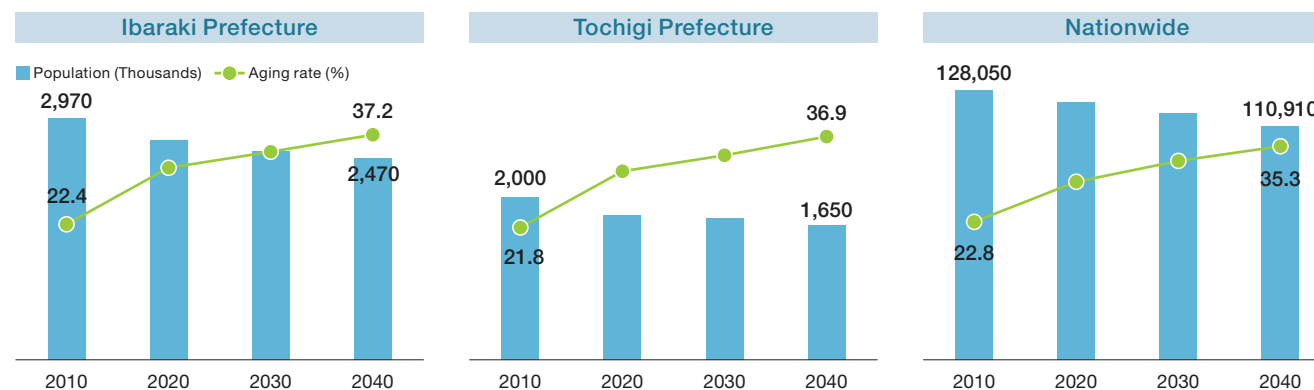
## External environment

## External environment

Meanwhile, the speed of population decline is close to the national average. Thus, there is an urgent need to develop towns that are comfortable for the elderly to live in.

The decreasing population is also creating challenges for regional companies, such as labor shortages and aging company presidents. Regional industrial structures and supply chains are also changing. This means that there are a number of challenges involved when it comes to sustaining business growth.

## Declining and aging population



Source: The data for 2010 is based on the actual results of the national census (total including persons of unknown ages), and from 2020 onwards is from the National Institute of Population and Social Security Research's "Population Projections for Japan (2023)."

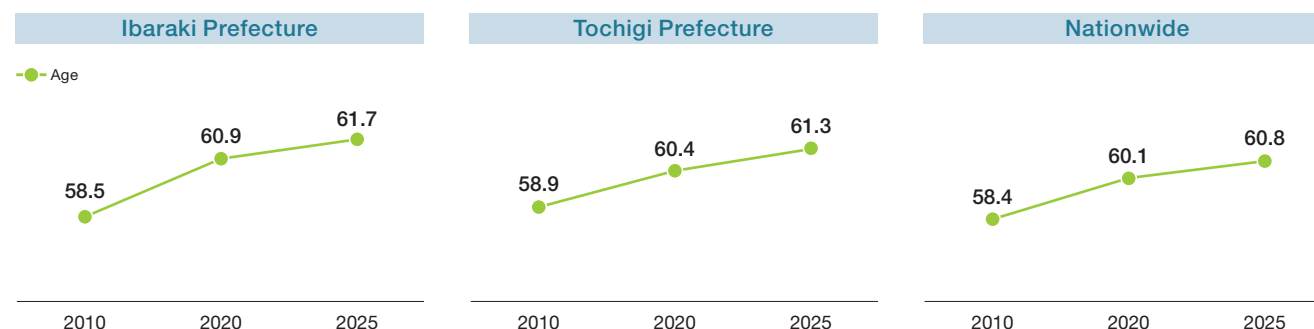
\*Elderly individuals who are age 65 or older as a percentage of the total population

## Percentage of companies feeling a labor shortage



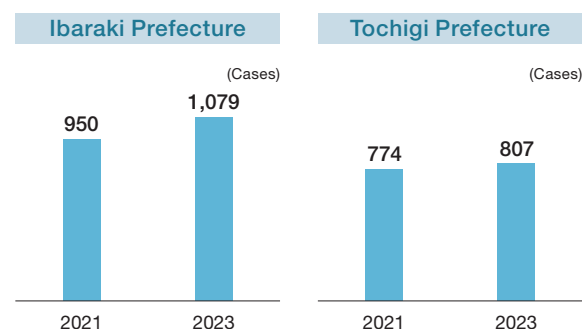
Source: Extract from "Survey on trends of companies in Ibaraki Prefecture regarding labor shortage (April 2024)," TEIKOKU DATABANK, LTD., Mito Branch and "Survey on attitudes of companies in Tochigi Prefecture regarding labor shortage (October 2024)," TEIKOKU DATABANK, LTD., Utsunomiya Branch

## Average age of presidents



Source: Nationwide "Age of Company Presidents" Analysis Survey (2025)/TEIKOKU DATABANK, LTD.

## Business failures



Source: TEIKOKU DATABANK, LTD., "Business Failures" (2023)

## Environmental Analysis

The fact that there are many plains with large residential areas has led to a phenomenon where forming of densely populated cities is difficult. This, together with the decreasing population, has led to inefficiencies in terms of the development of infrastructure, such as that for medical care and transportation. The Group focuses on the following regional issues in light of the regional environment involved.

- What kind of growth strategies regional industries can envision and implement in the face of the decreasing population and the accompanying aging of society.
- How people's futures should be designed in order to enrich their second lives as the advent of the 100-year life era leads to a longer retirement phase.
- How social infrastructure should be developed and maintained and how regional living environments should be improved, in addition to the protection of natural environments.

The situations involved with these issues are different in Ibaraki and Tochigi Prefectures and even differ regionally within each of the prefectures themselves. As a financial institution with close ties to local communities, the Group believes that its mission is to ascertain the detailed issues facing each region, support the growth of local economies by providing solutions, and contribute to the realization of prosperous and sustainable local communities.

### Habitable land area

#### Ibaraki Prefecture

**Ranked 4th in Japan**

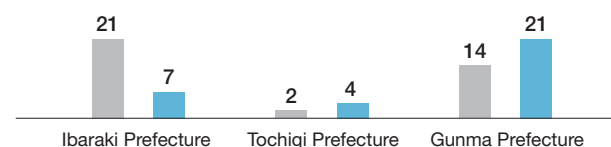
#### Tochigi Prefecture

**Ranked 12th in Japan**

Source: Prefectures Grading Research, "Percentage Ranking of Habitable Land Area"

### Number of head office relocations (move-ins)

(People) ■ 2024 ■ 2025



Sources: TEIKOKU DATABANK, LTD., "Tokyo Metropolitan Area: Head Office Relocation Trend Survey" (2024)  
TEIKOKU DATABANK, LTD., "Tokyo Metropolitan Area: Head Office Relocation Trend Survey" (2025)

### Number of doctors per 100,000 people

#### Ibaraki Prefecture

**Ranked 46th in Japan**

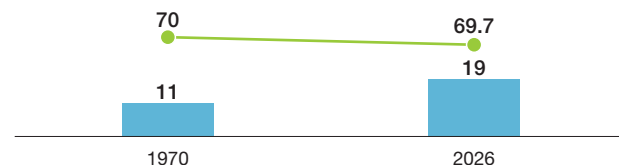
#### Tochigi Prefecture

**Ranked 37th in Japan**

Source: Prepared based on the Ministry of Health, Labour and Welfare "Statistics of Physicians, Dentists and Pharmacists (2024)"

### Life expectancy after retirement

■ Life expectancy at retirement ● Average retirement age



Source: NLI Research Institute, "How Many Years Will You Live After Retirement? What Can be Seen From the Medium-term Economic Outlook"

### Automobiles (number of automobiles in use per household)

#### Ibaraki Prefecture

**Ranked 8th in Japan**

#### Tochigi Prefecture

**Ranked 5th in Japan**

Source: Automobile Inspection & Registration Information Association, "Number of Private Passenger Vehicles Sold Per Household in 2025"

### Aging of public infrastructure

Proportion of buildings constructed over 50 years ago as of FY2050

#### Ibaraki Prefecture

**80% or more of infrastructure facilities**

#### Tochigi Prefecture

**70% or more of road infrastructure**

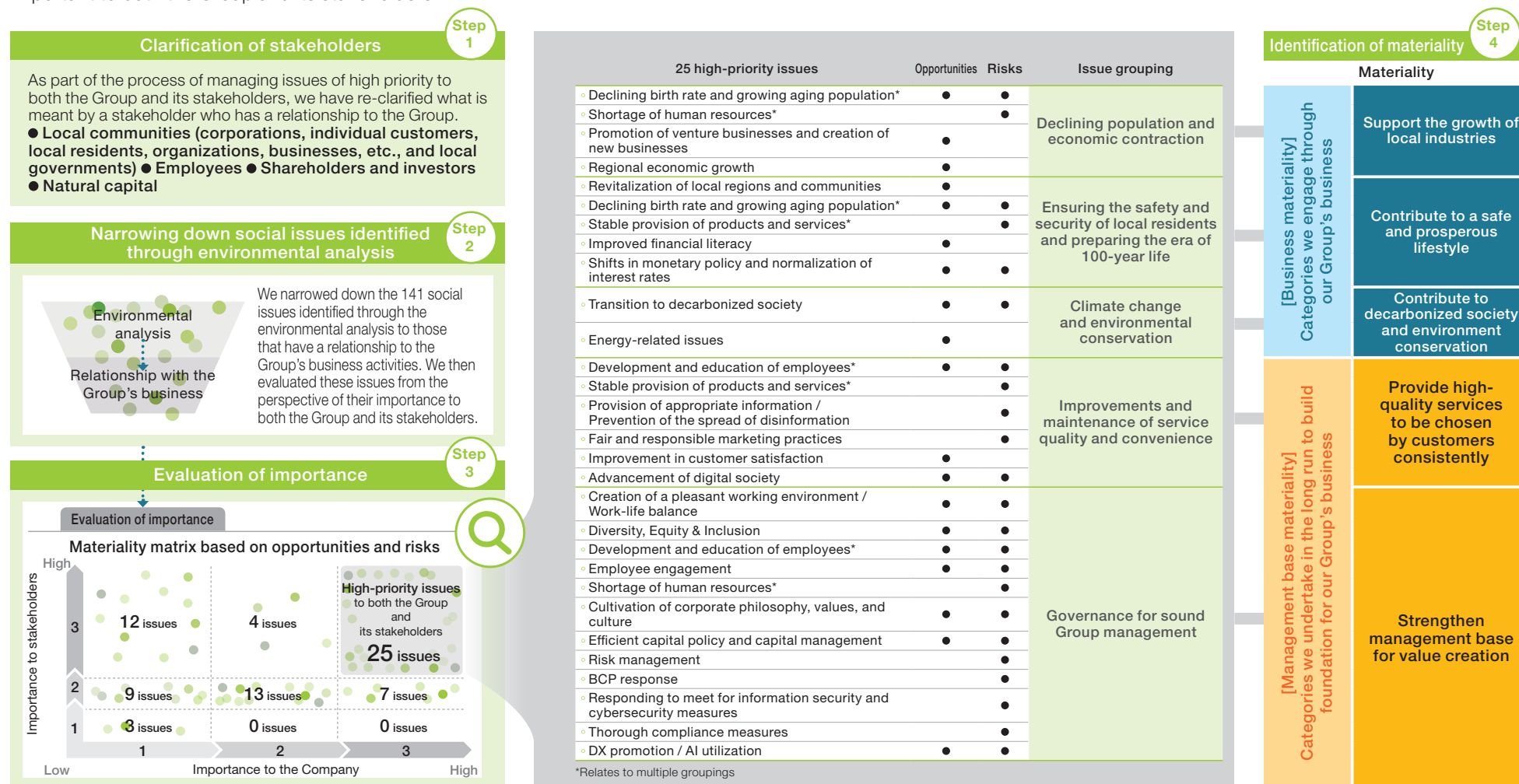
Source: Ibaraki Prefecture Comprehensive Management Plan for Public Facilities, main text; Tochigi Prefectural Soil Enhancement Plan 2021, Part 1 (Current Status and Issues of Prefectural Soil Enhancement)

# Materiality

## Identification of materiality

We organized the social issues, which were identified and narrowed down through the clarification of stakeholders and an analysis of the internal and external environments, into five distinct categories.

We then defined and categorized items in terms of “Business materiality” (which involves contributions to solutions through our business activities) and “Management base materiality” (which involves tackling the sustainable enhancement of a management base serving to support our businesses), and identified five material issues which are important to both the Group and its stakeholders.



# Fourth Medium-Term Group Business Plan

## Position of the Fourth Medium-Term Group Business Plan

Under the Fourth Medium-Term Group Business Plan, the Group will work to expand net income attributable to owners of the parent and to build a sustainable earnings structure by addressing the following, which are based on issues that we have identified: “Enhancing fee income from customers by advancing group-wide initiatives to provide solutions to issues of local communities and customers,” “Appropriate asset allocation for profit growth following the monetary policy normalization in Japan,” and “Further enhancement of productivity across the Group.”

### Long-Term Vision 2030

Vision

**A Value Creation Group Working Together  
with Local Communities**

Target Level

**Consolidated ordinary profit**  
**¥100.0 billion or more\*<sup>1</sup>**  
FY2025 results **¥115.6 billion**

**Consolidated fee income ratio\*\*<sup>2</sup>**  
**50% or more**  
39.9%

**Third Medium-Term Group Business Plan**  
Period for Taking on Challenges for Sustainable Growth

**Fourth Medium-Term Group Business Plan**  
(From FY2025 to FY2027)  
“Period for Accelerating Evolution for Sustainable Growth”

**Fifth Medium-Term Group Business Plan**  
Future (Up to 2030)

Business  
indicators

Business  
objectives  
Financial results  
(FY2025)

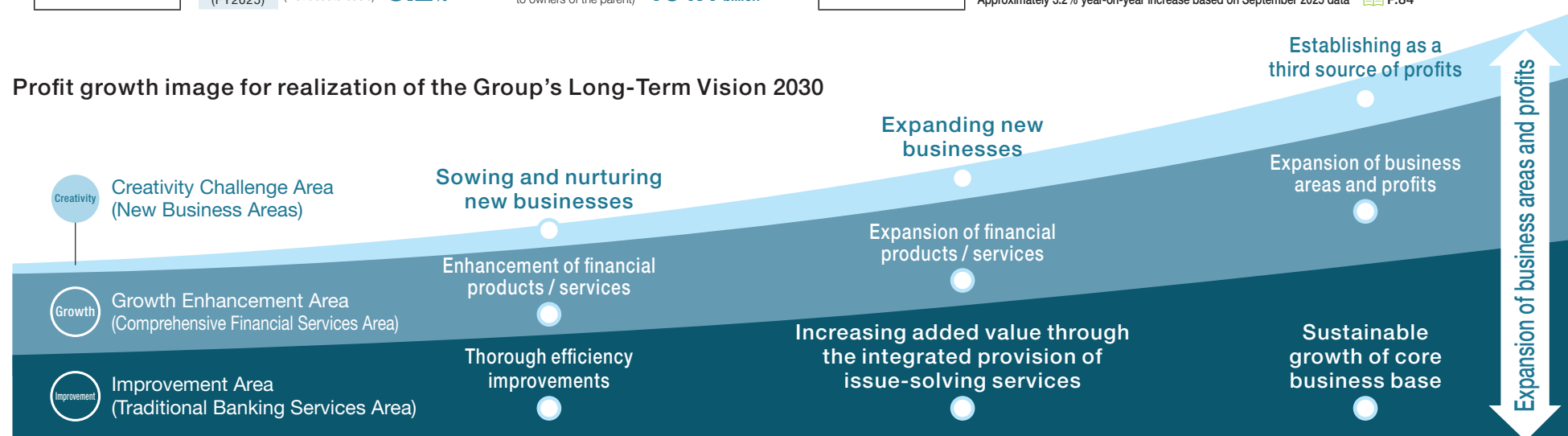
**Consolidated ROE**  
(Net assets basis) **9.0% or more\*<sup>3</sup>  
**8.2%****

**Consolidated net income**  
(Net income attributable to owners of the parent) **¥90.0 billion or more\*<sup>3</sup>  
**¥84.1 billion****

Social impact  
indicators

**Sustained increase in value-added amounts**  
(Value added of customers whose growth the Group has actively supported)  
Approximately 3.2% year-on-year increase based on September 2025 data P.84

## Profit growth image for realization of the Group's Long-Term Vision 2030



\*1 Expected to be achieved ahead of schedule under the Fourth Medium-Term Group Business Plan

\*2 Consolidated fee income ratio = Consolidated fee income (\*4) ÷ Income from customers (\*5)

\*3 Assumes Japan's policy interest rate will be 0.75% in FY2027 (as of the announcement of the Fourth Medium-Term Group Business Plan in March 2025)

\*4 Consolidated fee income = Fee from customers of Banks + Gross profit from customers of other group companies

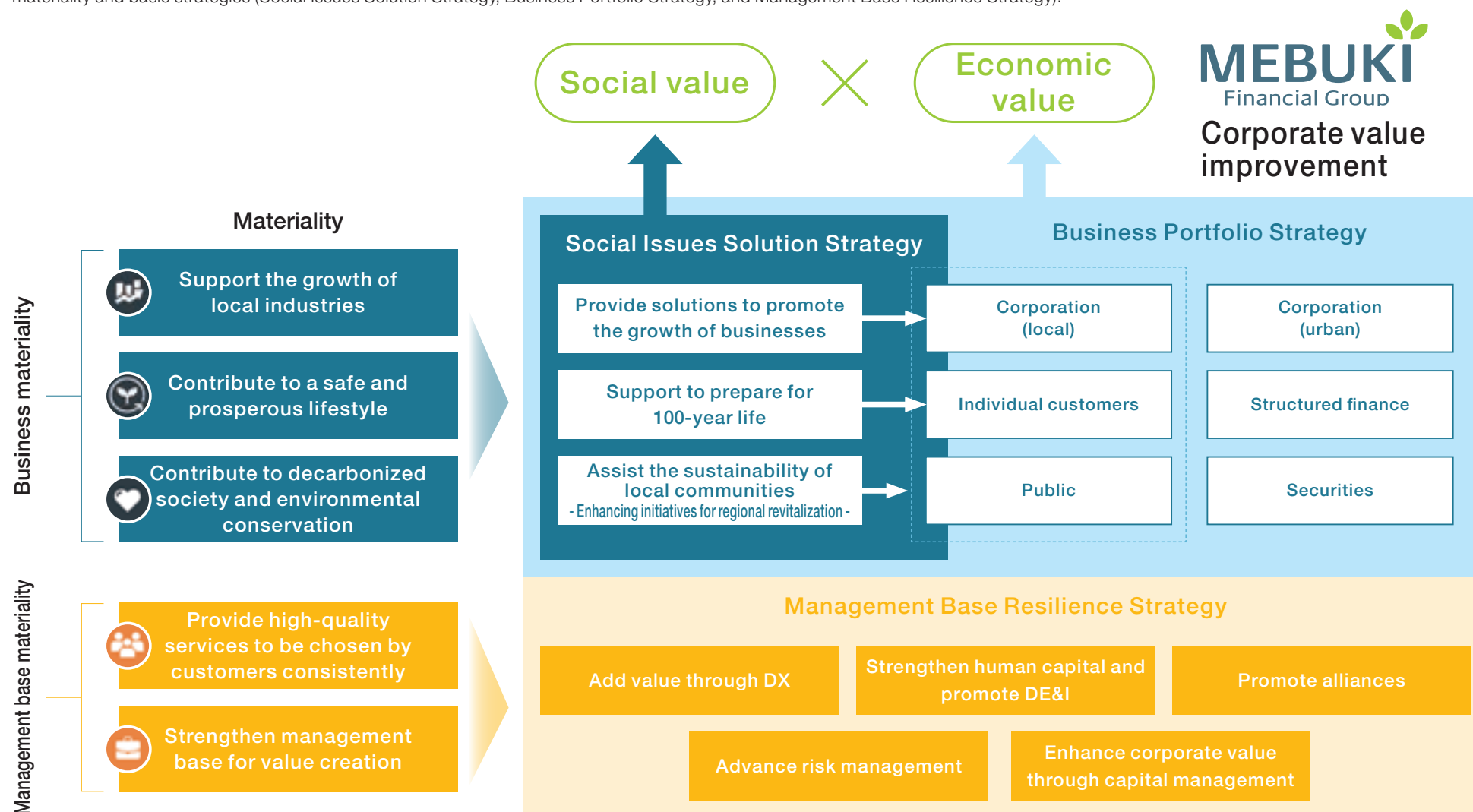
\*5 Income from customers = Difference of interests between loans and deposits + Consolidated fee income

\*Excluding securities' income

## Fourth Medium-Term Group Business Plan

## Outline of strategy

With the aim of improving corporate value by creating both social and economic value, the Fourth Medium-Term Group Business Plan promotes initiatives that integrate our reorganized materiality and basic strategies (Social Issues Solution Strategy, Business Portfolio Strategy, and Management Base Resilience Strategy).



# A Message from the Director in Charge of Corporate Planning



## Continuing to grow is our answer to stakeholders and the sources of the sustainable development of local communities

**Toshihiko Ono**

Mebuki Financial Group  
Director in Charge of Corporate Planning

### Pursuing enhanced corporate value through both social and economic value

For the Group, improving corporate value means enhancing both social and economic value. We place importance on the virtuous cycle in which supporting the growth of local communities and customers also leads to the Group's growth. Further strengthening this cycle is the basic policy of the Fourth Medium-Term Group Business Plan (hereinafter, the "Fourth Medium-Term Plan").

To translate this concept into a concrete management strategy, we reorganized our materiality under the Fourth Medium-Term Plan. We linked strategies for solving social issues with specific strategies and the Business Portfolio Strategy, thereby setting out a path for translating greater social value into greater economic value. The "impact pathway" presents this path in an easy-to-understand manner, showing the effects our products and services have on customers and the impacts they create for local industries and society.

Under the Fourth Medium-Term Plan, we have set targets of ROE 9.0% and ¥90.0 billion in consolidated net income for the fiscal year ending March 31, 2028, the

plan's final year. Targets for each business, required investments, and personnel allocations were established by working backward from these final goals. By linking the KPIs for each strategy with the numerical plans for each business, we believe we have also clarified the relationship between initiatives to enhance social value and targets for enhancing economic value.

### A strong start to the Fourth Medium-Term Plan

Performance has remained solid, and in FY2025, the first year of the plan, we achieved ROE of 8.2% and consolidated net income of ¥84.1 billion. For FY2026, we forecast ROE of around 9% and consolidated net income of ¥95.0 billion, bringing the final-year targets within reach one year ahead of schedule. Rising interest rates have certainly provided a tailwind, but asset and liability management suited to a "world with interest rates," the realization of Group synergies, and appropriate capital control have also contributed to this strong performance.

Under the "impact pathway" mentioned earlier, we measure value added—the Group's contribution to the regional economy—as a social impact indicator for "supporting the growth of local industries." The idea is

that increases in value added lead to higher wages, capital investment, and profits, with benefits that spread to growth in the regional economy. The preliminary value-added figure based on September 30, 2025 also increased 3.2% year on year. Going forward, as we accumulate data, we will analyze the relationship between the Group's initiatives and improvements in customers' value added and use the findings to enhance our sales activities and measures.

At present, labor shortages and rising raw material prices are major challenges for local companies. The Group will continue to help customers improve productivity and value added by supporting capital and DX investment, providing human resources support, and taking other measures.

### Resetting the cost of capital and entering the value creation phase

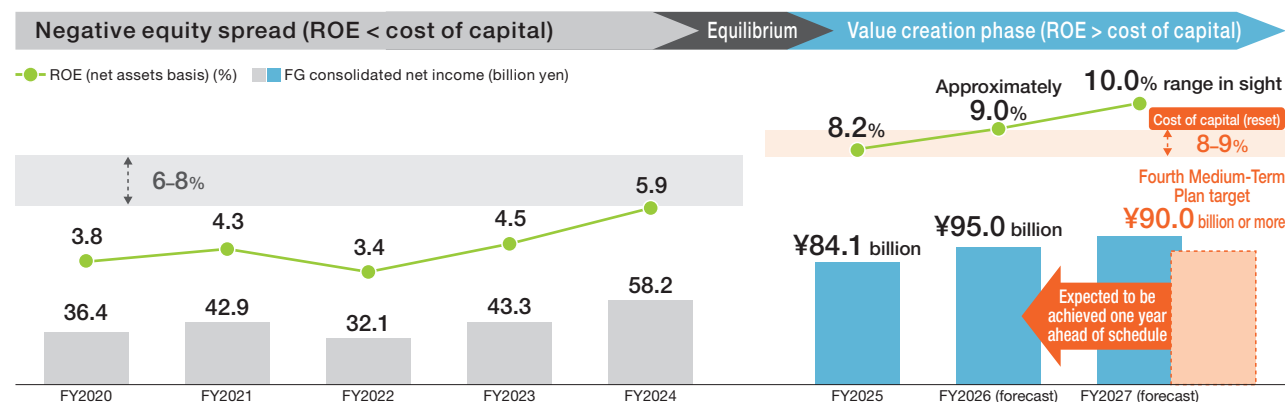
To meet investor expectations in a "world with interest rates," the Group has reassessed its cost of capital from the previous 6–8% to around 8–9%. This is intended to further strengthen management discipline in light of shareholders' rising return expectations.

For many years, the Group's ROE remained below its cost of capital. Recently, however, we have moved closer to the reset cost-of-capital level, with ROE of around 9% forecast for FY2026. As we begin to enter a "value creation phase" in which ROE consistently exceeds the cost of capital, we recognize the importance of pursuing sustainable improvements in corporate value with even greater discipline.

Rising interest rates are a tailwind, but we cannot rely on them alone. It is essential to allocate the profits we are currently generating to growth investment and the strengthening of our earnings base, thereby translating them into medium- to long-term earning power. We will further improve capital efficiency through asset and liability management, renewed efforts to strengthen Group synergies, reductions in strategic shareholdings,

## A Message from the Director in Charge of Corporate Planning

### Resetting the Cost of Capital and Transitioning to the Value Creation Phase



and appropriate capital control. ROE is now at a level where double digits are within sight in the not-too-distant future. To maintain double-digit ROE consistently without depending on the interest-rate environment in any single year, we must continue working to improve the profitability of the business as a whole.

### Clarifying the risks to take and optimizing the business portfolio

With the increase in the cost of capital, we need to define more clearly which risks to take and which to limit in each business. Under the Fourth Medium-Term Plan, we are strengthening “RORA management” to monitor the earnings, risk assets, and profitability of each business, and are pursuing appropriate risk-taking and profitability improvements to optimize the business portfolio.

Transactions with local corporate and individual customers can be expected to increase not only loans but also deposits, allowing credit creation to circulate within the region. By contrast, because lending in Tokyo and structured finance are less likely to channel funds back into the local region, we assess their profitability

more rigorously. We believe that deepening customer relationships while considering overall profitability across loans, deposits, and various services will lead to improved RORA.

### Proactively creating financing demand to improve the loan-to-deposit ratio

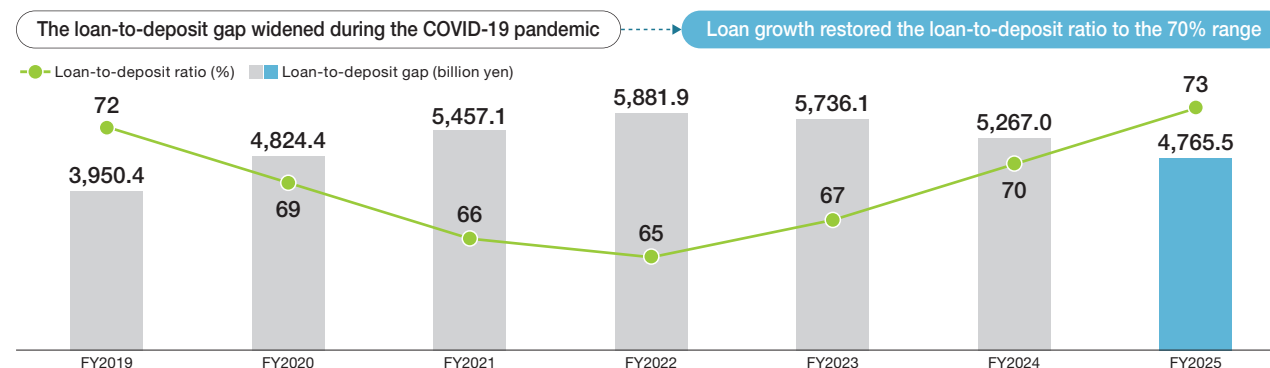
The Group's loan-to-deposit ratio at the end of FY2025 was 73%. We recognize that this is somewhat low compared with other regional banks, but it can also be

viewed as room for growth. We have ample capacity to deploy funds, and amid inflation and labor shortages, there remains scope to meet growing financing needs.

However, simply waiting passively for financing demand will not be enough to fully support regional growth. The Group is working to proactively create financing demand by integrating consulting and lending and becoming involved from the early stages of customers' business planning and capital investment. Customer satisfaction with lending is not determined by low interest rates alone. By working alongside customers from the conceptual stage of a project, we believe the Group can provide greater value.

In a “world with interest rates,” deposits are an important management resource that supports earning power. To steadily expand deposit balances, we must not only acquire new funds but also curb deposit outflows triggered by inheritance and other events. By leveraging our trust, asset succession, inheritance procedures, and other capabilities, we will build relationships with next-generation customers at an early stage.

Communication through our banking apps is also an important customer touchpoint. The banking apps have more than 1.5 million users, equivalent to roughly one-third of the combined population of Ibaraki and Tochigi Prefectures. Going forward, we will increase the number of accounts used for everyday transactions by



## Message from the Director in Charge of Corporate Planning

improving app convenience and making proposals tailored to customers' life stages. At the same time, we will create more touchpoints with younger and next-generation customers, thereby stabilizing our deposit base over the medium to long term.

### Building a securities portfolio suited to a "world with interest rates"

With regard to securities investment, we have been transitioning to a portfolio suited to a "world with interest rates." The Group's securities portfolio totals just under ¥4 trillion. Although we diversify investments across equities, investment trusts, foreign bonds, and other assets, domestic bonds account for slightly more than half.

We began reviewing our domestic bond portfolio at an early stage in anticipation of rising interest rates. By reducing low-yield bonds and shortening duration to around 3.5 years, we have created a portfolio suited to a

"world with interest rates." This enables us to raise the yield on holdings more quickly while maintaining resilience to rising interest rates. For foreign bonds, in light of uncertainty surrounding overseas conditions and the inflation outlook, we combine floating-rate and fixed-rate bonds to create a portfolio that can respond flexibly to changes in the environment.

We will continue to rigorously manage the portfolio with an emphasis on balancing profitability and stability while appropriately controlling interest-rate and liquidity risks.

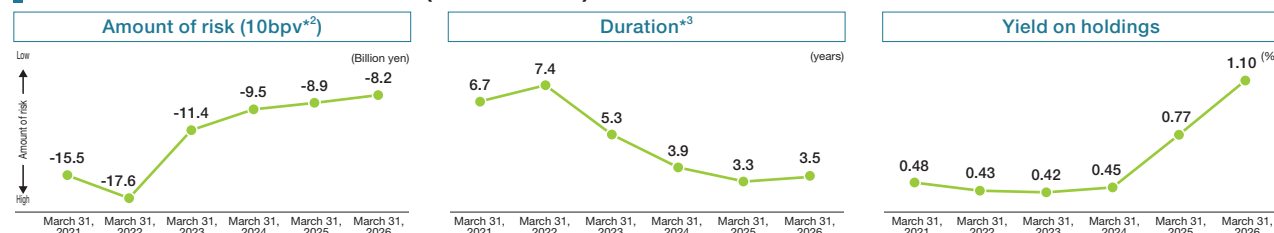
### Accelerating value creation through DX and human capital investment

Under the Fourth Medium-Term Plan, we established the "Management Base Resilience Strategy" as an investment in our management base for the future. Its specific strategies include creating added value through DX, actively investing in human capital, and strengthening diversity and inclusion.

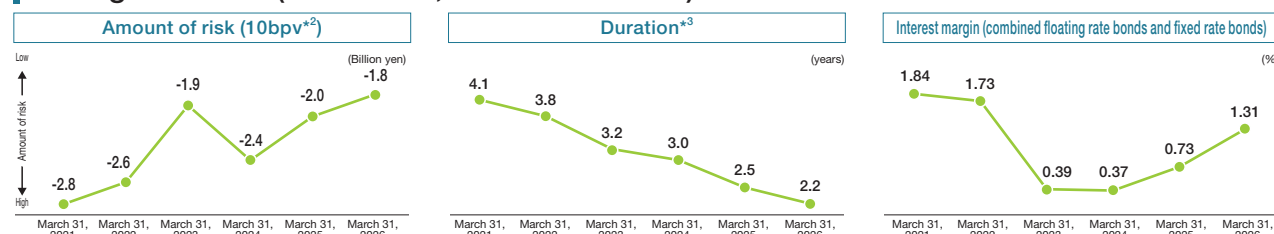
We are actively promoting DX across services, operations, and the management base. We are also strategically using AI in sales activities. For example, we use AI to identify customers that may have financing needs and use those insights to guide actual customer visits. At the same time, some information—such as the issues and concerns customers face—can only be obtained through direct conversations. By implementing a hybrid form of DX that combines customers' firsthand input with AI-generated insights, we believe we can further improve the quality of our proposals.

Securing and developing human resources is also an extremely important theme. Under the Fourth Medium-Term Plan, we plan to invest ¥3.0 billion in human capital over three years. We will develop and allocate the personnel needed in growth areas while assessing investment effectiveness through quantitative measurement of the outcomes of human capital investment. By using DX and AI to streamline routine work, we can redirect personnel to higher-value-added

### Yen-denominated bonds\*<sup>1</sup> (Bank total)



### Foreign bonds\*<sup>1</sup> (Bank total, US dollar bonds)

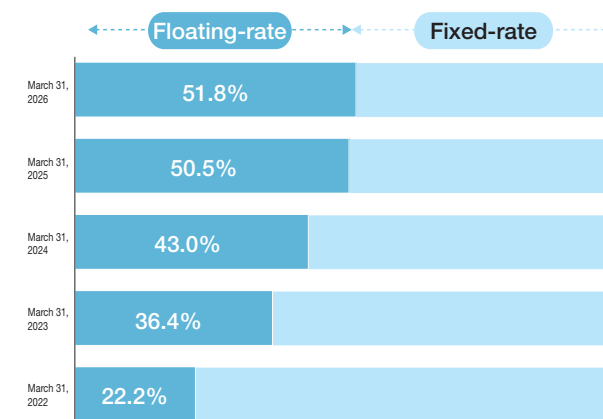


\*<sup>1</sup> After taking into account hedging using bear funds and swaps

\*<sup>2</sup> Decrease in present value on the assumption that interest rates for all periods increase by 10BPV (+0.10%)

\*<sup>3</sup> Average recovery period of principal for bond investments

### Floating-/Fixed-Rate Composition of Foreign Bonds (Combined Total for Banks; U.S. Dollar-Denominated Bonds\*)



\*Including asset swaps (ASW)

## Message from the Director in Charge of Corporate Planning

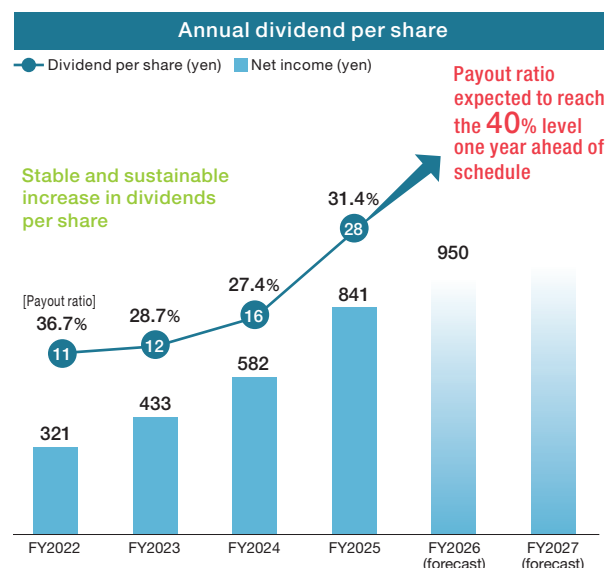
duties and shift human resources to high-RORA fields without significantly increasing the total workforce. The purpose of strategic DX investment is not merely to save labor, but to reallocate personnel to growth areas and simultaneously strengthen earning power and increase value added for customers. To achieve this, we will also upgrade our business infrastructure and create an environment in which employees can work comfortably and fully demonstrate their capabilities.

### Balancing capital efficiency and soundness while targeting a 40% payout ratio

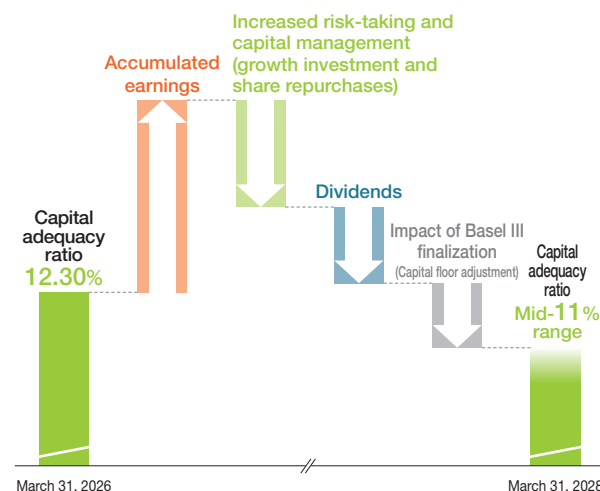
Under the Fourth Medium-Term Plan, we have established a capital strategy designed to improve capital efficiency while balancing profit growth, growth investment, risk-taking, and shareholder returns. In FY2025, the Group revised its shareholder return policy and set a target payout ratio of around 40% during the period of the Fourth Medium-Term Plan. We plan a substantial dividend increase in FY2026, and the payout ratio is expected to reach the 40% level one year ahead of schedule. We intend to continue steadily raising profit levels and increasing our capacity to return profits to shareholders.

Reducing strategic shareholdings is also an important initiative for improving capital efficiency. Rather than tying up capital in low-return areas, we will allocate it to areas that contribute to higher future ROE, including support for the growth of local companies, DX, human capital, and enhancement of Group functions. Investment discipline for growth areas will be based on the cost of capital, and we will deploy capital swiftly to areas where synergies with comprehensive financial services and solutions to regional social issues can be expected.

We target a capital adequacy ratio in the mid-11% range in the final year of the plan. While balancing growth investment and shareholder returns, we will appropriately control surplus capital and achieve both capital efficiency and financial soundness.



### Capital allocation (illustration toward the final year of the Fourth Medium-Term Plan)



## To our stakeholders

The Group has reached the milestone of the 10th anniversary of its business integration. Over the past decade, we have built up synergies from the integration, primarily in the areas of costs and fee-based transactions. Going forward, we will make even greater use of Group capabilities—including M&A support for local companies, trust and inheritance businesses, leasing, and securities—to take top-line synergies to the next level.

At the heart of our approach to improving corporate value is the belief that “the answer that satisfies all stakeholders is for us to grow.” Solving customer issues, improving employee fulfillment and compensation, delivering profit growth and returns to shareholders, and ensuring the sustainable development of local communities are not separate objectives. They can only be achieved simultaneously by creating a virtuous cycle in which the Group itself grows and returns the benefits of that growth to local communities, customers, employees, and shareholders.

The Group's strength lies in the trusted relationships with customers that we have built over many years, primarily in Ibaraki and Tochigi Prefectures. This is an area with high growth potential, where there is strong demand for companies to establish operations and make capital investments. However, when head-office functions are located outside the region, financing and decision-making also take place outside the region, weakening the circulation of funds within it. That is why the Group places importance on a credit creation cycle in which we support the growth of local companies and redirect funds generated through higher value added back into loans and investments within the region.

The Group will sustainably achieve value creation in excess of its cost of capital and pursue growth with double-digit ROE in sight. By viewing regional growth and the Group's growth as one and the same and delivering tangible results, we will meet the expectations of all our stakeholders.

# Capital Management Aimed at Enhancing Corporate Value

Add Value Through DX

Promote Alliances

Strengthen Human Capital and Promote DE&amp;I

Advance Risk Management

Capital Management Aimed at Enhancing Corporate Value

While we will be accumulating risk assets based on our business portfolio strategy, we will also be appropriately managing capital that exceeds capital levels which serve to support the sustainable growth of regions and the Company. Through the strategic development of the Fourth Medium-Term Group Business Plan, we will establish a situation where ROE consistently exceeds the cost of equity and work to improve our PBR.

## Major initiatives

- Targeting a stable and sustainable increase in the dividend per share through profit growth, we will aim to achieve a dividend payout ratio of 40% or more during the period covered by the Fourth Medium-Term Group Business Plan.
- Additionally, the acquisition of own shares will be dynamically managed based on capital management that considers market trends, performance forecasts, and the strategic use of capital to capture growth opportunities.
- We will identify further growth opportunities and implement capital management while aiming for our target capital adequacy ratio.

## Capital management

Capital to support sustainable growth of the region and the Company

### Identifying investment and financing opportunities for growth

- Accumulation of risk assets
- Identifying new investment and financing fields

Additional return to shareholders

Consolidated capital adequacy ratio  
Kept to the mid-11% range

| Major initiatives                       | Outputs                                                                                                          |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Shareholder return policy               | <ul style="list-style-type: none"> <li>Dividends per share</li> <li>Dynamic acquisition of own shares</li> </ul> |
| Appropriate management of owned capital | <ul style="list-style-type: none"> <li>Capital adequacy ratio</li> </ul>                                         |

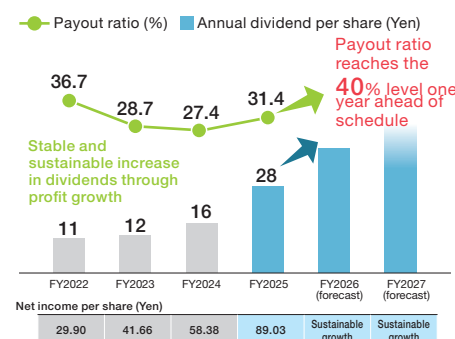
Materiality ▶ Strengthen management base for value creation

## Shareholder return policy

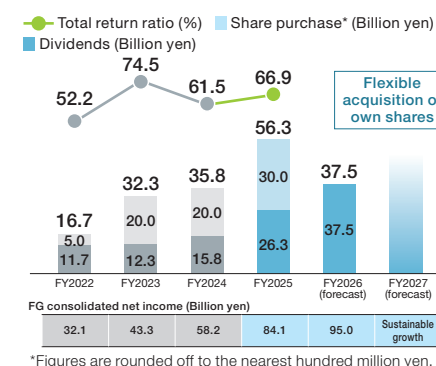
Starting in FY2025, the Group adopted an approach that focuses on the stable and sustainable growth of dividends per share through profit growth, with our aim being to achieve a dividend payout ratio of 40% or more during the period covered by the Fourth Medium-Term Group Business Plan (up to FY2027). In FY2026, however, we are expecting to achieve that goal one year ahead of schedule.

The total return to shareholders in FY2025 was 56.3 billion yen. This consisted of a total of 26.3 billion yen in dividends and 30.0 billion yen in the acquisition of own shares, resulting in a total return ratio of 66.9%.

## Annual dividend per share



## Dividends and shareholder returns



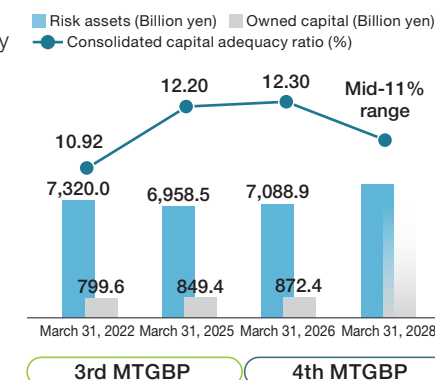
## Appropriate management of owned capital

Under the Fourth Medium-Term Group Business Plan, we have established a capital strategy designed to improve capital efficiency while balancing profit growth, growth investment, risk-taking, and shareholder returns.

In order to achieve both capital efficiency and soundness, we aim to achieve a capital adequacy ratio in the mid-11% range in the final year of the plan by appropriately controlling surplus capital while taking into consideration the balance between growth investments and shareholder returns.

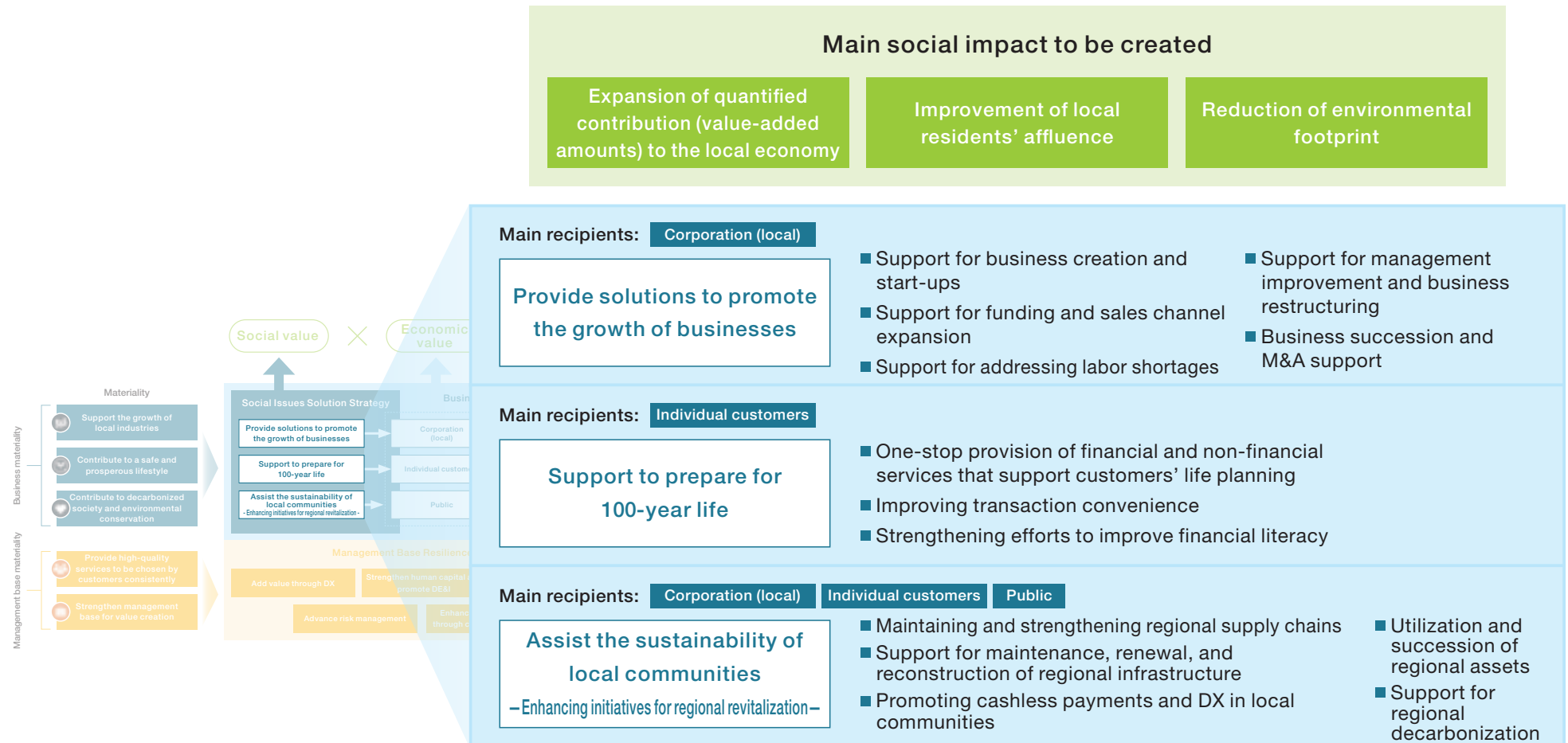
We will also promote the reduction of strategic shareholdings.

## Capital management



# Overview of Social Issues Solution Strategy

In the Social Issue Solution Strategy, we aim to create social impact by developing initiatives to solve social issues linked to business materiality through three separate strategies: “Provide solutions to promote the growth of businesses,” “Support to prepare for 100-year life,” and “Assist the sustainability of local communities - Enhancing initiatives for regional revitalization.” For each specific strategy, we will broaden the range of measures we have implemented so far for local corporate customers, individual customers, and local governments, and pursue their depth. At the same time, we will take up the challenge of new initiatives, creating positive impacts for local communities and regional economies.



# Social Issues Solution Strategy

Provide solutions to support the growth of business operators

Support to prepare for 100-year life

Assist the sustainability of local communities  
- Enhancing initiatives for regional revitalization -

## Provide solutions to support the growth of business operators

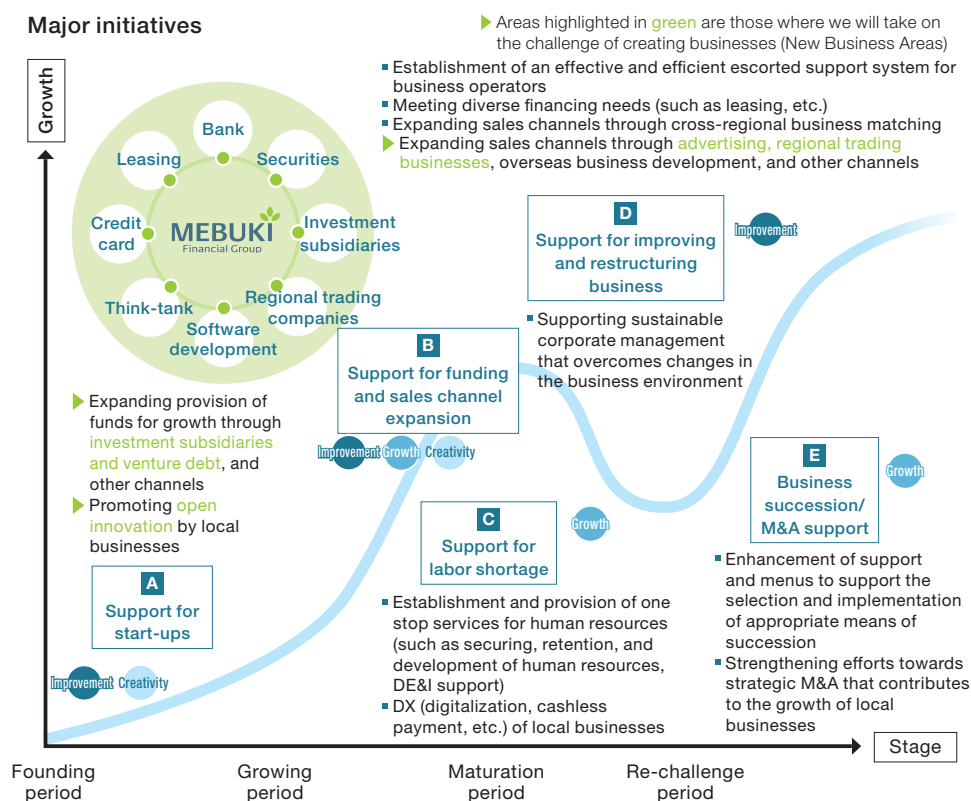
Materiality ► Support the growth of regional industries

Due to population decline and the resulting chronic labor shortage, securing human resources, including successors, and improving productivity have become key challenges for local companies. At the same time, regional industrial structures and supply chains are changing, and local SMEs are increasingly being pressed to shift toward self-reliant management, including by promoting R&D, expanding sales channels, and changing business categories.

In this environment, the Group supports the growth of local businesses across all aspects of management, while also undertaking initiatives to foster start-ups, provide opportunities for local businesses to interact with one another, and encourage businesses from outside the region to enter the area. In addition, the Group is working as one to provide consulting and solutions that help customers address labor shortages and improve productivity.

| Main KPIs                                          |                  |                  |
|----------------------------------------------------|------------------|------------------|
|                                                    | FY2027 plan      | FY2025 result    |
| Balance of local corporate loans (average balance) | ¥3,690.0 billion | ¥3,495.3 billion |
| Fees from corporate customers (Bank total)         | ¥17.5 billion    | ¥16.7 billion    |

### Major initiatives



### Impact Pathway

| Major initiatives                                            | Outputs                                                                                                                          | Outcomes            |                                                                                                                | Social impact - Social change -                                                                                                               |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              |                                                                                                                                  | Stakeholders        | Impacts                                                                                                        |                                                                                                                                               |
| <b>A</b><br>Support for start-ups                            | Number of startup investment projects/<br>Investment amount                                                                      | Corporate customers | Improving profitability and productivity<br>Strengthening management base<br>Business expansion                | Expansion of quantified contribution (value-added amounts) to the local economy<br>▼<br>Set as business objectives (social impact indicators) |
| <b>B</b><br>Support for funding and sales channel expansion  | Business planning support and business succession consulting profit<br>Number of paid business matching contracts                |                     | Improving profitability<br>Strengthening management base<br>Creating new business opportunities and employment |                                                                                                                                               |
| <b>C</b><br>Support for labor shortage                       | Number of applications for personnel introduction                                                                                |                     | Business continuity<br>Improving productivity<br>Job creation                                                  |                                                                                                                                               |
| <b>D</b><br>Support for improving and restructuring business | Number of customers for whom business improvement plans have been developed<br>Number of borrowers with improved credit standing |                     | Improving profitability<br>Business continuity<br>Maintaining employment                                       |                                                                                                                                               |
| <b>E</b><br>Business succession/M&A support                  | Number of M&A contracts                                                                                                          |                     | Maintaining employment<br>Business continuity<br>Business expansion                                            |                                                                                                                                               |

## Social Issues Solution Strategy

### Support for start-ups

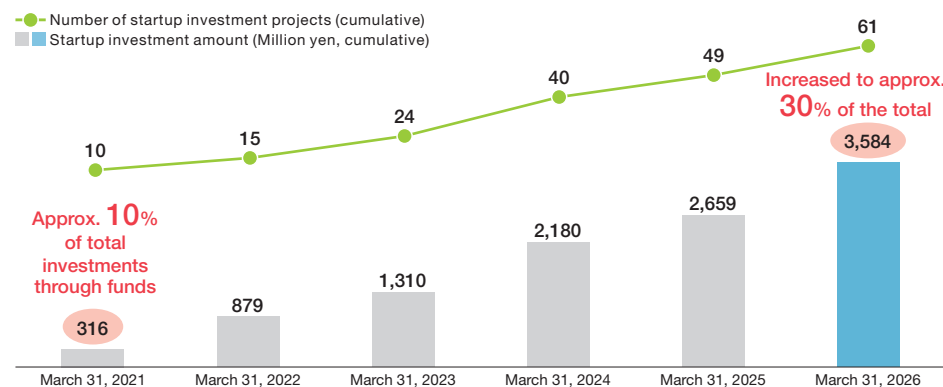
|                   |                                       |                             |
|-------------------|---------------------------------------|-----------------------------|
| Output indicators | Number of startup investment projects | 61 (cumulative)             |
|                   | Investment amount                     | ¥3,584 million (cumulative) |

#### Expanding provision of funds for growth through investment subsidiaries and venture debt, and other channels

We are engaged in investments for startup companies through funds managed by our investment subsidiaries (Joyo Capital Partners and Wing Capital Partners) with the goal of exploring partnerships aimed at expanding our business areas. As of March 31, 2026, the investment amount totaled ¥3,584 million (cumulative), with 61 cases (cumulative).

Joyo Bank established the Start-ups Finance Group in April 2025 and began initiatives to provide loans to start-ups. As of March 31, 2026, loans totaled ¥1,350 million across 10 cases.

#### Startup investments\* (investment subsidiaries)



\*Investments made through funds managed by the investment subsidiaries, Joyo Capital Partners and Wing Capital Partners, are recorded.

#### Strengthening consulting for regional start-ups

In November 2025, Ashikaga Bank joined the Tochigi Innovation Base, a general incorporated association established to provide multifaceted support for start-ups and create “¥10 billion companies.” The Bank participates in monthly meetings and provides escorted support to address the consulting needs of members (73 members).

### Support for funding and sales channel expansion

|                   |                                                                     |              |
|-------------------|---------------------------------------------------------------------|--------------|
| Output indicators | Business planning support and business succession consulting profit | ¥804 million |
|                   | Number of paid business matching contracts                          | 5,650        |

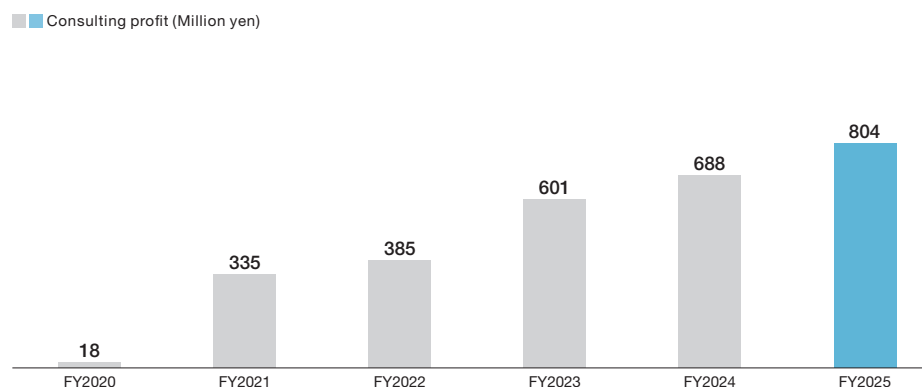
#### Establishment of an effective and efficient escorted support system for business operators

##### Business support consulting

In response to various management issues faced by our customers, we provide consulting for business support, including IT digitalization for operational efficiency, formulation of medium- to long-term management strategies, and business succession to support sustainable growth. In the process of providing support, we provide one-stop service from “analyzing the current situation” to “identifying issues” and to “providing support for implementation,” with experts from various fields working together to deliver high-quality escorted service.

Joyo Bank has implemented tools that enable branches to independently provide specialized support previously concentrated in head office departments (such as formulating medium-term management plans), establishing a framework to provide solutions to more customers. Ashikaga Bank has assigned “Solution Leaders” to lead the consulting services for corporate customers at all branches. Solution Leaders strive to acquire knowledge and skills to reliably capture customers’ consulting needs on the front lines.

##### Business planning support and business succession consulting\*



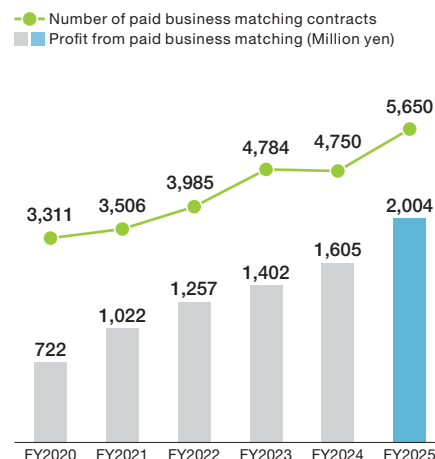
\*Total of business planning support and business succession consulting (including own-share simulations)

## Social Issues Solution Strategy

### Business matching initiatives

Through escorted consulting, we help visualize customer issues and needs, and provide optimal solutions. In these efforts, where necessary, we combine the know-how of other companies through business matching to help customers solve their issues. We also hold Mebuki Food Exhibition, which promotes sales channel expansion and interaction among food-related businesses, and Mebuki Manufacturing Business Forum, which uses technical propositions to create new business relationships. Through business matching across a broad range of industries, we support the revitalization of the regional economy.

#### Paid business matching services



### Meeting diverse financing needs

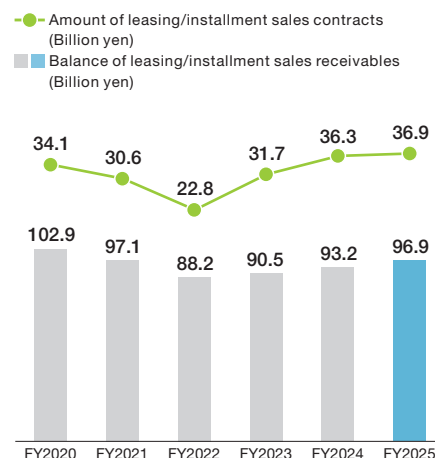
#### Diverse financing solutions tailored to the challenges of local companies (Mebuki Lease)

We respond to diversifying financing needs in line with regional characteristics and each company's management issues, ranging from advanced capital investment and DX initiatives to equipment that contributes to energy conservation and decarbonization.

Leveraging Mebuki Lease's community-based network and high level of expertise, we propose optimal financing plans and support the sustainable growth of local companies and the development of the regional economy.

In addition, we are expanding our lineup of ESG finance products, including sustainability-linked loans, to support local companies in building sustainable business models.

#### Leasing/installment sales\* (Mebuki Lease)



\*Receivable balances are as of each fiscal year-end; contract amounts exclude re-leases.

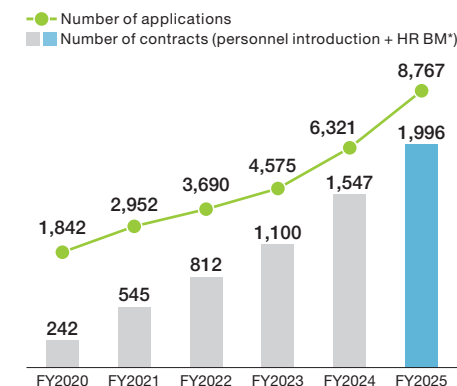
### Support for labor shortage

|                              |                                                                     |                    |
|------------------------------|---------------------------------------------------------------------|--------------------|
| Output indicators            | Number of applications for personnel introduction                   | 8,767 (cumulative) |
| Status of Outcomes Generated | Number of jobs created in the region through personnel introduction | 1,996 (cumulative) |

### Establishment and provision of one stop services for human resources (securing, retention, and development of human resources, DE&I support)

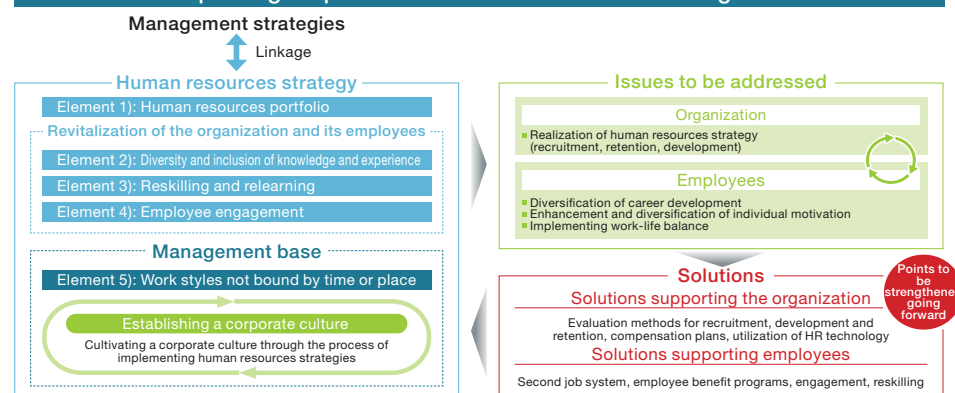
Given the current situation where securing human resources is increasingly difficult, we are enhancing our consulting functions to address various human resource needs, including personnel introduction. Based on the concept of human capital management, we visualize the status of our customers' initiatives, accurately identifying their true human resources needs. These include appropriate personnel introduction, training, and human resources consulting. We provide one-stop solutions tailored to their needs at each stage from personnel recruitment and development to retention and retirement.

#### Personnel introduction



\*Business matching in the human resources field, including part-time and side-job placement services, as well as recruitment tools for high school graduates.

### Improving corporate value over the medium to long term



## Social Issues Solution Strategy

### Support for improving and restructuring business

|                   |                                                                             |     |
|-------------------|-----------------------------------------------------------------------------|-----|
| Output indicators | Number of customers for whom business improvement plans have been developed | 350 |
|                   | Number of borrowers with improved credit standing                           | 40  |

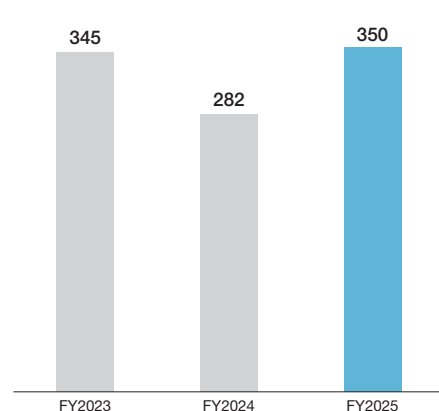
#### Supporting sustainable corporate management that overcomes changes in the business environment

The business environment surrounding our customers is undergoing major changes due to factors such as rising raw material costs, labor shortages, and the materialization of geopolitical risks. To support the development of the regional economy while avoiding outcomes such as the hollowing out of regional supply chains and the decline of key industries due to customer bankruptcies, it is necessary to identify business deterioration at an early stage and strengthen customers' "earning power" through escorted support and business revitalization support.

In addition to facilitating the smooth provision of funds, Joyo Bank and Ashikaga Bank work with branches and head office departments and utilize external support organizations to provide management improvement and business revitalization support closely tailored to customers, including assistance with formulating business improvement plans and improving financial conditions, with a view to identifying management issues and early signs of business deterioration. We are also strengthening our framework for supporting customers in realizing their business improvement plans, including assistance in implementing improvement measures and follow-up on progress.

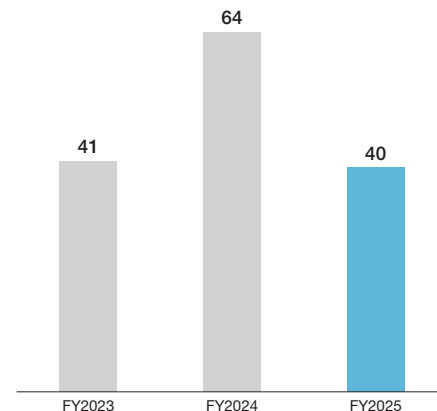
Customers for which business improvement plans were formulated (Bank total)

(Customers)



Number of borrowers with improved credit standing (Bank total)

(Borrowers)



### Business succession M&A support

|                   |                         |    |
|-------------------|-------------------------|----|
| Output indicators | Number of M&A contracts | 46 |
|-------------------|-------------------------|----|

#### Enhancement of support and menus to support the selection and implementation of appropriate means of succession

##### Selection and implementation of appropriate means of succession, and support for training of successors

Successful business succession is indispensable for the sustainable growth of companies and maintaining the vitality of the regional economy. Through dialogue with customers, we identify issues at an early stage and support the formulation and implementation of optimal plans from among a wide range of options, from succession within the family to third-party succession through M&A and other means. We also provide management schools for successors and young corporate managers and opportunities for cross-industry networking, supporting the development of next-generation leaders' networks and skills while actively encouraging new business initiatives ("second founding").

##### Provision of total solutions, including succession of personal assets of corporate owners

The succession of personal assets of corporate owners is also an important part of business succession. We consider business assets and personal assets comprehensively, and, in cooperation with external experts in tax and legal affairs, provide a variety of one-stop solutions, including inheritance and gifts and utilization of trusts. We continue to provide escorted support as a "long-term partner" to companies and owner families, helping them build a stable future.

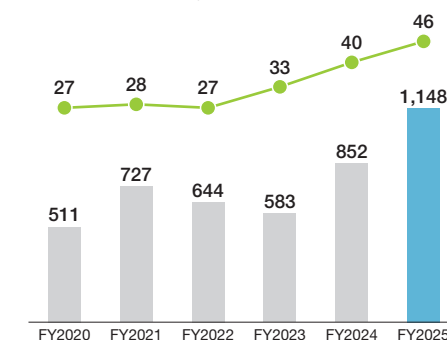
#### Promoting M&A advisory services that help solve corporate management issues

##### Support the growth of companies and businesses

The business environment surrounding companies, including global conditions, is becoming increasingly complex, making corporate management ever more challenging. In addition to providing solutions for smooth business succession, which we have long supported, we will continue to contribute to solving the various management issues faced by companies by providing M&A advisory services integrated with our financial functions.

##### M&A

● Number of M&A contracts  
■ M&A profit (Million yen)



## Social Issues Solution Strategy

### Examples of Outcomes Generated

Continuing and expanding business, creating new business opportunities, and maintaining employment

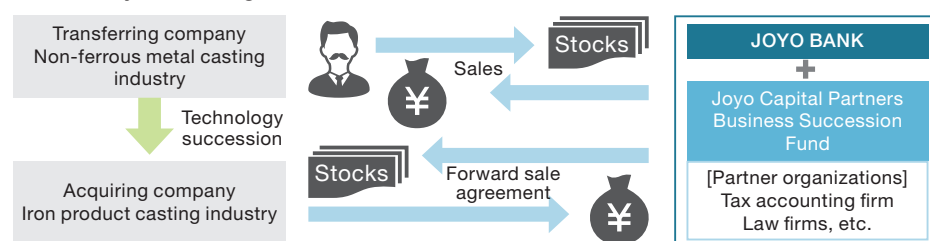
### Technology succession born from dialogue—Protecting regional supply chains and craftsmanship

Against a backdrop of successor shortages, an increasing number of SMEs with outstanding technologies have no choice but to close their businesses. This is not merely the end of a single company; it is a major social issue that means disruption of the supply chains supporting regional industries. Here, we introduce a case in which the Group leveraged its comprehensive strength to pass outstanding technology on within the region.

A company that held deposits with Joyo Bank but had no borrowing relationship was preparing to close its business due to a lack of successors despite possessing excellent aluminum casting technology. This came to light through dialogue with the business owner during an asset management consultation. The branch representative quickly shared this information within the Group and, working with the branch, head office, and Joyo Capital Partners, a Joyo Bank subsidiary, continued dialogue with the business owner. Because the company possessed outstanding technology, the Group proposed “technology succession” rather than “business closure.” The owner then changed course toward technology succession, saying that if the technology could give back to regional industry, they would pursue it. A regional mid-sized company considering expansion into new business areas in response to changes in the business environment emerged as a candidate to take over the technology. To alleviate concerns on both sides arising from differences in scale and M&A experience, the Joyo Capital Partners’ Business Succession Fund temporarily acquired all shares. The fund then led the development of a technology succession roadmap and the integration of corporate cultures, and completed the transfer to the acquiring company after establishing a robust succession framework.

This initiative not only preserved valuable regional technology and employment but also established a foundation for expansion into global supply chains by leveraging the acquiring company’s capital strength and sales capabilities. We will continue to identify customers’ latent needs through day-to-day dialogue and combine diverse solutions to contribute to the sustainable growth of regional industries.

#### Case study of utilizing a business succession fund



### Examples of Outcomes Generated

Improving profitability and productivity, and creating new business opportunities

### Returning to profitability through comprehensive support—Contributing to increased added value by supporting a core company

As a comprehensive financial services group, the Group provides a diverse range of financial and non-financial services on a one-stop basis and works with other banks through alliances to support the growth of regional industries from all angles, thereby contributing to revitalizing the regional economy. Here, we introduce a case in which these initiatives helped turn around business performance and significantly increase added value.

This company, which is a customer of Ashikaga Bank is a manufacturer of automotive and truck parts that casts, machines, and assembles die-cast products. However, capital investment had stalled as performance weakened due to the shift to EVs and production cuts by major customers. As a result, increasing orders and replacing aging equipment had become urgent priorities.

The branch representative therefore proposed measures to increase orders and systematically implement capital investment through ongoing dialogue with management. For increasing orders, we contributed to creating new order opportunities through business matching with the Bank’s customers. At the same time, it was necessary to provide a continuous and stable supply of funds needed to add and replace large-scale equipment. Because the company also had transactions with Gunma Bank, with which we cooperate under the “Ryomo Area Revitalization Partnership,” Ashikaga Bank supported equipment replacement by executing co-financing with Gunma Bank and combining it with covenant loans and leasing transactions through Mebuki Lease.

As a result of these support measures over approximately three years, the company’s most recent financial results showed increased sales, with both operating profit and ordinary profit turning from losses to profits, while added value, which the Group uses as a social impact indicator, also increased significantly. The main factor was that improved production efficiency through capital investment kept personnel expenses under control while higher profit exceeded the increase in depreciation expenses. As a result, Ashikaga Bank’s share of both loans and deposits has increased, further deepening the business relationship.

This company is a “company aiming for ¥10 billion in sales,” and further investment to strengthen its production system, including acquiring land for a new plant, is expected going forward. The Group will continue to contribute to the sustainable growth of core companies that support the region, not only through financing but also by providing knowledge, experience, and information.

## Social Issues Solution Strategy

Provide solutions to support the growth of business operators

Support to prepare for 100-year life

Assist the sustainability of local communities  
- Enhancing initiatives for regional revitalization -

## Support to prepare for 100-year life

Materiality

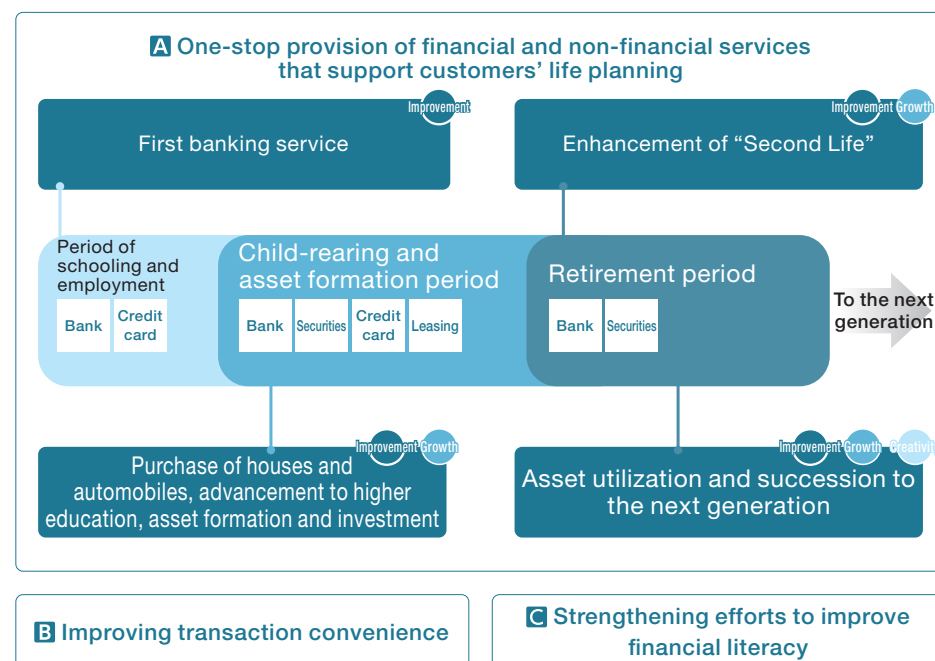
Contribute to a safe and prosperous lifestyle

With the advent of the 100-year life era, the proportion of elderly people in local communities is certain to continue rising. We recognize the need both to make communities more livable for older residents and to alleviate financial concerns during retirement. We also recognize that in Ibaraki and Tochigi Prefectures, where the habitable land area is extensive, the broad geographic scope of residents' daily lives creates a burden in terms of travel. Against this backdrop, we aim to be a financial group that local customers can rely on throughout their lives by enhancing digital services and providing robust support for asset utilization and management to support their second lives after retirement, as well as asset succession to the next generation.

Within the Group, our banking, securities, credit card, and other service lines work together to provide one-stop financial services tailored to customers' life stages, from younger generations to older generations.

| Main KPIs                                                         |                  |                  |
|-------------------------------------------------------------------|------------------|------------------|
|                                                                   | FY2027 plan      | FY2025 result    |
| Balance of customer assets under custody (banking and securities) | ¥3,200.0 billion | ¥2,893.6 billion |
| Balance of loans for individual customers (average balance)       | ¥5,600.0 billion | ¥5,368.3 billion |

### Major initiatives



### Impact Pathway

| Major initiatives                                                                                            | Outputs                                                                                                                                                                                                                                 | Outcomes             |                                                                                                                                                                                                                                                                                                                | Social impact<br>- Social change -        |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                                                                                                              |                                                                                                                                                                                                                                         | Stakeholders         | Impacts                                                                                                                                                                                                                                                                                                        |                                           |
| <b>A</b><br>One-stop provision of financial and non-financial services that support customers' life planning | Balance of customer assets under custody (banking + securities)<br>Number of testamentary trust acceptance cases<br>Amount of housing loans executed<br>Amount of unsecured loans executed (educational loans, private car loans, etc.) | Individual customers | Realizing asset formation, enhancing well-being through home ownership, and expanding opportunities for higher education<br>Enhancing well-being through a fulfilling second life and improving satisfaction among succeeding generations and households<br>Improvement of accessibility to financial services | Improvement of local residents' affluence |
| <b>B</b><br>Improving transaction convenience                                                                | Penetration rate of banking apps                                                                                                                                                                                                        |                      | Improvement of accessibility to financial services                                                                                                                                                                                                                                                             |                                           |
| <b>C</b><br>Strengthening efforts to improve financial literacy                                              | Number of financial education and related programs implemented                                                                                                                                                                          |                      | Improvement of financial literacy                                                                                                                                                                                                                                                                              |                                           |

## Social Issues Solution Strategy

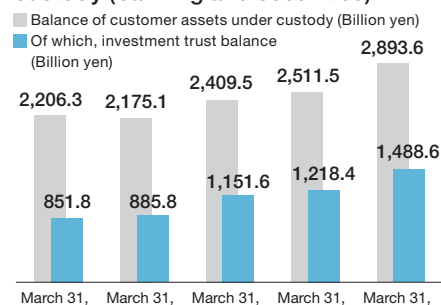
### One-stop provision of financial and non-financial services that support customers' life planning

|                              |                                                                             |                  |
|------------------------------|-----------------------------------------------------------------------------|------------------|
| Output indicators            | Balance of customer assets under custody (banking and securities)           | ¥2,893.6 billion |
| Status of Outcomes Generated | Number of new asset formation opportunities created through the NISA system | 223,000          |

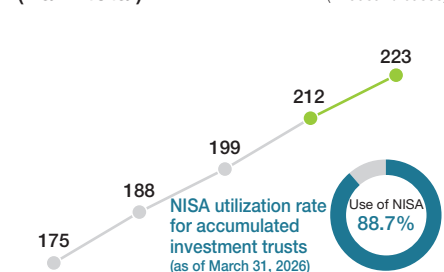
#### Contributing to the realization of asset formation that fulfills our customers' goals and dreams

We aim to maximize customer assets and earnings across the Group by linking the acquisition of younger customers through NISA and accumulated investment trusts with Mebuki Securities' specialized consulting and sophisticated product offerings for affluent customers and customers with individual investment needs. In addition to conventional face-to-face channels such as bank counters, we are expanding services through non-face-to-face channels, including banking apps, and will further strengthen support for asset formation tailored to customers' life stages.

#### Balance of customer assets under custody (banking and securities)



#### Number of NISA accounts\* (Bank total)



\*With the launch of the new NISA system, "Junior NISA" is excluded from the end of March 2024 onward (only new NISA accounts are recorded).

|                   |                                                            |       |
|-------------------|------------------------------------------------------------|-------|
| Output indicators | Number of testamentary trust acceptance cases (cumulative) | 4,271 |
|-------------------|------------------------------------------------------------|-------|

#### Smooth asset succession and solving customer issues through testamentary trusts

How to pass important assets on to the next generation is becoming an increasingly important theme for customers and local communities. Through testamentary trusts, the Group facilitates smooth asset succession while working to solve customers' issues through wealth management based on a comprehensive understanding of all their assets.

#### Smooth asset succession

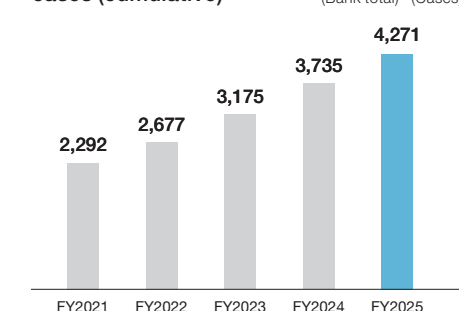
Needs related to inheritance are diversifying due to factors such as the growing risk of dementia associated with aging and longer lifespans, increasingly complex inheritance

relationships as family structures change, and bequests and donations to people outside the family. The Group supports smooth asset succession by providing end-to-end services from consultation on preparing a will through safekeeping and execution, ensuring that estates are distributed reliably and fairly in accordance with the terms of the will.

#### Practicing wealth management through a comprehensive understanding of all assets

Through consultations on testamentary trusts, we gain a comprehensive understanding of customers' total assets—including deposits, securities, and real estate—as well as their life plans, and clarify issues such as inheritance planning, retirement funds, and business succession. We then provide wealth management that combines asset management, portfolio restructuring, insurance utilization, and other measures, supporting stable asset formation and succession from the present into the future and across generations.

#### Number of testamentary trust acceptance cases (cumulative)



|                   |                                     |                |
|-------------------|-------------------------------------|----------------|
| Output indicators | Amount of housing loans executed    | ¥351.4 billion |
|                   | Amount of unsecured loans* executed | ¥95.2 billion  |

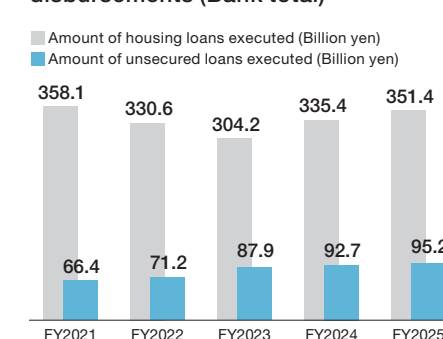
\*Total of educational loans, private car loans, card loans, and free loans

#### Realization of customers' life plans through provision of necessary funds

We support our customers in raising the funds they need to realize the life plans they envision by offering loan products.

For individual loans, we have introduced "WELCOME," a web-based reception system. The system accepts applications for housing loans online, and enables customers to complete the entire process online from application to contract for remodeling loans, educational loans, private car loans, and free loans, improving customer convenience.

#### Housing and unsecured loans executed disbursements (Bank total)



\*Housing loans do not include refinancing, and only new loans are recorded.

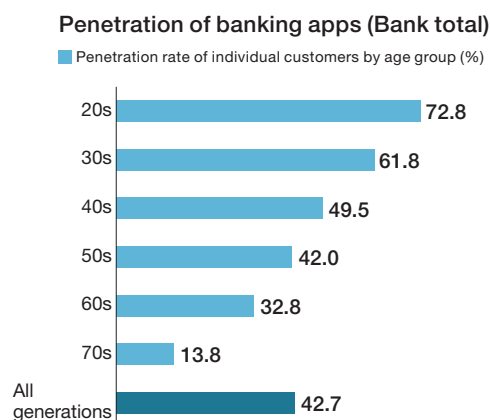
## Social Issues Solution Strategy

### Improving transaction convenience

|                   |                                  |                         |
|-------------------|----------------------------------|-------------------------|
| Output indicators | Penetration rate of banking apps | 42.7% (All generations) |
|-------------------|----------------------------------|-------------------------|

#### Enhancing customer satisfaction (convenience) by expanding banking apps and web services

We have expanded services that allow customers to apply 24 hours a day via banking apps and our website, and we provide a manned chatbot to respond promptly to customer inquiries. We are working to realize stress-free operations for customers, flexibly reviewing business hours according to customer needs.



#### Asset formation support through a combination of face-to-face and non-face-to-face channels and securities functions

Joyo Bank has a “Money Consultation Desk,” which is open on Saturdays and Sundays. Ashikaga Bank has a “Block Retail Sales Division,” which specializes in consulting services for individuals. Both banks have specialized staff who stay close to customers through genuine communication and support them closely, helping to consider their lives together.

Meanwhile, we are also working to improve the convenience of non-face-to-face channels, such as enabling customers to check the status of their investment trusts and purchase and sell investment trusts via banking apps, etc. For customers who have started asset management without visiting a branch, specialized staff provide asset consultation online or on the phone.

We also address our customers’ diversifying needs by enhancing our products and services, offering information on the products provided by Mebuki Securities, and introducing Ashigin Money Design, Ltd., a specialized online trading company and subsidiary of Ashikaga Bank.

### Strengthening efforts to improve financial literacy

|                              |                                                                                                                                |        |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------|
| Output indicators            | Number of financial education programs implemented                                                                             | 7,535  |
| Status of Outcomes Generated | Customers who acquired knowledge that contributes to improving financial literacy (number of financial education participants) | 44,742 |

#### Improvement of financial literacy in the community

Against the backdrop of the growing adoption of the new NISA system and the transition to a “world with interest rates,” the Mebuki Financial Group has identified improving financial literacy as a challenge in building sustainable local communities. Based on the Fourth Medium-Term Group Business Plan, Joyo Bank and Ashikaga Bank are leading efforts to broaden the base of investment across the region through financial and economic education for all generations and digital communications, creating high-quality entry points that support self-directed asset formation.

#### TOPIC Providing financial education tailored to each life stage

##### ■ Hands-on events for elementary school students

Classes where children learn about the role of money and how the economy works in a game-like format.

##### ■ Seminar for middle and high school students

In response to the introduction of mandatory financial education in high schools, bank employees are dispatched as instructors in cooperation with boards of education.

##### ■ Use of teaching materials developed through cross-industry collaboration

In cooperation with local companies, we provide original hands-on economics programs featuring local industries.

##### ■ Support for life planning

Classes cover not only deposits but also the need for long-term investment and NISA in connection with life planning.

##### ■ Fraud prevention awareness for working-age generations

We provide compliance awareness education to help prevent customers from becoming victims of investment fraud and social media-related trouble.



Seminar co-hosted with the Japan Financial Literacy and Education Corporation (J-FLEC)

## Social Issues Solution Strategy

Provide solutions to support the growth of business operators

Support to prepare for 100-year life

Assist the sustainability of local communities - Enhancing initiatives for regional revitalization -

## Assist the sustainability of local communities - Enhancing initiatives for regional revitalization -

Ibaraki and Tochigi Prefectures, the Group's business base, have relatively high CO<sub>2</sub> emissions due to characteristics such as a comparatively high share of manufacturing and a tendency to rely on automobiles for transportation because of their large habitable land areas, resulting in high automobile ownership per household. Regional infrastructure is also aging, while the regions face new social issues, including increases in vacant houses and abandoned farmland accompanying the declining birthrate and aging population. Although local governments are introducing policies to address these social issues, we recognize that the Group must also formulate and implement measures to support their execution through our financial functions.

To this end, we are supporting the decarbonization of local businesses while also undertaking initiatives to address regional energy issues and promote the utilization of various assets. We are also actively supporting the healthcare sector, which is a vital part of regional infrastructure.

Materiality▶

Contribute to a safe and prosperous lifestyle

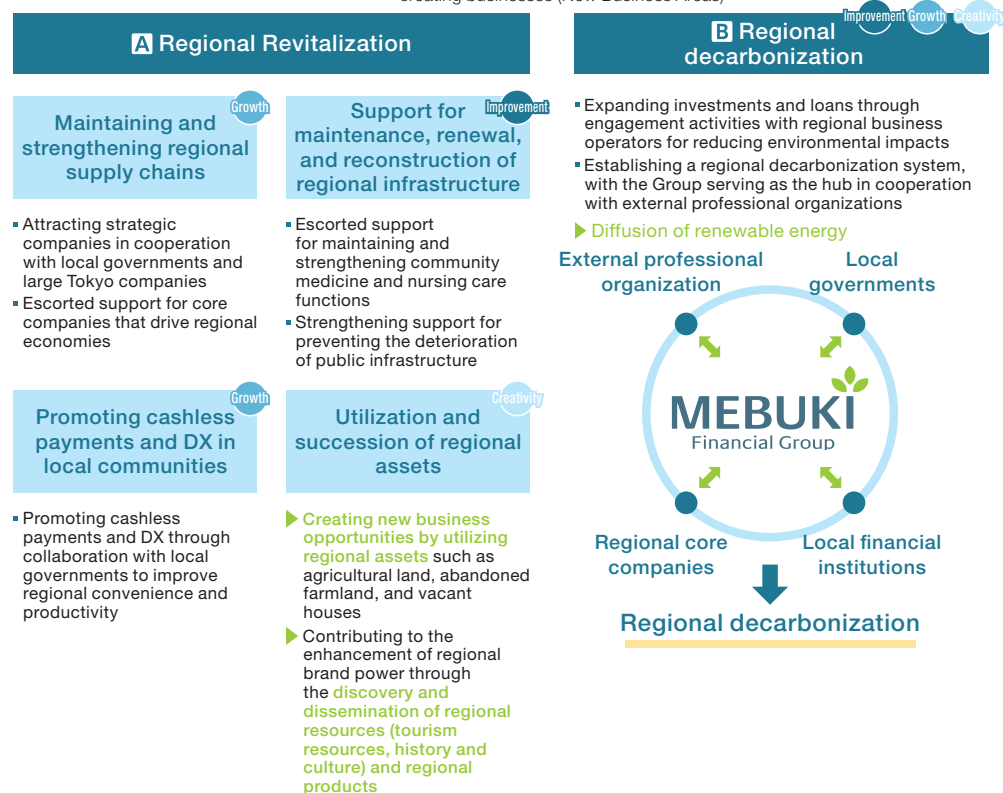
Contribute to decarbonized society and environment conservation

## Main KPIs

|                                                                 | FY2027 plan      | FY2025 result    |
|-----------------------------------------------------------------|------------------|------------------|
| Amount of sustainable finance provided (Cumulative from FY2021) | ¥3,200.0 billion | ¥2,241.7 billion |
| ① Of which, social fields                                       | ¥1,000.0 billion | ¥623.6 billion   |
| ② Of which, environmental fields                                | ¥2,200.0 billion | ¥1,618.1 billion |

## Major initiatives

▶ Areas highlighted in green are those where we will take on the challenge of creating businesses (New Business Areas)



## Impact Pathway

| Major initiatives          | Outputs                                                                         | Outcomes                                                                                      |                                                                                                                                                                                                                              | Social impact - Social change -           |
|----------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                            |                                                                                 | Stakeholders                                                                                  | Impacts                                                                                                                                                                                                                      |                                           |
| A Regional Revitalization  | Maintaining and strengthening regional supply chains                            | Corporate customers<br>Local governments<br>Local residents                                   | Regional revitalization                                                                                                                                                                                                      | Improvement of local residents' affluence |
|                            | Support for maintenance, renewal, and reconstruction of regional infrastructure | Local governments<br>Local residents                                                          | Maintenance of local healthcare<br>Reduction of medical and nursing care refugees<br>Resolution of aging public infrastructure issues                                                                                        |                                           |
|                            | Promoting cashless payments and DX in local communities                         | Local governments<br>Local residents                                                          | Improving productivity and convenience thanks to the move to cashless transactions                                                                                                                                           |                                           |
|                            | Utilization and succession of regional assets                                   | Corporate customers<br>Local governments<br>Local residents                                   | Enhancement of regional brand power                                                                                                                                                                                          |                                           |
| B Regional decarbonization | Support aimed at regional decarbonization                                       | Individual and corporate customers<br>Local residents<br>Local governments<br>Natural capital | CO <sub>2</sub> emissions reduction of recipient companies<br>Promoting efforts toward environmental conservation by recipient companies<br>Expanding GX-related business<br>Increased opportunities to use renewable energy | Reduction of environmental footprint      |

## Social Issues Solution Strategy

### Maintaining and strengthening regional supply chains

|                   |                                                                    |    |
|-------------------|--------------------------------------------------------------------|----|
| Output indicators | Number of cases of support for attracting companies to local areas | 58 |
|-------------------|--------------------------------------------------------------------|----|

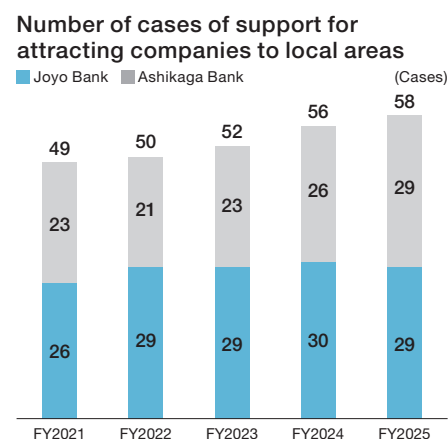
#### Strategic attraction of companies in cooperation with local governments and large companies in Tokyo

Ibaraki Prefecture and Tochigi Prefecture are adjacent to the Tokyo metropolitan area and have well-developed high-speed transportation networks, including railroads and highways, making the prefectures ranked among the top prefectures in Japan in terms of the number of new factory locations, the total area of factory locations, and the number of company locations from outside the prefectures. The prefectures are attractive to companies as it is very convenient for their employees to commute and for logistics. New business expansion into the prefectures is expected to create jobs and increase demand for local companies' products and services, thereby stimulating the local economy. Ibaraki Prefecture has been working diligently to promote business attraction. The prefecture has been ranked highly in Japan for the past decade in terms of the total area of new company locations and the number of new company locations from outside the prefecture.

Tochigi Prefecture is located within a 60 to 160 km radius of Tokyo, and is actively promoting its excellent environment, including the development of high-speed transportation networks such as the Tohoku Expressway, the Kita-Kanto Expressway, and the Tohoku Shinkansen.

In order to work with Ibaraki Prefecture and local governments to attract companies, Joyo Bank has established a Bridge Business Team, which specializes in attracting business. The team and prefecture collect and provide information on supply chains, including factories and logistics facilities, and introduce suitable locations to companies and offer support and advice to solve various issues related to business expansion into the prefecture. This includes helping companies secure human resources, introducing potential local business partners, and securing housing for companies' employees.

Ashikaga Bank conducts activities to attract companies to industrial parks and private land, such as joint company visits in cooperation with Tochigi Prefecture and local governments. The Bank also provides information about industrial parks and subsidies to companies considering establishing operations from the planning stage. The Bank has assigned personnel responsible for start-up companies at its Tokyo base, working to attract them to Tochigi Prefecture.



### Escorted support for core companies that drive regional economies

Joyo Bank and Ashikaga Bank are focusing on consulting services that help solve regional issues and support the sustainable development of local communities. We place particular emphasis on providing support for core regional companies that are committed to growth and to creating quality jobs in their communities.

We contribute to strengthening regional industrial bases and promoting their sustainable development by providing one-stop support for formulating comprehensive strategies in areas such as business strategy development, M&A and business succession, financing arrangements, international expansion, carbon neutrality initiatives, and digital transformation(DX).

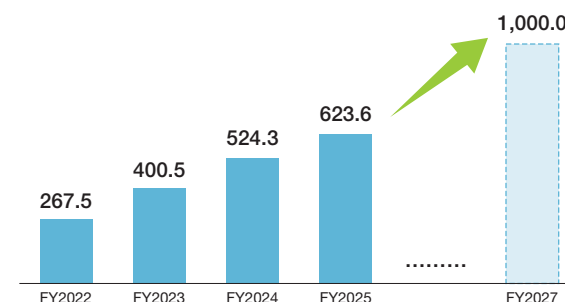
### Support for maintenance, renewal, and reconstruction of regional infrastructure

#### Maintaining regional infrastructure and generating economic vitality through sustainable finance

The business environment surrounding regional medical and nursing care institutions is becoming increasingly challenging due to factors such as rising personnel and other costs and the difficulty of passing these increases on through officially regulated prices. We are strengthening management improvement consulting tailored to the characteristics of each institution and support for facility management with a view to the future rebuilding of hospitals, to support the continuation of community medicine, maintenance of nursing care functions, and reduction in the number of patients unable to access necessary medical and nursing care. To enhance regional sustainability, we are also focusing on supporting the maintenance, renewal, and reconstruction of aging public infrastructure, as well as support for start-ups that will shape the region's future and smooth business succession. Furthermore, by providing financing functions related to the SDGs and sustainability, including social contribution support bonds, we will create both economic and social value and contribute to the maintenance and development of regional infrastructure.

#### Sustainable Finance in Social Fields (Bank total)

(Amount executed (cumulative): billion yen)



#### Social fields

- Start-up loans
- Business succession/M&A-related loans
- Funding for public infrastructure renewal, etc.

## Social Issues Solution Strategy

### Promoting cashless payments and DX in local communities

| Output indicators | Mebuki Card | Sales at member stores  | ¥220.4 billion |
|-------------------|-------------|-------------------------|----------------|
|                   |             | Number of member stores | 17,659         |

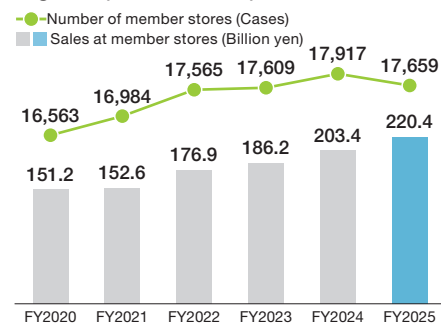
#### Connecting through the card business to create a virtuous cycle in the regional economy and support safe and prosperous lifestyles

Ibaraki and Tochigi Prefectures are home to a wealth of attractive specialty products and tourism resources that are still not widely known nationwide. Joyo Bank, Ashikaga Bank, and Mebuki Card work together to provide cashless payment services on dedicated hometown tax donation websites operated by local governments, serving as a bridge between donors nationwide and the attractions of the region. This helps secure funds directly linked to fostering local industries and promoting tourism, creating a virtuous cycle in the regional economy.

We are also actively supporting the introduction of cashless payment terminals at hospitals, dispensing pharmacies, veterinary clinics, and other facilities. By eliminating cash handling through contactless transactions, we help improve hygiene in medical facilities while providing the reassurance and convenience of being able to receive care even without cash on hand.

Through the promotion of cashless payments and other initiatives, we will support the revitalization of the regional economy and healthy, prosperous lives for local residents.

#### Promotion of cashless payment in local regions (Mebuki Card)



\*Inactive member stores (1,050 stores) were removed in FY2025.

#### TOPIC Establishment of Wing IT Solutions, Ltd.

Wing IT Solutions, Ltd. was established as a subsidiary of Ashikaga Bank on April 1, 2026. As a web and systems development company (a “banking business advancement company, etc.” under the Banking Act), the company aims to accelerate DX at local companies.

By accompanying local companies throughout the entire DX process—from consulting and solution provision to financing the costs associated with system implementation—we will be able to respond to customer needs more effectively than ever.



### Utilization and succession of regional assets

#### Contributing to the enhancement of regional brand power through the development and dissemination of regional products [Regional trading company, Colletochi, Ltd.]

Colletochi, Ltd. supports businesses with their core businesses through sales of excellent local products, goods, and services, etc. By widely promoting and marketing food products, including primary and processed products, as well as crafts, both within and outside Tochigi Prefecture, we are working to revitalize regional industries.

In February 2026, the company planned a new product through a collaboration between a popular pottery in Mashiko Town and a Japanese confectionery shop in Moka City, and sold it in limited quantities on its e-commerce site. The limited quantity sold out, and the product is now being offered again.

Going forward, Colletochi will continue connecting producers active in different fields to create new attractions for the region.



#### Solving regional issues through the “Public-Private Co-Creation Project”

The Public-Private Co-Creation Project is a new initiative that contributes to solving regional issues and regional revitalization by identifying regional issues through dialogue with local governments, exploring solutions, and creating public-private partnership projects. As the first initiative in FY2025, together with Naka City, Ibaraki Prefecture, we held a “Workshop on Solving Regional Issues” involving city officials, Joyo Bank employees, and Joyo Industrial Research Institute employees, and formulated tourism promotion measures utilizing Naka City's regional assets of “nature,” “historical assets,” and “food and specialty products.”



## Social Issues Solution Strategy

### Support aimed at the decarbonization of the region

#### Contribute to decarbonized society and environment conservation

Joyo Bank and Ashikaga Bank, based on the “Decarbonization Roadmap” (“Know,” “Measure,” and “Reduce”) recommended by the Ministry of the Environment, are promoting decarbonization management support through dialogues with customers.

Specifically, through escorted consulting, we support the calculation and reduction of GHG emissions, promote the adoption of renewable energy, and support the creation of GX-related businesses.

We also provide broad opportunities to participate in ESG through deposits and work with diverse stakeholders, including local governments, to support projects that contribute to regional decarbonization and environmental conservation.

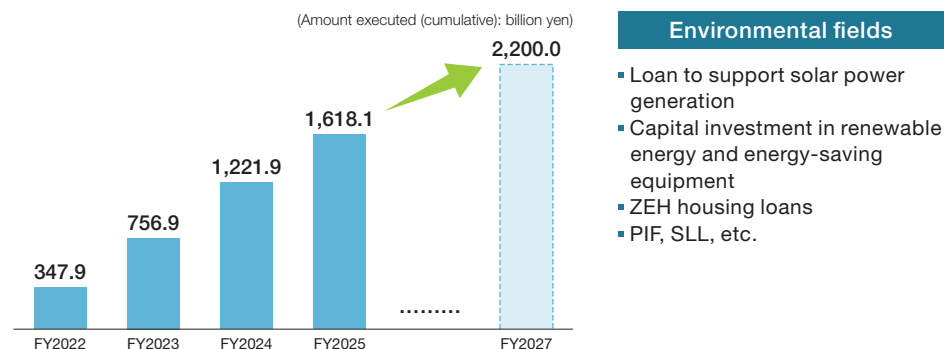
By providing sustainable finance through decarbonization management support, we support our customers' activities aiming to realize a sustainable society and strive to reduce the environmental impact of the region as a whole.

#### Definition of Sustainable Finance

“Finance to support customers' activities aiming to realize a sustainable society through solving environmental and social issues,” as referenced in related external standards (the Green Loan Principles, the Green Bond Principles, the Social Bond Principles, etc.)

|                      |                                                                                                                                                                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental fields | <ul style="list-style-type: none"> <li>● Projects that help adapt to/mitigate climate change, such as renewable energy projects</li> <li>● Capital investments that contribute to renewable energy, energy saving, and carbon neutrality</li> </ul> |
| Social fields        | <ul style="list-style-type: none"> <li>● Projects that contribute to regional revitalization and recreation</li> <li>● Projects that contribute to fostering start-ups and job creation</li> </ul>                                                  |

#### Sustainable Finance in Environmental Fields (Bank total)



|                              |                                                                                                                                    |                                 |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Status of Outcomes Generated | Contribution to CO <sub>2</sub> emissions reduction through electricity business (increased opportunities to use renewable energy) | Approx. 5,000 t-CO <sub>2</sub> |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|

#### Initiatives for local production and consumption of renewable energy

Joyo Green Energy (JGE), a Group company engaged in renewable energy businesses, has acquired and developed solar power generation facilities with a total capacity of approximately 16 MW. JGE also supplies renewable energy to local communities through initiatives such as the “On-site PPA,” which involves installing solar power generation facilities on the premises of companies and organizations.

As part of our “On-site PPA” initiatives, in February 2026 we began supplying renewable energy to the Tomobe Sewage Plant, a public facility in Kasama City. In Kasama City, Joyo Bank and Joyo Green Energy, together with Kasama City and other joint proposers, submitted a proposal for the Ministry of the Environment's “Decarbonization Leading Areas (7th round),” and Kasama City was selected as a Decarbonization Leading Area in February 2026.

Colletochi, a regional trading company, is working to decarbonize the region by supplying renewable energy-derived electricity through On-site PPAs, primarily to companies based in Tochigi Prefecture and facilities operated by local governments.

Under PPAs, electricity is supplied at a fixed unit price for the duration of the contract, contributing not only to customers' decarbonization but also to stabilizing business costs. Going forward, we will also consider “Off-site PPA” initiatives, under which power plants are installed off-site, to further expand renewable energy supply.

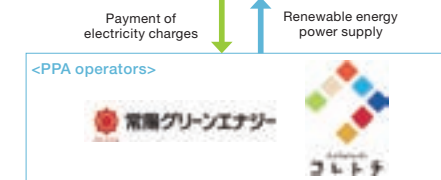
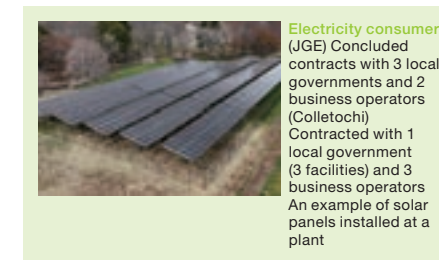
#### Initiatives for the renewable energy power acquisition and generation businesses

JGE: Acquisition and development of solar power generation facilities with a capacity of approx. 16 MW (as of March 2026) Example of an acquired facility



Equivalent to electricity for approximately 4,500 ordinary households

JGE and Colletochi, Ltd.: On-site PPA project (as of March 2026)



# Overview of Business Portfolio Strategy

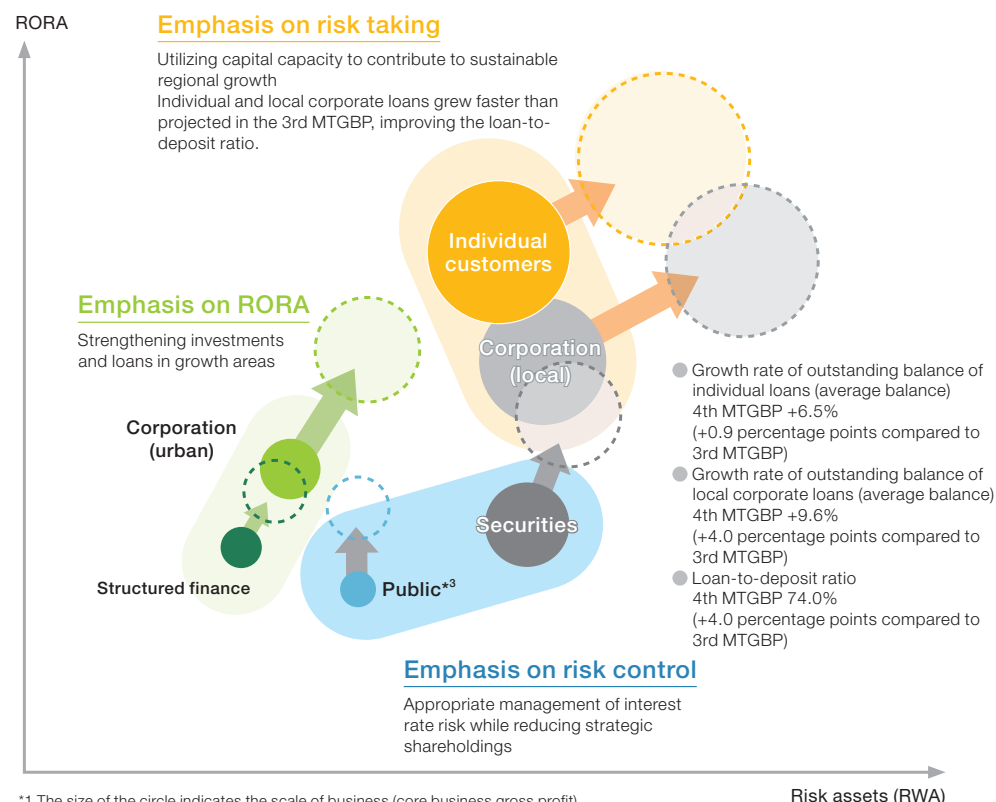
The Group's business segments are divided into six categories and further divided into three focus areas: risk-taking, RORA, and risk control. Through this approach, we aim to drive business growth (expansion of gross profit from the core businesses) and raise RORA. We aim for business growth by strategically allocating tangible and intangible resources (such as personnel, internal and external networks, marketing functions and data, capital capacity) to risk-taking in relatively high-RORA segments and to provision of consulting functions for realizing sustainable local communities. In relatively low-RORA segments, we will focus on improving RORA, while diversifying the types and methods of risk-taking.

| Main KPIs           |                  |                  |
|---------------------|------------------|------------------|
|                     | FY2027 plan      | FY2025 result    |
| RWA (risk assets)*1 | ¥6,940.0 billion | ¥6,120.8 billion |
| RORA*2              | 3.4%             | 3.5%             |

\*1 RWA: Business segment total

\*2 RORA: Based on gross business profit

## Direction of risk-taking by business\*1\*2



| Business segments    |                                                                                                                                                                                                                                                                                                                         | Direction of initiatives for growth of each business segment and improvement of RORA                                                                                                                                                                                                                                      |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporation (local)  | <ul style="list-style-type: none"> <li>● Deposits, loans, consulting, and other businesses targeting the corporate customer base centered on the priority sales areas of Ibaraki and Tochigi Prefectures</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>● Contributing to the sustainability of local communities while increasing intra-regional market share and transaction profitability</li> <li>▶ Social Issues Solution Strategy<br/>Provide solutions to support the growth of business operators</li> </ul>                       |
| Individual customers | <ul style="list-style-type: none"> <li>● Businesses such as deposits, loans, asset management, and consulting for the retail customer base</li> </ul>                                                                                                                                                                   | <ul style="list-style-type: none"> <li>● Acquisition of lifetime main accounts, provision of highly convenient products through face-to-face and non-face-to-face channels, and support for asset management and formation</li> <li>▶ Social Issues Solution Strategy<br/>Support to prepare for 100-year life</li> </ul> |
| Public               | <ul style="list-style-type: none"> <li>● Businesses such as deposits, loans, and consulting for local governments mainly in Ibaraki and Tochigi Prefectures</li> </ul>                                                                                                                                                  | <ul style="list-style-type: none"> <li>● Strengthening involvement in regional projects</li> <li>▶ Social Issues Solution Strategy<br/>Assist the sustainability of local communities</li> </ul>                                                                                                                          |
| Structured finance   | <ul style="list-style-type: none"> <li>● Business related to financing using financing methods that do not rely on the cash flows of business partners, such as project finance</li> </ul>                                                                                                                              | <ul style="list-style-type: none"> <li>● Provision of risk money to high-quality projects and acquisition of financing arrangements</li> </ul>                                                                                                                                                                            |
| Corporation (urban)  | <ul style="list-style-type: none"> <li>● Business targeting the corporate customer base in Tokyo and Osaka</li> <li>● Business that links large companies with local regions and local companies (advance into local areas, market expansion of local companies, technical support by major companies, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>● Attracting funds to local communities and contributing to regional revitalization by building relationships and expanding transactions</li> <li>● Securing earnings opportunities through appropriate interest rate risk taking</li> </ul>                                       |
| Securities           | <ul style="list-style-type: none"> <li>● Securities such as bonds, stocks, and investment trusts, and businesses related to market transactions such as short-term market investment</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>● Expanding core portfolio and securing stable carry</li> <li>● Building up risky assets in growth areas</li> </ul>                                                                                                                                                                |

\*1 The size of the circle indicates the scale of business (core business gross profit).

\*2 Revenues from loans and securities are recorded as "balance × (nominal yield - average yield of deposits)."

\*3 For the public sector, as risk assets are not calculated, the horizontal axis is the loan balance and the vertical axis is ROA (core business gross profit/loan balance).

## Overview of Business Portfolio Strategy

## Status of RORA by business segment

| Business segment         | FY2024 | FY2025 | YoY   | Factors behind changes                                                                                                                        | (Reference)<br>Initial FY2027 plan |
|--------------------------|--------|--------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
|                          |        |        |       |                                                                                                                                               |                                    |
| Corporation (local)      | 3.3%   | 3.6%   | +0.3% | ✓ Capturing the benefits of rising interest rates<br>✓ Building up the balance of floating-rate loans (linked to market interest rates)       | 3.6%                               |
| Individual customers     | 4.7%   | 4.9%   | +0.2% | ✓ Competition for housing loans intensifying<br>✓ Unsecured loan acquisition remains strong                                                   | 5.5%                               |
| Corporation (urban area) | 1.9%   | 2.4%   | +0.5% | ✓ Capturing the benefits of rising interest rates                                                                                             | 2.5%                               |
| Structured finance       | 1.5%   | 1.9%   | +0.4% | ✓ Capturing the benefits of rising interest rates<br>✓ Selecting projects and building balances with a focus on profitability                 | 1.7%                               |
| Public                   | 0.5%   | 0.4%   | -0.1% | ✓ Although profitability-focused initiatives continued, the loans are fixed-rate, and rising deposit rates caused margins to narrow slightly. | 2.5%                               |
| Securities               | 2.0%   | 2.7%   | +0.7% | ✓ Improved margins on equity-related and floating-rate assets<br>✓ Partial reduction of low-profitability assets                              | 2.2%                               |
| Segment total            | 3.1%   | 3.5%   | +0.4% |                                                                                                                                               | 3.4%                               |

■ RORA is calculated as “core business gross profit ÷ RWA” (however, for the public sector, ROA (core business gross profit/loan balance) is shown).

■ The core business gross profit of each business segment is calculated by determining the funding income for loans and securities as “balance × (nominal yield - average deposit rate).” In addition, fees from customers are included, and gains/losses on cancellation of investment trusts are excluded.

■ For securities, only income from bonds, stocks, and fund management is included; gains/losses on trading and interest on deposits with the Bank of Japan are excluded.

# Business Portfolio Strategy

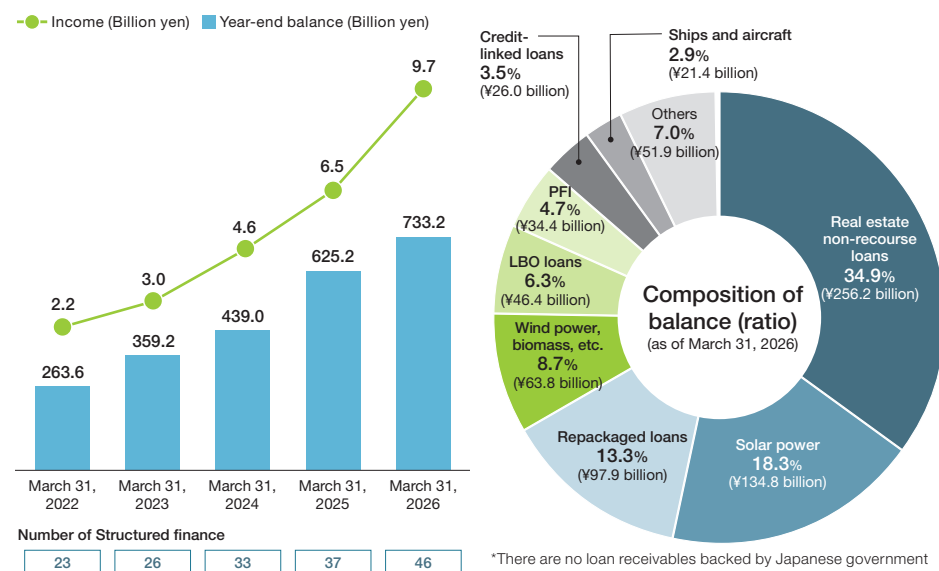
## Structured finance

In Structured finance, we have expanded the scope of our initiatives by strategically deploying personnel, and built up the balance and earnings. In the 4th MTGBP, we have positioned this as a “RORA-focused area,” and our policy is to raise RORA while increasing the amount outstanding.

By asset type, investment in the real estate non-recourse loans and energy (solar power) fields accounted for over 50% of the total.

Going forward, we will strengthen initiatives in highly profitable areas, while also strengthening our risk analysis capabilities.

### Structured Finance: Year-end balance and income (Bank total)

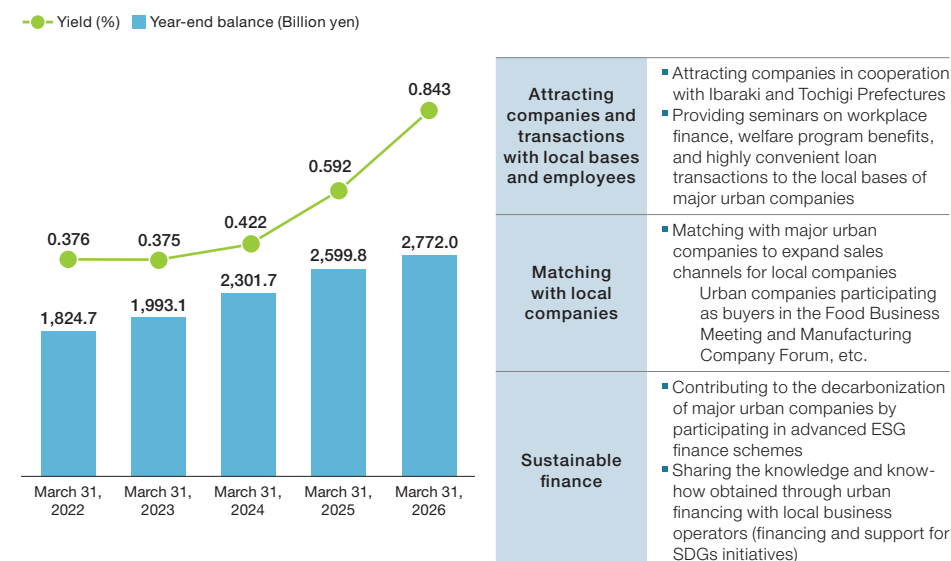


## Corporation (urban area)

In the corporate banking business (in urban areas), we have built up the balance by meeting demand for growth funds, based on relationships with customers, mainly major local companies. In the 4th MTGBP, we have positioned RORA as a “RORA-focused area,” as in the case of Structured finance.

Many of the loans in urban areas are highly rated and highly interest-rate sensitive loans linked to market interest rates, and we regard them as investment destinations that we can expect a certain level of profitability from. We will also strengthen initiatives to link with local regions and local companies, promoting the growth and job creation of regional industries.

### Corporate (urban area) year-end balance of loans and yield (Bank total)

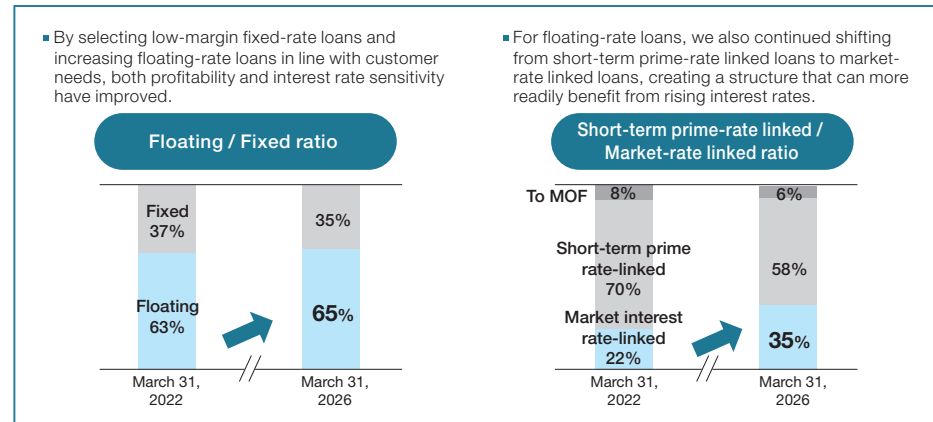


## Business Portfolio Strategy

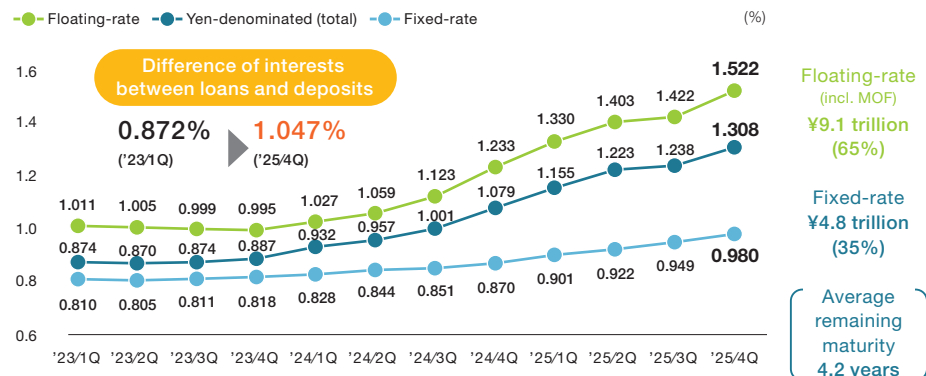
## Controlling Balance Sheet (Loans and Deposits)

We will pursue the growth of loan balance while managing our portfolio with a focus on improving interest rate sensitivity (by increasing the share of floating-rate loans and shifting from short-term prime-rate linked loans to market-rate linked loans). Yields on yen-denominated loans have been rising steadily, and we will continue to maximize the benefits of rising interest rates.

## Changes in Composition of Loans by Interest Type



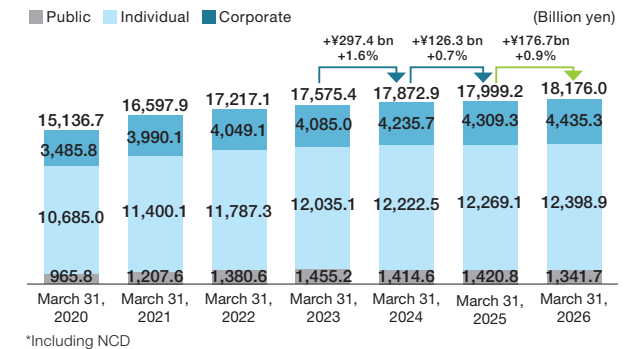
## Yield on yen-denominated loans (quarterly)



## Trends in deposit balance

The deposit balance increased by ¥176.7 billion year on year (0.9% annualized). Amid accelerating inflation, the growth rate of deposit balances remained low, but continued to increase. We will continue to promote the use of our accounts as customers' main settlement accounts for both corporate and individual customers, and strengthen the acquisition of sticky deposits. This will strengthen our ability to secure low-cost funding relative to prevailing interest rates.

## Term-end balance\* (Bank total)



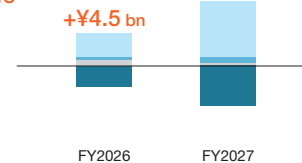
## Interest rate increase simulation

If the policy interest rate increases to 1.00% (July 2026) or 1.25% (January 2027), we expect the impact on net interest income in FY2027 (the final year of the 4th MTGBP) to be approximately +¥9.5 billion and +¥16.5 billion, respectively.

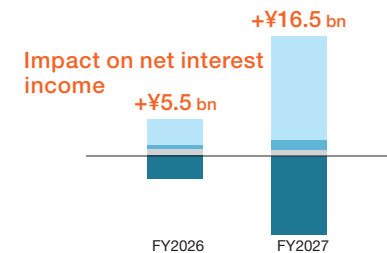
## ① Interest rate scenario: Policy interest rate 1.00% (+0.25%)

■ Interest on deposits (-) ■ Interest on BOJ deposits  
■ Interest on yen-denominated bonds ■ Interest on loans

## Impact on Net Interest Income



## ② Interest rate scenario: Policy interest rate 1.25% (+0.50%)



## &lt;Assumption&gt;

- ✓ Balance of loans, deposits and yen bonds reflects budget adjustments.
- ✓ The pass-through rate for housing loans to the short-term prime-rate is set at 100%. For businesses / individuals, at 80%.
- ✓ Fixed-rate loans will be reflected the rise in swap rates for new executions (including those reaching maturity).
- ✓ Deposit rate is set with the pass-through rate of 40% for liquid deposits and 50% for time deposits (incl. NCDs).
- ✓ Yen bonds will reflect the rise in interest rates for the repurchase of maturing fixed-rate bonds and floating-rate bonds (asset swaps).
- ✓ Consider the decrease in balance of BOJ's deposits due to the maturity of the Bank of Japan's Common Collateral Operations (loan enhancement support operations).

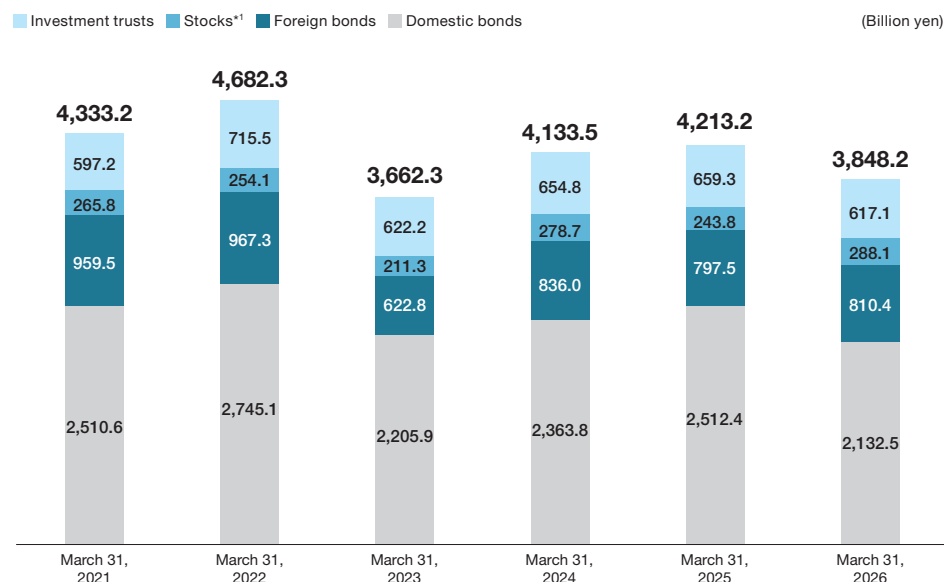
## Business Portfolio Strategy

## Securities

The Group's consolidated securities investment totaled slightly under 4 trillion yen and was managed within the gap between deposits and loans (the difference between deposit and loan balances), with investments centered on domestic bonds. Since FY2022, we have strengthened our resilience against rising interest rates by selling bonds with low yields in preparation for rising interest rates.

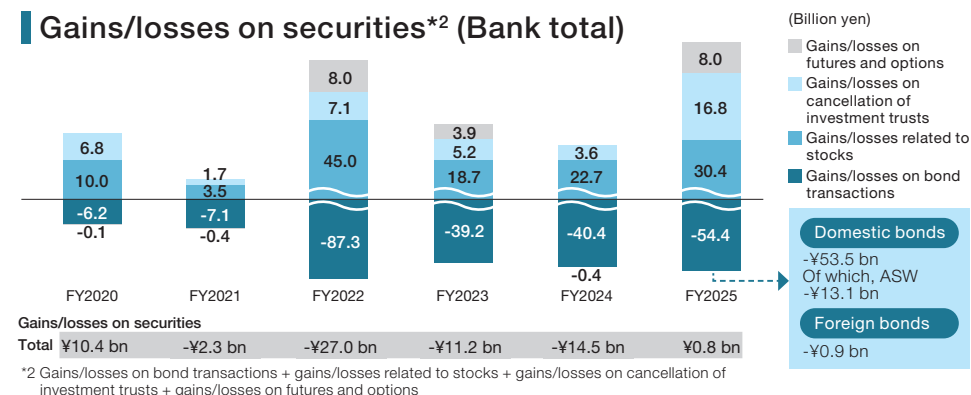
In the 4th MTGBP, we expect interest rates to rise. However, thanks to the risk controls implemented thus far, we have sufficient investment capacity, and we expect our holding yields to increase as we reinvest in high-yield bonds. Our policy is to further increase the RORA of securities as a whole by allocating investments to risk assets in growth sectors.

### Year-end balance of securities (FG consolidated/carrying amount)

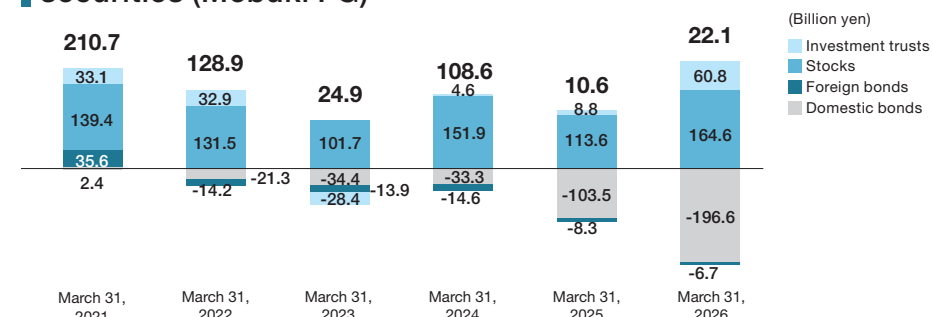


\*1 Excluding shares without a market price (such as unlisted shares)

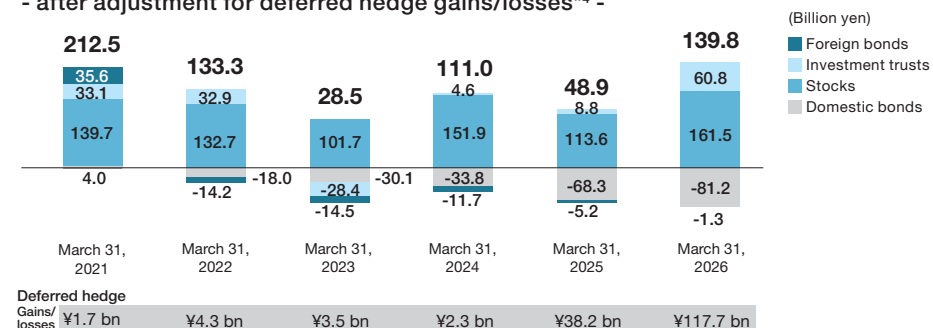
### Gains/losses on securities\*2 (Bank total)



### Unrealized valuation gains/losses\*3 on available for sales securities (Mebuki FG)



### Unrealized valuation gains/losses\*3 - after adjustment for deferred hedge gains/losses\*4 -



\*3 After taking into account the adjustment arising from the difference between the consolidated and non-consolidated book values of securities (PPA)

\*4 Unrealized valuation gains/losses on derivatives used in hedging transactions for available-for-sale securities

## Business Portfolio Strategy

### Securities (domestic bonds)

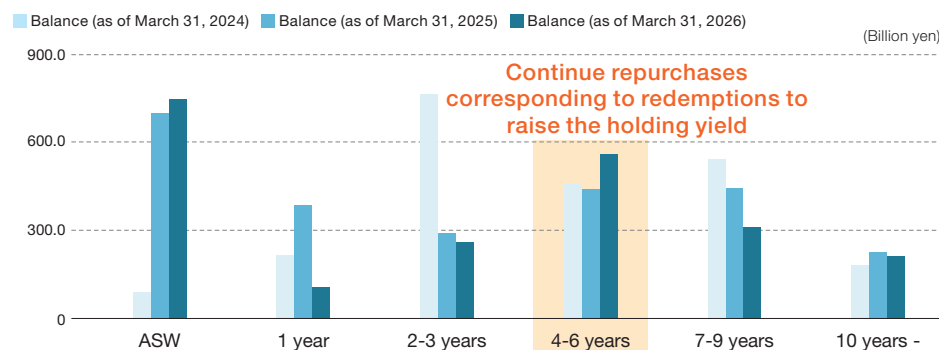
Since domestic bonds are at the core of our securities investment, it is necessary to control the amount of risk according to the situation. In a “world with interest rates,” it is important to maintain a high level of holding yield and to take maximum advantage of the increase in reinvestment yield, as the funding yield will increase due to a rise in the policy interest rate. With duration controlled at a relatively short period (3.5 years as of March 31, 2026), the holding yield as of March 31, 2026 increased by +0.32 percentage points year on year, making the portfolio well positioned for a “world with interest rates.”

#### Status of domestic bonds (Bank total)

(Billion yen)

|                                                 | March 31, 2026                   | YoY change |
|-------------------------------------------------|----------------------------------|------------|
| Balance                                         | 2,337.1<br>(Of which, ASW 750.0) | -289.4     |
| Unrealized valuation gains/losses* <sup>1</sup> | -91.2                            | -24.3      |
| Yield                                           | 1.10%                            | +0.32%pt   |
| 10bpv                                           | -8.2                             | +0.7       |
| Duration                                        | 3.5 years                        | +0.1 years |

#### Operational status of ladder for domestic bonds\*<sup>2</sup> (Bank total)



\*<sup>1</sup> Before taking into account the adjustment arising from the difference between the consolidated and non-consolidated book values of domestic bonds (PPA)

\*<sup>2</sup> Asset swaps (ASW), excluding private placement bonds, are presented on a notional principal basis.

### Securities (foreign bonds)

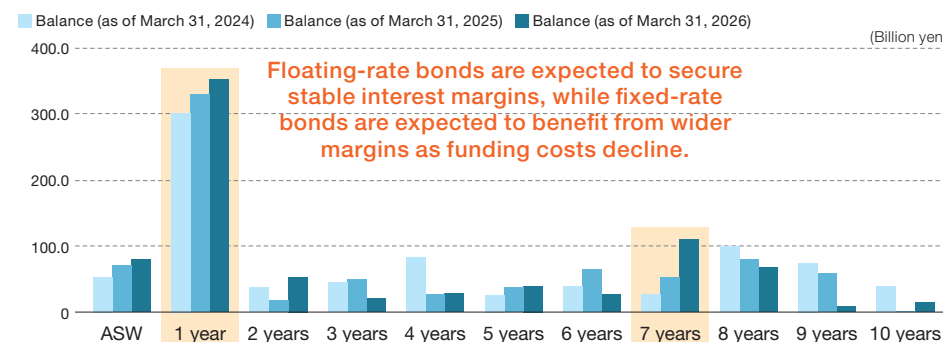
In foreign bonds, the ratio of floating-rate bonds to fixed-rate bonds is approximately half and half as we continued to invest mainly in floating-rate bonds (CLO, CMO, ASW, etc.) in recent years. It is designed to show the strength of floating-rate bonds that can secure interest margins in a phase of rising interest rates, while the interest margins of fixed-rate bonds can be expanded in a phase of falling policy rates, and the interest margin as of March 31, 2026 was +0.58 percentage points year on year, mainly due to lower funding costs. The situation abroad and the outlook for inflation are becoming increasingly uncertain, and our portfolio is well-balanced so that it can obtain certain benefits regardless of which way policy interest rate moves.

#### Status of foreign bonds (Bank total, US dollar bonds)

(Billion yen)

|                 | March 31, 2026                                 | YoY change |
|-----------------|------------------------------------------------|------------|
| Balance         | 796.9<br>(Of which, floating-rate bonds 413.0) | +13.1      |
| Yield           | 4.68%                                          | -0.10%pt   |
| Funding costs   | 3.37%                                          | -0.68%pt   |
| Interest margin | 1.31%                                          | +0.58%pt   |
| 10bpv           | -1.8                                           | +0.1       |
| Duration        | 2.2 years                                      | -0.2 years |

#### Operational status of ladder for foreign bonds (Bank total, US dollar bonds\*)



\* All floating-rate bonds are recorded in one year, and asset swaps (ASW) are recorded on a notional principal basis

# A Message from the Director in Charge of Corporate Management



## Enhancing risk management to support the development of sustainable local communities and the Group's growth

**Hiroki Otsuka**

Mebuki Financial Group  
Director in Charge of Corporate Management

### Understanding the business environment and the mission of the corporate management department

The environment surrounding the Group is undergoing dramatic changes, including the shift toward a world with interest rates in Japan, advances in digital technology, geopolitical risks, and climate change issues. While these changes present opportunities, they also bring with them diverse and complex risks.

In this environment, the mission of the corporate management department is not merely to avoid risk, but to encourage appropriate risk-taking while maintaining the Group's soundness, thereby supporting the sustainable enhancement of corporate value. We will build a management foundation that allows us to grow alongside our local communities while maintaining a balance between offensive and defensive approaches.

### Top risk management

Among the risk factors that could affect the Group's business strategy, we identify those deemed particularly significant—based on their impact, likelihood, and level of concern—as top risks, and we implement management practices designed to monitor changes in these risks in a timely manner. We comprehensively identify various risks, including not only external factors such as the international and market environments but also internal factors associated with business model transformations, and select them as top risks.

We closely align the identified top risks with our business strategy and budget planning. We conduct regular monitoring based on anticipated risk scenarios and, in conjunction with periodic stress tests, verify capital adequacy and liquidity. By using these findings to develop contingency plans, we are enhancing the resilience of our management.

### Group-wide risk governance and implementation of RAF

The Group is working to strengthen its unified risk governance framework. We strive to ensure the overall soundness of the Group by establishing a risk management policy and applying common policies and management standards across all Group companies.

In addition, we utilize a risk appetite framework to integrate business strategy and risk management. By clearly defining what types of risks to accept and to what extent and sharing this through discussions at the Board of Directors and other forums, we encourage appropriate risk-taking aimed at creating sustainable profit opportunities without falling into excessive risk aversion.

While the transition to a world with interest rates presents an opportunity to improve profitability, it also requires control over interest rate risk. As the corporate management department, we are working to improve ROE by thoroughly implementing RORA management—a priority for strengthening in the 4th MTGBP—and by conducting ALM operations that respond swiftly to interest rate trends.

### Improving operational resilience and establishing an organizational culture that values social norms

Providing highly convenient services that leverage digital technology is at the core of our growth strategy, and strengthening cybersecurity is essential to achieving this. In April 2026, we established the Cybersecurity Management Group within the System Management Department and cybersecurity promotion offices within the systems divisions of subsidiary banks.  **P.80**

Through this approach, we will establish a multi-layered defense system that combines centralized command and control with rapid and specialized onsite responses, thereby maximizing our operational resilience in the event of unforeseen circumstances.

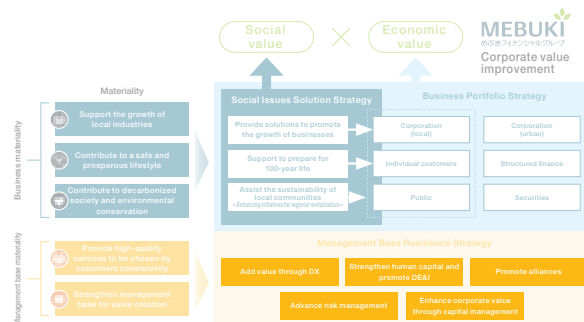
We are also focusing our efforts on addressing conduct risk, which has become increasingly important in recent years. We prevent the materialization of risks that could result in harm to our customers' interests and significant damage to our social credibility due to actions by our officers and employees that violate social norms. The Group actively invests in human resources and strives to establish an organizational culture in which each employee can independently determine what constitutes appropriate behavior in light of social norms, as well as to foster an open and communicative organizational environment.

### Future direction and commitments to stakeholders

The essence of business management lies in continuously honing an organization's flexibility and strength so that it can respond promptly to change without ever ceasing to think about an uncertain future. Through its robust management framework and advanced risk management, the Group will live up to the trust placed in us by our stakeholders and strive to realize a sustainable society.

# Overview of Management Base Resilience Strategy

Under the Management Base Resilience Strategy, we will strengthen the management base that supports value creation through five specific strategies—“Add value through DX,” “Promote alliances,” “Strengthen human capital and promote DE&I,” “Advance risk management,” and “Enhance corporate value through capital management”—to realize the management base materiality themes of “Provide high-quality services to be chosen by customers consistently” and “Strengthen management base for value creation.” By linking the strategies with one another, we will improve service quality, convenience, and productivity; expand our business areas; enable human resources to thrive; advance risk-return management; and improve capital efficiency, thereby accelerating our evolution toward sustainable growth.



## Initiatives Supporting Mebuki Financial Group's Management Base

### Add value through DX

- Strategic utilization of generative AI and machine learning
- Upgrading offensive DX and defensive DX
- Developing human resources for DX
- Developing infrastructure that supports DX

### Promote alliances

- Cross-regional cooperation
- Regional cooperation
- Collaboration with external business operators and utilization of capital

### Strengthen human capital and promote DE&I

- Developing and securing human resources for value creation
- Promoting DE&I
- Creating a workplace environment where well-being can be truly felt
- Increasing employee engagement

### Advance risk management

- Advancement of risk appetite framework management
- Enhancement of the group risk management system

### Enhance corporate value through capital management

- Shareholder return policy (stable and sustainable increase in dividends per share)
- Appropriate management of owned capital

📖 P.35

# Management Base Resilience Strategy

Add Value Through DX

Promote Alliances

Strengthen Human Capital  
and Promote DE&IAdvance Risk  
ManagementCapital Management Aimed  
at Enhancing Corporate Value

## Add Value Through DX

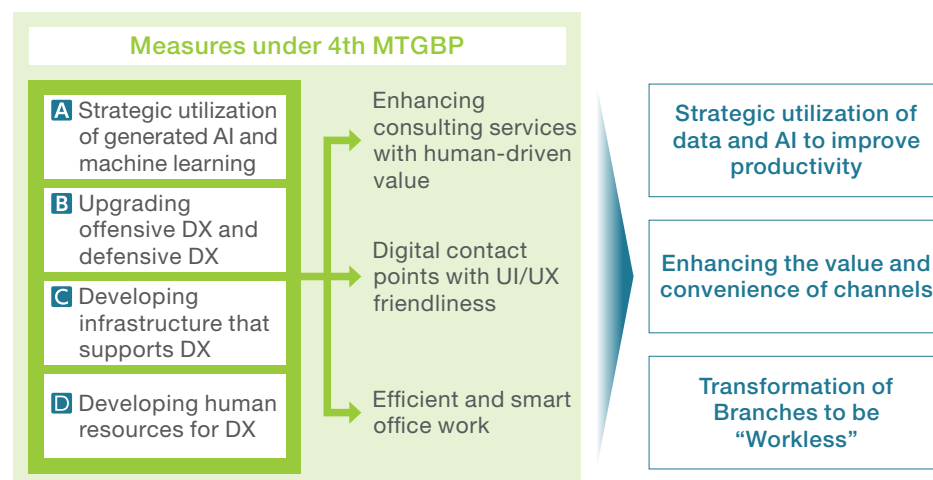
We will provide services that continue to be selected by customers by creating added value through the promotion of DX, starting with the strategic utilization of data and AI.

### DX strategy story that the Group aims to realize

To share a common definition and understanding of the term DX as the Group, we have established a DX strategy story as below and used it as a guide for our DX strategy.

- The DX will free customers, employees and staff from hassles (business innovation/digital channel) and provide easy access to information that will inspire them to take a next action (data utilization), so that people can continue to provide new value to the local communities through activities that are unique to them.
- To this end, we will work to strengthen our DX infrastructure, including developing a digitally connected environment (developing an environment for paperless, cloud, etc.) and utilizing and transforming digital skills and mindsets (management's commitment and human resources; shifting our focus on human resources from quantity to quality) and leverage various knowledge and open networks (collaborations with other companies and incorporation of technologies) accumulated in the Group to provide DX support to corporate customers and local regions.

#### Major initiatives



Materiality ▶

Provide high-quality services to be chosen by customers consistently

| Main KPIs                                                               |                                                 |                     |
|-------------------------------------------------------------------------|-------------------------------------------------|---------------------|
|                                                                         | FY2027 plan                                     | FY2025 result       |
| Strategic DX investment (cumulative total for three years)              | ¥14.0 billion                                   | ¥1.6 billion        |
| Number of banking app users                                             | 2.20 million people                             | 1.52 million people |
| Percentage in terms of reduction in administrative workload at branches | Compared to the fourth quarter of FY2024 -30.0% | -10.2%              |

| Major initiatives                                                      | Outputs                                                                                                                                                                                         |                                                                           |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>A</b><br>Strategic utilization of generated AI and machine learning | <ul style="list-style-type: none"> <li>Introducing and establishing the widespread use of generated AI utilization infrastructure</li> <li>Enhancing operations using statistical AI</li> </ul> | <ul style="list-style-type: none"> <li>DX strategic investment</li> </ul> |
| <b>B</b><br>Upgrading offensive DX and defensive DX                    | <ul style="list-style-type: none"> <li>Number of banking app users</li> <li>Rate of reduction in administrative workload at branches</li> </ul>                                                 |                                                                           |
| <b>C</b><br>Developing infrastructure that supports DX                 | <ul style="list-style-type: none"> <li>Renewal of digital working environment as a business platform</li> </ul>                                                                                 |                                                                           |
| <b>D</b><br>Developing human resources for DX                          | <ul style="list-style-type: none"> <li>Numbers of DX personnel and DX basis personnel based on the DX personnel development system</li> </ul>                                                   |                                                                           |

## Management Base Resilience Strategy

### Roadmap for DX

We have broken down the DX strategy into five areas and clearly define what we are aiming for and initiatives involved in each area. With an understanding of this overall direction that the Group is heading in, we are proceeding with the roadmap, setting defined implementation timelines in the annual business plan taking into consideration each group company's status and circumstances.

In conjunction with the commencement of the Fourth Medium-Term Group Business Plan, we have made a review of the content of the Group's Roadmap for DX Strategy in light of the activities carried out to date and recent technological innovations, and have set the level of achievement that we are aiming to deliver by the end of FY2027. We view AI (artificial intelligence) and ML (machine learning) in particular as important technologies that will determine corporate competitiveness in the future, and have set the "strategic utilization of generative AI in banking services" and "expansion of integrated data infrastructure and advancement of statistical AI utilization" as key success factors (KSF).

Furthermore, we are working to realize a digital work environment that is safe and easy for employees to work in, as part of infrastructure development serving to support DX, which includes the renewal of CRM/SFA to improve sales activities, reviews of groupware, and the strengthening security through the establishment of a zero-trust environment.

Underlined parts are Key Success Factors (KSF)

| Strategy Category                                                                 | Vision for end of FY2027* (achievement targets)                                                                                                                                                                                                                                                                                       | Main initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Digitalization/Innovation in Traditional Banking Business</b>                  | <ul style="list-style-type: none"> <li>Progress has been made in the strategic utilization of generative AI, and several examples of highly effective positive applications of the technology have been announced</li> <li>CRM/SFA has been reformed, leading to an improvement in sales activities</li> </ul>                        | <ul style="list-style-type: none"> <li><u>Strategic Utilization of Generative AI in Banking Services</u></li> <li>Introduction of Next-Generation Branch System (improvement of accounting-use UI/UX for bank staff)</li> <li>Addition of Features to Self-Counter Navigation (Slip-less) and Innovation in OTC Operations</li> <li>Innovation in Sales Style Through Reform of CRM/SFA and Improvements in Customer Data Storage</li> </ul>                           |
| <b>Improvement of Digital Channels/Expansion of Contact Points with Customers</b> | <ul style="list-style-type: none"> <li>The UI/UX of the various digital channels has been improved and well received by customers</li> <li>Many payments of taxes and public fees, as well as settlements between corporations, have shifted to self-service transactions</li> </ul>                                                  | <ul style="list-style-type: none"> <li>Promotion of Widespread Use and Increasing of Added Value Through Improvements to Digital Channel UI/UX</li> <li>Shift to Non-Face-to-Face Transactions for Tax and Public Fee Payment and Settlement Between Corporations</li> <li>Responding to Changes in the User Authentication Environment (JPKI, DID/VC, etc.)</li> <li>Research and Practical Application of Remote Sales and Business Use of Virtual Spaces</li> </ul> |
| <b>Strengthening Data Utilization</b>                                             | <ul style="list-style-type: none"> <li>The frequency and scope of use of statistical AI tools have increased, and become widespread throughout the organization</li> <li>The MA marketing scenario has expanded, and the proportion of web advertising produced in-house has increased (improving cost effectiveness)</li> </ul>      | <ul style="list-style-type: none"> <li><u>Expansion of Data in the Integrated Data Infrastructure and Advancement of Statistical AI Utilization</u></li> <li>Bolstering of Scenarios for Personalized Marketing using MA and CDP</li> <li>Strengthening of Data Governance Through BI and Data Catalogs</li> <li>Improved Return on Advertising Investments Through More Sophisticated Web Marketing</li> </ul>                                                        |
| <b>Enhanced DX Infrastructure</b>                                                 | <ul style="list-style-type: none"> <li>The digital working environment provides employees with high levels of satisfaction</li> <li>We have secured the number of DX personnel necessary for the rolling out of DX</li> </ul>                                                                                                         | <ul style="list-style-type: none"> <li>Responding to Renewal of the Next Core System and Transition from Existing System Centers</li> <li>Development of DX Personnel and Portfolio Management In Line with Actual Business Conditions</li> <li>Development of a Pleasant Working Environment Through Reviews of Groupware, etc.</li> <li>Enhancement of Security Measures and Capabilities to Help Protect Against Increasingly Complex Cybercrime</li> </ul>         |
| <b>DX Support/Collaboration with Customers and Local Regions</b>                  | <ul style="list-style-type: none"> <li>DX support sales lead to business support that goes beyond one off BM measures</li> <li>Collaboration with external parties has continued, and DX support for our customers, including in terms of implementation and establishment, is being put in place and enacted successfully</li> </ul> | <ul style="list-style-type: none"> <li>Evolution into DX Consulting As a Deeper Part of Business Support</li> <li>Expansion of Customer Support System Through Cooperation with External Parties</li> <li>Roll Out of Escorted Support and DX Support Business that Contribute to Regional Revitalization and Local Government DX</li> <li>Development of Human Resources to Improve the Level of Sales and Consulting in DX Support</li> </ul>                        |

\*These initiatives are managed on the basis that they will be achieved in three years. However, in the event of significant technological innovations or changes in the environment, revisions may be made in the short term.

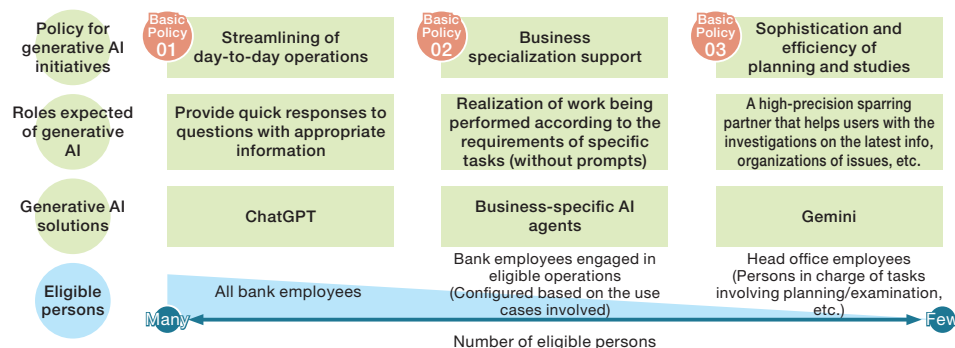
## Management Base Resilience Strategy

### Strategic utilization of generated AI and machine learning

#### Strategic Utilization of Generative AI in Banking Services

The Group is accelerating the incorporation and use of generative AI in the daily operations of the banking business. ChatGPT, which was introduced in 2024, has been made available to employees of Joyo Bank, Ashikaga Bank and other Group companies, and operational efficiency has been improved. In FY2025, we upgraded our language model and built a search system that utilizes the know-how and information accumulated within our banks using RAG (search extension generation) technology, and worked to improve business efficiency by improving upon our ability to make proposals aimed at solving the issues faced by customers and by making it easier to search for information within our banks. In addition, we have started using web-based high-inference-type generative AI at our head office, and are promoting the sophistication of planning operations. We have also introduced a business-specific AI agent to Joyo Bank using a local LLM that does not transmit information outside the bank. This is something which we have done in order to handle confidential information within the bank. Having done that, we will be promoting the automation of business operations. Through these initiatives, we aim to improve productivity by creating an environment in which employees can focus on activities with high added value that is unique to people.

#### Policy for the utilization of generative AI



#### TOPIC Employee participation type Generative AI Prompt Contest

A prompt contest was held for all employees of Joyo Bank and Ashikaga Bank, with the aim of the contest being the promotion of the usage of generative AI and the improvement of generative AI literacy throughout the Group. What we are aiming to do with this initiative is to both generate and raise the level of ideas concerning business improvements in a way which transcends the boundaries between company divisions, which is achieved by creating templates of excellent prompts and sharing know-how.



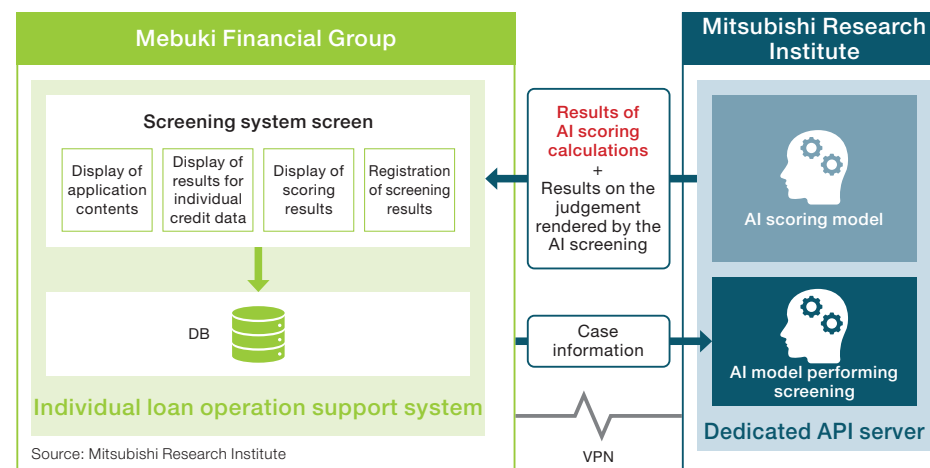
\*This is an image generated by AI.

#### Utilization of statistical AI and machine learning

Our strategic use of accumulated data and the systematic dissemination of statistical AI tools throughout the Group is something which allows us to approach customer needs in a timely manner. Through the combining of internal data and AI, our aim is to develop sophisticated, personalized marketing, expand upon the scenarios in which marketing automation is deployed, and increase the proportion of online advertisements that are produced in-house. We are also promoting the implementation of AI in our core banking operations. That includes the introduction of an AI which does scoring for housing loans with the aim of speeding up and improving upon the accuracy of the loan screening process, as well as the leveraging of what is called a “corporate funding needs prediction model,” which provides forecasts concerning future demand for funding needs based on customer account trends. Combining objective, data-based judgments together with high-quality consulting that is undertaken by bank employees has us providing speedy and optimal financial solutions to as many of our customers as possible, thereby supporting the growth of local economies.

#### TOPIC Sophistication of the loan screening process using an AI that conducts housing loan scoring

We have implemented what is called a “housing loan scoring AI model,” which has been trained on accumulated customer data and data concerning past screening results. The use of AI has made it possible to quickly undertake objective, highly accurate assessments that are based on data, thereby improving convenience for customers.

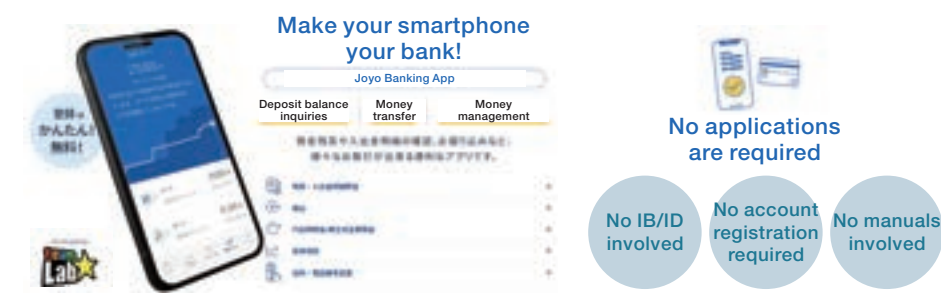


## Management Base Resilience Strategy

### Upgrading offensive DX and defensive DX

#### Improvement of digital channels

We are continuously working to improve upon the user interfaces involved in and the user experiences provided by our various digital channels, and are continuously working to add functions to them, thereby enhance customer convenience and expanding upon the points of contact we have with customers. The number of users of the banking app constitutes a key KPI for us. This number has steadily increased, reaching 1.52 million (up by 190,000 from FY2024) users. About 40% of our individual customers. Initially, it was mainly used by young people. However, usage rates have greatly increased among a wide range of age groups (including seniors) thanks to improvements that we have undertaken, such as those which made the design of the app more intuitive and easier to understand, and thanks to the meticulous in-store operational support being provided. In addition to the transfers and balance inquiries taking place every day, various procedures such as address changes and the purchasing of investment trusts can also be completed using the app. With this now possible, we have built a non-face-to-face channel for customers that is stress-free and which allows procedures to be completed easily anytime and anywhere. Through this sort of offensive DX, we are working to both enhance the added value provided by staffed branches as consultation bases and providing our customers with a seamless customer experience.



#### Banking app (Bank total)

● Number of banking app subscribers

Our aim in the 4th MTGBP is to increase the ratio to approx. 60% (2.2 million people).

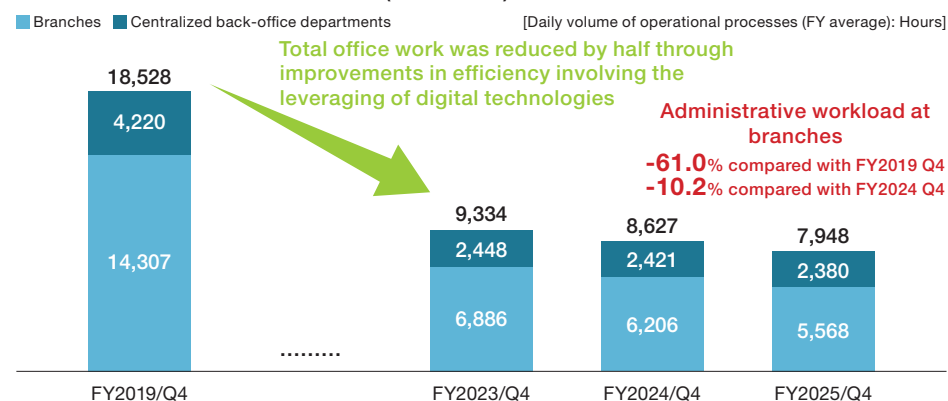


\*Calculated by adding together the App Store average ratings and the Google Play store average ratings for the Joyo Banking App and the Ashikaga Bank App and dividing the result by 2 (as of May 2026)

#### Digitalization of business operations

As part of our efforts to increase the level of defensive DX that we undertake, the Group is working to drastically reduce the volume of administrative processes taking place at branch offices. Expanding the functions offered by in-store tablet devices and making various procedures available online, thereby promoting the move to having processes take place with no slips, seals or paper documents involved, is something which has allowed us to achieve innovation when it comes to in-store operations. We are also working to minimize back-office operations by developing and introducing business apps that can be used on smartphones and other devices provided to bank employees, as well as through efforts such as having employees look up data and provide business reports from outside, and by digitizing employee workflows. These efforts have allowed us to achieve a reduction of approximately 61.0% relative to FY2019 Q4 levels and 10.2% relative to FY2024 Q4 levels in terms of a key KPI that we refer to as “reduction in administrative workload at branches.” By building smart and efficient administrative frameworks, our aim is to make time for bank employees to focus on tasks such as talking with customers, thereby ensuring a stress-free experience for both customers and staff.

#### Reduction in administrative work (Bank total)



#### TOPIC Reducing administrative work through the leveraging of tools such as Self-Counter Navigation

We have introduced Self-Counter Navigation (tablet device-based in-store reception tracking services) at all branches and are promoting the digitalization of various procedures, such as account openings and address changes. The burden involved in the filling out of slips and the affixing seals has been greatly reduced through the implementation of intuitive screen operation and the scanning of ID documents that is undertaken by customers themselves. These efforts have resulted in service desks where no writing or waiting take place, leading to reductions in the waiting times experienced at branches.

## Management Base Resilience Strategy

### Developing infrastructure that supports DX

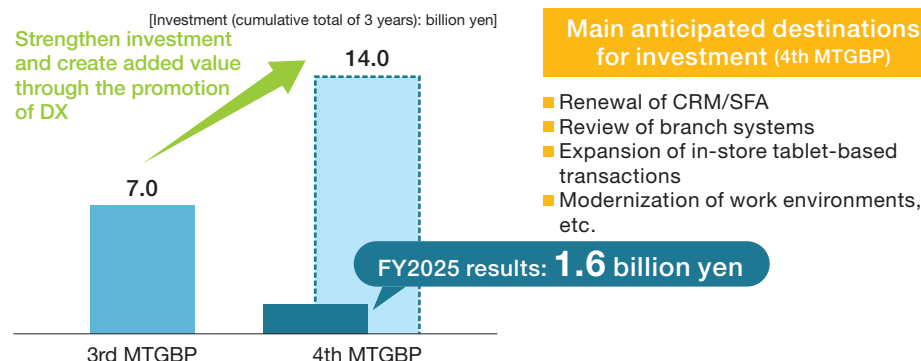
#### Renewal of digital working environments

We are promoting the creation of worker-friendly environments and the development of business platforms serving as the foundation of DX which generates new value. With our aim of making that a reality within the period of the Fourth Medium-Term Group Business Plan, we have decided on policies for renewal our groupware and for improving communications and device environments which serve to support multimodal working styles. It is through these improvements to digital work environments that we will promote the undertaking of smooth communication within our organization and the sharing of expertise. Our aim with these efforts is to improve satisfaction and ensure wellbeing for all of our staff. We have also decided to introduce a new CRM/SFA (Customer Relationship Management/Sales Force Automation) systems in order to improve our sales activities, and will thereby promote innovation in the future. By strengthening the functions by which customer data is accumulated and by supporting activities aimed at providing optimal proposals that are tailored to individual customers, we will work to solidify a foundation for sustainable growth of the entire Group.

#### FOCUS Promotion of strategic DX investment

The Group is proactively allocating resources for the purpose of accelerating both the promotion of DX and the development of infrastructure. Under the current Medium-Term Group Business Plan, our plan is to make strategic DX investments amounting to 14.0 billion yen (cumulative total of 3 years), meaning an increase of 7.0 billion yen relative to the previous Medium-Term Group Business Plan. Going forward, we will continue to invest in systems that support what are referred to as “offensive” and “defensive” DX. Such efforts will include improving upon the quality of the generative AI we use, renewal of CRM/SFA and groupware, building systems for upcoming branches, and expanding the scope of in-branch tablet-based transactions. All of this is purposed with sustainably improving our corporate value.

#### Strategic DX investment (Bank total)



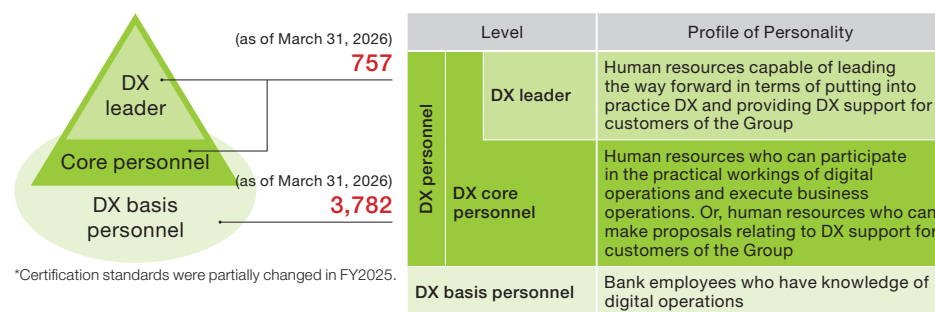
### Developing human resources for DX

|                   |                              |       |
|-------------------|------------------------------|-------|
| Output indicators | Number of DX personnel       | 757   |
|                   | Number of DX basis personnel | 3,782 |

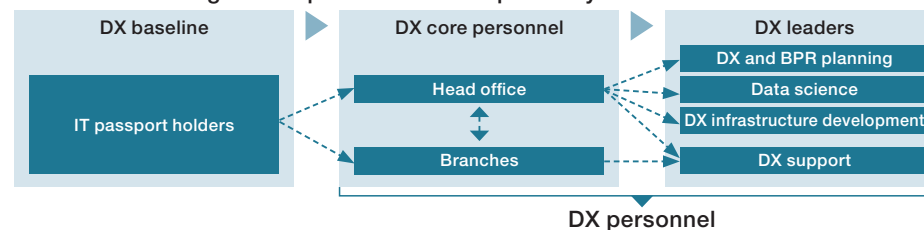
#### Developing DX personnel and DX basis personnel

In order to have our DX strategy produce solid results, it is essential for us to train people who are able to leverage digital technologies in their work. Thus, we have established a hierarchical training system for DX basis personnel, the aim of which is to raise the level of digital skills and digital literacy present company wide, as well as for DX personnel who will lead the transformations which we are undertaking. Both Joyo Bank and Ashikaga Bank have continued to run the DX Personnel Development Workshop to facilitate the acquisition of the skills required for DX promotion among staff, including design thinking, data analysis, idea creation, and project management. In FY2025, several new training programs were added, including one on generative AI training, as part of efforts to encourage the skilling up of DX personnel. Furthermore, by increasing the number of training sessions jointly held by Joyo Bank and Ashikaga Bank, the banks are actively promoting personnel exchanges within the Group.

#### DX personnel development (Bank total)



#### Details concerning our DX personnel development system



## Management Base Resilience Strategy

Add Value Through DX

Promote Alliances

Strengthen Human Capital  
and Promote DE&IAdvance Risk  
ManagementCapital Management Aimed  
at Enhancing Corporate Value

## Promote Alliances

Materiality ▶

Provide high-quality services to be  
chosen by customers consistentlyStrengthen management base for  
value creation

Through alliances and collaborations with external business operators, we will look to further strengthen initiatives aimed at helping us expand into new areas of business and improve productivity. In so doing, we hope to remain one of the main service providers that customers look to when choosing a bank.

## Major initiatives

## A Cross-regional cooperation

## Cooperation with participating regional banks in Chance

- Promotion of structured finance towards the realization of sustainable communities

- Support for business succession and M&A driven by a cross-regional M&A business platform
- Mutual aid in the cybersecurity management sector
- Further exploration of sectors where synergies can be generated

## B Regional cooperation

## Ryomo Area Revitalization Partnership

- Support for the vitalization of regional industries through collaboration with Gunma Bank

## Collaborating with local financial institutions

- Creating new business opportunities through collaboration undertaken in non-competitive areas (such as the outsourcing of tax-related operations and operations related to public funds)
- Coordination related to areas such as labor shortages experienced by regional business operators and support for overseas business development

- Collaborative efforts to provide local residents with education on financial matters, and to provide support for the elderly, etc.

## Industry-Academia-Government-Finance collaboration

- Enhancing initiatives for regional revitalization through public-private partnerships
- Development of next-generation financial solutions and actually incorporating AI into business operations through collaboration with local universities
- Creation of ventures originating from universities

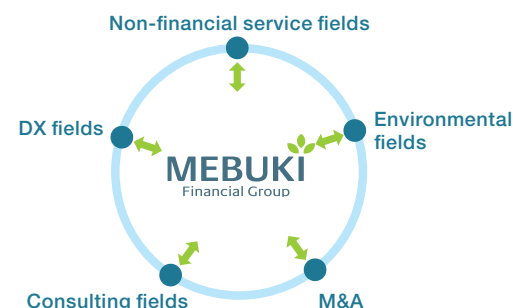
## C Collaboration with external business operators and utilization of capital

## Collaboration with Resona Holdings, Inc.

- Improvement of banking app functions
- Sharing and enhancement of expertise through collaboration and interactions between personnel in the digital field

## Business matching and other cross-industry collaborations, and utilization of external capital

- Collaborative creation of new businesses with start-ups and business companies found in Japan and overseas
- Strengthen the provision of financial and non-financial services which serve to contribute to the growth of regional financial service operators, safe and affluent lifestyles for customers, and the reduction of environmental footprints
- Leveraging of outside capital through inorganic investments and other efforts



## Cross-regional cooperation

## Cooperation with participating regional banks in Chance

The Group is participating in cross-regional cooperation with regional banks through joint use of the Regional Banks' Partnership System "Chance," a system which was constructed based on MUFG's core systems (accounting, information, etc.). Currently, in addition to the Company, The Hyakujushi Bank, Ltd., The Juroku Bank, Ltd., The Nanto Bank, Ltd., and Yamaguchi Financial Group, Inc. participant in Chance. We are working to expand the scope of joint operations to not only include accounting-related systems such as those for deposits, loans, and foreign exchange, but also information systems such as those for business succession through the leveraging of wide-area platforms for M&A operations, M&A support, and mutual assistance in the cybersecurity field and other areas across a broader range of fields.



| Major initiatives                                                           | Outputs                                            |
|-----------------------------------------------------------------------------|----------------------------------------------------|
| A Cross-regional cooperation                                                | Ryomo Area Revitalization Partnership              |
| B Regional cooperation                                                      | Collaborating with local financial institutions    |
| C Collaboration with external business operators and utilization of capital | Industry-Academia-Government-Finance collaboration |

## Management Base Resilience Strategy

### Regional cooperation

#### Ryomo Area Revitalization Partnership

This is a framework for the purpose of industrial revitalization, problem solution, and improvement of customer services in the overlapping service areas of Ashikaga Bank and Gunma Bank, mainly in Ryomo area (southwest Tochigi and southeast Gunma). The region is an economic zone where automobile-related industries are concentrated amid dramatic environmental changes. Both banks are working to resolve issues in the region based on a common desire to greatly contribute to the revitalization of regional industries through the sharing of expertise and through cooperation and collaboration.



#### Collaborating with local financial institutions

The majority of payments of national and local taxes are made directly at designated counters at financial institutions, tax offices, and municipalities. The challenge is finding a way to make this more convenient for taxpayers and to reduce social costs associated with the accompanying administrative work. Joyo Bank and Ashikaga Bank are working to spread and promote the use of a greater variety of cashless payment options together with local financial institutions in Ibaraki and Tochigi Prefectures.

#### Industry-Academia-Government-Finance collaboration

##### Solving social issues through public-private and cross-industry partnerships involving the leveraging of Social Impact Bond

In cooperation with the Development Bank of Japan, Joyo Bank made an investment with Social Impact Bond into Kumon Institute of Education Co., Ltd., the organizer of the Koga City Project to Support Community Spaces for Children implemented by Koga City in Ibaraki Prefecture. The company financially supports the activities of joint ventures that it undertakes in cooperation with prefectural non-profit organizations and social welfare corporations, promotes the creation of spaces for children, and contributes to the enrichment of the lives of local residents.

##### Joint research conducted with Ibaraki University

Joyo Bank has been working together with Ibaraki University on research into the use of AI and machine learning in securities management, and introduced a business support system developed based on this research. The bank has also conducted joint research towards realizing nature positive in Lake Kasumigaura, created an impact path aimed at providing a visualization of social impacts, and estimated the social impact of corporate activities on the environment of Lake Kasumigaura. Through these initiatives, we are working to contribute to the sophistication of financial functions and to the revitalization of regional economies.



Joint research conducted in Lake Kasumigaura

### Collaboration with external business operators and utilization of capital

#### Collaboration with Resona Holdings, Inc.

The Company and Resona Holdings have concluded a strategic business alliance pertaining to the general digital sector based upon which they have agreed on efforts aimed at realizing a new customer experience that integrates both online and in-store banking through consistent, high-quality services across all channels. These efforts demonstrate the Bank's commitment to sustainable collaboration. Joyo Bank and Ashikaga Bank have introduced the Resona Group's banking app platform as a common app platform for use by both banks. During the development of the app, the banks established an agile development structure with Resona Holdings, and have been gradually adding new functions so that they will be able to respond flexibly to changes in situation, which includes changes in the external environment and customer feedback.

#### Business matching and other cross-industry collaborations, and utilization of external capital

##### Support for the decarbonization of local regions through collaborations with startup companies

The Group has specified "contribute to decarbonized society and environment conservation" as one of its Key Issues (Materiality) and aims to contribute to the sustainable growth of local communities. As part of these efforts, we entered into a partnership agreement with Green AI Co., Ltd., which received the Special Award at the Mebuki Business Award. Leveraging the company's AI system has allowed us to strengthen the frameworks we have in place to provide integrated support which spans from the visualization of CO<sub>2</sub> emission levels of partner companies to the formulation of optimal reduction plans and the implementation of PDCA cycles—without the need for any specialized knowledge of facilities and the environment. This alliance will have us promoting the decarbonization of companies in local regions and entire supply chains. The result will allow us to facilitate cost reductions at companies and help them balance productivity with decarbonization.

##### Conclusion of a sponsorship agreement with an esports team

Ashikaga Bank has been expanding its activities taking place both inside and outside the bank within the field of esports; this includes employee participation in esports competitions as club activities, as well as the sponsorship of various esports events such as Tochigi eSports Festa.

Through sponsorship activities undertaken in relation to Detonation FocusMe, a top-level professional esports team in Japan, we will be working to build relationships with customers found among age groups that have been difficult to connect with in the past. At the same time, we will conduct various initiatives as a regional financial institution which include improving financial literacy and facilitating regional revitalization through the holding of regional events.



## Management Base Resilience Strategy

Add value through DX

Promote alliances

Strengthen human capital  
and promote DE&IAdvance risk  
managementEnhance corporate value  
through capital management

## Strengthen human capital and promote DE&amp;I

Materiality ▶

Provide high-quality services to be  
chosen by customers consistentlyStrengthen management base for  
value creation

We address risks associated with human capital based on our recognition that such risks can be either risks or opportunities depending on how we address them. In addition, the risks associated with human capital have been designated as one of the top risks by the Board of Directors. For such top risks, we implement predictive management and risk control measures based on risk scenarios. "Changes in values of workstyles and difficulty in securing human resources" are designated as risks associated with human capital.

We acknowledge the need for strengthening our investment in human capital, while addressing risks and opportunities associated with human capital based on the recognition described below.

## Risks and opportunities associated with human capital management and the direction of related initiatives

| Issues to address                                                                               | Environmental awareness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Direction of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Related initiatives                                                                                                |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Rapid changes in the external environment and diversifying lifestyles and sense of value</b> | <p>The speed of environmental changes is becoming faster and the environment is likely to continue to change drastically. Also, there is an increasing awareness among individuals of social issues, such as sharing economy, increased experiential consumption, decarbonization, and SDGs.</p> <p>We recognize that, amid increasing uncertainty in our surrounding environment, our stakeholders expect the Group to contribute to realizing sustainable local communities and it is necessary for us to transform the Group's business by developing and securing human resources capable of creating value as well as through the radiance of our employees.</p> | <p>Delays in adaptation to changes in the external environment and a failure to meet the diversifying needs of customers due to the lack of securing and developing human resources will result in:</p> <ul style="list-style-type: none"> <li>• Stagnation in the Group's overall growth</li> <li>• Decline in competitiveness within the industry</li> <li>• Intensifying competition with other industries</li> <li>• Customer defection (deterioration in business performance)</li> <li>• Decline in motivation among and increase in turnover of employees (collapse of management base)</li> </ul> | <p>Adapting to changes in the external environment and enhancing human resources capable of meeting the needs of customers will lead to:</p> <ul style="list-style-type: none"> <li>• Growth of the Group</li> <li>• Expansion of business areas</li> <li>• Enhancement of revenue base</li> <li>• Improvement of customer satisfaction</li> <li>• Improvement and diversification of employees' skills (organizational activation)</li> </ul>                                                                                                                                  | <p>[Secure human resources]</p> <ul style="list-style-type: none"> <li>• In addition to new graduate and semi-recent graduate hiring, we hire mid-career professionals throughout the year to secure work-ready human resources.</li> <li>• To secure highly skilled, diverse human resources, our subsidiary banks have been working to secure human resources capable of creating value by such means as referral hiring and comeback hiring of human resources who have once left the banks and built their careers outside, without being constrained by conventional practices or operations.</li> <li>• We have diversified our means of hiring, such as accepting human resources who work for us as their second jobs. By doing so, we will secure human resources necessary to execute our business strategies in accordance with progress in the strategies.</li> </ul> <p>[Develop human resources]</p> <ul style="list-style-type: none"> <li>• In order to develop human resources capable of meeting the diversifying needs of customers, we are striving to improve skills of employees through an internal certification system and trainee dispatch to inside and outside the Group. We are also working to obtain new knowledge and know-how by accepting secondees from outside the Group.</li> <li>• To support self-motivated career building and promote a motivation to take on challenges among employees, we have increased opportunities for trainee dispatch by open recruitment. We expect that the introduction of the second job system will lead employees to make self-motivated efforts to improve their skills by gaining experience and building a network that cannot be obtained through their main jobs.</li> </ul> | <p><b>Developing and securing human resources for value creation</b></p>                                           |
| <b>Diversity and changes in workstyles</b>                                                      | <p>The promotion of the active participation of not only women but also diverse human resources in the workplace is attracting the attention of society. There is also a growing trend in corporate innovation through the mobilization of human resources, such as second job and mid-career hiring, and the utilization of human resources with different corporate cultures.</p> <p>Various workstyles that do not require a commute to an office, including working from home and teleworking, have become popular, and these workstyles are expected to continue and become entrenched.</p>                                                                      | <p>Failing to enable diverse human resources to fully demonstrate their abilities and to adapt to changes in workstyles and attitude toward work will result in:</p> <ul style="list-style-type: none"> <li>• Decline in competitiveness</li> <li>• Inferiority in competition to acquire human resources</li> <li>• Outflow of talented human resources/increase in turnover of employees</li> <li>• Decline in morale and performance of employees</li> </ul>                                                                                                                                           | <p>Enhancing diversity measures, creating a workplace without gender disparities, and reviewing ways of working will lead to:</p> <ul style="list-style-type: none"> <li>• Transformation of corporate culture and growth of the Group</li> <li>• Creation of innovations</li> <li>• Broadening of the scope of consulting services and improvement in quality</li> <li>• Securing and retention of talented human resources</li> <li>• Improvement in performance</li> <li>• Improvement of work-life balance and enhancement of motivation/engagement of employees</li> </ul> | <ul style="list-style-type: none"> <li>• We are working to further enhance opportunities for female employees to actively participate in workplace by undertaking various measures to promote their active participation.</li> <li>• We have set and managed the ratio of female employees in manager positions or higher as a KPI.</li> <li>• In addition to strengthening our initiatives for mid-career hiring, all group companies have introduced a second job system with the aim of improving employees' own skills, achieving their personal growth, and contributing to local communities in various aspects.</li> <li>• We have been developing related systems to realize more flexible workstyles by introducing the flextime work system and teleworking.</li> <li>• In order to activate our organization, including improvements in the vitality and productivity of employees, we will continue initiatives for Health Management, such as health investment and development of an environment where employees can work in good health mentally and physically.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><b>Promoting DE&amp;I</b></p> <p><b>Creating a workplace environment where well-being can be truly felt</b></p> |

## Management Base Resilience Strategy

| Issues to address                                        | Environmental awareness                                                                                                                                                                                                                                                                                                                                                                                           | Risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Opportunities                                                                                                                                                                                                                                                    | Direction of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Related initiatives                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Declining birth rate and growing aging population</b> | Amid concerns over the declining vitality of local communities resulting from the accelerating regional imbalance of population, we recognize that it is necessary for us to develop an environment where employees in the middle of child-rearing and those in the senior years can work with a sense of security and where employees and their families can lead a better life.                                 | Declining working population will result in:<br>• Difficulty in securing the necessary number of human resources for business continuity<br>• Increase in recruitment costs due to the staffing shortage<br><br>An increasing need for nursing care of parents, etc. will result in:<br>• Increases in employees on administrative leave and turnover of employees                                                                                                                           | Securing diverse workers and ensuring diverse workstyles will lead to:<br>• Passing down of skills<br>• Utilization of know-how of seniors<br>• Improvement in work-life balance<br>• Provision of personnel know-how to local communities                       | <ul style="list-style-type: none"> <li>• We are working to promote the active participation of diverse human resources in workplace by developing young and female employees and utilizing senior employees through various opportunities. In particular, it will be more important for the Group to promote contributions from senior employees to our organization by utilizing their knowledge and experience as we expect the number of the Group's employees at age of 60 and above to increase in the future. We will take necessary measures to improve systems, such as extending retirement age and reviewing the treatment of senior employees, so that they can actively participate in workplace with enhanced motivation.</li> <li>• We are endeavoring to enhance support systems for better work-life balance by encouraging employees to take childcare and nursing care leave as well as paid leaves and to create an environment that allows employees to work flexibly according to their life stages.</li> </ul> | <p><b>Promoting DE&amp;I</b></p> <p><b>Creating a workplace environment where well-being can be truly felt</b></p>                                                                                                                                                                                                                                                                                                |
| <b>Advancement of DX and digitalization</b>              | The wave of digitalization is further amplifying and accelerating. We recognize that it is necessary for the Group to promote DX by drastically reviewing how its business and operations should be and that the speed and methods of response to ever-accelerating digitalization are risks that affect the growth of the entire Group.                                                                          | Delays in response to DX, digitalization and the utilization of AI due to the shortage of highly specialized human resources will result in:<br>• Stagnation in the Group's overall growth<br>• Decline in competitiveness                                                                                                                                                                                                                                                                   | Advancing DX, digitalization and the utilization of AI by enhancing highly specialized human resources will lead to:<br>• Improvement of customer experience (CX)<br>• Expansion of business areas<br>• Improvement in labor productivity and reduction in costs | <ul style="list-style-type: none"> <li>• To create added value by leveraging the Group's strengths, we are promoting the utilization of digital technology to maximize the value of customer experience, enhance non-face-to-face channels, and improve their convenience. To this end, we are also working to develop human resources who will promote DX.</li> <li>• The advancement of digitalization is believed to increase the value of connecting with people more than ever. By enhancing human resources, we will sophisticate our communications and provide security and added value through both face-to-face advisement/consulting and digital technology.</li> </ul>                                                                                                                                                                                                                                                                                                                                                   | <p><b>Developing and securing human resources for value creation</b></p> <p><b>Support to prepare for a 100-year life (Improving transaction convenience)</b><br/>  <b>P.44)</b></p> <p><b>Add value through DX</b><br/>  <b>P.57</b></p> |
| <b>Ensuring compliance</b>                               | When it comes to compliance, it is much more important to make a judgment from the perspective of whether the action is socially acceptable than just comply with laws, regulations and other rules. We recognize that having such a perspective is an important theme to realize sustainable corporate activities, and expectations and demand for corporate social responsibility are expected to grow further. | <p>A decline in moral among employees will result in:</p> <ul style="list-style-type: none"> <li>• Loss of credibility and damage to brand image</li> <li>• Administrative penalty as a result of a legal violation</li> </ul> <p>The occurrence of mental health problems, harassments, long working hours will result in:</p> <ul style="list-style-type: none"> <li>• Employee defection</li> <li>• Difficulty in securing human resources</li> <li>• Decline in public esteem</li> </ul> | Raising the ethical standards and integrity of employees will lead to:<br>• Cultivation of a healthy corporate culture<br>• Improvement in the trust of customers (corporate group that continues to be trusted by local communities)                            | <ul style="list-style-type: none"> <li>• The Group is working to ensure compliance by providing rank-based training on issues including harassment and other human rights issues and prevention of incidents of corruption and other misconduct to foster compliance awareness and ensure employees act with top priority on compliance.</li> <li>• We will strive to instill corporate ethics, ensure the effectiveness of the whistle-blowing system, and comprehend the current state of compliance through such means as employee opinion survey and employee engagement, thereby raising ethical standards and integrity of individuals and the organization.</li> </ul>                                                                                                                                                                                                                                                                                                                                                        | <b>Increase employee engagement</b>                                                                                                                                                                                                                                                                                                                                                                               |

## Management Base Resilience Strategy

Add value through DX

Promote alliances

Strengthen human capital  
and promote DE&IAdvance risk  
managementEnhance corporate value  
through capital management

## Initiatives for human capital management

By embodying the Group Philosophy “Together with local communities, we will continue to build a more prosperous future by providing high-quality, comprehensive financial services,” we have been working to develop human resources and an internal environment based on the concept of regarding human resources as the most important management resource to improve our corporate value. By developing an environment in which talent responsible for value creation can demonstrate their individuality and strengths under the Fourth Medium-Term Group Business Plan, we will build a human resources portfolio aimed at improving the corporate value of the Group.

| Main KPIs                                                |               |               |
|----------------------------------------------------------|---------------|---------------|
|                                                          | FY2027 (plan) | FY2025 result |
| Human capital investment (cumulative total of 3 years)   | ¥3.0 bn       | ¥1.0 bn       |
| Ratio of female employees in manager positions or higher | 27.0%         | 25.0%         |

### Approach to the formulation of Human Resources Development Policy and Working Environment Development Policy

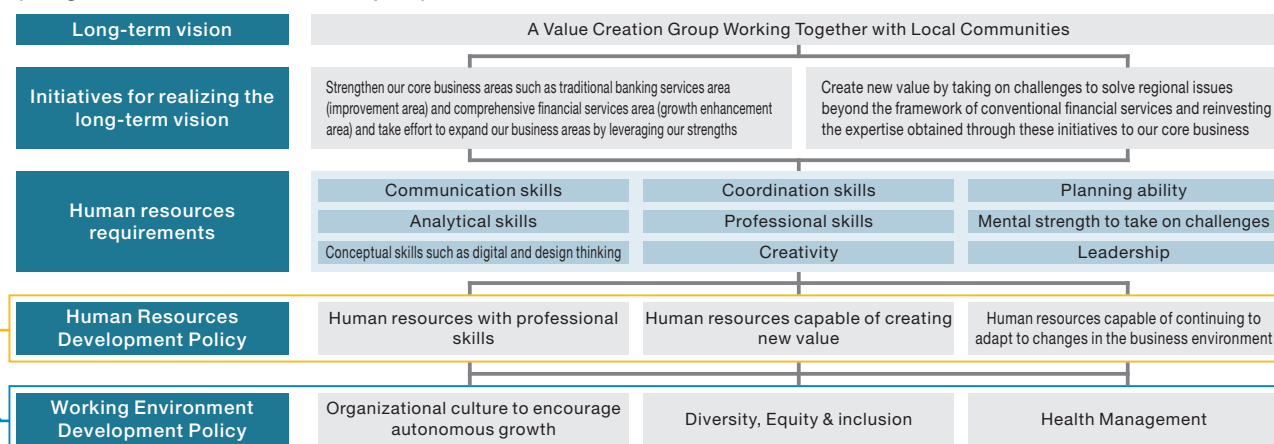
We intend to surely follow through on the following initiatives to realize our vision set out in the Long-Term Vision 2030 of “A Value Creation Group Working Together with Local Communities.” To this end, the Group believes it is necessary to work on the development and enhancement of human resources not only with deep thoughts on and understanding of the community and financial knowledge but also capable of taking actions to identify and solve challenges faced by the local communities and customers from multiple angles.

We will enhance our human capital to realize the Group's long-term vision by creating an internal environment where such human resources can work actively while fully demonstrating their abilities.

### Main initiatives in the long-term vision

- (1) Strengthen our core business areas such as traditional banking services area (improvement area) and comprehensive financial services area (growth enhancement area) and take effort to expand our business areas by leveraging our strengths.
- (2) 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.

### (Long-term vision and Human capital)



#### Human Resources Development Policy

To improve problem-solving skills among employees to live up to the expectations and trust of customers, we will work to secure and develop human resources capable of creating new value by developing human resources with specialized skills and meeting the diversified needs of customers.

We will also enhance human resources capable of continuing to adapt to changes in the business environment in the future by enhancing opportunities for reskilling.

#### Working Environment Development Policy

We will develop our internal environment based on the following policies so that each individual human resource with diverse knowledge and skills can fully demonstrate their abilities.

##### ■ Organizational culture to encourage autonomous growth

To promote autonomous growth and a motivation to take on challenges among employees, we will cultivate an organizational culture where employees have a sense that their performance and contributions are properly valued and can feel their own growth and where employees continue to create new value by autonomously carving out their careers. Furthermore, we will create an environment where motivated and skilled employees can work actively and shine in a higher field.

##### ■ Diversity, Equity & Inclusion (DE&I)

In order to remain a corporate group where each individual employee can work actively and grow sustainably, we will form a diverse and self-reliant

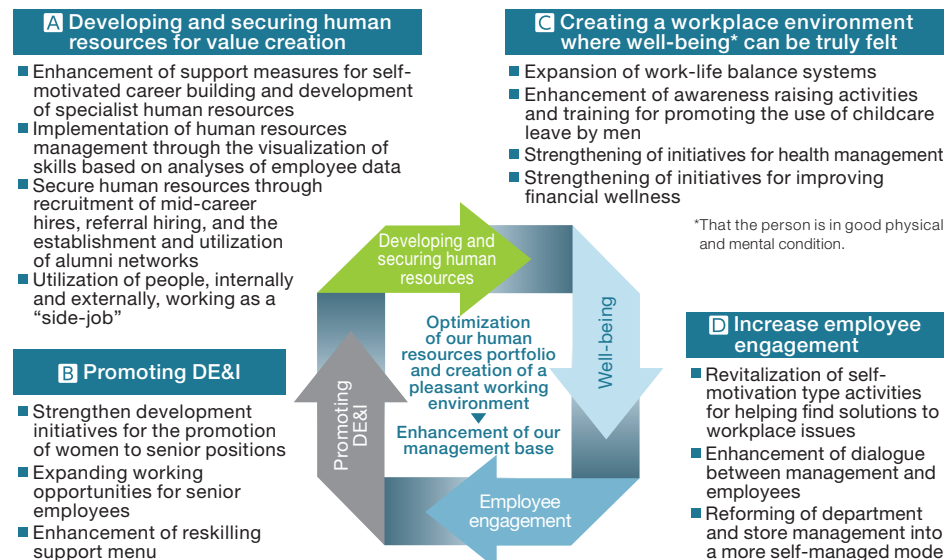
group to strengthen our organizational power by leveraging diverse views and experience of individual employees irrespective of their age, gender, and other properties. In order that diverse human resources can work actively in the long term in the Group, we will work to develop a pleasant working environment and develop related systems, while taking into account changes in lifestyles and attitude toward work.

##### ■ Health Management

We recognize that it is essential that employees are healthy both physically and mentally in order to contribute to the development of local communities and regional economy. Based on this recognition, we provide support for employees to maintain and improve their health so that every employee can work energetically in good health and thus can fully demonstrate their abilities.

## Management Base Resilience Strategy

### Major initiatives



| Major initiatives                                                               | Outputs                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b><br>Developing and securing human resources for value creation          | <ul style="list-style-type: none"> <li>Developing DX personnel and DX basis personnel</li> <li>Number of advanced qualification holders</li> <li>Number of 2nd grade FP</li> <li>Number of trainees dispatched inside and outside the Group</li> <li>Number of applicants, as well as people dispatched and assigned under the open recruitment of trainees and the post challenge program</li> <li>Human capital investment</li> <li>Number of mid-career hires</li> </ul> |
| <b>B</b><br>Promoting DE&I                                                      | <ul style="list-style-type: none"> <li>Ratio of female employees in assistant manager positions or higher</li> <li>Ratio of female employees in manager positions or higher</li> <li>Ratio of female employees in senior management positions</li> <li>Gender wage gap</li> </ul>                                                                                                                                                                                           |
| <b>C</b><br>Creating a workplace environment where well-being can be truly felt | <ul style="list-style-type: none"> <li>Rate of use of childcare leave by men</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>D</b><br>Increase employee engagement                                        | <ul style="list-style-type: none"> <li>Engagement survey score</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                   |

### The Fourth Medium-Term Group Business Plan and Human Capital

Under the business portfolio strategy of the Fourth Medium-Term Group Business Plan, the Group has divided its business segments into six categories and developed strategies for each segment.

With the aim of building an appropriate personnel portfolio linked to the business portfolio strategy, the Company will strategically promote the development and allocation of personnel with the high skills necessary to execute the strategies of the Fourth Medium-Term Group Business Plan, such as consulting and DX personnel.

The personnel portfolio we aim to have by the end of FY2027, the final year of the Fourth Medium-Term Group Business Plan, is as follows. Even amid expected reductions in the total number of personnel, we will ensure the ever more strategic placement of the right people in the right places by developing and recruiting personnel with the skills and practical abilities necessary to execute our strategies.

#### Personnel portfolio we aim to have by the end of FY2027

| Business segment         | As is          | Interim results |                                          | To be                                            | Increase/decrease plan for the MTGBP period |
|--------------------------|----------------|-----------------|------------------------------------------|--------------------------------------------------|---------------------------------------------|
|                          | March 31, 2025 | March 31, 2026  | Increase or decrease from March 31, 2025 | March 31, 2028 (the final year of the 4th MTGBP) |                                             |
| Corporation (local)      | 1,986          | 2,040           | +54                                      | 2,020                                            | +34                                         |
| Corporation (urban area) | 120            | 121             | +1                                       | 120                                              | ±0                                          |
| Structured finance       | 35             | 46              | +11                                      | 50                                               | +15                                         |
| Public                   | 71             | 73              | +2                                       | 70                                               | -1                                          |
| Individual customers     | 4,085          | 4,050           | -35                                      | 3,810                                            | -275                                        |
| Securities               | 79             | 81              | +2                                       | 80                                               | +1                                          |
| Total                    | 6,376          | 6,411           | +35                                      | 6,150                                            | -226                                        |
| of whom, DX personnel    | 438            | 757             | +319                                     | 1,000                                            | +562                                        |

#### Measures to eliminate the GAP

Strategic securing of human resources

Human resources development

Utilization of human resources

## Management Base Resilience Strategy

### Developing and securing human resources for value creation

|                   |                                              |       |
|-------------------|----------------------------------------------|-------|
| Output indicators | Number of holders of advanced certifications | 510   |
|                   | Number of 2nd grade FP holders               | 3,809 |

#### Measures to develop human resources

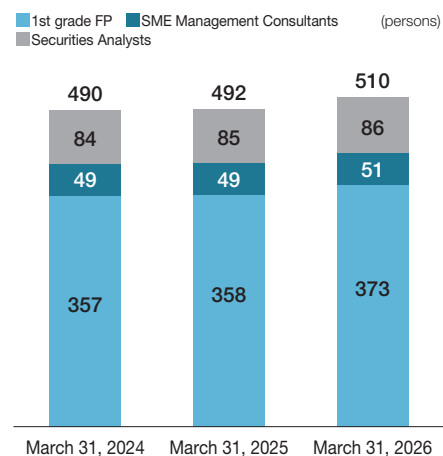
We regard the development and securing of consulting personnel capable of taking actions to identify and solve challenges faced by local communities and customers from multiple angles as an initiative that we should focus on to achieve growth in our core business segments (corporate, individual, public).

#### Development of consulting personnel

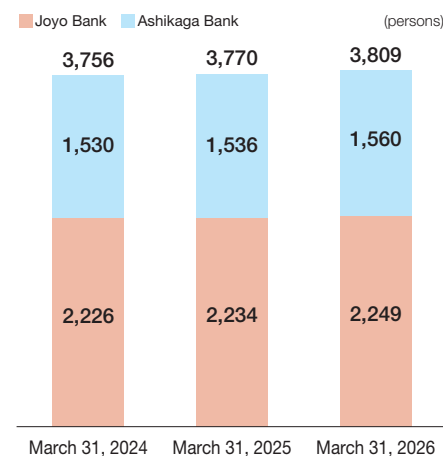
We have set the numbers of advanced qualification holders (total number of 1st grade Certified Skilled Workers of Financial Planning (1st grade FP), Small and Medium Enterprise Management Consultants (SME Management Consultants), and Securities Analysts) and 2nd grade Certified Skilled Workers of Financial Planning (2nd grade FP) as indicators as the Group's core business is finance, and are focusing on the development and enhancement of qualified personnel, including DX personnel (📖 P. 61).

In addition, we are working on the development and securing of specialized human resources by encouraging employees to acquire qualifications specific to their areas of expertise.

Number of advanced qualification holders (Bank total)



Number of 2nd grade FP holders (Bank total)



|                   |                                                                                            |     |
|-------------------|--------------------------------------------------------------------------------------------|-----|
| Output indicators | Number of trainees dispatched inside and outside the Group                                 | 73  |
|                   | Number of applicants under the open recruitment of trainees and the post challenge program | 149 |
|                   | Number of people dispatched and assigned                                                   | 50  |

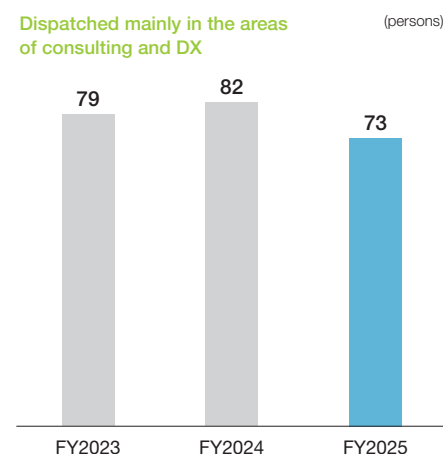
#### Organizational culture to encourage autonomous growth

The Group believes that self-motivated efforts made by individual employees to improve their skills and build their careers will lead to individual and organizational growth as well as organizational revitalization and building of a strong organization and therefore enable us to realize our management strategies.

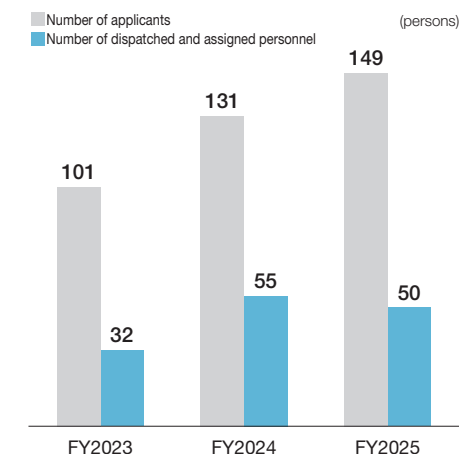
We believe that it is essential for us to provide continuous support for employees to acquire specialized skills and demonstrate their expertise in a variety of contexts and from various angles. We have therefore established programs to dispatch trainees inside and outside the Group, an open recruitment trainee program, and the post challenge program to offer the opportunities to grow by volunteering to absorb knowledge from inside and outside the Group.

In addition to these efforts, we are undertaking initiatives to create an environment to provide employees with support for self-motivated career building and promote their motivation to take on challenges, including holding various holiday lecturers and workshops and enhancing e-learning programs.

Number of trainees dispatched inside and outside the Group (Bank total)



Open recruitment of trainees and the post challenge program (Bank total)



## Management Base Resilience Strategy

|                   |                            |                |
|-------------------|----------------------------|----------------|
| Output indicators | Human capital investment   | ¥1,003 million |
|                   | Number of mid-career hires | 120            |

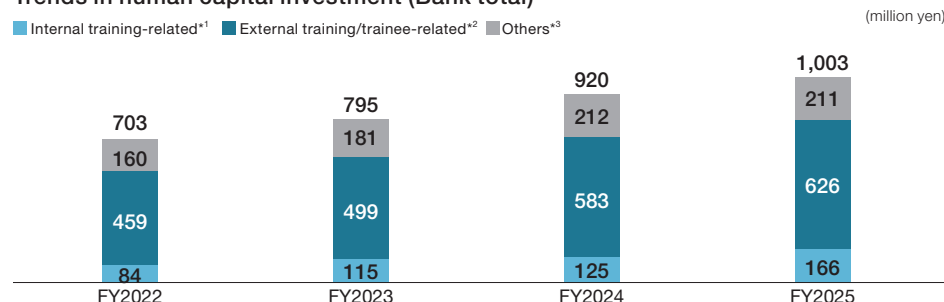
### The status of our human capital investment

For the period corresponding to the Fourth Medium-Term Group Business Plan (FY2025 to FY2027), we will set a cumulative total of 3 billion yen in investments over the corresponding three years as a KPI to enhance our investments in human capital that contribute to improving the abilities and skills of employees. In FY2025, we invested 1 billion yen, and the KPI progress rate was 33.4%.

We will continue to support the autonomous growth of our employees and actively develop human resources capable of creating new value.

At the two subsidiary banks of the Group, efforts are being made to visualize employees' skills in terms of combined "knowledge" and "practical skills," and to analyze the relationship between investments in human capital and skills. An overview of these efforts is as follows.

#### Trends in human capital investment (Bank total)



\*1 External lecturer expenses/educational materials expenses

\*2 Personnel expenses for external training and trainee dispatchers and payments to trainee destinations

\*3 Training expenses other than the above (home study system, core learning course fees, qualification incentives, sales qualification examination fees)

### Securing of human resources

In order to achieve sustainable growth, it will be important to work not only on stable new graduate hiring but also on securing human resources with the skills necessary to execute our business strategies in accordance with the expansion of business areas, deepening of consulting functions, and progress in the business strategies, as there is an imbalance in the age structure of the Group's human resources portfolio.

Having recognized this fact, we have been strengthening the mid-career recruiting of highly skilled and specialized, work-ready human resources. The number of hires and the ratio of mid-career hires are both on the rise.

#### Joyo Bank

Based on the results of an analysis of a survey conducted on approximately 1,500 sales employees, we prioritize the allocation of the budget to highly effective training programs and provide incentives for recommended qualifications.

Improvement of skills  
by one level

Improved sales  
performance

Staff working with corporate customers:  
approx. 12% on average  
Staff working with individual customers:  
approx. 8% on average

In addition, we have confirmed that persons who have acquired certain qualifications and/or participated in training tend to improve their skills and sales performance. Characteristics of employees whose skill levels are improving have also been identified.

\*Utilizing "GROW360+," a set of tools provided by the Institution for a Global Society Corporation, used to measure the capabilities of human resources.

#### Ashikaga Bank

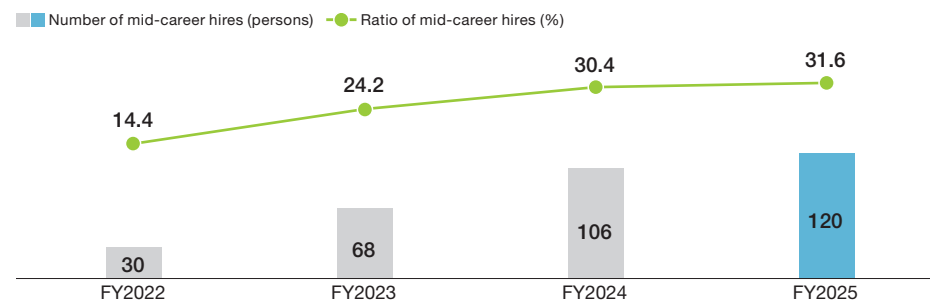
Ashikaga Bank systemized its own model cases for each division into up to five grades, measured the degree of achievement of these grades, and analyzed skill levels and business results. Based on the results of the analysis, the bank is working to build a system that enables a diverse workforce to perform at their best by positioning department-specific model cases as the cornerstone of talent development and supporting a systematic transition to higher grades.

Improvement of skills  
by one level

Improved sales  
performance

Staff working with corporate  
customers: approx. 6% on average  
Staff working with individual  
customers: approx. 19% on average

#### Mid-career hires (Bank total)



\*Number of mid-career hires ÷ Number of annual hires

## Management Base Resilience Strategy

### Promoting DE&I

|                   |                                                                    |       |
|-------------------|--------------------------------------------------------------------|-------|
| Output indicators | Ratio of female employees in assistant manager positions or higher | 39.1% |
|                   | Ratio of female employees in manager positions or higher           | 25.0% |
|                   | Ratio of female employees in senior management positions           | 11.2% |

Based on the Group's human resources portfolio, we recognized that, in order to embody the corporate philosophy and improve corporate value by adapting to rapid changes in the external environment and creating value, it is imperative for the Group to utilize diverse human resources, including women, seniors, and specialized mid-career hires with various experience and to continuously create an environment where they can fully demonstrate their characteristics and abilities.

As part of measures to leverage diverse views and experience and increase candidates for the positions responsible for organizational management and decision-making, we have strengthened initiatives for enhancing opportunities for female employees to actively participate in workplace and for promoting them to higher managerial positions.

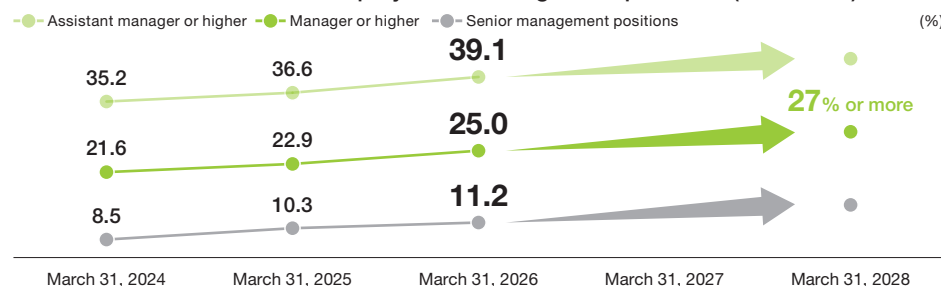
Furthermore, we are working to enhance opportunities for ever increasing senior human resources to actively participate in workplace, in order to draw on their skills and experience.

#### Promotion of women to senior positions

In the Fourth Medium-Term Group Business Plan (FY 2025 to FY2027), the Group will strengthen its efforts by setting "the ratio of female employees in manager positions or higher" as an important KPI in order to promote the promotion of female employees who can take positions closer to management level and reduce the wage gap between male and female employees.

We aim to achieve 30% or higher for this indicator by the end of March 2030, and in the Fourth Medium-term Group Business Plan, to 27% or higher by the end of March 2028.

#### Trends in the ratio of female employees in management positions (Bank total)



#### Output indicators

Gender wage gap

65.1% (regular workers)

#### Status of the gender wage gap

There is no gender wage gap for employees in the same courses, the same positions, or the same lines of work. Efforts are being made to reduce the overall differences arising from the factors below, and the gap among regular workers is narrowing.

##### Regular workers

The main factor is that in terms of personnel composition and age distribution, the ratio of women in high-ranking positions with relatively high salary levels is low. The difference in the average number of years of service between men and women also affects career development and is a factor in the wage gap.

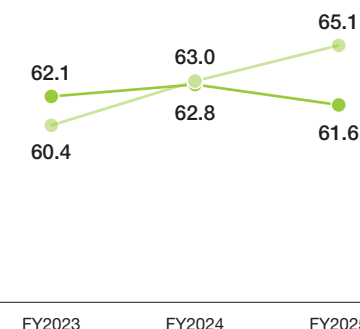
##### Part-time and fixed-term workers

The reason for the gap is that the percentage of part-time and fixed-term workers with relatively high salary levels is high for men, as it includes those who are rehired as contractors in managerial positions or higher after retirement.

Women, on the other hand, make up a large percentage of part-time workers.

#### Trends in the gender wage gap (Bank total)

Regular workers Part-time and fixed-term workers (%)



#### TOPIC Mebuki Gender Diversity Conference

Five female outside directors of the Company and its subsidiary banks took the lead in convening the first Mebuki Gender Diversity Conference. Forty-eight female employees of subsidiary banks participated through an open recruitment process. At the conference, lively exchanges of views were held on the themes of "Understanding of the current situation regarding the promotion of the active participation of women" and "Career paths."

Issues identified based on the opinions expressed have been submitted to the Board of Directors of the Company and its subsidiary banks, and efforts are being made to resolve issues in order to achieve the advancement of DE&I.



## Management Base Resilience Strategy

### Creating a workplace environment where well-being can be truly felt

|                   |                                       |              |
|-------------------|---------------------------------------|--------------|
| Output indicators | Rate of use of childcare leave by men | 100% or more |
|-------------------|---------------------------------------|--------------|

#### Expansion of work-life balance systems and promoting the use of childcare leave by men

In addition to developing and enhancing these systems, such as paid holidays and leave systems and shorter working hour schemes, we are working to deepen company-wide understanding of these same systems so that employees can select their workstyles in tune with life events and balance work and family.

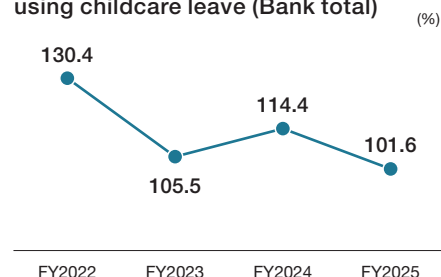
In addition, as the number of dual-income households has increased, promoting the use of childcare leave by men has become an important issue from the perspective of securing human resources. The ratio of male employees taking childcare leave has exceeded 100% since FY2022. The Group will continue to strive to “maintain 100%” moving forward and promote initiatives and awareness-raising to increase the number of days taken.

In order that diverse human resources can work actively in the long term in the Group, we will continue work to develop a pleasant working environment and develop related systems.

#### Related systems for enhancing work-life balance

| Flextime work system                                                                                                                                                                                                          | Working from home                                                                                                                                                 | Second job system                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We have a flexible working system that permits employees to schedule when to start and leave work on their own.                                                                                                               | We have helped our employees work efficiently by leasing them mobile PCs so they can work from home.                                                              | We have introduced a second job system with the aim of enabling employees to improve their own skills, achieve their personal growth, and contribute to local communities in various aspects. (March 31, 2026: 78 person) |
| Self-care leave and wellness leave                                                                                                                                                                                            | Fertility treatment leave system                                                                                                                                  | Work in casual clothes                                                                                                                                                                                                    |
| The Company has expanded its system for paid menstrual leave so that it can be used when it is difficult for an employee to work due to undergoing a complete medical checkup, various health checks, or menopausal symptoms. | The system allows employees to continue to work with a sense of security while receiving fertility treatments. Employees can take leave for two years at maximum. | We have introduced a system that allows employees to work in casual clothes on condition that they choose what to wear according to the time, the place, and the occasion as well as the business settings.               |

#### Trends in the ratio of male employees using childcare leave (Bank total)



The Group was awarded the 3rd level “Eruboshi” certification by the Ministry of Health, Labour and Welfare, as a general employer that conforms with the standards under the Act on the Promotion of Female Participation and Career Advancement in the Workplace. (Joyo Bank and Ashikaga Bank)

The Group has received “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare as a company that provides superior support for childcare to its employees and a company that proactively supports its employees in balancing work and fertility treatment based on the Act on Advancement of Measures to Support Raising Next-Generation Children. (Joyo Bank and Ashikaga Bank)

#### Initiatives for health management

The Group recognizes that, in order for a company to remain healthy, it is essential that each and every employee is healthy both physically and mentally. In accordance with the Health Management Declaration, we have been making efforts to detect diseases at early stage and prevent disease aggravation and the development of lifestyle diseases among employees by offering complete medical checkup and periodic health checkup programs, from the perspective of maintaining and improving their physical health.

In addition, through measures such as the establishment of stress checks and consultation desks for all employees, efforts are being made to detect persons with physical and mental health problems at an early stage, and to maintain and improve their health.

In March 2026, Joyo Bank and Ashikaga Bank were certified as the 2026 Outstanding Organizations of KENKO Investment for Health (large enterprise category) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



#### Initiatives for improving financial wellness

We believe that “realizing prosperous living” for employees by building their assets affects their physical and mental health, and is an important foundation for the growth of both employees and the Group. In order to improve financial wellness, we are working to expand welfare programs that contribute to employees’ asset building over the medium to long term.

#### TOPIC Establishment of the Mebuki Financial Group Employee Stock Ownership Plan

As part of the Company’s 10th anniversary initiatives, we established the Mebuki Financial Group Employee Stock Ownership Plan in July 2026.

By consolidating the employee stock ownership plans of the subsidiary banks that previously existed in parallel, the Group employee stock ownership plan will expand eligibility to employees of all Group companies. Furthermore, the consolidation will serve as an opportunity to increase the incentive grant rate, which is expected to help more employees build their assets and improve their financial wellness.

| Before establishment                                        | After establishment           |
|-------------------------------------------------------------|-------------------------------|
| Eligible                                                    |                               |
| Two subsidiary banks only                                   | All 18 companies in the Group |
| Incentive grant rate                                        |                               |
| 5% to 10% depending on the number of participating accounts | 10% across the board          |

## Management Base Resilience Strategy

### Increasing employee engagement

#### Output Indicators

Engagement survey score

Joyo Bank 75 pt Ashikaga Bank 65%

### Conducting engagement surveys and revitalizing the organization

Both banks conduct engagement surveys to maximize the potential of each employee, create a workplace environment where employees can work with motivation and fulfillment, and improve organizational capabilities. In addition, with the aim of enhancing the cohesive power of the Group and generating Group synergies, we launched a new engagement survey targeting all Group employees.

Through the conduct of regular surveys, the holding of team meetings based on the analysis results, and the formulation and implementation of action plans tailored to the specific circumstances of each workplace, survey scores are showing an upward trend. Through initiatives to improve engagement, the Company will continue initiatives aimed at creating a more rewarding workplace and improving organizational capabilities through an increase in the number of employees who voluntarily work to resolve issues.

#### All Group companies (Tools used: internally developed)

Surveys found that improvement in duties, growth, and management are the key elements for enhancing engagement.

On the other hand, although employees have relatively high loyalty to their individual companies, loyalty to the Group as a whole tends to be relatively low, and this is recognized as an issue. The Group will celebrate its 10th anniversary on October 1, 2026. We will use this as an opportunity to deploy Group-wide measures to foster a sense of unity across the Group and maximize organizational vitality.

- Duties...Sense of suitability for duties (desires and abilities) and the meaning of work (social contribution)
- Growth...Career vision and growth opportunities
- Management...Management leadership, a relationship of trust with management, and the future prospects of the Group

#### Joyo Bank (Tool used: Wevox)

The average for financial institutions of similar size is 68 points, with performance of the bank comparing favorably.

November 2022 (initial survey):  
**71 points**



February 2026:  
**75 points**

Improvements in the "Approval" category are highly likely to lead to improvements in other categories, such as "Personal Growth," "Organizational Culture," and "Interpersonal Relationships." Furthermore, since a positive correlation with sales performance was observed, the next step will be to focus on improving the "Approval" score and strive to create a workplace where employees find fulfillment.

#### Ashikaga Bank (Tool used: Qualtrics Employee XM)

Percentage of positive responses  
to engagement questions

November 2023 (initial survey):  
**52%**



January 2026:  
**65%**

While strengths include "putting value into practice" and "trust in management," issues can be seen in "internal communication" and "career prospects." Therefore, by enriching and strengthening support measures for career development and the realization of career visions, Ashikaga Bank will promote the creation of a workplace environment in which each and every employee can play an active and fulfilling role.

## Management Base Resilience Strategy

### Employee Roundtable Discussion

#### Creating value for local communities through personnel development and workplace passion

One of the main initiatives of the Fourth Medium-Term Group Business Plan is developing and securing human resources for value creation. It is our bank employees, who interact directly with customers on the frontlines, who are tackling increasingly complex regional issues and leading the way in creating value. Bank employees working on the frontlines and the training managers who support their growth discussed the value of community-based consulting and the future of human resources development.



## Management Base Resilience Strategy

### Meeting our customers' expectations through community-based trust and the Group's comprehensive strengths

— First, could you tell us about the strengths of Mebuki Financial Group that you've observed on the job?

**Hamaki** Our strength lies in the trust and customer base we have built as a regional bank. As a result, we often receive requests for advice on how to invest retirement savings. I believe that our goal-based approach—in which we discuss our clients' post-retirement plans and work with them to determine how much they'll need and when, taking into account the longevity of their assets and inflation risks—is helping our clients build their wealth and expanding our assets under custody.

**Gorai** In addition to our deep connections with local customers, I feel that our ability to bring together the expertise of Group companies, specialized departments, and external experts is one of our strengths. Since business and asset succession involve complex tax and legal issues, carefully planning each step while seeking advice from experts is key to moving the process forward.

**Kashimura** Another strength is our ability to provide end-to-end solutions for a company's key business resources: people, goods, money, and information. For customers considering capital investments, I believe our ability to provide comprehensive, cross-Group support—from introducing public assistance programs such as grants to drafting investment plans and developing financing strategies that combine loans and leases—was a form of support that truly embodies the Mebuki Financial Group spirit.



**Misaki Gorai**

Joyo Bank  
Assistant Manager, Wealth Advisory Group, Consulting Business Division  
Also gained experience in the corporate sector after working as a life plan advisor at a branch. Currently involved in providing integrated support for both corporations and individuals, with a focus on business succession and personal asset succession.

**Kato** In addition, our community-based network and collaboration with external partners are also major strengths of ours. One case that stands out in my memory is a major project involving an MBO and business succession at an iconic local company. Although the company is doing well now, I believe it is precisely because our senior colleagues continued to provide support during those difficult times that we were able to secure a major project like this one. How can we provide support not only when the company is doing well, but also during difficult times? I truly realized that this is what builds trust in the next generation.

### Moving beyond being merely a money provider to become a partner who supports both business and life

— How has the role of bank employees, as expected by customers, been changing?

**Takahashi** In the corporate sector, we are expected to play a role in supporting our clients' growth. I believe that the role expected of regional banks going forward is not simply to propose loans and financial products based solely on the bank's own interests, but rather to share our customers' vision for growth and work together with them to develop strategies for the future.

**Tano** For individual customers as well, banks are evolving from mere money providers to partners who accompany them throughout their lives. Rather than simply providing products and services, we need to view life events and assets as a unified whole and work together to consider not how much to save, but how to live. I believe that the ability to uncover the true root cause of a customer's concerns is what will be required of bankers in the future.

**Ojima** Many of Joyo Bank's customers are involved in business activities, such as running their own companies. A company owner is both a business leader and the head of a household. There are many situations in which people are faced with difficult choices, such as the succession of company stock and personal assets. I believe that our role is not to view corporations and individuals separately, but to support the sustainable growth of household assets as a whole.



**Shunya Kato**

Ashikaga Bank  
Manager, Solution Leader, Business Development Group, Tochigi Branch  
As a member of the Corporate Consulting Department and the Tochigi Branch, accompanies branch representatives on client visits and handles consulting sales for both corporate and individual clients. Also coordinates with headquarters and external partners.

**Kawamura** I strongly feel that we are expected to play the role of a partner who delves deep into our clients' business models and works alongside them to solve their challenges.

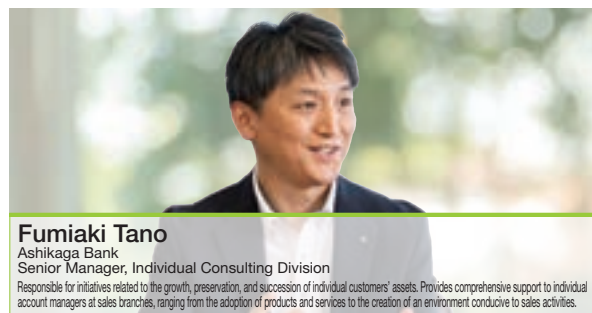
Currently, local businesses are facing challenges that are more complex than ever before, including soaring raw material prices, labor shortages, and business succession. That is precisely why it is essential to go beyond simply providing funding and gain a deep understanding of our clients, from their external environment and organizational structure to their finances and even their onsite business processes. I believe that a business plan, crafted through repeated dialogue with our clients and backed by concrete data, is not merely a document, but a roadmap for sharing a vision of the future and moving forward together.

### Supporting on-the-job learning through development programs

— In what kinds of situations do you feel you're growing?

**Hamaki** Through group training sessions organized by the head office, I learn sales rules, product knowledge, and sales techniques, and on the job, I'm learning from my supervisors and senior colleagues how to build trusting relationships and identify customer needs. I learn through training, put it into practice on the job, and reflect on it. Repeating this process helped me improve my proposal skills, and when I was able to build on my senior colleagues' proposals to achieve results in the area of testamentary trusts, I truly felt that I had grown.

## Management Base Resilience Strategy



**Tano** The Block Retail Sales Division is what supports the on-the-job learning that Hamaki described. The department itself serves as a kind of training program. In the past, there were only a handful of personal wealth management specialists assigned to each branch, so the number of people I could turn to for advice or with whom I could learn and grow was limited. We have now consolidated our staff and are maintaining a cycle of training, hands-on practice, and reflection as part of our daily routine, while sharing knowledge and experience. At each branch, staff are working with a focus on how they can best serve customers in their local communities.

**Kato** The Corporate Consulting Division holds a monthly meeting for its members. Meeting senior and junior colleagues working at various branches inspired me, and I took advantage of the certification support program to receive the 1st grade Certified Skilled Professional of Financial Planning. Certification boosts my confidence and motivates me to apply what I've learned when making proposals to clients.

**Takahashi** In the corporate banking sector, raising the overall skill level of young bank employees is a key challenge. To enhance our ability to listen carefully to our clients, identify their challenges, and develop proposals that combine financial expertise with support for their core business, we conduct training sessions that use real-world case studies as a basis for discussion. It seems that having solution leaders like Kato who are active on the frontlines serve as instructors is a major source of inspiration for young employees.

## Mebuki Financial Group's HR development turns experiences of challenge into organizational insights

— What opportunities are there to take on new challenges and broaden your expertise?

**Gorai** After working in asset management as a life planning advisor, I also gained experience in lending by participating in a publicly offered training program for business analysts. Having gained experience in both asset management and business lending, I feel that I've developed the ability to view our clients' challenges from multiple perspectives. In addition to establishing connections that allow us to consult with the head office and branches, I am honing my ability to apply my knowledge to develop proposals through on-the-job training and role-playing exercises.

**Kawamura** The open recruitment trainee program is positioned as a form of on-the-job training outside the company, serving as a counterpart to the systematic development led by the Personnel Division. The challenge is to ensure that the skills bank employees have acquired through external training are not limited to individual experience, but are incorporated into the organization's skill set to enhance their reproducibility. Through training sessions led by our own instructors and on-the-job training in the field, we are working to build a system that allows us to deliver value to more customers.

**Kashimura** I joined the bank through mid-career recruitment and was seconded to the Development Bank of Japan for one year during my second year. Being able



to learn advanced skills in corporate analysis and finance through hands-on work was a valuable experience, and I don't think there are many companies that offer such opportunities to employees who have just changed jobs. In addition, the Consulting Business Division shares a wide range of case studies, and the fact that individual experiences are being transformed into organizational insights is a major strength.

**Ojima** Joyo Bank's open recruitment trainee program is a system in which employees volunteer to participate based on the career plans they have drawn up themselves. The options for external secondments are increasing year by year, and there are bank employees, like Kashimura, who gain experience outside the bank. However, in the end, what really matters is one's character. No matter how much expertise you have, you won't be able to demonstrate your value unless customers and branch offices feel they want to consult with you.

## Communication skills and comprehensive proposal capabilities: what's needed in the age of AI

— What kind of consulting do you want to provide going forward?

**Kato** I see my role as serving as a bridge between our clients, external partners, and the specialized departments within the bank. However, it is crucial not to connect them to wrong counterparties. I want to hone my ability to listen to what clients are truly thinking within a



## Management Base Resilience Strategy



limited timeframe and get to the root of their challenges. I want to respond flexibly to our customers' feedback and use it to help solve their problems.

**Kashimura** Precisely because we are living in an era of rapid AI advancement, I believe our value—as a company deeply rooted in the community that applies its expertise with a thorough understanding of our customers' specific circumstances—is actually increasing. If there are 100 companies, there are 100 different answers. That is precisely why we need to visit our customers in person and gather their firsthand feedback and information before proceeding. I think that's where we differ from AI, and it's the area where we can really showcase our strengths.

**Gorai** Due to the declining birthrate, aging population, and the advancement of DX, the challenges our customers face are becoming increasingly complex. Precisely because we live in an era where AI is widely used, we aim to provide consulting services that identify potential issues through dialogue with our clients and take a holistic view of challenges related to business succession, asset succession, management, and family matters. At branches, asset management and corporate banking are sometimes handled by different teams, but if we can integrate these functions, we should be able to generate greater synergies. I want to be someone who helps everyone at the branch feel that broader perspective.

**Hamaki** Going forward, I would like to continue taking advantage of training and career support to acquire a broad range of knowledge, not only in asset management but also in areas such as asset succession services.

Customer needs are becoming increasingly diverse, and there is a growing demand for comprehensive consulting services that take into account not only financial product recommendations but also life planning, family circumstances, and loans. I want to put what I've learned into practice on the job and further improve my ability to make proposals.

### Striving to build an organization that continually takes on challenges proactively

— Finally, could you tell us about the future of human resources development and organization-building?

**Kawamura** To further support self-motivated career building, it is important to expand opportunities to work on head office projects, such as through in-house side jobs, and for the personnel departments and business departments to collaborate on employee development. Even as AI continues to gain prominence, staying close to our customers and giving them a helping hand is a value that only humans can provide. We intend to focus on human resource development while employees continue to update their knowledge.

**Ojima** I aim to continue providing proposals that take a comprehensive view of total assets, including both corporate and personal assets, and address business and family challenges holistically. There is no single, predefined answer, and there are as many different perspectives as there are business owners and family members. Ultimately, it comes down to person-to-person interaction, and I believe it's important to be someone



whom people feel they want to consult with because of you, rather than just because you're a bank employee.

**Takahashi** In addition to self-motivated career building, we need to change the work environment to make it more comfortable. While there are many young female bank employees working in corporate banking, it can be challenging for them to continue working while raising children. Going forward, I would like to explore systems where multiple staff members work together to support a single client, as well as systems where cross-branch project teams handle projects. I also believe it's important to focus not just on short-term numbers, but on how much we've enhanced value for our customers, and to create an environment where we can turn failures into opportunities for growth.

**Tano** When it comes to human resource development, it is essential to consider the ideal employee profile, the development framework, an environment that encourages continuous challenge, and the evaluation system as an integrated whole. We are looking for people who not only possess product knowledge and sales experience but can also empathize with customers and provide the best possible solutions by connecting them with experts as needed. I want to establish a system that recognizes not only the challenge itself but also the process of working toward achieving it.

## Management Base Resilience Strategy

Add value through DX

Promote alliances

Strengthen human capital  
and promote DE&IAdvance risk  
managementEnhance corporate value  
through capital management

# Advance risk management

Materiality ▶

Strengthen management base for  
value creation

We are strengthening our management base supporting value creation by enhancing risk management adapted to environmental changes.

## Major initiatives

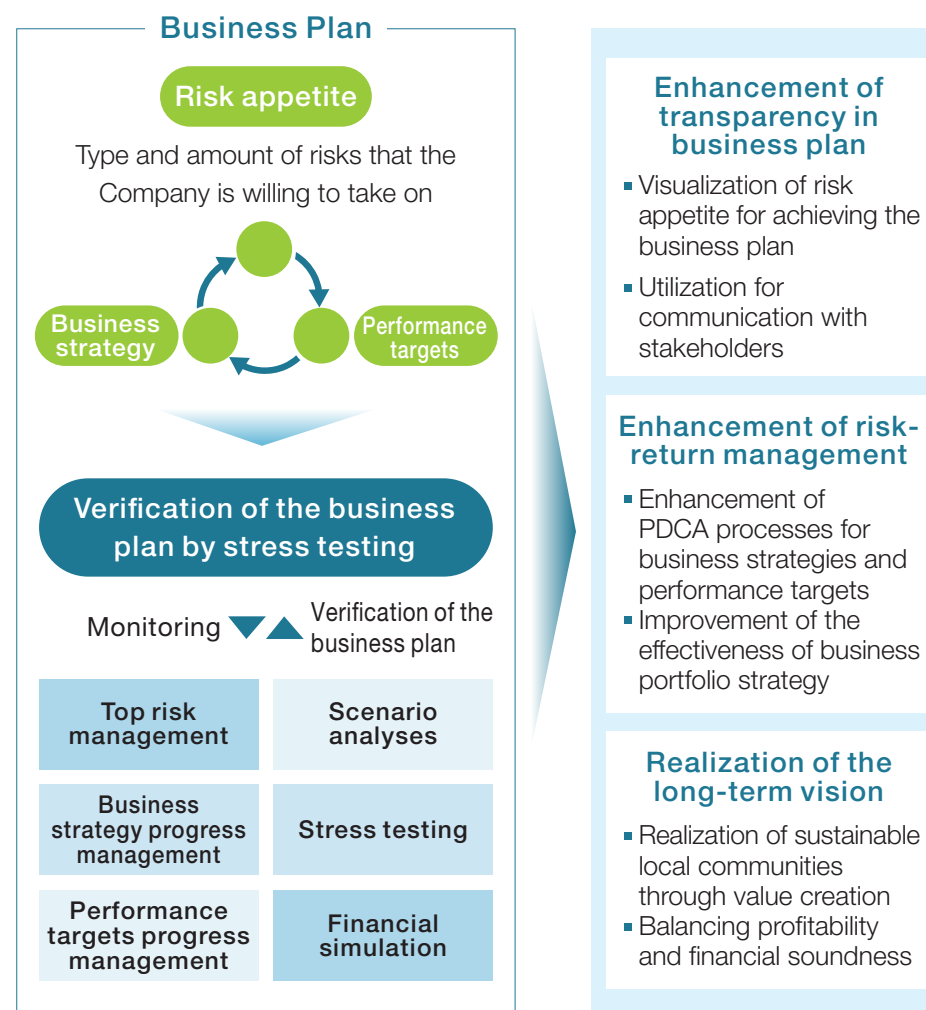
### A Advancement of RAF management

- Use of risk appetite indicators (RORA, RWA, etc.) in business portfolio strategy
- Strengthening management base by improving risk management and ALM operations in response to rising interest rates

### B Enhancement of the group risk management system

- Strengthening cross-organizational information security and cybersecurity management systems
- Development of systems to ensure operational resilience
- Enhancement of measures for anti-money laundering and combating the financing of terrorism
- Strengthening response to financial crime
- Addressing opportunities and risks related to climate change and natural capital (TCFD, TNFD, etc.)

| Major initiatives                                        | Outputs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A Advancement of RAF Management</b>                   | <ul style="list-style-type: none"> <li>■ Selection of top risks</li> <li>■ Clarification of risk-taking plans based on RORA and stress test results (in the areas of risk-taking, risk control-focused areas, and risk mitigation areas)</li> <li>■ Utilization in the Business Portfolio Strategy, optimal allocation of management resources, and achievement of earnings plans</li> </ul>                                                                                                                                                                                                                           |
| <b>B Enhancement of the group risk management system</b> | <ul style="list-style-type: none"> <li>■ Establishment of a new department responsible for cybersecurity measures (the Cybersecurity Management Group) to strengthen initiatives for cybersecurity</li> <li>■ Development of systems to ensure operational resilience</li> <li>■ Implementation of various measures based on the AML/CFT Programs</li> <li>■ Implementation of timely alerts to prevent financial crime</li> <li>■ Implementation of measures aimed at achieving carbon neutrality</li> <li>■ Support for decarbonization initiatives for regional business operators and local governments</li> </ul> |



## Management Base Resilience Strategy

### Advancement of RAF management

#### Risk Appetite Framework (RAF)

We have introduced and implemented a risk appetite framework (RAF) to ensure both sustainable growth and sound management. RAF is a mechanism that clarifies the types and amounts of risks that the Group is willing to take on, and integrates management strategy and risk management.

By setting levels such as RORA, RWA, and RACAR as risk appetite indicators, the Company aims to improve capital efficiency by visualizing its risk appetite toward achieving the business plan and promoting appropriate risk-taking with an awareness of risk-return through quantitative monitoring.

- RORA\* (based on core business gross profit)  
3.5%  
(+0.4%pt year on year)
- RWA (business segment total)  
¥6,120.8 bn  
(+¥130.4 bn year on year)

\* Business segment total calculated based on core business gross profit/RWA (P.49)

#### Improvement of the effectiveness of the business portfolio strategy from RAF utilization

Under the business portfolio strategy of the Fourth Medium-Term Group Business Plan, business segments will be divided into six categories and further divided into three focus areas based on their characteristics: risk-taking, RORA, and risk control. This approach establishes the direction of our initiatives aimed at driving growth for each business and improving RORA.

When formulating the Medium-Term Group Business Plan and earnings plans for each fiscal year, we set risk appetite indicators for each business segment. We aim to enhance the effectiveness of our business portfolio strategy through monitoring to assess the balance between risks and returns and by taking appropriate actions, such as revising strategies, as needed. We also utilize this information to allocate management resources, such as investments and personnel assignments, in light of future environmental changes and trends in returns and risks.

By integrating business strategy, financial strategy, and risk management, we aim to enhance corporate value through the realization of sustainable and stable earnings.

### Top risks

Of the risk events that have an impact on the Company's management and strategies, those deemed particularly significant in terms of their likelihood, potential impact, or level of attention are designated as top risks by the Board of Directors. For these top risks, we implement predictive management and risk control measures based on risk scenarios. The top risks that we are currently aware of are indicated below. Each year, the Board of Directors determines whether a revision is necessary in light of changes in the internal and external environment.

- Decline of local economies and communities
- Changes in values of workstyles and difficulty in securing human resources
- Rapid progress of digitalization and intensifying competition in banking services
- Delay in response to climate change and environmental issues
- Emergence of political instability and geopolitical risks across countries
- Rapid economic downturns and large fluctuations in market interest rates
- Occurrence of cyber attacks and large-scale system failure
- Occurrence of large-scale earthquake, wind and flood damage, etc.
- Delay in measures against financial crime, occurrence of misconduct, etc.
- Occurrence of business activities that run counter to customer-oriented business operations

(P.102)

#### Strengthening management base by improving risk management and ALM operations in response to rising interest rates

In order to respond flexibly and promptly to changes in the business environment, we are focusing on enhancing asset liability management (ALM) operations. In ALM operations, we work to optimize our medium- to long-term earnings structure in light of changes in interest rates and market conditions. At the same time, we work to strengthen management of the composition and duration of assets and liabilities to reinforce our management base that supports stable earnings and sustainable growth.

In formulating the business plan, financial simulations and stress testing are conducted using multiple scenarios to assess the likelihood of achieving targeted profit levels, verify financial soundness, and evaluate impacts on the risk amount. Through this process, we verify the appropriateness of our risk-taking.

We will maintain and enhance the soundness of management through the enhancement of RAF operations.

## Management Base Resilience Strategy

### Enhancement of the group risk management system

#### Strengthening cross-organizational information security and cybersecurity management systems

##### Basic policy

Positioning cybersecurity as a key issue, the Group has built a company-wide system with the involvement of the management team and responds to threats based on the following basic policy.

##### 1. Objective

Our Group is responsible for providing critical social infrastructure to customers and local communities through the provision of financial services, and we recognize that a business interruption resulting from a cyber incident risks having a significant impact on the credibility of the financial system. We aim to protect customers and improve the Group's resilience by appropriately implementing cybersecurity measures.

##### 2. Exercise of governance

Management will exercise business leadership to establish and operate an active cybersecurity management system across the entire organization.

##### 3. The system and its operation

The cybersecurity management system is based on the Three Lines of Defense System.\* We will develop a coherent management system tailored to the size and characteristics of each company within our Group.

\*Three Lines of Defense System: Effective governance is achieved by classifying organizations into Line 1 (business divisions), Line 2 (administrative divisions), and Line 3 (internal audit divisions), and clarifying the roles and responsibilities of each.

##### 4. Risk-based approach

In developing the cybersecurity management system, we will allocate resources in an optimal manner according to the business environment, risk tolerance, importance and urgency faced by each Group company.

##### 5. Continuous improvement

Based on changes in the internal and external environment (including requirements from stakeholders such as customers, local communities, shareholders, and regulatory authorities, as well as changes in laws and regulations), audit findings, and lessons learned from incidents (including relevant cases that occurred at other companies), we will proactively review our cybersecurity management framework as a matter of routine.

##### Internal system for cybersecurity

Our Group has been strengthening cybersecurity measures to respond to the threat of cyber attacks, which become increasingly advanced and sophisticated day by day. In order

to strengthen the cybersecurity management system of the entire Group, the Company has established the Cybersecurity Management Group within the System Management Department and Cybersecurity Promotion Office within the systems departments of subsidiary banks. Our subsidiary banks have established the Joyo Computer Security Incident Response Team (CSIRT) and the Ashigin CSIRT as cross-departmental cybersecurity response organizations. They work closely together to collect, analyze, and investigate cyber attack-related threat information. Under our system for cybersecurity, in the event of a serious incident, a task force will be established with involvement from the management team to minimize damage and achieve an early recovery through rapid response. Moreover, to ensure that appropriate control by the management team is implemented, we regularly report cybersecurity status to the management team.

##### Management of external contractors

Upon the outsourcing of new work to an external contractor, we evaluate the security measures taken by the contractor or subcontractor in line with our Rules for Management of External Contractors. We conduct evaluations not only at the time of consignment but also regularly in cycles according to the importance of the outsourced work.

##### Information leak countermeasures

We implement the following multi-layered defenses against cyber attacks to protect important information provided by our customers.

- ① The internal network and the Internet are separated to prevent unauthorized external access to the former.
- ② Anti-virus software is installed to prevent penetration by computer viruses and other unauthorized programs.
- ③ Firewalls, the Intrusion Prevention System (IPS), and the Web Application Firewall (WAF), a tool to protect against attacks that target web app vulnerabilities, are installed for the prevention and monitoring of unauthorized access.

## Management Base Resilience Strategy

### Measures to protect customer assets

We undertake the following measures to protect our customers' assets from fraud and unauthorized use.

- ① To combat phishing scams, which have been rapidly increasing in recent years, we have introduced a phishing site detection and closure service. When a phishing site is detected, we take immediate action to shut it down and prevent damage from spreading to our customers.
- ② We have installed a system that periodically conducts vulnerability assessments to detect and block unauthorized access with the aim of preventing unauthorized use of Internet banking and related apps. To ensure safer Internet banking for our customers, we also provide security software at no charge.
- ③ We regularly alert customers via e-mail newsletters, banking app notification functions, and other means to enable customers to gain a deeper understanding of fraud and unauthorized use that have become increasingly sophisticated. Moreover, we post information including fraud and unauthorized use techniques, suspicious e-mails, and short messages claiming to be from financial institutions on our website.

### Education and training for officers and employees of the Group

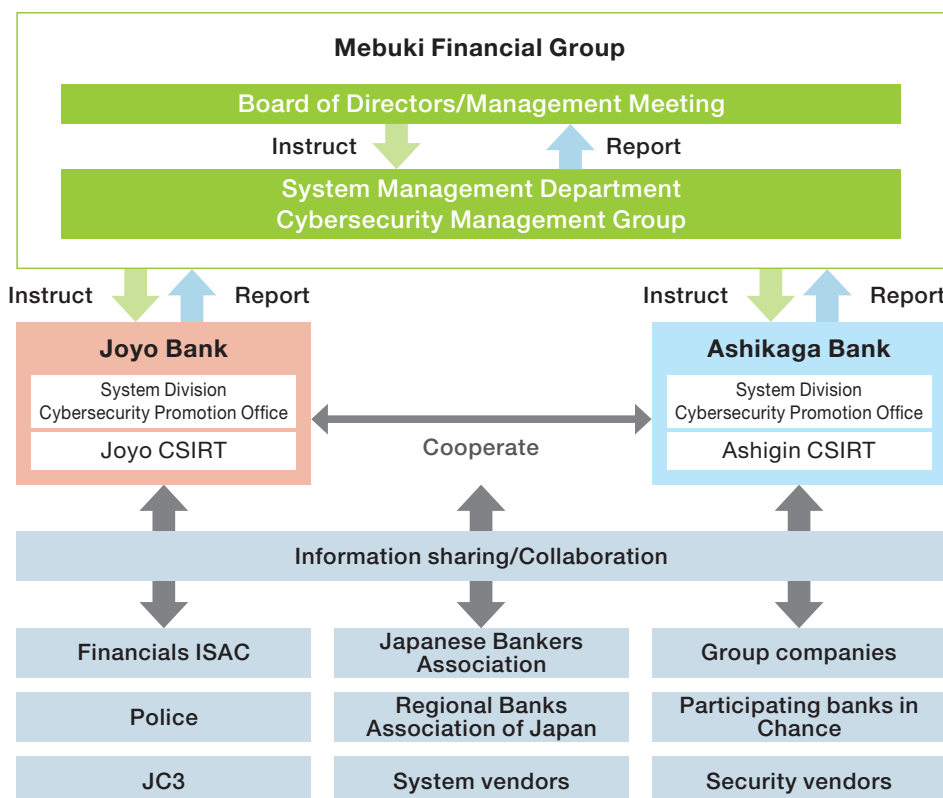
We are implementing the following measures to maintain and enhance the cybersecurity literacy of all Group officers and employees.

- ① For training purposes, simulated suspicious e-mails are sent to all internet e-mail address holders on an irregular basis to check whether the recipients can respond appropriately.
- ② Tests are conducted periodically to gauge the level of cybersecurity knowledge and understanding.
- ③ News concerning security is regularly distributed to enhance cybersecurity knowledge.
- ④ Cybersecurity training is provided for new bank employees to ensure swift acquisition of cybersecurity knowledge bank employees must have.

### Bolstering collaboration with external institutions

We jointly operate Chance-CSIRT with banks participating in the Regional Banks' Partnership System "Chance," which utilizes a common banking system. In this organization, we regularly exchange information, participate in seminars, and collaborate in dealing with incidents. The Group is also a member of the Financials Information Sharing and Analysis Center (ISAC) Japan, a cybersecurity information collaboration organization for financial institutions, and the Japan Cybercrime Control Center (JC3), and conducts information gathering activities. Moreover, we actively participate in training sessions organized by Japan's Financial Services Agency (FSA), Financials ISAC Japan, and the National Cybersecurity Office (NCO) to reinforce our ability to respond in the event of an incident.

#### Cybersecurity Management System



## Management Base Resilience Strategy

### Development of systems to ensure operational resilience

We have established the framework for the continuity or early recovery of important business operations including the repayment of deposits, fund transfer and remittance upon facing a crisis such as a system failure or natural disaster, as well as limiting human and physical damage to the minimum extent possible. In addition, in order to improve the effectiveness of responses in the event of a crisis, efforts are made to conduct regular drills and review the business continuity plan based on the lessons learned from the events that occurred.

On the other hand, in recent years, the business environment of financial institutions has been changing, including increased reliance on IT systems and wider use of cloud services. In addition, the risk environment has been evolving rapidly, including the increasing complexity of cyber attacks, the intensification of wind and flood damage, and the spread of infectious diseases. In order to respond to such changes in the environment, we will continue to inspect and revise our crisis management system and strive to improve our operational resilience.

### Enhancement of measures for anti-money laundering and combating the financing of terrorism

The Group acknowledges anti-money laundering, combating the financing of terrorism (AML/CFT), and preventing violations of sanctions as its key responsibility based on requests from the international community and one of the important tasks in its management strategy. Thus, we formulated the Policy for Anti-Money Laundering, Combating the Financing of Terrorism, and Preventing Violations of Sanctions to take measures for anti-money laundering, etc. To ensure the effective implementation of AML/CFT for the companies within the Group, we appoint the director in charge of the Corporate Management Department as the Group head AML/CFT officer.

In addition, each of the companies within the Group appoints, among the directors, the head AML/CFT officer who is in charge of risk management of AML/CFT.

The companies within the Group formulate AML/CFT Programs as an annual plan to enhance the risk management of AML/CFT, based on the Group's Basic Policy for Anti-Money Laundering formulated by the Company for each fiscal year. From the perspective of promoting the Programs on a group-wide basis, we revise the risk assessment document based on the analyses of recent suspicious transactions and other relevant factors, and

hold the Group Money Laundering Countermeasures Liaison Meeting every quarter to verify the implementation status and effectiveness of the Programs.

Our Group has positioned financial crime, which is a serious social issue, as a risk that requires priority measures, and is working to enhance countermeasures. The Joyo Bank and the Ashikaga Bank are making efforts to raise awareness of special fraud and prevent damage by cooperating with prefectural police departments and financial institutions in their respective regions.

While advances in ICT technology have made financial services more convenient, the techniques of financial criminals have become more sophisticated and diverse. In FY2025, to enhance measures against fraudulent use in non-face-to-face transactions, we implemented Detecker (hereinafter "the Platform"), a fraud detection platform provided by ACSION, Ltd., and commenced detecting unauthorized access and fraudulent use in our retail internet banking and online account opening services. (Table below: Excerpt from news release on May 25, 2026)

#### Service Overview

|                    |                                                                                                                                                                                                                                                                                                                            |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Introduced service | <p>"Detecker" fraud detection platform</p> <p>*"Detecker" is a registered trade mark of ACSION, Ltd.</p>                                                                                                                                                                                                                   |
| Service Overview   | <p>Detection of the following types of access and transactions in online transactions</p> <ul style="list-style-type: none"> <li>• Unauthorized access to and transactions with internet banking services through third party spoofing, etc.</li> <li>• Online applications to open accounts for fraudulent use</li> </ul> |

## Management Base Resilience Strategy

### Strengthened cooperation with local communities and prefectural police departments to respond to financial crime

In 2025, in addition to the damage caused by investment and romance scams conducted via social media that were rampant in the previous year, the damage caused by so-called “theater-style scams” that included criminals impersonating police officers also spread to young people, and the total amount of damage nationwide exceeded ¥320 billion. In both Ibaraki and Tochigi Prefectures, fraud damages continue to reach record-high levels.

Under these circumstances, the Group is working to further strengthen cooperation with local communities and prefectural police departments to protect customers' assets from the cowardly techniques of criminal groups.

Since July 2024, Joyo Bank, in cooperation with the Ibaraki Prefectural Police and financial institutions in Ibaraki Prefecture, has been implementing the following measures as “Measures to Strengthen Defenses against Crime.”

- Distribution of videos (via YouTube, etc.) raising awareness of special fraud
- Sharing customer information suspected to be related to fraud with the Ibaraki Prefectural Police
- Raising awareness of financial crime countermeasures through financial education for middle and high school students

Through regular exchanges of information with the Tochigi Prefectural Police and financial institutions in Tochigi Prefecture, Ashikaga Bank is developing the following financial crime countermeasures as a community-wide initiative.

- In-store broadcasting of an anti-fraud awareness video supervised by the Tochigi Prefectural Police
- Distribution of anti-fraud flyers and eco-bags in collaboration with the Tochigi Prefectural Police
- Sharing customer information suspected to be related to fraud with the Tochigi Prefectural Police

### Raising awareness among customers

Our Group is currently issuing warnings through various media channels to prevent our customers from becoming victims of fraud.

In December 2025, Joyo Bank cooperated with prefectural police to conduct a “Campaign to Prevent Damage from Fake Telephone Fraud” at all of its branches. The bank also used banking apps, e-mail newsletters, and other media to send out messages to raise awareness.

From November 2025 to the end of the same year, Ashikaga Bank, in cooperation with the Tochigi Prefectural Police, displayed a “Fraud Damage Prevention” notice on its ATM screens to alert customers using ATMs.

### Joyo Bank On the Campaign to Prevent Damage from Fake Telephone Fraud

Given the tendency for the number of special fraud cases to rise nationwide at the end of the year, Joyo Bank issued a leaflet jointly produced with the Ibaraki Prefectural Police in December 2025 to alert all customers using its branches about “support scams” that have seen a rapid increase in the number of cases, as well as “social media investment scams,” which have caused a large amount of damage on a per-case basis.

At the same time, the bank disseminated information on how to block international calls, which is an effective method to prevent fraud.



### Ashikaga Bank “Wait!”: New function to prevent scams at ATMs

In an effort to stem the rapid increase in fraud, Ashikaga Bank cooperated with the Tochigi Prefectural Police on a campaign in November 2025, and began displaying a message on its ATM screens to help prevent fraud. According to the prefectural police, about 30% of special fraud cases involve the use of ATMs. Therefore, when transferring money or withdrawing money from the bank's ATMs, a message appears on the ATM screens, warning customers to be cautious of phrases such as “It's easy money” and “Don't tell anyone.” Customers are required to press a confirmation button at the end to encourage them to pay attention to the issue in an effort to prevent fraud.



# Creating Impact Through Business Activities

## What is the Impact Pathway?

It is a visualization of what results (output) our group's business activities bring to our group and what changes and impacts (outcomes/social impact) they cause on stakeholders and society.

The Group is generating both social value (social impact) and economic value as it moves forward with initiatives involving a fusion of basic strategies stipulated within the Fourth Medium-Term Group Business Plan (Social Issues Solution Strategy, Business Portfolio Strategy, and Management Base Resilience Strategy) with materiality. The impact pathway provided below shows how social impacts will be created for stakeholders, starting from the main initiatives contained within our Social Issues Solution Strategy.

| Individual Strategies of the Fourth Medium-Term Group Business Plan |                                                                                                      |                         | Materiality to be resolved                                                                                                                          | Major initiatives                                                                                | Outputs                                                                                                                                                                                                                                   | Main KPIs                                                                                                                      | Stakeholders                                                                                  | Outcomes                                                                                                                                                                                                                                                                                                                                    | Social impact<br>- Social change -                                                                                                            |  |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                     |                                                                                                      |                         |                                                                                                                                                     |                                                                                                  |                                                                                                                                                                                                                                           |                                                                                                                                |                                                                                               | Impacts                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                               |  |
| Social Issues Solution Strategy                                     | Provide solutions to support the growth of business operators                                        |                         |  Support the growth of local industries                            | Support for start-ups                                                                            | Number of projects/<br>Startup investment amount                                                                                                                                                                                          | Balance of local corporate loans (average balance)<br>Fees from corporate customers (Bank total)                               | Corporate customers                                                                           | Improving profitability and productivity, strengthening management base, and expanding business                                                                                                                                                                                                                                             | Expansion of quantified contribution (value-added amounts) to the local economy<br>▽<br>Set as business objectives (social impact indicators) |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Support for funding and sales channel expansion                                                  | Business planning support and business succession consulting profit<br>Number of paid business matching contracts                                                                                                                         |                                                                                                                                |                                                                                               | Improving profitability, strengthening the management base, and creating new business opportunities and employment                                                                                                                                                                                                                          |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Support for labor shortage                                                                       | Number of applications for personnel introduction                                                                                                                                                                                         |                                                                                                                                |                                                                                               | Continuing business, improving productivity, and job creation                                                                                                                                                                                                                                                                               |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Support for improving and restructuring business                                                 | Number of customers for whom business improvement plans have been developed<br>Number of borrowers with improved credit standing                                                                                                          |                                                                                                                                |                                                                                               | Improving profitability, continuing business, and maintaining employment                                                                                                                                                                                                                                                                    |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Business succession M&A support                                                                  | Number of M&A contracts                                                                                                                                                                                                                   |                                                                                                                                |                                                                                               | Maintaining employment, continuing business, and expanding business                                                                                                                                                                                                                                                                         |                                                                                                                                               |  |
|                                                                     | Support to prepare for 100-year Life                                                                 |                         |  Contribute to a safe and prosperous lifestyle                   | One-stop provision of financial and non-financial services that support customers' life planning | Balance of customer assets under custody (Banks and securities)<br>Number of testamentary trust acceptance cases<br>Amount of housing loans executed<br>Amount in terms of the disbursement of educational loans, private car loans, etc. | Balance of customer assets under custody (Banks and securities)<br>Balance of loans for individual customers (Average balance) | Individual customers                                                                          | Achievement of asset building, improvement in a sense of well-being with home ownership, more opportunities for further education, improvement of happiness levels resulting from the enhancement of "Second Life", improving satisfaction of succeeding generations and households, and improvement of accessibility to financial services | Improvement of local residents' affluence                                                                                                     |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Improving transaction convenience                                                                | Penetration rate of banking apps                                                                                                                                                                                                          |                                                                                                                                |                                                                                               | Improvement of accessibility to financial services                                                                                                                                                                                                                                                                                          |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Strengthening efforts to improve financial literacy                                              | Number of financial education programs implemented                                                                                                                                                                                        |                                                                                                                                |                                                                                               | Improvement of financial literacy                                                                                                                                                                                                                                                                                                           |                                                                                                                                               |  |
|                                                                     | Assist the sustainability of local communities - Enhancing initiatives for regional revitalization - | Regional revitalization |                                                                                                                                                     | Maintaining and strengthening regional supply chains                                             | Number of cases of support for attracting companies to local areas                                                                                                                                                                        | Amount of sustainable finance provided                                                                                         | Corporate customers<br>Local governments<br>Local residents                                   | Regional revitalization                                                                                                                                                                                                                                                                                                                     |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Support for maintenance, renewal, and reconstruction of regional infrastructure                  | Amount of sustainable finance (social sector) provided                                                                                                                                                                                    |                                                                                                                                |                                                                                               | Maintenance of local healthcare and reduction of medical and nursing care refugees, and the resolution of aging public infrastructure issues                                                                                                                                                                                                |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Promoting cashless payments and DX in local communities                                          | Volume of sales at Mebuki Card member stores<br>Number of Mebuki Card member stores                                                                                                                                                       |                                                                                                                                | Local governments<br>Local residents                                                          | Improving productivity and convenience thanks to the move to cashless transactions                                                                                                                                                                                                                                                          |                                                                                                                                               |  |
|                                                                     |                                                                                                      |                         |                                                                                                                                                     | Utilization and succession of regional assets                                                    | Expansion of sales channels for local products, public relations, and support for new product development                                                                                                                                 |                                                                                                                                | Corporate customers<br>Local governments<br>Local residents                                   | Strengthening of regional brand power                                                                                                                                                                                                                                                                                                       |                                                                                                                                               |  |
|                                                                     | Regional decarbonization                                                                             |                         |  Contribute to decarbonized society and environment conservation | Support aimed at the decarbonization of the region                                               | Amount in terms of execution of sustainable finance (environment sector)<br>Renewable energy power generation through electricity business                                                                                                |                                                                                                                                | Individual and corporate customers<br>Local residents<br>Local governments<br>Natural capital | CO <sub>2</sub> emissions reduction of recipient companies<br>Promoting efforts toward environmental conservation by recipient companies<br>Expanding GX-related business<br>Increased opportunities to use renewable energy                                                                                                                | Reduction of environmental footprint                                                                                                          |  |

## Creating Impact Through Business Activities

### Added value as a social impact indicator

Added value is used as an indicator to quantitatively measure social impact in “Provide solutions to promote the growth of businesses,” which is one of the specific strategies.

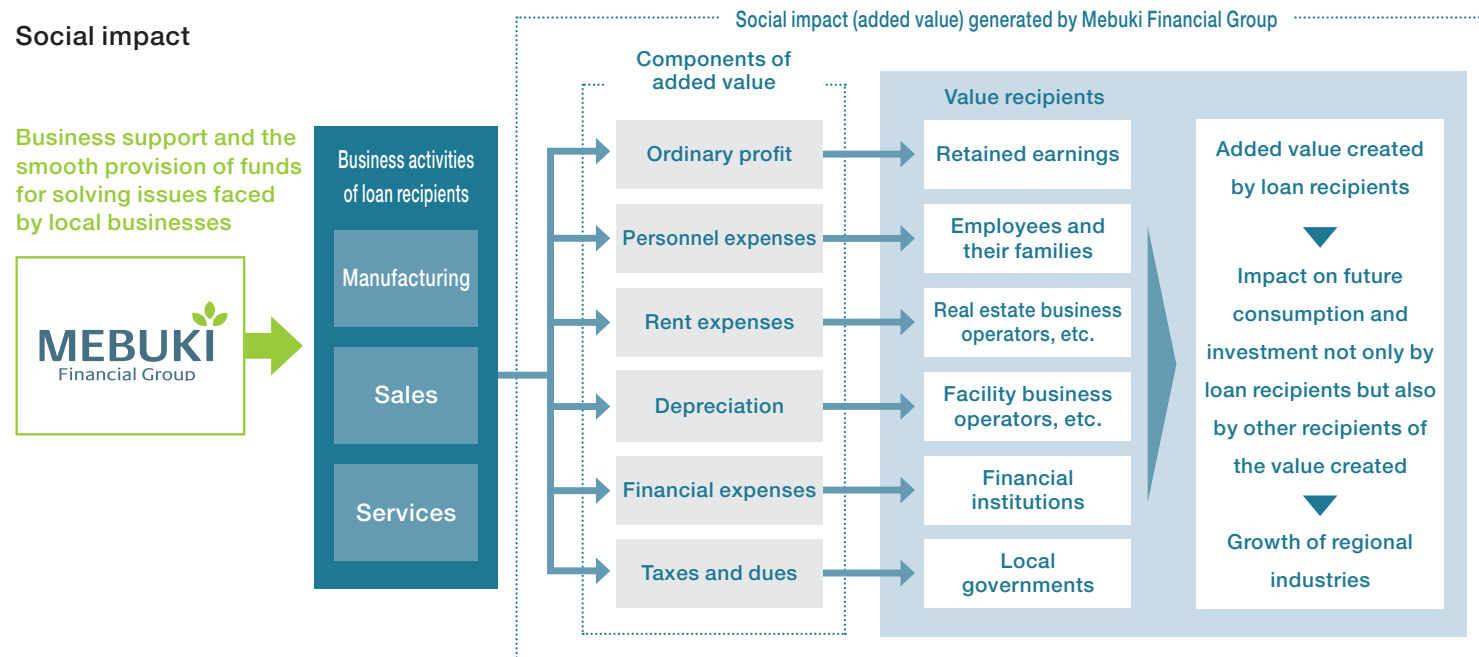
Added value is generally used as an indicator to measure the additional value created by a company through economic transactions. Therefore, the aggregation of added value can be considered as additional value brought to society.

The social impact of our Group's business activities is measured by calculating the added value of local companies that our Group has been proactively supporting in their growth.

The value-added amount is generally calculated using either the subtraction method or the addition method. Since the customer companies subject to measurement span a wide range of industries, we adopt the addition method (Bank of Japan method), which enables analysis of the processes in production or service activities where added value is generated.

The Group is steadily promoting business support and the smooth provision of funds for solving issues faced by local businesses through the provision of solutions to support the growth of businesses in the Social Issues Solution Strategy. We will continue to accumulate data and improve analysis accuracy to aim to disclose the outcomes.

#### Social impact



#### Business results

As the added-value is calculated based on the financial results information of the customer companies, it takes a certain period of time for the Group's activities to be reflected. As for added-value for FY2025, we are in the stage of accumulating data that will serve as the basis for analysis. According to an estimate based on the data on September 30, 2025, we confirmed that the total added-value of the customer companies increased by about 3.2% year on year.

Reference: The annual growth rate of regional GDP (nominal) in Ibaraki and Tochigi Prefectures was 2.2% in FY2023. The average annual growth rate for the 10 years from FY2014 to FY 2023 was 1.6%.

## Creating Impact Through Business Activities

Aiming to maximize the creation of both “social value” and “economic value,” we are promoting business activities based on Management Base Resilience Strategy. The main results (outputs) generated by these business activities are as follows. By steadily strengthening the management base that supports value creation, we will achieve sustainable growth and enhance corporate value.

| Specific Strategies of the Fourth Medium-Term Group Business Plan |                                                    | Materiality to be resolved                                                                                                                             | Business activities based on Management Base Resilience Strategy                   | Outputs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Main KPIs                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management Base Resilience Strategy                               | Add value through DX                               |  Provide High-quality services to be chosen by customers consistently | Strategic utilization of generated AI and machine learning                         | Introducing and establishing the widespread use of generated AI utilization infrastructure<br>Enhancing operations using statistical AI                                                                                                                                                                                                                                                                                                                                                                                                                     | Strategic DX investment (cumulative total of 3 years)<br>Number of banking app users<br>Reduction in administrative workload at branches<br>Human capital investment (cumulative total of 3 years)<br>Ratio of female employees in manager positions or higher |
|                                                                   |                                                    |                                                                                                                                                        | Upgrading offensive DX and defensive DX                                            | Number of banking app users<br>Rate of reduction in administrative workload at branches                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Developing infrastructure that supports DX                                         | Overhauling digital working environment as a business platform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Developing human resources for DX                                                  | Developing the number of DX personnel and DX basis personnel based on the DX human resources development system                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                |
|                                                                   | Promote alliances                                  |  Provide high-quality services to be chosen by customers consistently | Wide-area collaboration                                                            | Cooperation with participating regional banks in Chance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Regional cooperation                                                               | Ryomo Area Revitalization Partnership<br>Collaborating with local financial institutions<br>Industry-Academia-Government-Finance collaboration                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |  Strengthen management base for value creation                        | External business collaboration and capital utilization                            | Collaboration with Resona Holdings, Inc.<br>Business matching and other cross-industry collaborations, and utilization of external capital                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                |
|                                                                   | Strengthen human capital and promote DE&I          |  Provide high-quality services to be chosen by customers consistently | Developing and securing human resources for value creation                         | Developing DX personnel and DX basis personnel<br>Number of advanced qualification holders<br>Number of 2nd grade FP<br>Number of trainees dispatched to inside and outside the Group<br>Numbers of applicants for open recruitment of trainees and the post challenge program, and people dispatched and assigned under these programs<br>Human capital investment<br>Number of mid-career recruitment                                                                                                                                                     |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Promoting DE&I                                                                     | Ratio of female employees in assistant manager positions or higher<br>Ratio of female employees in manager positions or higher<br>Ratio of female employees in senior management positions<br>Gender wage amount gap                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |  Strengthen management base for value creation                        | Creating a workplace environment where well-being can be truly felt                | Ratio of male employees using childcare leave                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Advance employee engagement                                                        | Employee engagement survey score                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Advancement of RAF management                                                      | Selection of top risks<br>Clarification of risk-taking plans based on RORA and stress test results (in the areas of risk-taking, risk control-focused areas, and risk curbing areas)<br>Utilization in the Business Portfolio Strategy, optimal allocation of management resources, and achievement of earnings plans                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                |
|                                                                   | Enhancement of risk management                     |  Strengthen management base for value creation                      | Enhancement of group risk management                                               | In order to strengthen initiatives for cybersecurity, a department dedicated to cybersecurity measures (Cybersecurity Management Group) was newly established.<br>Development of systems to ensure operational resilience<br>Implementation of various measures based on the anti-money laundering, combating the financing terrorism (AML/CFT) Program<br>Implementing timely alerts to prevent financial crime<br>Implementing measures to achieve carbon neutrality<br>Supporting decarbonization initiatives for local businesses and local governments |                                                                                                                                                                                                                                                                |
|                                                                   | Capital management for corporate value improvement |  Strengthen management base for value creation                      | Shareholder return policy (Stable and sustainable increase in dividends per share) | Dividends per share<br>Flexible acquisition of own shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                |
|                                                                   |                                                    |                                                                                                                                                        | Appropriate management of owned capital                                            | Capital adequacy ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                |



## Corporate Governance

### Board of Directors

The Board of Directors decides basic corporate policies and important business matters and supervises the execution of duties by directors. We aim to realize prompt and decisive decision-making and business execution by entrusting most decision-making authorities relevant to business execution to directors as constituent members of the Board of Directors in which our Group's knowledge and expertise are concentrated while ensuring a transparent and fair decision-making function and a solid supervisory function through the appointment of multiple outside directors.

### Audit and Supervisory Committee

The Audit and Supervisory Committee audits the execution of duties by directors and determines the details of proposals related to the appointment, dismissal, and non-reappointment of accounting auditors to be submitted to the General Meeting of Shareholders. The Audit and Supervisory Committee meets monthly in principle.

### Corporate Governance Committee

We have established the Corporate Governance Committee as an advisory board to the Board of Directors to ensure the objectivity and transparency of matters regarding the compensation for and the appointment of directors. Matters regarding the nomination of director candidates and the compensation for directors are decided by the Board of Directors upon deliberation by the Corporate Governance Committee.

### Attendance of members of bodies

◎ Chairman ○ Members

|                                           | Board of Directors | Corporate Governance Committee                | Management Meeting | ALM/Risk Management Committee                                                | Compliance Committee                                                               | Sustainability Committee                                                                             |
|-------------------------------------------|--------------------|-----------------------------------------------|--------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Number of meetings held (FY2025)          | 12                 | 4                                             | 13                 | 12                                                                           | 9                                                                                  | 4                                                                                                    |
| <b>Members</b>                            |                    |                                               |                    |                                                                              |                                                                                    |                                                                                                      |
| President and Director                    | ◎                  | ○                                             | ◎                  | ◎                                                                            | ◎                                                                                  | ◎                                                                                                    |
| Executive Vice President and Director     | ○                  | ○                                             | ○                  | ○                                                                            | ○                                                                                  | ○                                                                                                    |
| Directors (Internal)                      | ○                  |                                               | ○                  | ○                                                                            | ○                                                                                  | ○                                                                                                    |
| Outside Directors                         | ○                  | ◎                                             |                    |                                                                              |                                                                                    |                                                                                                      |
| Executive Officers                        |                    |                                               | ○                  | ○                                                                            | ○                                                                                  | ○                                                                                                    |
| General Managers                          |                    |                                               |                    | (Corporate Planning Department, Corporate Management Department, Basel Unit) | (Corporate Planning Department, Corporate Management Department, Audit Department) | (Corporate Planning Department, Corporate Management Department, Regional Revitalization Department) |
| Outside Director, The Joyo Bank, Ltd.     |                    | ○<br>(Audit and Supervisory Committee Member) |                    |                                                                              |                                                                                    |                                                                                                      |
| Outside Director, The Ashikaga Bank, Ltd. |                    | ○<br>(Audit and Supervisory Committee Member) |                    |                                                                              |                                                                                    |                                                                                                      |
| Attendance rate of all members            | 100%               | 97.1%                                         | 98.8%              | 98.2%                                                                        | 98.8%                                                                              | 100%                                                                                                 |
| Attendance rate of outside directors      | 100%               | 96.2%                                         | —                  | —                                                                            | —                                                                                  | —                                                                                                    |

### Effectiveness of the Board of Directors and Committees

#### Board of Directors

##### Main matters deliberated on and reported

- Selection of top risks for FY2026
- Formulation of comprehensive budget for FY2026
- Order for construction of new head office of the Joyo Bank
- Formulation of policy for joint use of corporate information
- Matter regarding the evaluation of the effectiveness of the Board of Directors as a whole
- Details of deliberations and reporting at the decision-making bodies (Management Meeting, ALM/Risk Management Committee, Compliance Committee, and Sustainability Committee)

#### Corporate Governance Committee

##### Main matters deliberated on and reported

- Matter regarding directors' bonuses
- Matter regarding the amount of compensation for each director (excluding Audit and Supervisory Committee Members)
- Status of dialogue with shareholders and analysis of opinions of shareholders
- Matter regarding election of director candidates
- Matter regarding the evaluation of the effectiveness of the Board of Directors as a whole

### Descriptions of decision-making bodies

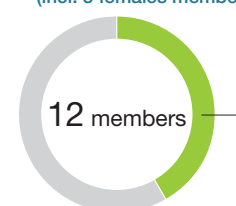
|                                      |                                                                                                                                                                                                                                                                                                     |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management Meeting</b>            | The Management Meeting is responsible for making decisions on business execution to the extent of the authorities delegated by the Board of Directors, as well as discussion on important matters regarding business execution.                                                                     |
| <b>ALM/Risk Management Committee</b> | The ALM/Risk Management Committee is responsible for making decisions on business execution relevant to group risk management and ALM to the extent of the authorities delegated by the Board of Directors and for considering and discussing important matters on business execution.              |
| <b>Compliance Committee</b>          | The Compliance Committee is responsible for making decisions on business execution regarding compliance to the extent of the authorities delegated by the Board of Directors and considering and discussing important matters relevant to the practice of compliance.                               |
| <b>Sustainability Committee</b>      | The Sustainability Committee is responsible for making decisions on business execution regarding the promotion of sustainability to the extent of the authorities delegated by the Board of Directors and considering and discussing important matters relevant to the promotion of sustainability. |

### Independence of officers

#### Composition of the Board of Directors

Ensuring independence and diversity

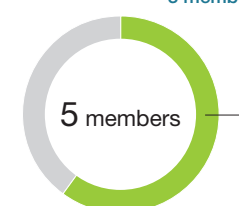
Independent Outside Director 5 (incl. 3 females members)



#### Composition of the Audit and Supervisory Committee

Independent Outside directors form a majority

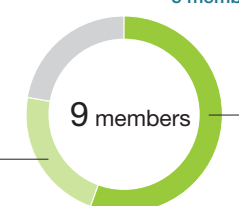
Independent Outside Director 3 members



#### Composition of the Corporate Governance Committee

Chaired by an independent outside director

Independent Outside Director 5 members



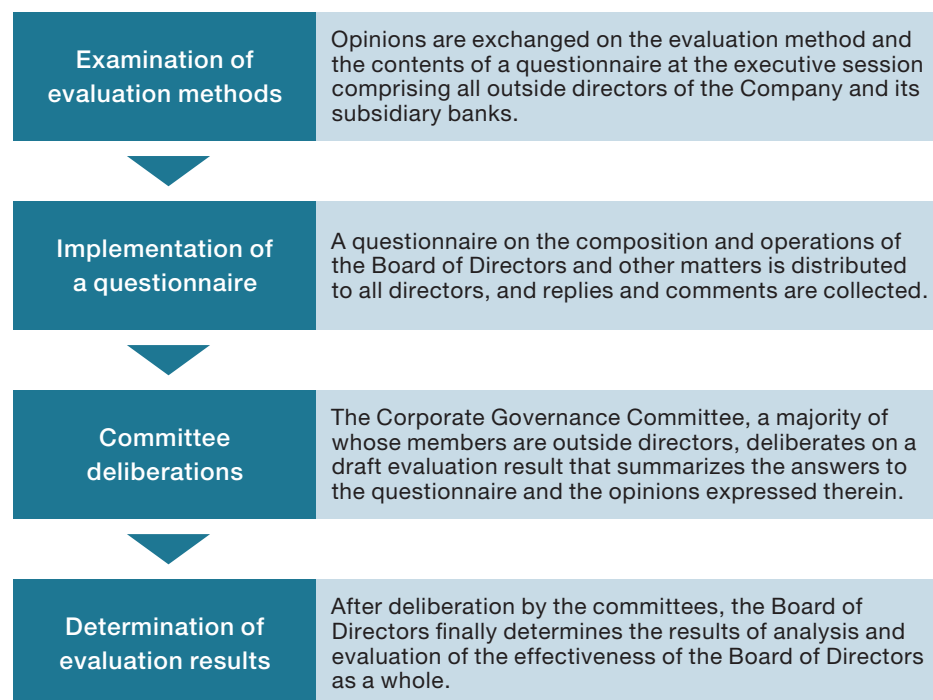
Joyo Bank and Ashikaga Bank  
Outside Director  
1 member each

## Corporate Governance

### Evaluation of the effectiveness of the Board of Directors

The Board of Directors of the Company conducts analysis and evaluation of its effectiveness as a whole each year, in order to utilize the results of such evaluation to improve the operations of the Board of Directors, by confirming the opinions of each director on such matters as the composition and operation of the Board of Directors.

#### Evaluation method



#### Main items of the questionnaire

- |                                                           |                                                             |
|-----------------------------------------------------------|-------------------------------------------------------------|
| 1. Roles and responsibilities of the (Board of) directors | 2. Composition or other qualities of the Board of Directors |
| 3. Operation or other matters of the Board of Directors   | 4. Execution of functions of the Board of Directors         |

### Evaluation and issues in the FY2025 evaluation of effectiveness

#### Issues identified in the evaluation of effectiveness in the previous fiscal year

1. Further enhancement of discussions leveraging the diverse insights and expertise of directors
2. Continuation of initiatives to further share information among Directors

#### Measures for improvement in FY2025

- Conducting discussions regarding governance systems aimed at management practice based on diverse values and perspectives
- Further enhancement of opportunities for sharing management information among Group companies
- Enhancing opportunities for information exchange between directors who are members of the Audit and Supervisory Committee and those who are not.

#### Points to be evaluated

- Briefing for outside directors to help them understand the proceedings
- Creating and operating an atmosphere in which it is easy to express opinions
- Lively discussions at Board of Directors meetings
- Proactive IR activities

#### Points requiring improvement

- Conducting multifaceted information-gathering activities and further enhancing discussions at Board of Directors
- Strengthening initiatives for sharing issues faced by the Group companies and working toward their resolution

#### TOPIC Holding a roundtable discussion between outside directors and investors

The Mebuki Financial Group holds round-table discussions between outside directors and investors on an ongoing basis with the aim of improving management transparency and sustainable growth. In the last two dialogues, the main focus was on securing appropriate profit margins during a period of rising interest rates and strategic investments to improve capital efficiency (ROE). Outside directors, who have varied backgrounds, gave high marks to the fact that synergies are steadily deepening due to the concurrent structures of Joyo Bank and Ashikaga Bank, and made proposals as “brakes” to increase risk sensitivity during periods of good business performance.

In addition, there were lively discussions on a growth story that would balance achieving a dividend payout ratio target of 40% or more backed by sustainable profit growth, and contributing to local communities through strengthening solution sales such as personnel placement and M & A support.



Meeting held on February 25, 2026

## Corporate Governance

### Compensation system for directors

#### Basic policy on compensation for directors

Under the Corporate Governance Policy set by the Board of Directors, the director's compensation amount is determined separately for "directors (excluding Audit and Supervisory Committee Members)" and "directors (who are Audit and Supervisory Committee Members)" as follows. Furthermore, the Company resolved the maximum amount of compensation for directors (excluding Audit and Supervisory Committee Members) at 200 million yen per year (the number of eligible directors: 7 persons) and for Audit and Supervisory Committee Members at 80 million yen per year (the number of eligible directors: 5 persons), at the Ordinary General Meeting of the Shareholders held on June 28, 2016.

#### Directors (excluding Audit and Supervisory Committee Members)

- The compensation for directors (excluding Audit and Supervisory Committee Members) is determined appropriately in consideration to their transparency, fairness, objectivity and incentives toward improving results by enhancing the linkage of compensation with the Group's performance and shareholders' benefits.
- The amount for each director (excluding Audit and Supervisory Committee Members) is determined by the Board of Directors within the maximum amount of compensation per year resolved at the General Meeting of the Shareholders, while ensuring the objectivity and transparency after deliberation regarding their adequacy and validity in the Corporate Governance Committee.

#### Directors (who are Audit and Supervisory Committee Members)

- The compensation for directors (who are Audit and Supervisory Committee Members) is determined without the factor of incentive to ensure the transparency of their duties as auditor and supervisor.
- The amount for each director (the Audit and Supervisory Committee Member) is determined through discussion among all Audit and Supervisory Committee Members and within the maximum amount of compensation per year resolved at the General Meeting of the Shareholders.

### Compensation system

#### Executive Directors among the Directors (excluding Audit and Supervisory Committee Members)

**Composition of compensation** The compensation comprises a monthly compensation as a basic compensation, bonuses as a performance-linked compensation, and a restricted stock compensation plan as a non-monetary compensation. The composition of compensation is as shown in the figure on the right. Furthermore, on June 24, 2025, the Company and its subsidiary banks revised its compensation system for directors and reviewed the composition of compensation, with the aim of further sharing value with shareholders and increasing their willingness to contribute to improving corporate value (before revision: (1) the Company: monthly compensation 86%, bonuses 7%, restricted stock compensation plan 7%; (2) directors holding concurrent positions at the Company and its subsidiaries: in general, monthly compensation 70%, bonuses 18%, restricted stock compensation plan 12%).

#### Details of each compensation

**Monthly compensation** The basic amount of monthly compensation is determined by the director's position.

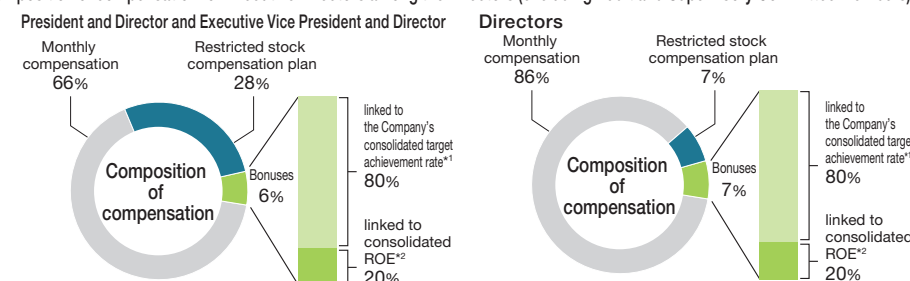
**Bonuses** The total amount of bonuses is determined by setting a basic amount in accordance with the director's position, adjusting that amount within a range of 0% to 150% based on the Company's consolidated annual target achievement rate, and adjusting it further within a range of 0% to 200% based on the actual consolidated ROE (net income ÷ owned capital) and the year-over-year change in that figure; the total bonus amount is

capped at the sum of these two adjustments, and the total bonus amount is determined within that range. The amount for each executive director is determined based on the basic amount for the director's position, which is adjusted according to the degree of contribution to business performance by each executive director. The percentage of the total bonuses is composed of 80% linked to the Company's consolidated target achievement rate and 20% linked to consolidated ROE, each of which increases or decreases in the range described above, depending on the fiscal year's performance. In line with the revision of the compensation system for directors on June 24, 2025, (1) the definition of the Company's consolidated ROE was revised, and (2) the fluctuation range of the portion linked to the Company's consolidated ROE was widened and a linked indicator was added to bonuses.

#### Restricted stock compensation plan

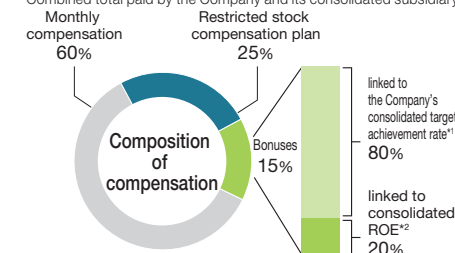
Under this plan, the Company's Directors (excluding Audit and Supervisory Committee members; the "Eligible Directors") shall make payments in kind as contributed assets using all of the monetary compensation claims provided to them by the Company and receive the issuance or disposal of the Company's common shares and the Company and each of the Eligible Directors shall enter into a restricted stock allocation agreement. The compensation to be paid to the Eligible Directors for the granting of restricted stock is monetary compensation claims and the total amount of such claims is set at 20 million yen or less per year within the maximum amount of compensation for the Company's Directors (excluding Audit and Supervisory Committee Members), and the total number of common shares newly issued by the Company is set at 200 thousand shares or less per year, as resolved (the number of eligible directors : 5 persons) at the Ordinary General Meeting of the Shareholders held on June 24, 2020. The allocation of payment to each Eligible Director is determined by the director's position.

#### Composition of compensation for Executive Directors among the Directors (excluding Audit and Supervisory Committee Members)



#### Those who concurrently serve at the Company and one of its consolidated subsidiaries

\*Combined total paid by the Company and its consolidated subsidiary



\*1 Target achievement rate  
In order to increase incentives toward achieving annual plans

\*2 Consolidated ROE (net income ÷ owned capital)  
In order to increase incentives toward increasing the corporate value of the Group

## Corporate Governance

## Areas in which directors are expected to fulfill their roles

The skills matrix, which contains a list of expertise and experience that each director and executive officer possesses, is presented below.

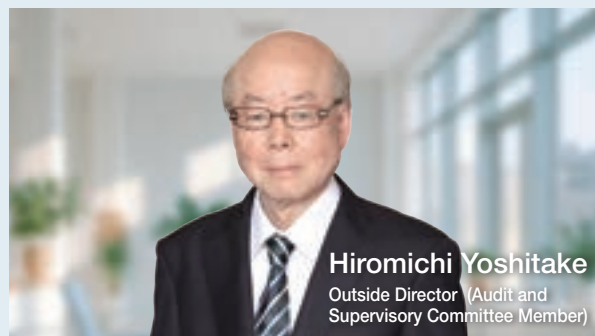
|                                                               | Name                | Outside Director | Independent Officer | Expertise and Experience      |                         |                    |                 |            |                          |       |
|---------------------------------------------------------------|---------------------|------------------|---------------------|-------------------------------|-------------------------|--------------------|-----------------|------------|--------------------------|-------|
|                                                               |                     |                  |                     | Corporate Management/Strategy | Business Management/Law | Finance/Accounting | Sales/Marketing | Consulting | Market Investment/Global | IT/DX |
| Directors who are not Audit and Supervisory Committee Members | Tetsuya Akino       |                  |                     | ●                             | ●                       | ●                  | ●               | ●          |                          |       |
|                                                               | Kazuyuki Shimizu    |                  |                     | ●                             | ●                       | ●                  | ●               | ●          | ●                        |       |
|                                                               | Toshihiko Ono       |                  |                     | ●                             |                         | ●                  | ●               | ●          |                          | ●     |
|                                                               | Hiroki Otsuka       |                  |                     | ●                             | ●                       | ●                  |                 | ●          | ●                        | ●     |
|                                                               | Yoshitsugu Toba     |                  |                     | ●                             | ●                       | ●                  | ●               | ●          | ●                        |       |
|                                                               | Shoichiro Tozuka    | ○                | ○                   | ●                             |                         | ●                  | ●               | ●          | ●                        |       |
|                                                               | Yoshimi Shu         | ○                | ○                   |                               | ●                       |                    |                 | ●          | ●                        |       |
| Directors who are Audit and Supervisory Committee Members     | Yasuhiko Sugita     |                  |                     | ●                             | ●                       |                    |                 | ●          | ●                        |       |
|                                                               | Yoshinori Tasaki    |                  |                     | ●                             |                         |                    | ●               | ●          |                          |       |
|                                                               | Hiromichi Yoshitake | ○                | ○                   | ●                             | ●                       | ●                  | ●               |            |                          |       |
|                                                               | Mari Fujino         | ○                | ○                   |                               | ●                       |                    |                 | ●          |                          |       |
|                                                               | Tomomi Nakano       | ○                | ○                   |                               |                         | ●                  |                 | ●          |                          |       |
| Executive Officers                                            | Satoshi Komatsu     |                  |                     | ●                             | ●                       |                    | ●               | ●          |                          | ●     |
|                                                               | Koichi Yamakawa     |                  |                     | ●                             |                         | ●                  |                 | ●          |                          | ●     |
|                                                               | Ayumi Yokoyama      |                  |                     | ●                             |                         |                    | ●               | ●          |                          |       |
|                                                               | Yuichi Takeuchi     |                  |                     | ●                             |                         |                    | ●               | ●          |                          |       |

## Details of expertise and experience

|                               |                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Corporate Management/Strategy | Experience in corporate management, expertise in planning of corporate strategy and execution                                   |
| Business Management/Law       | Expertise in business management including personnel and labor management, risk management, etc. and law                        |
| Finance/Accounting            | Expertise in finance and accounting                                                                                             |
| Sales/Marketing               | Expertise in business planning, marketing, and new business development                                                         |
| Consulting                    | Expertise in a consulting business, SDGs/ESG, environmental field, regional revitalization, and corporate restructuring/support |
| Market Investment/Global      | Expertise in the field of market investment and global businesses                                                               |
| IT/DX                         | Expertise in IT and DX (digital transformation)                                                                                 |

## Corporate Governance

### A Message from the Chairman of the Corporate Governance Committee



### Becoming a value creation group working together with local communities

#### More advanced governance on both the offensive and defensive fronts contributes to improved corporate value

In addition to the Board of Directors consisting of seven inside directors and five outside directors and the Audit and Supervisory Committee consisting of two inside directors and three outside directors, the Company has established the Corporate Governance Committee (hereinafter referred to as the "CG Committee") consisting of two inside directors, five outside directors, and two outside directors of the two subsidiary banks. The CG Committee conducts selection (nomination) of candidates for director, design and operation of director compensation, and evaluation of the effectiveness of the Board of Directors as a whole, thereby establishing a responsible management structure that lives up to the trust of stakeholders.

At the Board of Directors meetings, frank and constructive exchanges of views take place from the initial stages of planning regarding medium- to long-term business plans and important business operations, and we believe that these exchanges of views help enhance the quality of decision-making and raise corporate value. The Audit and Supervisory Committee not only cooperates with the internal audit section

and the accounting auditor, but also systematically holds dialogues with the representative directors, directors in charge of business execution, the top management of subsidiaries, and other key personnel in order to devise and improve measures to increase the effectiveness of audits.

Since the business integration in October 2016, we have achieved our targets for net income and consolidated ROE, and their levels have improved. This is partly due to improvement in the external environment, such as the transition to higher interest rates, but also due to the fact that we have strengthened and refined our governance from both an offensive and defensive perspective.

#### Ensuring objectivity and transparency in the selection of candidates for director and the design and operation of director compensation systems

Only when two statutory bodies, the Board of Directors and the Audit and Supervisory Committee, fully function can the CG Committee, which is responsible for the appointment and dismissal of the president and directors, as well as audit systems and operations, fill its role effectively, thereby ensuring and improving the quality of corporate governance as a whole.

The selection of candidates for director, as well as the director compensation system and its operation, shall be deliberated on upon receiving proposals from the representative director. Taking director bonuses as an example, in order to submit a proposal to the CG Committee, the system itself must be reasonable from the perspective of shareholders and other stakeholders, and it must be operated appropriately. In this regard, I believe that the Company has thoroughly implemented management that enhances objectivity and transparency. Bonuses to directors are currently calculated in a manner linked to the target achievement rate (ordinary profit and net income) and consolidated ROE. In addition, the results of the evaluation of the effectiveness of the Board of Directors as a whole, which is conducted every fiscal year, are also reported to the CG Committee, leading to actions for improvement.

Furthermore, once every six months, the Company holds a roundtable discussion for outside directors in which outside directors, bank analysts, and institutional investors directly discuss issues. This is an extremely useful opportunity for the Company to incorporate the viewpoints of shareholders and

investors into the discussions of the CG Committee and enhance the effectiveness of its deliberations.

The issue that the CG Committee should focus even more on going forward is succession planning. Identifying successors to the president and executive vice president, who are the representative directors, and developing candidates for director are essential for the further development of the Company. At the CG Committee, which is comprised of a majority of outside directors, I intend to pursue a method that is appropriate for the Company, while referring to a wide range of best practices from outside the Company, as to how to substantiate the discussions for that purpose.

#### Aiming to become a financial group that can develop together with local communities and further enhancing governance functions

The financial industry as a whole is doing well, with many companies posting record profits. Against this backdrop, shareholders and investors will demand further improvement in corporate value, and companies will continue to make management efforts by setting ambitious goals to meet those demands. On the other hand, we are living in truly turbulent times, with a wide range of risks—both domestic and international—that could each potentially inflict serious damage on corporate management.

How to maintain and improve regional sustainability, especially in the face of rapid depopulation, is the most important issue for the Company. In tackling this issue, we must improve corporate value and meet the expectations of shareholders, investors, and other stakeholders.

I believe that what is required to achieve this is "strategy and transformation," as well as the "power of the frontlines" to take a proactive role in this process. As an outside director, I will keep a close eye on the progress of operational restructuring via DX, organizational management with an emphasis on diversity, and human capital measures such as the enhancement of employee engagement, while making efforts to continuously enhance and improve the operations of the CG Committee. I will also work to further enhance corporate governance, with the aim of making the Company a financial group that can develop together with local communities through strategy and transformation.

## Corporate Governance

### Process for assessing the rationality of strategic shareholdings and reduction

Our basic policy for strategic shareholdings is based on medium- to long-term economic rationality on the basis of risk and returns and future outlook so we can secure sustainable growth, increase corporate value of the Group and issuing companies over the medium- to long-term, and build stable business relationships with those companies.

The economic rationality of strategic shareholdings is assessed from the viewpoint of profitability, creditworthiness, regional characteristics (relevancy to the Group's principal base of operations), improvement of business relationships, etc., and the profitability is assessed using their overall business RORA\* based on our ROE target.

\* RORA = (Net interest margin on loans and deposits - Expenses (including credit costs) + Fees and commissions + Dividends) ÷ Risk assets of loans and stocks

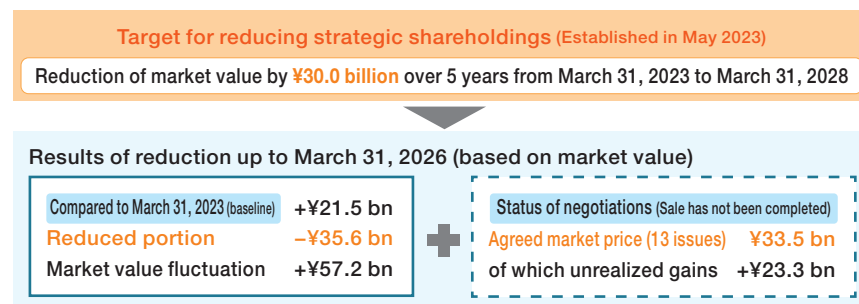
As of March 31, 2026, the Board of Directors confirmed, based on the assessment, every strategic shareholding to be meaningful pursuant to the basic policy to secure sustainable growth, increase corporate value of the Group and issuing companies over the medium- to long-term, and build stable business relationships with those companies. Our policy is to reduce such shareholdings deemed to lack economic rationality based on the profitability assessment, following sufficient dialogue with our customers.

### Reduction of strategic shareholdings

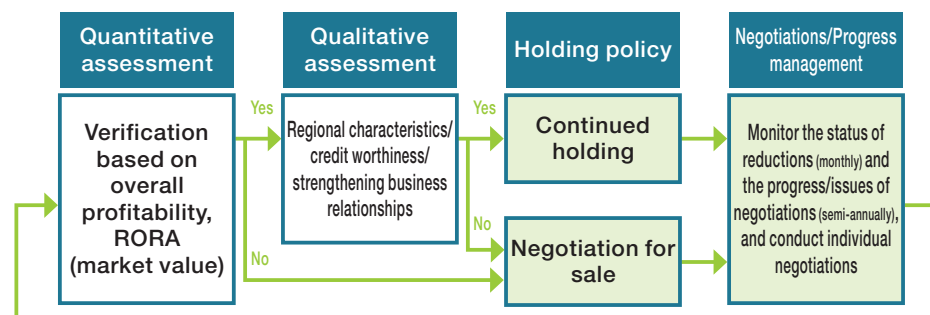
Subsidiary banks that have strategic shareholdings are making efforts to reduce them, taking into consideration risk reduction and capital efficiency based on economic rationality.

The Company has announced its aim to achieve its reduction target of ¥30.0 billion by March 31, 2028 compared to March 31, 2023.

In the fiscal year ended March 31, 2026, we steadily reduced such holdings, divesting 49 stocks with a total market value of ¥35.6 billion over the three years since setting the reduction target. At the same time, the market value of strategic shareholdings increased by ¥57.2 billion due to stock price increases, resulting in an increase of ¥21.5 billion compared to March 31, 2023 (the ratio within the consolidated net assets was 16.0%). Going forward, we will maintain sufficient dialogue with our customers as we continue to reduce strategic shareholdings.

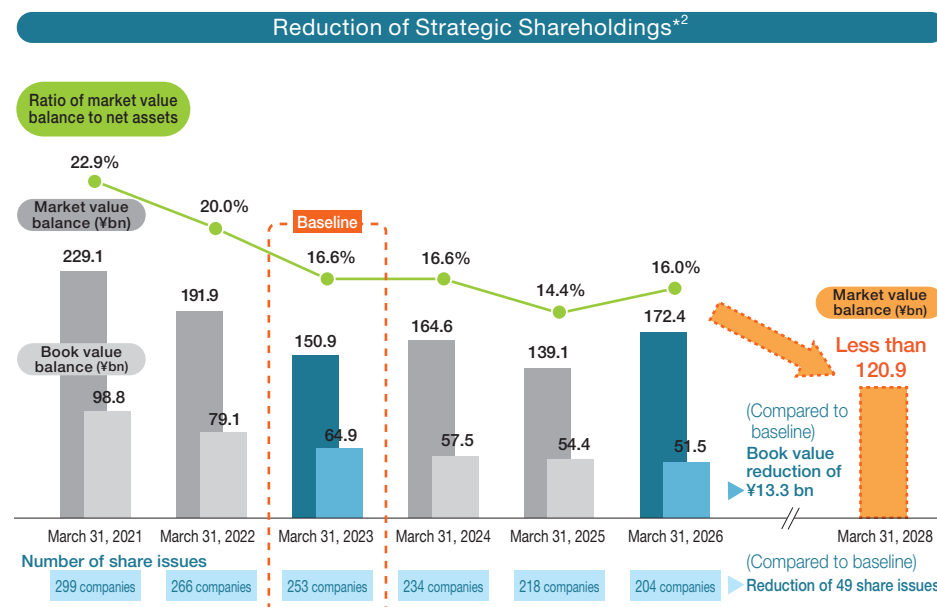


### Process for assessing the rationality of strategic shareholdings and reduction



- For all strategic shareholding, we will confirm that they are held for purposes in line with their respective holding policies.
- However, we do not hold them uniformly, and proceed with sales negotiations based on improving capital efficiency and the overall reduction plan.

### Improving Capital Efficiency by Reducing Strategic Shareholdings



\*2 Figures are fair value of strategic shareholdings (including listed or non-listed stocks as well as deemed holdings of stocks) held by Joyo Bank, which owns more than two-thirds of the market value of such shares owned by Mebuki FG and consolidated subsidiaries.

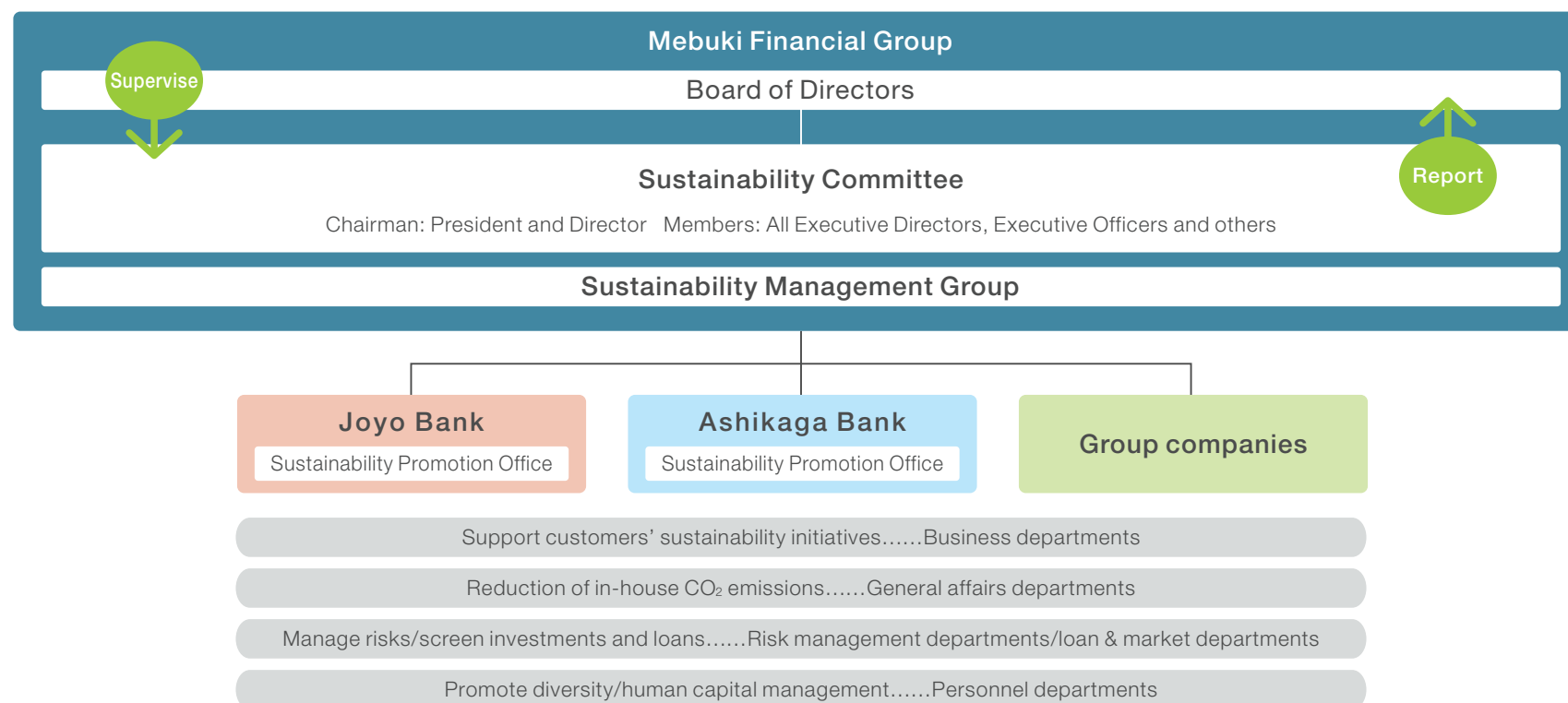
## Corporate Governance

### Governance Structure for Sustainability

Recognizing sustainability issues as important management issues, Mebuki Financial Group has established a governance structure centered on the Sustainability Committee with supervisory functions performed by the Board of Directors and others.

(Excerpt from Article 10 of Mebuki Financial Group's Corporate Ethics)

"The Group will proactively act towards building a sustainable environment and society that is resilient to changes in the global environment and social conditions."



## Corporate Governance

### Supervision by the Board of Directors

The Board of Directors supervises sustainability-related agenda items (policy and target setting, progress of initiatives, and other items). We have built a structure in which the Board of Directors can supervise the Group's sustainability initiatives and assessments of risks and opportunity by discussing and reporting the details of deliberations at each meeting of the Sustainability Committee to the Board.

### Roles of the management in sustainability

The President and Director is responsible for sustainability matters. As the chairman of the Sustainability Committee, the President and Director also assesses the impact of sustainability issues and responses on the business, develops countermeasures, sets targets, and controls the achievement management.

### Sustainability Committee

To uniformly deliberate and manage the development of the Group's basic policy on sustainability and the progress of initiatives related to sustainability issues, as well as to promote such sustainability initiatives, the Group has set up the Sustainability Committee with the President and Director serving as its chair.

The committee comprises all Executive Directors and Executive Officers, as well as the General Managers of the Corporate Planning Department, Corporate Management Department, and Regional Revitalization Department. When necessary, the presidents of Group subsidiaries and general managers of departments in charge of subsidiary banks are invited to committee meetings. The committee discusses, on a company-wide level, environmental issues such as climate change and biodiversity, social issues such as human rights, as well as human capital and other sustainability-related matters. The committee met four times in FY2025.

### Sustainability-related sections

The Group has established the Sustainability Management Group to act as the secretariat of the Sustainability Committee, as well as for planning, formulating, and managing functions for sustainability strategies. It also makes suggestions to the committee on Company-wide sustainability matters.

### Coordination and control within the Group

The Group has established a Sustainability Promotion Office in both Joyo Bank and Ashikaga Bank, which are our core business companies, in order to enhance the effectiveness of the matters discussed by the Sustainability Committee. In addition to both of these subsidiary banks, our other Group companies utilize their respective functional meeting bodies to collaborate with the Sustainability Committee and Sustainability Management Group in order to ensure the overall control of the Group companies.

### Risk management

The Group has positioned risk management as an important initiative to enhance corporate value and has established an ALM/Risk Management Committee. The ALM/Risk Management Committee, the Risk Management Departments of the subsidiary banks work with the Sustainability Committee to monitor and reassess sustainability risks, and narrow down important risks, which are then reflected in the Group's strategies.

### Status of audit

The Sustainability Committee is attended by full-time Audit and Supervisory Committee Members in an auditing capacity. The details of the discussions held are reported by the full-time Audit and Supervisory Committee Members to part-time Audit and Supervisory Committee Members at the Audit and Supervisory Committee to share information prior to the reporting of business execution at the Board of Directors. In addition to discussions at Audit and Supervisory Committee meetings, part-time Audit and Supervisory Committee Members express their opinions at meetings of the Board of Directors as necessary.

# List of Directors

## Director



**President and Director (Representative Director)**  
**Tetsuya Akino**

June 2016 Executive Officer and General Manager, Personnel Division, The Joyo Bank, Ltd.  
October 2016 General Manager, Corporate Management Department, the Company  
June 2017 General Manager, Corporate Planning Department, the Company  
Executive Officer and General Manager, Corporate Planning Division, The Joyo Bank, Ltd.  
June 2018 Director, in charge of Corporate Planning, the Company  
June 2020 Managing Director, The Joyo Bank, Ltd.  
June 2020 Director and Managing Executive Officer, The Joyo Bank, Ltd.  
April 2022 President, The Joyo Bank, Ltd. (current position)  
June 2022 President, the Company (current position)



**Executive Vice President and Director (Representative Director)**  
**Kazuyuki Shimizu**

April 2012 Executive Officer, The Ashikaga Bank, Ltd.  
April 2014 Executive Officer, Ashikaga Holdings Co., Ltd., Executive Officer, The Ashikaga Bank, Ltd.  
April 2015 Managing Executive Officer, The Ashikaga Bank, Ltd.  
June 2016 Managing Director, The Ashikaga Bank, Ltd.  
October 2016 Director, the Company  
June 2018 Senior Managing Director, The Ashikaga Bank, Ltd.  
June 2019 Executive Officer, the Company  
June 2020 Executive Vice President, the Company (current position)  
President, The Ashikaga Bank, Ltd. (current position)



**Director**  
**Toshihiko Ono**

June 2016 Senior Deputy General Manager, Corporate Planning Division, The Joyo Bank, Ltd.  
October 2016 General Manager, in charge of Corporate Planning Department, the Company  
June 2018 General Manager, Corporate Planning Department, the Company  
General Manager, Corporate Planning Division, The Joyo Bank, Ltd.  
June 2020 Executive Officer and General Manager, Business Planning Division, The Joyo Bank, Ltd.  
Director (part-time), The Ashikaga Bank, Ltd.  
April 2022 Managing Executive Officer, The Joyo Bank, Ltd.  
June 2022 Director, in charge of Corporate Planning, the Company (current position)  
Director, Managing Executive Officer, The Joyo Bank, Ltd.  
April 2025 Director, Senior Managing Executive Officer, The Joyo Bank, Ltd. (current position)



**Director**  
**Hiroki Otsuka**

June 2017 General Manager, in charge of Corporate Planning Department, the Company  
June 2019 General Manager, in charge of Management Planning Division, The Ashikaga Bank, Ltd.  
June 2019 General Manager, Corporate Management Department, the Company  
June 2020 General Manager, Corporate Risk Management Division, The Ashikaga Bank, Ltd.  
General Manager, Corporate Planning Department, the Company  
Executive Officer and General Manager, Management Planning Division, The Ashikaga Bank, Ltd.  
April 2022 Managing Executive Officer, The Ashikaga Bank, Ltd.  
June 2024 Director, Managing Executive Officer, The Ashikaga Bank, Ltd.  
June 2025 Director, in charge of Corporate Management, Risk Management and Information Security, the Company (current position)  
April 2026 Director, Senior Managing Executive Officer, The Ashikaga Bank, Ltd. (current position)



**Director**  
**Yoshitsugu Toba**

June 2018 Executive Officer and General Manager, Treasury and Securities Division, The Joyo Bank, Ltd.  
June 2019 Executive Officer and General Manager, Business Planning Division, The Joyo Bank, Ltd.  
June 2020 Managing Executive Officer and Chief Officer, Kennan/Rokko Area Hub, The Joyo Bank, Ltd.  
April 2022 Managing Executive Officer, The Joyo Bank, Ltd.  
June 2022 Director, Managing Executive Officer, The Joyo Bank, Ltd. (current position)  
June 2024 Director, the Company (current position)



**Outside Director**  
**Shoichiro Tozuka**

April 1983 Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)  
April 2013 Corporate Vice President and Vice President, General Manager, Production Planning Department, Aerospace Company, Fuji Heavy Industries Ltd.  
April 2015 Corporate Vice President and Vice President, Aerospace Company, Fuji Heavy Industries Ltd.  
April 2017 Senior Vice President, President, Aerospace Company, and General Manager, Utsunomiya Plant, SUBARU CORPORATION  
April 2024 Advisor, SUBARU CORPORATION  
June 2025 Outside Director, the Company (current position)



**Outside Director**  
**Yoshimi Shu**

August 2000 Joined JPMorgan Securities Japan Co., Ltd.  
October 2012 Head of Japan Controls & Oversight Department, JPMorgan Securities Japan Co., Ltd.  
January 2014 Resigned from JPMorgan Securities Japan Co., Ltd.  
February 2014 Joined Core Value Management, Co., Ltd.  
November 2016 Deputy President & Representative Director, Core Value Management, Co., Ltd.  
June 2019 Outside Director, the Company (current position)  
March 2022 President & Representative Director, Core Value Management, Co., Ltd. (current position)  
December 2024 Outside Director, Japan Business Systems, Inc. (current position)  
June 2025 Outside Director, Mitsubishi Paper Mills Limited (current position)

## List of Directors

## Director (Audit and Supervisory Committee Member)



Director (Audit and Supervisory Committee Member)  
**Yasuhiko Sugita**

June 2016 Senior Deputy General Manager, Corporate Risk Management Division, The Joyo Bank, Ltd.  
October 2016 General Manager, Corporate Management Department and General Manager, Basel Office, the Company  
June 2017 General Manager, Corporate Management Department, the Company  
General Manager, Corporate Risk Management Division, The Joyo Bank, Ltd.  
June 2020 Executive Officer and General Manager, Credit Examination Division, The Joyo Bank, Ltd.  
April 2021 Managing Executive Officer, The Joyo Bank, Ltd.  
June 2024 Director (Audit and Supervisory Committee Member), The Joyo Bank, Ltd.  
June 2026 Director (Audit and Supervisory Committee Member), the Company (current position)  
Corporate Auditor, Mebuki Securities Co., Ltd. (current position)  
Corporate Auditor, Mebuki Card Co., Ltd. (current position)



Director (Audit and Supervisory Committee Member)  
**Yoshinori Tasaki**

October 2012 General Manager, in charge of Business Planning Division, The Ashikaga Bank, Ltd.  
April 2013 General Manager, Karasuyama Branch, The Ashikaga Bank, Ltd.  
April 2015 General Manager, Kumagaya Branch, The Ashikaga Bank, Ltd.  
October 2016 General Manager, Moka Branch, The Ashikaga Bank, Ltd.  
June 2019 General Manager, Audit Department, the Company  
Executive Officer, General Manager, Audit Division, The Ashikaga Bank, Ltd.  
June 2020 Executive Officer, Chief Officer, Saitama Area Hub, The Ashikaga Bank, Ltd.  
April 2021 Executive Officer, Chief Officer, Ryomo/Gunma Area Hub, The Ashikaga Bank, Ltd.  
April 2022 Executive Officer, attached to Audit and Supervisory Committee, The Ashikaga Bank, Ltd.  
June 2022 Director (Audit and Supervisory Committee Member), the Company (current position)  
Corporate Auditor, Mebuki Lease Co., Ltd. (current position)  
Corporate Auditor, Mebuki Credit Guarantee Co., Ltd. (current position)



Outside Director (Audit and Supervisory Committee Member)  
**Hiromichi Yoshitake**

April 1977 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)  
June 2000 General Manager, Administration Department, Hikari Works, Stainless Steel Division, Nippon Steel Corporation  
March 2003 Resigned from Nippon Steel Corporation  
April 2003 Professor and Researcher, Institute of Policy and Planning Sciences, University of Tsukuba  
April 2006 Executive Director and Vice President, University of Tsukuba  
April 2009 Professor, Graduate School of Business Sciences, Director, Research Center for University Studies, University of Tsukuba (until Mar. 2015)  
April 2017 Professor Emeritus, University of Tsukuba (current position)  
July 2020 Chairperson of the Board of Trustees, Tokyo Kasei Gakuin University (current position)  
June 2023 Outside Director (Audit and Supervisory Committee Member), the Company (current position)



Outside Director (Audit and Supervisory Committee Member)  
**Mari Fujino**

December 2009 Registered as an attorney  
January 2010 Joined Nagasawa & Partners (current position)  
June 2026 Outside Director (Audit and Supervisory Committee Member), the Company (current position)



Outside Director (Audit and Supervisory Committee Member)  
**Tomomi Nakano**

April 1992 Joined Chuo Trust & Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Ltd.)  
March 1996 Resigned from Chuo Trust & Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Ltd.)  
March 2003 Registered as a Certified Public Accountant  
August 2013 Registered as a Certified Public Tax Accountant  
Nakano Tomomi Certified Public Accountant and Tax Accountant Office opened, Representative (current position)  
August 2023 Auditor, Northern Territories Issue Association (current position)  
June 2024 NIHON CHOUZAI Co., Ltd.  
Outside Director, Audit Committee member (current position)  
June 2024 Outside Director (Audit and Supervisory Committee Member), the Company (current position)  
November 2024 Supervisory Officer, Healthcare & Medical Investment Corporation (current position)  
June 2025 Outside Director, NIPPON CHEMI-CON CORPORATION (current position)

## Executive Officers

**Satoshi Komatsu** (In charge of systems)

**Ayumi Yokoyama** (In charge of regional revitalization)

**Koichi Yamakawa** (In charge of administration)

**Yuichi Takeuchi** (In charge of regional revitalization)

## Roundtable Discussion of Outside Directors

Outside directors discuss integration synergies of Mebuki Financial Group  
Prioritizing dialogue with institutional investors to further improve capital  
efficiency



**Shoichiro Tozuka**  
Outside Director

**Yoshimi Shu**  
Outside Director

**Tomomi Nakano**  
Outside Director (Audit and  
Supervisory Committee Member)

**Hiromichi Yoshitake**  
Outside Director (Audit and  
Supervisory Committee Member)

**Toru Nagasawa**  
Outside Director (Audit and  
Supervisory Committee  
Member)

\*Toru Nagasawa retired from his outside director post on June 24, 2026.

Mebuki Financial Group will celebrate the 10th anniversary of its foundation in October 2026. Looking back, would you say that the synergies from the integration have been fully realized? We asked five outside directors to share their thoughts on challenges related to further growth, the effectiveness of the Board of Directors, and creating social impact.

### History of Mebuki Financial Group over the past ten years and integration synergies

— Mebuki Financial Group will celebrate the 10th anniversary of its foundation in October. How do you assess the progress and status of the integration between Joyo Bank and Ashikaga Bank as they work toward realizing their vision of being “A Value Creation Group Working Together with Local Communities”?

**Nagasawa** As a member of the first cohort of Mebuki, I have served as an outside director since the founding of Mebuki Financial Group. In that sense, I feel that the

landscape has changed quite a bit over the past ten years. The most significant change is the transition to a world with interest rates. With the changing landscape facing financial institutions, we have now entered a phase where the focus is on how to return the benefits of integration to the local community.

To achieve further evolution, I believe it is necessary to outline the synergies resulting from integration in a more concrete and tangible way. For example, cross-border M&A—such as a client of Joyo Bank acquiring a client of Ashikaga Bank—is still in its early stages. By institutionalizing these initiatives, I hope they will develop into business pillars and enhance the sustainability of the local community. I expect that the seeds we have sown,

including those in new business areas, will begin to sprout and blossom in the future.

**Shu** I believe that over the past decade, we have shared a common vision of creating value together with our local communities and customers in the regions where Joyo Bank and Ashikaga Bank are based. In an ever-changing business environment, I highly commend the fact that both banks have worked in unison as a group to implement consistent initiatives in response to key strategic challenges as they arise.

We have been working on cost synergies and have achieved some results, but I feel that top-line synergies remain limited, and I recognize this as an issue. To generate top-line synergies, we need an approach that

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drives cross-bank growth—for example, by leveraging each bank's trust services and IT solutions—but this must be pursued with discipline under the strong leadership of top management, encompassing everything from planning to execution and verification.

Furthermore, in order to realize synergies and fully leverage the potential of both banks, I believe it is essential for both banks to share a common vision and plan regarding initiatives such as human capital management and gender diversity, while also achieving a deeper integration and evolution of their organizational cultures.

**Yoshitake** In the case of business integration among Japanese companies, it is not uncommon for the integration process to stall and fail to proceed as originally intended. At the Company, the presidents of both banks serve as our president and vice president, respectively. With these two leaders at the helm, I believe we have advanced our integration, building on a foundation of strong trust, while leveraging the unique strengths of each bank.

Our current business performance is strong. While changes in the external environment certainly play a role, I believe another major factor is that management practices focused on shareholder value, based on key performance indicators such as ROE and RORA, have become firmly established. Ten years have passed, and while things have been going well so far, when even greater structural changes occur in the future, our true

worth will be put to the test as we figure out how to overcome them by leveraging our strengths.

**Nakano** With regard to integration synergies, progress has been made primarily from the perspective of cost synergies, such as streamlining back-office operations through the integration of core systems and the consolidation of decentralized systems other than core systems. I also feel that the structure, in which two banks coexist under the Mebuki Financial Group, creates a synergy that encourages employees at each bank to compete with one another and push each other to improve.

Both banks handle numerous projects and possess a wealth of information. I expect we will be able to facilitate a smoother exchange of information in areas such as business matching, business succession, and M&A. While we've made significant progress in reviewing our branch network over the past decade, from an outside perspective, I think it might be worth giving it a little more consideration, especially in light of digitalization.

**Totsuka** I've heard that there were various frictions at first during the integration of the two banks, which have different corporate cultures and histories. It's not hard to imagine that, led by the Mebuki Financial Group's executives and board members, the company has held sincere discussions and overcome challenges one by one. I feel that this history has become the solid foundation for our current growth. As a result of the two banks, which have different financial structures, operating in a way that complement each other while taking into account factors such as the other's capital adequacy ratio and profitability, last fiscal year we posted our highest profit since the integration.

In the region, serious challenges, such as population decline and labor shortages, that cannot be solved by money alone are becoming increasingly apparent. I expect to see an increasing trend in the future where headquarters will gather the information obtained by sales representatives and provide optimal solutions from among the wide range of services offered by the financial group, such as leasing and securities.

## Discussions on the effectiveness of the Board of Directors and capital efficiency

— As an outside director overseeing management, what perspective do you prioritize most? In particular, what discussions took place at the Board of Directors regarding improving the PBR and enhancing capital efficiency, which reflect the expectations of capital markets?

**Yoshitake** I believe that the Board of Directors is functioning effectively in implementing management practices that take shareholders and investors into account. The Board of Directors is engaged in lively discussions on topics such as how to set ROE targets, how to approach the cost of capital, and how to understand RORA and incorporate it into management. In addition, the fact that we hold meetings twice a year for outside directors to engage in dialogue with institutional investors and analysts provides an excellent opportunity to gain insights from the perspectives of the market and investors.

That said, shareholders and investors are not the only stakeholders. As a regional financial institution, we must provide value to our local communities, our customers, and our employees—our diverse stakeholders. From that perspective as well, I believe that the fact that our five outside directors each have different backgrounds is a strength for the Company and helps broaden the scope of thinking within the Board of Directors.



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**Nakano** Meetings with institutional investors are incredibly stimulating; every time, I gain new insights—like, “So that’s what they’re thinking”—and the awareness that I’m always being watched keeps me on my toes. For these reasons, when I oversee management, I always place a high priority on ensuring that we meet investors’ expectations.

The PBR itself has exceeded 1x, and the stock price has risen more than sixfold over the past five years. While the achievement of our business goals was partly driven by external factors, I believe Mebuki Financial Group’s efforts to enhance its disclosure practices have also been recognized.

With regard to improving ROE to help enhance PBR, the Board of Directors has discussed both the numerator and denominator and has actually implemented measures; therefore, the Company’s strategic initiatives aimed at enhancing corporate value deserve some recognition.

**Shu** How should capital allocation priorities be set across the three areas of growth investment, shareholder returns, and retained earnings to maintain financial stability? The Board of Directors has repeatedly discussed the appropriate use of capital. For example, when it comes to shareholder returns, I believe there has been an ongoing, very sincere and open discussion regarding whether to focus on increasing dividends or taking more flexible measures, such as share buybacks.

It is only in the last three years or so that topics such as the effective use of capital have risen to the top of the



Board of Directors’ agenda, and I view this as a sign of qualitative improvement in corporate governance.

The Board of Directors also serves as a forum for considering ideas for future growth. Going forward, I hope that we can all freely and flexibly share ideas, without any taboos, on how to address the restructuring of regional banks, drawing on our experience with business integration.

**Totsuka** The Board of Directors is actively engaged in discussions on capital efficiency. I mentioned this earlier, but while there were some imbalances between the two banks at the time of the integration, over the course of ten years we have aligned their financial structures and, as a result of our efforts to strengthen management functions aimed at generating profits for the combined entity, earnings have been achieved. As a leading regional bank group now boasting total assets of over 21 trillion yen, I think it’s wonderful that various strategies are being formulated and executed with a sense of unity.

As the transition to a world with interest rates and inflation accelerate, a different way of thinking is needed for growth investment. In order to revitalize the regional economy, in which areas should funding be prioritized? I believe that discussions aligned with our corporate philosophy will be important going forward, so I intend to be actively involved myself.

**Nagasawa** The effectiveness of the Board of Directors has changed dramatically over the past ten years. In the past, presentations tended to take up a lot of time, and the ratio of presentation to Q&A was roughly 7 to 3; however, that ratio has now reversed to 3 to 7, resulting in discussions that are more substantial in both quality and quantity. In addition, directors from both inside and outside the company are able to set aside time to discuss matters beyond the items subject to resolution or reporting, such as capital policy and the appropriateness of the medium-term management plan.

What stands out in my memory from a meeting with institutional investors was when I was asked, “In what proportion do you prioritize contributing to the local community and realizing shareholder value?” I stated that, in the medium to long term, contributing to the local



community leads to the maximization of shareholder value, and that we do not contribute to the local community at the expense of shareholder value to any significant degree; however, I realized that I needed to provide a more thorough explanation in order to fully convey that intention.

### Creating social impact and deepening management strategy

— In the Fourth Medium-Term Group Business Plan, sustainability and strategy were integrated, and social impact indicators were introduced. Looking back on the past year, how do you feel the Group’s business activities are contributing to solving local issues? Also, please tell us how the formulation of the impact pathway has changed your management perspective, as well as the results you’ve seen and the challenges you’ve faced.

**Shu** Looking back on the past year, it’s difficult to say with certainty at this point what kind of results we’ve achieved. I understand that regional financial institutions are companies that bear public roles and responsibilities, and that their core business itself inherently creates social impact.

While the Impact Pathway itself is by no means a novel concept, I believe its development was significant in that it allowed us to identify the challenges we need to address with greater precision. It is important to conduct business activities based on the understanding that

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solving social issues and pursuing economic value are interconnected.

**Nakano** I remember that the discussion on social impact was quite difficult. When considering the business model of regional banks, we concluded that what constitutes social impact is the value added—specifically, the amount of value added in cases where the Group has been actively involved. However, since the value added cannot be calculated until our business partners' financial statements are released, there is a time lag. Since it's only been a year, we don't know what the results will be yet.

We value the impact pathway itself for redefining conventional business activities and visualizing the impact that the results of those activities have on stakeholders and society. As the results are yet to come, we intend to continue evaluating the effectiveness of this initiative.

**Nagasawa** Rather than seeking short-term results, I believe that creating social impact will ultimately lead to the maximization of shareholder value. If our mission is to serve as a source of support for the community from a long-term perspective, I believe that contributing to social impact is simply the right thing to do as a regional financial institution. Shareholder value and social impact are compatible, and it is important to increase our presence in both local communities and financial markets.

**Totsuka** Last fiscal year, we first established indicators to measure the extent of our contribution to the local community, and we are currently going through a process

of trial and error to determine what kinds of activities will generate the desired outcomes. I think how we will deepen the discussion at the board level is something we'll have to address going forward.

I expect that using social impact indicators as one of the factors branch managers and frontline staff consider when setting goals, and thereby making visible how their activities contribute to the local community, will help boost motivation.

**Yoshitake** Although our efforts to use social impact metrics have only just begun, we have always contributed to the local community, and one could argue that contributing to society is an integral part of a financial institution's core business.

The reason this is being emphasized now is that, as the population is set to decline rapidly, the sustainability of local communities and local economies is being called into question more than ever before. Focusing on this is an expression of the execution department's intent led by top management, and we, the outside directors, will make every effort to support it.

The company reported approximately 2 trillion yen in value added for FY2023 and has set a goal of sustained growth for FY2027. The goal is not simply to set target figures; rather, I'd like to see these numbers utilized as a

tool to help refine approaches and boost motivation on the frontlines.

— To conclude, please share a few words on the role each of you will play in enhancing corporate value.

**Nagasawa** I will continue expressing opinions from my own perspective both inside and outside the Company. That's all there is to it.

**Nakano** I will determine whether business is capitalizing on the tailwind provided by the transition to a world with interest rates. I also intend to evaluate the results of our diversity initiatives.

**Shu** The main role of outside directors is to supervise business execution. I intend to carry out my duties while keeping in mind whether my role is yielding results that meet shareholders' expectations.

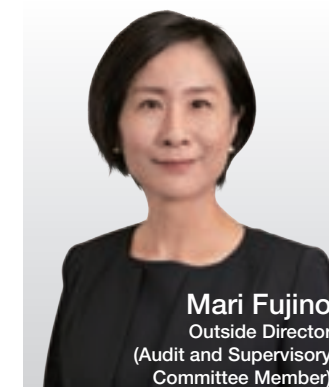
**Totsuka** I want to support the Group's evolution into a corporate group that can provide comprehensive services and solutions, not limited to finance, to the local community.

**Yoshitake** How can we, as a financial group, contribute to regional sustainability? I intend to approach board meetings and other such occasions with that perspective in mind.



### A Message from a New Outside Director

I am Mari Fujino, and I have been appointed as an outside director (Audit and Supervisory Committee Member). Since 2010, I have been working at a law firm in Tokyo, where I have handled dispute resolution, including litigation, as well as M&A and business succession support, insurance law matters (including handling fraudulent claims), and bankruptcy law. At the Board of Directors, I intend to do my utmost to ensure that the views of the various stakeholders related to the Group are appropriately incorporated from an independent perspective. In addition, I will not overlook even the slightest cause for concern; instead, I will raise issues and, through questioning and gathering information, strive to ensure and improve an effective governance framework. Furthermore, given that we now have three female directors, I intend to make a conscious effort to ensure that diversity within the Board of Directors functions effectively and is leveraged in our discussions and decision-making.



**Mari Fujino**  
Outside Director  
(Audit and Supervisory  
Committee Member)

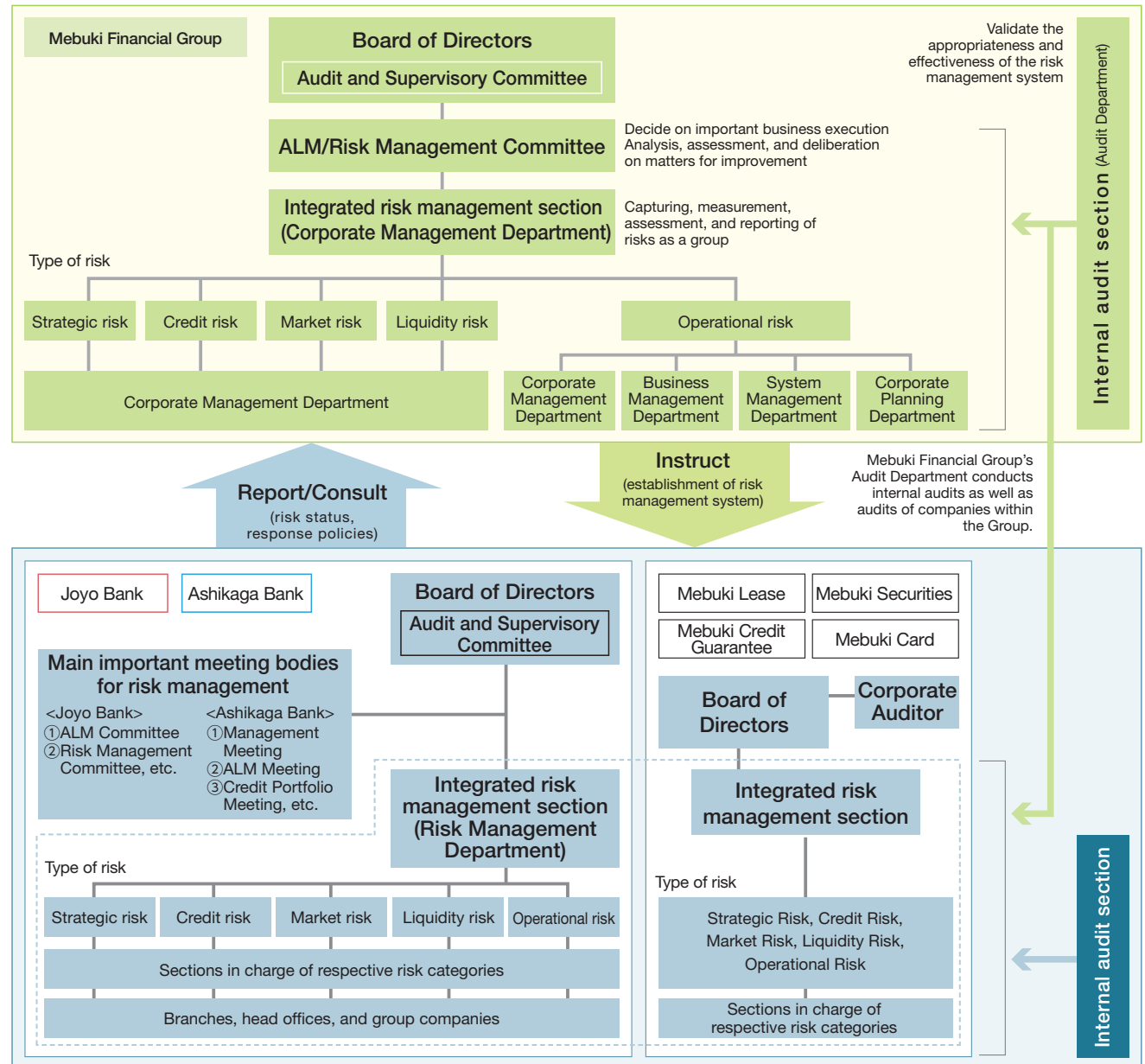
# Risk Management System

## Risk management system

The Group undertakes its risk management based on the Basic Rules on Group Risk Management determined by the Board of Directors of the Company.

In order to perform the matters set forth in the Basic Rules on Group Risk Management, the Company has established the ALM/Risk Management Committee, which makes decisions on important business execution regarding the Group's risk management and performs analysis, assessment, and improvement of the matters relevant to the risk management of the overall Group. The said committee ensures corporate management emphasizing the risk and return relationship through consideration and discussion focused on closer coordination between risk management and profit management while controlling risks appropriately, and facilitates prompt and efficient decision-making by management.

Furthermore, we have organized the integrated risk management section responsible for the supervision and integrated management of various risks, and at the same time, established the framework under which the audit section independent from business execution sections performs internal auditing and validates the appropriateness and effectiveness of the respective risk management status.



## Risk Management System

### Top risk

Of the risk events that have an impact on the Group's management and strategies, those deemed particularly significant in terms of likelihood, potential impact, or public attention are designated as top risks by the Board of Directors. For these top risks, we implement predictive management and risk control measures based on risk scenarios. The top risks selected at the Board of Directors meeting held in March 2026 are as follows.

| Risk events                                                                                        | Risk scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Decline of the Regional Economy and Local Communities</b>                                       | <ul style="list-style-type: none"> <li>▪ The decline of the regional economy resulting in decreases in balances of deposits and loans and a decline in the profit ability of the Group</li> <li>▪ The decline of local industries resulting in deterioration of the performance of local customer companies and an increase in credit costs</li> <li>▪ The shrinking GDP within the region weakening the management foundation, making business continuity difficult</li> </ul>                                                                                                                                                                                            |
| <b>Changes in values of workstyles and difficulty in securing human resources</b>                  | <ul style="list-style-type: none"> <li>▪ Changes in the desired human resources profile and changes in workstyles and preferences resulting in a failure to achieve the expected effects of investing in human capital (such as autonomous employee growth and increased engagement), leading to a decline in competitiveness</li> <li>▪ Failure to secure necessary human resources due to factors such as declining centripetal force of the banking business and increased employment mobility, resulting in dysfunctional strategies</li> </ul>                                                                                                                        |
| <b>Rapid progress of digitalization and intensifying competition in banking services</b>           | <ul style="list-style-type: none"> <li>▪ Decline in the level of products and services due to delay in responding to rapid development of digital technology (AI, fintech, etc.), resulting in a decline in competitiveness</li> <li>▪ Benefits expected from digital investment (such as operational efficiency) not materializing, leading to a decline in profitability</li> <li>▪ Intensification of competition for deposits and loans due to more companies from other industries entering into banking and expanding their businesses, and acceleration of reorganization of the financial industry, leading to a decline in profitability</li> </ul>               |
| <b>Delay in response to climate change and environmental issues</b>                                | <ul style="list-style-type: none"> <li>▪ Delays in establishing support systems for customer companies resulting in missed opportunities to address their climate change response needs</li> <li>▪ Increased credit costs due to delays in customer companies' responses to a low-carbon society</li> <li>▪ Delay in response to climate change and environmental issues leading to a deterioration in evaluations by stakeholders and damage to corporate value</li> </ul>                                                                                                                                                                                                |
| <b>Emergence of political instability and geopolitical risks across countries</b>                  | <ul style="list-style-type: none"> <li>▪ Increased political instability and uncertainty in various countries causing turmoil in the financial markets. Falling stock and bond prices causing deterioration in the valuations of securities</li> <li>▪ A policy shift forcing customer companies to review their business models, resulting in deteriorating performance and increased credit costs</li> <li>▪ The materialization of geopolitical risks disrupting the supply chain and driving up commodity market prices. Deterioration of the performance of local customer companies causing an increase in credit costs</li> </ul>                                   |
| <b>Rapid economic downturns and large fluctuations in market interest rates</b>                    | <ul style="list-style-type: none"> <li>▪ A rapid economic downturn at home and abroad, and significant rises in interest rates and prices causing weaker customer performance, more bankruptcies, and, consequently, higher credit costs</li> <li>▪ A significant rise in interest rates worsening the valuations of securities. In addition, intensified competition among banks to acquire deposits and a consequent sharp increase in deposit interest rates increasing funding costs</li> <li>▪ Concerns about an economic recession creating a deflationary, low-interest environment, leading to reduced profitability and failure to meet business plans</li> </ul> |
| <b>Occurrence of cyber attacks and large-scale system failure</b>                                  | <ul style="list-style-type: none"> <li>▪ Cyber attacks and large-scale system failure hindering business continuity</li> <li>▪ Costs for responding to customer information leaks and system failures, and damage to the Group's credibility</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Occurrence of large-scale earthquakes and wind- and water-related disasters</b>                 | <ul style="list-style-type: none"> <li>▪ Severe damage to stores, ATMs, or employees caused by disasters or other incidents leading to interruption of operations</li> <li>▪ Recovery costs incurred due to damages to the Group's stores and ATMs</li> <li>▪ Earthquakes, floods, or other incidents weakening the performance of local customer companies, causing an increase in credit costs</li> </ul>                                                                                                                                                                                                                                                                |
| <b>Delay in measures against financial crime, occurrence of misconduct, etc.</b>                   | <ul style="list-style-type: none"> <li>▪ Delays or deficiencies in financial crime countermeasures adversely affecting customers and damaging the Group's credibility</li> <li>▪ The occurrence of misconduct, etc. resulting in costs such as compensation for damages and reputational harm to the Group</li> </ul>                                                                                                                                                                                                                                                                                                                                                      |
| <b>Occurrence of business activities that run counter to customer-oriented business operations</b> | <ul style="list-style-type: none"> <li>▪ Damage to the credibility of the Group arising from business activities that run counter to customer-oriented business operations</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## Risk Management System

### Integrated risk management

The Group undertakes “integrated risk management” which quantitatively measures various types of risk including credit risk and market risk, using statistical methods, such as VaR, in order to individually manage various types of risk relevant to financial services, and at the same time, to comprehensively capture said risks. We strive to maintain an appropriate level of our capital reserves by comparing and contrasting the total amount of risk with our financial soundness (our capital reserves).

Specifically, we allocate capital to each type of risk (credit risk, interest rate risk, price fluctuation risk, and operational risk) in advance to the extent of our capital reserves and monitor whether the amount of each risk quantified (risk capital used) stays within the extent of allocated capital. Upon the allocation of capital, we secure a risk buffer to cover losses larger than those expected in the statistical methods or risks unable to be captured by the statistical methods. We confirm the sufficiency of our capital reserves, including the capital to cover the aforementioned risks, by performing stress tests by which we capture the impact on our capital reserves under assumed scenarios such as a sudden economic downturn. Furthermore, we confirm the reasonableness and effectiveness of the statistical methods through backtests in which the risk amount calculated by VaR is compared with actual profit or loss.

### Credit risk management

Credit risk refers to the risk of incurring losses as a result of customers becoming unable to pay the principal and interest of loans as promised primarily due to the deterioration of their financial conditions.

Recognizing credit risk as a material risk in our business operations, the Group aims to enhance the management system to prevent the emergence of new non-performing loans and to improve asset soundness.

#### Credit risk management system

The Group has established the Group Guidelines for Credit Risk Management, which set forth, as our basic policy for credit risk management, the appropriate management of credit risk on individual loans and the management of the credit portfolio focusing on risk diversification.

The section in charge of credit risk management, which is organizationally and functionally independent from the business promotion sections, is responsible for the planning and operational management of the internal credit rating system, self-assessment systems, write-offs and provisions to the reserve for loan losses, as well as for the monitoring of loan assets as the specialized organization for the comprehensive supervision and management of the credit portfolio.

#### Management of credit risk on individual loans

We separate the credit-screening sections of companies within the Group from the business promotion sections to ensure strict screening while also focusing on credit management during repayment to prevent the status of a claim from deteriorating.

#### Internal credit ratings

We categorize our customers into 12-grade rating levels by adding qualitative assessment to the data on their financial condition and cash flow status. In addition to serving as the basis for self-assessment systems, internal credit ratings are used across the full range of credit risk management, including capturing credit risk exposure, setting lending rates, and the allocation of lending authority.

#### Asset self-assessment systems

Companies within the Group strictly implement asset self-assessment systems based on common standards and provide appropriate reserves or write down problem loans based on such assessment. In addition, the reasonableness of such assessment is validated and audited by the sections in charge of validation and auditing, respectively, and is also subject to external audits by accounting auditors.

#### Quantification of credit risk

The quantification of credit risk refers to the statistical forecasting of future losses (amount of credit risk) that can be expected due to bankruptcies or the deterioration of financial conditions of customers. The Group calculates the amount of credit risk for each customer based on “internal credit ratings” with collateral and other factors taken into account.

#### Credit portfolio management

We capture loan assets in their entirety as a single portfolio and conduct credit risk management from a macro perspective. Based on the quantification of credit risk, we carry out periodic monitoring such as whether the credit risk is concentrated in specific sectors or corporate groups, and analysis and evaluation of credit situations by rating and region, or based on composition by industry.

## Risk Management System

### Market risk management

Market risk refers to the risk of incurring losses due to changes in the value of financial assets and liabilities of the Group caused by fluctuations in interest rates, foreign exchange rates, and stock prices.

Our subsidiaries are engaged in investment activities based on their understanding of risk supported by sufficient advance research and analysis of market transactions.

For the appropriate control of market risk, we also perform and report to the ALM/Risk Management Committee of the Company held periodically the quantitative management and measurement under the ALM (asset and liability management) framework to take action according to the situation.

### Liquidity risk management

Liquidity risk refers to the risk of incurring losses primarily due to difficulty in securing necessary funds caused by an unexpected outflow of funds or similar events, or a sharp rise in funding costs.

The Group has established the Group Liquidity Risk Management Rules to set up the framework under which action plans according to respective situations ranging from a normal state to urgent cases are defined to promptly respond thereto.

Specifically, under cash flow management in a normal situation, we manage indicators such as the trend of deposit/loan balances and funding limits in addition to primary indicators (funding gap and liquid asset balance) to avoid an increase in liquidity risk. Furthermore, we define and perform periodical drills for action plans upon a liquidity crisis to enhance the effectiveness in a crisis.

### Operational risk management

Operational risk refers to the risk of incurring losses caused by inappropriateness in the Group's business processes, activities of directors and employees or system operations, or by external events. The Group classifies and manages such risk according to the following six categories: administrative risk, system risk, compliance (legal) risk, personnel management risk, tangible asset risk, and reputational risk.

Furthermore, the Group designates the sections responsible for each risk of these six categories and has a comprehensive risk management section that manages overall operational risk.

#### Administrative risk

Administrative risk refers to the risk of incurring losses due to directors, employees, or external contractors neglecting precise administration, causing incidents, or committing acts of fraud. In the Group, the sections responsible for administrative risk and the comprehensive risk management section responsible for operational risk gather information on and analyze the causes of administrative incidents occurring inside or outside the Group to establish or revise administrative rules or enhance the efficiency of administrative processes through the information system based on the results of such analysis. In addition, the Group has established the framework to detect or prevent administrative incidents through validation of the effectiveness conducted by the internal audit section.

#### Compliance (legal) risk, personnel management risk, tangible asset risk, and reputational risk

We also identify and assess risk through methods in line with risk characteristics and take appropriate actions for: compliance (legal) risk, the risk of incurring losses mainly due to an illegal act committed by directors and employees; personnel management risk, the risk of incurring losses mainly due to an act in violation of laws, regulations or agreements relevant to employment, health or safety; tangible asset risk, the risk of incurring losses due to damage to tangible assets caused by disasters or defective management of buildings; and reputational risk, the risk of incurring losses due to the deterioration of creditworthiness mainly attributable to reputational damage caused by inappropriate actions taken by the Group or the circulation of unfounded rumors.

#### System risk

System risk is the risk of incurring losses primarily due to the failure of computer systems, erroneous computer operation, or inappropriate computer use. The Group has taken necessary measures to ensure the safety and reliability of computer systems including failure response exercises aiming to establish the framework for early recovery from system failure, in addition to sufficient advance testing upon the development or operation of systems, the continuous monitoring of operational status, and duplexing facilities.

### Crisis management and business continuity management

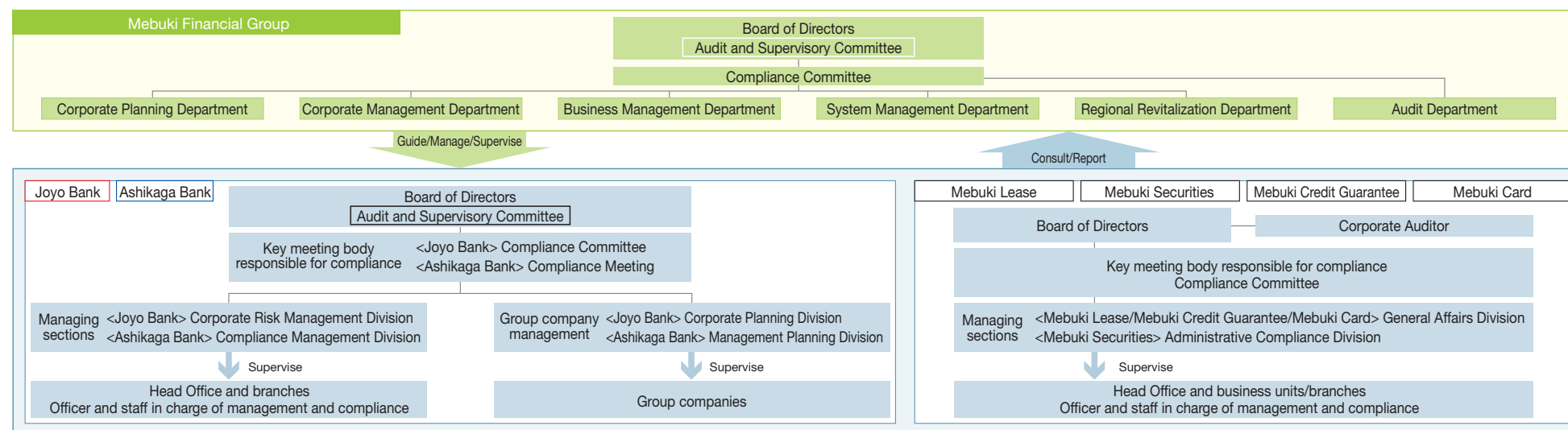
We have established the framework for the continuity or early recovery of important business operations including the repayment of deposits, fund transfer and remittance upon facing a crisis such as a natural disaster, system failure, or pandemic, as well as limiting human and physical damage to the minimum extent possible.

Upon the occurrence of a crisis, we will establish emergency response headquarters at the Company and directly-owned subsidiaries to respond to such emergencies in cooperation with each other. Furthermore, we continuously perform crisis management exercises and review the business continuity plan to enhance the effectiveness thereof upon facing a crisis.

# Initiatives for Compliance

## Compliance framework

We have established a management system aimed at group-wide comprehensive management which enables the Group to perform business operations under the appropriate compliance framework. We aim to enhance the compliance framework by positioning compliance as one of the most material management tasks.



## Organization and structure

We have established the Basic Rules on Group Compliance as the Group's highest standards for compliance, and thereunder, other relevant rules and regulations systematically.

The Compliance Committee established within the Company is responsible for decisions on compliance-related important business execution of the Company and the Group, and for analysis, assessment, and deliberation on matters for improvement relevant to group-wide compliance.

Furthermore, we put compliance into practice through, among other factors, the establishment of the Legal and Compliance Group of the Corporate Management Department as the managing and supervising section in charge of group-wide compliance, the designation of the officer responsible for the Corporate Management Department, and the assignment of compliance staff at each management organization within the Group. Important matters regarding compliance at directly-owned subsidiaries are consulted on and reported to the Corporate Management Department, which is responsible for the guidance, management, and supervision thereof, pursuant to the Rules for Management of Companies within the Group.

## Compliance program

We establish a compliance program as the action plan to realize compliance. The companies within the Group establish a program based on the Basic Policy on Group Compliance Program developed annually by the Company.

The status of the compliance program performed by companies within the Group is reported to and validated by the Compliance Committee quarterly and is also subject to the annual overall assessment which is reflected in the next year's program.

## Initiatives for Compliance

### Measures for anti-money laundering, etc.

We acknowledge anti-money laundering, combating the financing of terrorism (AML/CFT), and preventing violations of sanctions as our key responsibility based on requests from the international community and one of the important tasks in our management strategy. Thus, we formulated the Policy for Anti-Money Laundering, Combating the Financing of Terrorism, and Preventing Violations of Sanctions to take measures for anti-money laundering, etc.

To ensure the effective implementation of AML/CFT for the companies within the Group, we appoint the director in charge of the Corporate Management Department as the Group head AML/CFT officer. In addition, each of the companies within the Group appoints, among the directors, the head AML/CFT officer who is in charge of risk management of AML/CFT.

The companies within the Group formulate AML/CFT Programs as an annual plan to enhance the risk management of AML/CFT, based on the Group's Basic Policy for Anti-Money Laundering formulated by the Company for each fiscal year. From the perspective of promoting the Programs on a group-wide basis, we revise the risk assessment document based on the analyses of recent suspicious transactions and other relevant factors, and hold the Group Money Laundering Countermeasures Liaison Meeting every quarter to verify the implementation status and effectiveness of the Programs.

### Severing connections with antisocial forces

We have established the basic policy against antisocial forces to stand firmly against and sever any connections with antisocial forces which threaten the order and safety of civil society and hinder sound economic and social development.

#### Regarding severing connections with antisocial forces

Mebuki Financial Group, Inc. and its group companies will take the following initiatives to sever all connections with antisocial forces.

1. We will respond to antisocial forces as an organization with a strong recognition of our social responsibility.
2. We will maintain close relationships with the police, the Center for Removal of Criminal Organizations, and external expert organizations including lawyers.
3. We will sever all connections with antisocial forces, including any transactions therewith.
4. We will decisively reject any and all unreasonable demands from antisocial forces and take legal action from both civil and criminal perspectives.
5. We will never provide any funding or benefits to antisocial forces.

### Whistle-blowing system

For compliance-oriented management to be achieved by early detection and correction of violations of laws and regulations, we have established a whistle-blowing system that is compliant with the Whistleblower Protection Act. An internal contact office has been established in each Compliance Management Division of Joyo Bank and Ashikaga Bank. In addition, the Audit and Supervisory Committee at the Company, Joyo Bank, and Ashikaga Bank serve as whistle-blowing contact points independent of management. Moreover, an external contact point has been established in an attorney's office, which is available for the officers and employees in the Group even after their resignation or retirement. For accessibility to these contacts by eligible users, we will gather opinions from them and strive to operate and improve the whistle-blowing system.

### Customer protection management system (measures for customer protection)

We have established the Group Management Policy for Customer Protection to organize and ensure the appropriate management system for customer protection from the perspective of the protection and improvement of convenience for all existing and future customers of the Group, as well as for facilitating finance.

Joyo Bank and Ashikaga Bank have established a supervising section in charge of consultation, complaints, and other communication from customers, and have also entered into a basic contract for the implementation of dispute resolution procedures with the Japanese Bankers Association, the designated dispute resolution organization under the Banking Act, and with the Trust Companies Association of Japan, the designated dispute resolution organization under the Trust Business Act and the Act on Engagement in Trust Business by Financial Institutions, to utilize the financial ADR system for dispute resolution with customers through the involvement of third parties. The Company has defined the Declaration on Personal Information Protection and various regulations with regard to the handling of personal information, individual numbers, and specific personal information received from customers ("Personal Information, etc.") and thereby takes proper measures for security control of Personal Information, etc. The Company, Joyo Bank, and Ashikaga Bank have also set up customer inquiry windows for consultation and complaints regarding Personal Information, etc. in their custody. In addition, they are members of the All Banks Personal Data Protection Council, an authorized organization for the protection of personal information under the Act on the Protection of Personal Information. The Council also accepts complaints, and provides consultation on the handling of Personal Information, etc.

# Status of Customer-Oriented Business Operations Initiatives

## Basic Policy on Customer-Oriented Business Operations

Our Group has formulated and announced the Basic Policy on Customer-Oriented Business Operations to realize the Group's philosophy, "Together with local communities, we will continue to build a more prosperous future by providing high-quality, comprehensive financial services." Each Group company upholds this policy, dedicating itself to honest and fair business operations to prioritize the best interests of our customers. We regularly release the status of our Group's achievements. We monitor the progress of initiatives aligned with this policy and conduct regular reviews of the policy to realize and entrench our customer-oriented business operations.

## Pursuit of the customer's best interests

### Efforts to establish a corporate culture that supports the realization of customers' best interests

Mebuki Financial Group believes that it is in the best interests of its customers to "realize stable asset formation of our customers," as stated in its Basic Policy for Customer-Oriented Business Operations, and always acts in a customer-oriented manner.

To ensure the thorough understanding and implementation of our basic policy, we are promoting customer-oriented business operations through communications from management, regular meetings for sales representatives, and training sessions for internal control officers.

## Providing products and services that serve the best interests of customers (ensuring product governance)

### Collaborating with financial business operators involved in the formation of financial products, judging the suitability for customers on our own responsibility, to provide information on products and services that are in the best interests of customers.

We collaborate with financial products providers (investment trust management companies, life insurance companies, etc.) for information on product purchases, etc. (statistical data), to improve their products and services. We use the information provided by them to sophisticate the development of our products and services, as well as to provide appropriate information to customers.

## Basic Policy on Customer-Oriented Business Operations

- |                                                    |                                                                                                             |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| 1. Pursuit of the customer's best interests        | 5. Providing products and services that serve the best interests of customers (ensuring product governance) |
| 2. Appropriate management of conflicts of interest |                                                                                                             |
| 3. Clarification of fees                           | 6. Practice of customer-oriented consulting                                                                 |
| 4. Customer-oriented information provision         | 7. Establishment of customer-oriented sales systems                                                         |

## Practice of customer-oriented consulting

### Providing consulting services that make the most of the Group's comprehensive abilities to help customers realize their best interests

When providing information on financial products and services to customers, we use consultation sheets to ensure that we can propose the most appropriate financial products and services in light of the customer knowledge and investment experience, financial circumstances, and investment goal.

### Providing products and services to help customers achieve their diversifying goals and dreams

We strive to offer optimal products and services by proactively using the respective functions of banks and securities firms based on needs and life plans of customers.

## Establishment of customer-oriented sales systems

### Development of a performance evaluation system that encourages customer-oriented sales activities

Mebuki Financial Group believes that contributing to the realization of stable asset formation of our customers based on its Basic Policy for Customer-Oriented Business Operations will lead to the best interests of its customers.

To ensure the thorough implementation of customer-oriented business operations, we include in our performance evaluation items to evaluate an increase in the number of asset management contract holders and items to evaluate an increase in investment trust management balance.

For more information on the Basic Policy on Customer-Oriented Business Operations, please visit <https://www.mebuki-fg.co.jp/company/fd/> [in Japanese].

# Internal Audit

## Status of internal audit

The Company has established the Audit Department as the section in charge of internal audits under the Board of Directors, independent of the business execution and risk management departments.

The Audit Department supervises internal audit functions across the Group. In order to ensure the appropriateness of the Group's business operations and the health of assets, the Audit Department inspects the appropriateness and effectiveness of the internal audit system by conducting internal audits on the Group in accordance with the Group Internal Audit Basic Policy, the Internal Audit Rules, and the Group's Audit Plans defined by the Board of Directors.

The audit results are reported to the Audit and Supervisory Committee and the Representative Director monthly and to the Board of Directors every three months. In order to conduct appropriate audits, the Group is making efforts to strengthen the cooperation among the Audit and Supervisory Committee (including corporate auditors of companies within the Group), the internal audit section of the Company, and the accounting auditor through close exchanges of views.

The Group strives to further improve its audit methods by conducting risk-based audits in accordance with the international standards of internal audit established by the Institute of Internal Auditors (IIA), improving the expertise of auditors by encouraging them to acquire an international qualification of internal audit, and undergoing quality assessment of audit by external institutions.

## Status of cooperation among the internal audit section, the Audit and Supervisory Committee, and the accounting auditor

### Cooperation between the internal audit section and the Audit and Supervisory Committee

Full-time members of the Audit and Supervisory Committee are expected to exchange opinions with the Audit Department that functions as an internal audit section regarding the audit system and policy (internal audit plan). During the internal audit planning phase, the members express their views on behalf of the Audit and Supervisory Committee. The audit results are directly reported from the Audit Department to the Audit and Supervisory Committee. Through this dual reporting system, the Committee aims to strengthen mutual cooperation.

### Cooperation between the Audit and Supervisory Committee and the accounting auditor

The Audit and Supervisory Committee receives the audit plan with explanation about significant matters, given by the accounting auditor. In addition, the full-time members of the Committee hold opinion exchange sessions (eight times in FY2025 together with the full-time members of the Audit and Supervisory Committees of subsidiary banks) and are reported on the status of the audit every month (fourteen times in FY2025). By this, the Audit and Supervisory Committee exercises effective and efficient audit through close cooperation with the accounting auditor.

Furthermore, the Committee discussed the rationality of assumptions selected by the management in determining the debtor classification for debtors with significant unsecured amounts as a key audit matter (KAM) and received a briefing on the progress of the audit implementation.

| Details of cooperation                        | Number of sessions held (FY2025)          | Overview                                                                         |
|-----------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|
| <b>Audit briefings (year-end and interim)</b> | 4 times                                   | Explanations of audit opinions, audit status, individual reporting matters, etc. |
| <b>Audit plan briefings</b>                   | 2 times                                   | Explanations of the audit plan, timeline, and compensation proposal              |
| <b>Opinion exchange sessions</b>              | 8 times (including 2 three-pillar audits) | Sharing of audit activities, exchange of opinions, etc.                          |

### Cooperation between the internal audit section and the accounting auditor

The Audit Department engages in exchanging opinions with the accounting auditor regarding an audit policy (internal audit plan) and the audit system as necessary, for securing the effectiveness of the internal audit system.

# Dialogue with Stakeholders

## Dialogue with local communities

As a regional financial institution, we prioritize connecting with local communities in our business area, acknowledging the responsibility we have as a company. We are actively engaged in social contribution activities that we believe our Group should fulfill, such as financial education initiatives, employee volunteer participation in community events, and support through donations.

### Efforts to improve financial literacy

Joyo Bank and Ashikaga Bank are committed to financial education for all age groups, from elementary school, middle school, and high school to university students, working adults, and retirees, to contribute to sustainable growth in local communities.

For the next generation, in response to the lowering of the age of majority, we conduct financial education at schools and have created educational videos on money, credit cards, and financial products to use in schools. For working adults, we hold free financial seminars for corporate customers and asset-building seminars targeted at local government and corporate general affairs managers.  **P.44**

### Economics Koshien

We host the “Economics Koshien Tochigi Tournament” with the aim of deepening the understanding of finance and economics among high school students, who will lead the next generation. This is a preliminary competition for the teams that will advance to the National Tournament, where high school students in Tochigi Prefecture compete with each other for knowledge and understanding of economics, finance, and current affairs.



In addition, bank staff participates in the preparation of some of the questions and the operation on the day of the tournament. The tournament also serves as an opportunity for them to deepen their understanding of the ideal form of financial education and the interests and concerns of the next generation through dialogue with the younger generation. (In FY2025, 56 participants from 28 teams from 9 schools)

## Employees' efforts to contribute to local communities

We support community activities through volunteer activities including cleanup in the communities, participating in events such as sports meets and festivals, and collecting recyclable resources. In addition, we have conducted tree-planting and other activities in order to pass our communities' beautiful and sound forests on to the next generation. In our commitment to protecting and nurturing the greenery, Joyo Bank actively engages in forest thinning and tree-planting activities in woodlands called Joyo Furusato no Mori in Naka City and Hitachiota City in Ibaraki Prefecture, whereas Ashikaga Bank focuses on the development of walkways and the removal of obstructive underbrush in Ashigin Forest situated in Yaita City, Tochigi Prefecture.



Participation in local festivals



Local volunteer activities (development of marathon venue)



Tree-planting activities in Joyo Furusato no Mori



Activities in Ashigin Forest

## Dialogue with Stakeholders

### Regional revitalization initiatives through sports support

Mebuki Financial Group aims to revitalize local communities and achieve sustainable growth through providing support for local professional sports teams. We not only provide financial support in the form of contributions but also provide escorted support tailored to regional needs.

#### Promotion of diversity & inclusion

At the “Joyo Bank Powerful Match,” a tournament sponsored by Joyo Bank for the Kashima Antlers, we held an “Inclusive Festa” as part of our diversity promotion efforts. At the TOCHIGI SOCCER CLUB tournament sponsored by Ashikaga Bank, we held an “Inclusive Soccer Class.” We provide opportunities to experience para sports that everyone can enjoy together, regardless of disability, age, or gender, such as amputee soccer (soccer using canes), wheelchair basketball, and sitting sports, thereby contributing to the promotion of an understanding of an inclusive society.



“Inclusive Festa” at the “Joyo Bank Powerful Match”

#### Development of next generation and financial literacy improvement

We combine sports events with the sound development of children, who will lead the next generation, and financial literacy improvement among local residents. We work to support asset management seminars for supporters from a wide range of generations and sports experience classes for local elementary school students, at commemorative matches and other events.



Asset management seminar during the TOCHIGI SOCCER CLUB tournament

#### Sharing value with stakeholders (expansion of shareholder benefit program)

We have established a “Local Professional Sports Team Support Course” as a shareholder benefit program. Eligible gift items include official merchandise and game tickets for club teams based in Ibaraki and Tochigi Prefectures, such as Kashima Antlers, MITO HOLLYHOCK, IBARAKI ROBOTS, TOCHIGISOCCER CLUB, H.C. TOCHIGI NIKKO ICEBUCKS, and Tochigi Golden Braves. We will contribute to regional revitalization, together with our shareholders, through supporting local professional sports teams.

### Support for the growth of local companies and regional economy

Mebuki Financial Group believes that strong partnerships with young corporate managers, who will lead the next generation, are crucial for realizing sustainable regional growth. As part of our efforts, we hold management classes for young corporate managers and successors in the region, creating opportunities for ongoing dialogue.

At the management classes, in addition to specialized lectures on management methods and the latest business trends, emphasis is placed on discussions among participants. Through active exchanges of opinions across industries and scales, we work to share management issues and create new business ideas.

Going forward, we will function as a hub of next generation network, as well as provide escorted support to leaders who will open up the future of local communities, to work toward revitalizing regional economy and realizing a sustainable society.

#### Dialogue with customers

We conduct regular customer surveys to assess customer satisfaction. Additionally, we collect valuable feedback from customers through phone calls and customer feedback postcards available at bank counters. Incorporating feedback from our customers, we endeavor to enhance our products, services, and storefront environment, in order to make our Group more comfortable and convenient for our customers.

#### Dialogue with employees

Our Group provides opportunities for employees and executives to exchange opinions.

At the launch of the Medium-Term Group Business Plan, Joyo Bank and Ashikaga Bank hold meetings in which officers visit various areas to exchange opinions with employees, aiming to deepen understanding and promote alignment throughout the organization.

The opinions and issues raised in the meetings are shared with management and relevant Head Office divisions, and appropriate measures are taken to address them.

## Dialogue with Stakeholders

### Dialogue with shareholders and investors

We endeavor to disclose corporate information in a timely and appropriate manner. Our focus extends to ensuring highly transparent corporate management through proactive IR activities and constructive dialogues with shareholders and investors in Japan and overseas.

Specifically, in addition to disclosing corporate information in a timely, fair, and accurate manner, our top management actively holds briefings on our business performance, conditions, strategies, and other pertinent factors to provide shareholders and investors with a deeper understanding of the Company.

In FY2025, we promoted a hybrid dialogue also using web-based platforms on a daily basis, in addition to direct dialogue utilizing the advantages of face-to-face format and active promotion of overseas IR activities (on-site visits). As a result, points of contact with shareholders and investors are maintained and expanding at a high level.

Going forward, we will create opportunities for high-frequency, high-quality dialogue to build strong relationships with shareholders and investors.

### Information disclosure to shareholders and investors

As a basic principle, we disseminate information to all shareholders in a fair and equal manner. Upon approval by the Board of Directors and other bodies, we promptly present details of our Medium-Term Business Plans and financial results on TDnet and the Company's website. Furthermore, we take a proactive approach to information disclosure through publishing integrated reports, conducting various briefings, and employing other means to foster a deeper understanding of our philosophy, long-term vision, sustainability initiatives, business activities and models, among other aspects.

### Measures for invigorating general meeting of shareholders and facilitating exercise of voting rights

We send out the convocation notice of the ordinary general meeting of shareholders that is held in June every year as early as possible. Additionally, we post the convocation notice (including the English version) on the Tokyo Stock Exchange and the Company's websites prior to the mailing of the convocation notice.

Furthermore, we are committed to enhancing the environment for shareholders to exercise their voting rights through the internet and cell phones (including smartphones), as well as utilizing the electronic voting rights exercise platform.

After the conclusion of the meeting, we post a video of the meeting on our website for shareholders who could not attend the meeting. We also promptly announce the notice of resolutions and the results of the voting rights exercise on our website.

### Prompt disclosure of important corporate information

Starting in FY2025, the Company has disclosed important corporate information more promptly for the decision-making of shareholders and investors by shortening the time for the announcement of financial results and submitting securities reports earlier, thus responding to requests from the FSA and TSE for the disclosure of important corporate information, etc.

### Primary participants in dialogue with shareholders and investors

Participants are selected based on the specific dialogue theme, to ensure appropriate individuals, such as Representative Director and Director in charge of Corporate Planning, participate accordingly.

The IR staff in the Corporate Planning Department serves as the contact point for dialogue with shareholders and investors.

### Primary dialogues and participants (past engagements)

|                                                                          | Primary participants                                                                                                                                                         |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Large meetings                                                           | Representative Director (President, Executive Vice President)                                                                                                                |
| Small meetings                                                           |                                                                                                                                                                              |
| Theme-based meetings                                                     | Representative Director (President, Executive Vice President), Outside Director, the sections in charge of the two subsidiary banks (Attend meetings according to the theme) |
| Corporate information sessions for individual shareholders and investors | Director (in charge of Corporate Planning, in charge of Corporate Management)                                                                                                |
| One-on-one meetings                                                      | Representative Director (President), Director (in charge of Corporate Planning), General Manager in charge of Corporate Planning Department, Senior Manager, IR staff        |

(Note) Large meetings: Twice a year (May and November), Small meetings: Twice a year (August and February), One-on-one meetings: Quarterly

## Dialogue with Stakeholders

### Main themes and contents of dialogues (from April 2025 onwards)

| Category                              | Main contents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management strategies                 | <ul style="list-style-type: none"> <li>Probability of achieving the business objectives of the Fourth Medium-Term Group Business Plan and future growth drivers</li> <li>Strategies and measures under the Fourth Medium-Term Group Business Plan</li> <li>Possibility of achieving net income attributable to owners of the parent of more than 100 billion yen and ROE of over 10% in the mid to long term</li> <li>The interest rate sensitivity of net interest income to domestic policy interest rates and its relationship with ROE</li> <li>Approach to inorganic strategy and areas to be considered</li> <li>Approach to human capital investment and area for future deployment of human resources</li> </ul>                                                                                                                                                                                                                                                                   |
| Financial and business results        | <ul style="list-style-type: none"> <li>Demand for loans by region and industry and future outlook</li> <li>Appropriate level of the loan-to-deposit ratio</li> <li>Status of deposit and future measures for acquiring deposits</li> <li>The Company's approach to deposit profitability management</li> <li>Issues and direction of corporate consulting sales</li> <li>Results and future outlook of the Group companies</li> <li>Utilization of generative AI in banking services and status of investment in generative AI</li> <li>Status of maintenance of securities portfolio</li> <li>Securities investment policy</li> <li>Probability of achieving the target for reducing strategic shareholdings</li> <li>Utilization of gains on sales resulting from the reduction of strategic shareholdings</li> <li>Scope for future expenses reductions and outlook for OHR</li> <li>Outlook for credit costs, including the impact of increased tensions in the Middle East</li> </ul> |
| Corporate value improvement           | <ul style="list-style-type: none"> <li>Status of initiatives to improve corporate value</li> <li>Context behind the revision of the level of cost of shareholders' equity to be recognized from "6-8%" to "8-9%"</li> <li>The perception and evaluation of current ROE, PBR, and share price within the Company</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Capital policy and capital efficiency | <ul style="list-style-type: none"> <li>Timing of achieving the "payout ratio of 40% or more" as stated in the shareholder return policy</li> <li>System of the Board of Directors that enables the strategic acquisition of own shares</li> <li>Priorities for capital allocation (risk-taking (investments and loans), growth investments, and shareholder returns)</li> <li>Target level of the capital adequacy ratio</li> <li>Sufficient capacity of the capital adequacy ratio in light of the impact of Basel III finalization</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Others                                | <ul style="list-style-type: none"> <li>Status and issues concerning synergies from the business integration of Joyo Bank and Ashikaga Bank</li> <li>Approach to the necessity of the regional bank reorganization in the region and the potential for further business integration of the Company</li> <li>Changes in the class of shareholders and investors in past dialogues</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### Overview of shareholders and investors in past dialogues

| Dialogue partner                                 | Dialogue meeting                                                         | FY2023                                          | FY2024                                                                                                  | FY2025                                                                                                  |
|--------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Individual investors and individual shareholders | Corporate information sessions for individual shareholders and investors | 525 participants for two sessions* <sup>1</sup> | 444 participants for five sessions* <sup>2</sup> (Including 333 on-site participants for four sessions) | 501 participants for five sessions* <sup>2</sup> (Including 335 on-site participants for four sessions) |
| Institutional investors and analysts in Japan    | Large meetings                                                           | 234 participants for two sessions               | 259 participants for two sessions                                                                       | 295 participants for two sessions                                                                       |
|                                                  | Small meetings                                                           | 44 participants for two sessions                | 60 participants for two sessions                                                                        | 72 participants for two sessions                                                                        |
|                                                  | Theme-based meetings                                                     | 15 participants for two sessions                | 76 participants for four sessions                                                                       | 112 participants for four sessions                                                                      |
|                                                  | One-on-one meetings                                                      | 62 companies                                    | 71 companies                                                                                            | 77 companies                                                                                            |
| Foreign investors and foreign shareholders       | On-site visits                                                           | 3 companies for one session                     | 1 company for one session                                                                               | 17 company for three sessions                                                                           |
|                                                  | Conferences in Japan                                                     | —                                               | 18 companies for three sessions                                                                         | 8 company for one session                                                                               |
|                                                  | One-on-one meetings                                                      | 13 companies                                    | 16 companies                                                                                            | 37 companies                                                                                            |
| Total                                            | Individual investors and shareholders                                    | 525 participants                                | 444 participants                                                                                        | 501 participants                                                                                        |
|                                                  | Institutional investors and analysts in Japan                            | 293 participants / 62 companies                 | 395 participants / 71 companies                                                                         | 479 participants / 77 companies                                                                         |
|                                                  | Foreign investors and shareholders                                       | 16 companies                                    | 35 companies                                                                                            | 62 companies                                                                                            |

\*1 The number of participants represents the number of participants in the online live-streaming.

\*2 The number of participants includes the number of on-site participants and the number of participants in the online live-streaming.

### Actions taken based on input and subsequent feedback from dialogue

The main topics of dialogue with shareholders and investors in FY2025 were the probability of achieving the ROE target, capital policy based on the cost of shareholders' equity, progress in the reduction of strategic shareholdings, and the sensitivity of net interest income during a phase of rising domestic policy interest rates. In particular, in response to the growing interest in the impact of higher interest rates, the disclosure of the status of the Company's balance sheets, including the interest rate composition, the amount of impact on net interest income in the event of a rise in policy interest rate, and the status of investment and maintenance of our securities portfolio, etc. have been expanded in the financial results briefing materials. In addition, for shareholders and investors who were not able to attend the financial results briefing session, the presentation script (in Japanese and English) and the content of questions and answers (in English) on the day of the briefing session are newly disclosed.

Going forward, we will continue to improve and expand the contents of disclosures based on the opinions obtained through dialogue with shareholders and investors.

# Group Non-financial Data

## Environment

### Data on Energy Consumption (Joyo Bank + Ashikaga Bank)

|                                                                                                      | FY2023                            |                     |                         | FY2024                            |                     |                         | FY2025                            |                     |                         |
|------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------|-------------------------|-----------------------------------|---------------------|-------------------------|-----------------------------------|---------------------|-------------------------|
|                                                                                                      | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. |
| Target: Energy consumption per 1 square meter<br>: Total energy consumption (KL)/Area (square meter) | 0.0248                            | 0.0248              | 0.0247                  | 0.0205                            | 0.0206              | 0.0204                  | 0.0201                            | 0.0199              | 0.0203                  |
| Energy consumption per 1 square meter:<br>Total energy consumption (KL)/Area (square meter)          | 0.0208                            | 0.0209              | 0.0206                  | 0.0203                            | 0.0201              | 0.0205                  | 0.0198                            | 0.0193              | 0.0205                  |
| Direct Energy Consumption                                                                            | Kerosene (KL)                     | 0                   | 0                       | 0                                 | 0                   | 0                       | 0                                 | 0                   | 0                       |
|                                                                                                      | Light Oil (KL)                    | 1                   | 1                       | 0                                 | 0                   | 0                       | 2                                 | 0                   | 1                       |
|                                                                                                      | Heavy Oil (KL)                    | 119                 | 8                       | 111                               | 98                  | 4                       | 102                               | 7                   | 95                      |
|                                                                                                      | LPG (t)                           | 36                  | 31                      | 4                                 | 30                  | 27                      | 14                                | 11                  | 3                       |
|                                                                                                      | City Gas (thousand cubic meter)   | 99                  | 70                      | 29                                | 108                 | 78                      | 132                               | 103                 | 30                      |
| Indirect Energy Consumption                                                                          | Electric Power (MWh)              | 29,962              | 17,320                  | 12,642                            | 29,164              | 16,635                  | 12,529                            | 28,256              | 15,747                  |
|                                                                                                      | Steam (Gj)                        | 2,111               | 2,111                   | 0                                 | 2,007               | 2,007                   | 0                                 | 1,975               | 1,975                   |
|                                                                                                      | Hot Water (Gj)                    | 0                   | 0                       | 0                                 | 0                   | 0                       | 0                                 | 0                   | 0                       |
|                                                                                                      | Cold Water (Gj)                   | 0                   | 0                       | 0                                 | 0                   | 0                       | 0                                 | 0                   | 0                       |
| Area (square meter: m <sup>2</sup> )                                                                 | 337,658                           | 194,358             | 143,300                 | 335,932                           | 193,738             | 142,194                 | 333,817                           | 192,204             | 141,612                 |
| Total energy consumption (KL)                                                                        | 7,008                             | 4,053               | 2,955                   | 6,807                             | 3,895               | 2,912                   | 6,614                             | 3,710               | 2,903                   |

### Greenhouse Gas (GHG) Emission (from the entire Group, but for Scope 3, total of two banking subsidiaries)

(t-CO<sub>2</sub>)

|                                                                                    | FY2022     | FY2023     | FY2024     | FY2025     |
|------------------------------------------------------------------------------------|------------|------------|------------|------------|
| GHG emission Scope 1 (Direct emission)                                             | 2,811      | 2,738      | 2,508      | 2,572      |
| GHG emission Scope 2 (Indirect emission)                                           | 12,079     | 7,552      | 5,460      | 4,004      |
| GHG emission Scope 3 (Category 1 - 15)                                             | 20,519,939 | 19,366,652 | 29,483,426 | 30,860,936 |
| o/w Category 1 (products/services purchased)                                       | 6,267      | 8,147      | 13,981     | 12,186     |
| o/w Category 2 (capital goods)                                                     | 8,146      | 13,833     | 9,328      | 25,144     |
| o/w Category 3 (fuels and energy-related activities not included in Scope 1 and 2) | 2,237      | 2,106      | 2,533      | 2,493      |
| o/w Category 4 (transportation, delivery/upstream)                                 | 534        | 542        | 468        | 463        |
| o/w Category 5 (wastes generated through business)                                 | 29         | 26         | 27         | 41         |
| o/w Category 6 (business trip)                                                     | 1,128      | 1,089      | 1,081      | 1,077      |
| o/w Category 7 (commuting)                                                         | 3,398      | 3,264      | 3,248      | 3,233      |
| o/w Category 8 (lease assets/upstream)                                             | 0          | 0          | 0          | 0          |
| o/w Category 9 (transportation, delivery/downstream)                               | 0          | 0          | 0          | 0          |
| o/w Category 10 (processing of products sold)                                      | 0          | 0          | 0          | 0          |
| o/w Category 11 (use of products sold)                                             | 0          | 0          | 0          | 0          |
| o/w Category 12 (disposal of products sold)                                        | 0          | 0          | 0          | 0          |
| o/w Category 13 (lease assets/downstream)                                          | 0          | 0          | 0          | 0          |
| o/w Category 14 (franchise)                                                        | 0          | 0          | 0          | 0          |
| o/w Category 15 (investment and loan)*                                             | 20,498,197 | 19,337,643 | 29,452,756 | 30,816,296 |
| Total GHG emission (Scope 1 and 2)                                                 | 14,890     | 10,291     | 7,968      | 6,576      |
| Total GHG emission (Scope 1, 2, and 3)                                             | 20,534,830 | 19,376,943 | 29,491,394 | 30,867,512 |

## Group Non-financial Data

## Social (Human Capital)

|                   |                                                         |           | FY2023                            |                     |                         | FY2024                            |                     |                         | FY2025                            |                     |                         |
|-------------------|---------------------------------------------------------|-----------|-----------------------------------|---------------------|-------------------------|-----------------------------------|---------------------|-------------------------|-----------------------------------|---------------------|-------------------------|
|                   |                                                         |           | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. | Total of two banking subsidiaries | The Joyo Bank, Ltd. | The Ashikaga Bank, Ltd. |
| Basic Information | Number of employees                                     | people    | 5,474                             | 3,023               | 2,451                   | 5,453                             | 3,007               | 2,446                   | 5,507                             | 3,059               | 2,448                   |
|                   | Number of female employees                              | people    | 2,631                             | 1,466               | 1,165                   | 2,657                             | 1,459               | 1,198                   | 2,707                             | 1,494               | 1,213                   |
|                   | (Ratio of female employees)                             | %         | 48.1                              | 48.5                | 47.5                    | 48.7                              | 48.5                | 49.0                    | 49.2                              | 48.8                | 49.6                    |
|                   | Average age                                             | years old | 40.6                              | 40.9                | 40.2                    | 40.5                              | 41.0                | 39.8                    | 40.1                              | 40.7                | 39.4                    |
|                   | (Average age of men)                                    | years old | 42.8                              | 43.8                | 41.4                    | 42.4                              | 43.6                | 41.0                    | 41.7                              | 42.8                | 40.2                    |
|                   | (Average age of women)                                  | years old | 38.3                              | 37.8                | 38.8                    | 38.4                              | 38.3                | 38.6                    | 38.5                              | 38.4                | 38.5                    |
|                   | Average service years                                   | years     | 17.0                              | 17.7                | 16.2                    | 16.6                              | 17.4                | 15.7                    | 16.1                              | 16.8                | 15.2                    |
|                   | (Average service years of men)                          | years     | 19.3                              | 20.6                | 17.7                    | 18.7                              | 20.0                | 17.1                    | 17.6                              | 18.8                | 16.1                    |
|                   | (Average service years of women)                        | years     | 14.6                              | 14.6                | 14.6                    | 14.4                              | 14.7                | 14.2                    | 14.5                              | 14.7                | 14.3                    |
|                   | New graduate recruitment                                | people    | 213                               | 122                 | 91                      | 243                               | 113                 | 130                     | 260                               | 143                 | 117                     |
|                   | o/w Number of women                                     | people    | 106                               | 59                  | 47                      | 118                               | 46                  | 72                      | 119                               | 67                  | 52                      |
|                   | (Ratio of women)                                        | %         | 49.8                              | 48.4                | 51.6                    | 48.6                              | 40.7                | 55.4                    | 45.8                              | 46.9                | 44.4                    |
|                   | Mid-career recruitment                                  | people    | 68                                | 12                  | 56                      | 106                               | 46                  | 60                      | 120                               | 68                  | 52                      |
| Diversity         | o/w Number of women                                     | people    | 39                                | 8                   | 31                      | 54                                | 24                  | 30                      | 51                                | 22                  | 29                      |
|                   | (Ratio of women)                                        | %         | 57.4                              | 66.7                | 55.4                    | 50.9                              | 52.2                | 50.0                    | 42.5                              | 32.4                | 55.8                    |
|                   | o/w Employees promoted from part-timer                  | people    | 21                                | 2                   | 19                      | 12                                | 11                  | 1                       | 15                                | 7                   | 8                       |
|                   | Number of foreign employees                             | people    | 5                                 | 4                   | 1                       | 6                                 | 5                   | 1                       | 7                                 | 6                   | 1                       |
|                   | Employment rate for persons with disabilities           | %         | 2.55                              | 2.56                | 2.52                    | 2.65                              | 2.51                | 2.79                    | 2.58                              | 2.58                | 2.59                    |
|                   | Number of employees who took childcare leave            | people    | 262                               | 138                 | 124                     | 247                               | 126                 | 121                     | 262                               | 136                 | 126                     |
|                   | o/w Number of men                                       | people    | 115                               | 44                  | 71                      | 119                               | 49                  | 70                      | 125                               | 54                  | 71                      |
| Engage-ment       | o/w Number of women                                     | people    | 147                               | 94                  | 53                      | 128                               | 77                  | 51                      | 137                               | 82                  | 55                      |
|                   | Childcare leave taking ratio                            | %         | 103.6                             | 100.7               | 106.9                   | 109.3                             | 105.9               | 113.1                   | 98.1                              | 96.5                | 100                     |
|                   | (The ratio for men)                                     | %         | 105.5                             | 89.8                | 118.3                   | 114.4                             | 108.9               | 118.6                   | 101.6                             | 98.2                | 104.4                   |
|                   | (The ratio for women)                                   | %         | 102.1                             | 106.8               | 94.6                    | 104.9                             | 104.1               | 106.3                   | 95.1                              | 95.3                | 94.8                    |
|                   | Retention rate*1                                        | %         | 96.5                              | 96.5                | 96.6                    | 96.8                              | 97.4                | 96.0                    | 97.6                              | 98.2                | 96.9                    |
|                   | (Retention rate for men)                                | %         | 96.9                              | 97.2                | 96.5                    | 96.9                              | 97.9                | 95.7                    | 97.8                              | 98.5                | 96.9                    |
|                   | (Retention rate for women)                              | %         | 96.1                              | 95.6                | 96.6                    | 96.7                              | 96.9                | 96.4                    | 97.4                              | 97.8                | 96.9                    |
| Health            | Number of employees who had health checkups*2           | people    | 8,627                             | 4,703               | 3,924                   | 8,543                             | 4,605               | 3,938                   | 8,576                             | 4,629               | 3,947                   |
|                   | Rate of employees who had health checkups               | %         | 99.9                              | 99.9                | 99.9                    | 99.9                              | 99.9                | 99.9                    | 99.9                              | 99.9                | 99.9                    |
|                   | Number of employees subject to specific health guidance | people    | 684                               | 366                 | 318                     | 673                               | 362                 | 311                     | 670                               | 351                 | 319                     |
|                   | Rate of employees subject to specific health guidance   | %         | 7.9                               | 7.8                 | 8.1                     | 7.9                               | 7.9                 | 7.9                     | 7.8                               | 7.6                 | 8.1                     |

\*1 Retention Rate: (No. of employees at the beginning of fiscal year [Apr. 1] - No. of voluntary retired employees during fiscal year)/No. of employees as of Apr. 1

The number of voluntary retired employees is the number of retired employees during a fiscal year from which retirement due to involuntary reasons such as mandatory retirement is excluded.

\*2 Number of employees who had health checkups: including people who had a complete medical checkup

## Governance

|                                        |        | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|----------------------------------------|--------|--------|--------|--------|--------|--------|
| Number of directors                    | people | 12     | 12     | 12     | 12     | 12     |
| o/w Number of outside directors        | people | 5      | 5      | 5      | 5      | 5      |
| Number of female directors             | people | 1      | 1      | 1      | 2      | 2      |
| Female ratio in the Board of Directors | %      | 8.3    | 8.3    | 8.3    | 16.6   | 16.6   |

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

Climate change-related (TCFD) Natural capital-related (TNFD)

Economic development is dependent on social conditions such as livelihood and education, and society is supported by the natural environment. Therefore, the maintenance and conservation of the environment is a prerequisite for realizing sustainable local communities and achieving the sustainable growth of both local communities and the Group.

The Group recognizes addressing climate change and environmental conservation as an important factor in its business strategy. In addition to disclosing information in line with the TCFD Recommendations since March 2021, the Group joined the TNFD Forum in January 2024 and registered as a TNFD Adopter in July 2025. We provide integrated disclosures based on the respective TCFD and TNFD disclosure frameworks.

Going forward, we will continue to strive to reduce the environmental burden of our corporate activities and strengthen our efforts for environmental conservation through our business activities, such as by providing services that contribute to environmental conservation and motivating the supply chain.

We will also further strengthen engagement with stakeholders through proactive information disclosure based on the TCFD and TNFD Recommendations.

|                                | Governance                                                                                                                                                                                                                                                                                                                                                          | Strategy                                                                                                                                                                                                                                                                            | Risk management                                                                                                                                                                                                                                                                                                 | Metrics and targets                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate change-related (TCFD)  | ① Identified “Contribution to a Decarbonized Society and Environmental Conservation” as a material issue (materiality) to be addressed as a priority<br>P.28<br>② Established a sustainability governance system and placed initiatives to address this material issue under its management and oversight.<br>P.93                                                  | (Risks) Identification of climate-related risks expected to affect business activities and assessment of their financial impact through scenario analysis<br>P.116<br>(Opportunities) Support customers through financing and consulting, and conduct engagement activities<br>P.48 | ① The Board of Directors designates risks related to climate change and natural capital as top risks and implements predictive management and risk control measures based on risk scenarios.<br>P.102<br>② Integrated risk management that takes into account the transmission of climate change risks<br>P.118 | <b>(Common to TCFD/TNFD)</b><br>Set targets to execute sustainable finance for a cumulative total of ¥3 trillion over the period from FY2021 to FY2030 (of which, ¥2 trillion is for environmental sectors)<br>P.48<br><b>(TCFD)</b><br>Set a target of achieving net-zero CO <sub>2</sub> emissions (Scope 1 and Scope 2) across the entire Group by FY2030<br>P.119 |
| Natural capital-related (TNFD) | ③ Established Group-wide policies for sustainability initiatives, including climate change response and environmental conservation, such as the “Group Sustainability Policy,” “Group Environmental Policy,” “Group Human Rights Policy,” “Environmentally and Socially Friendly Investments and Loans Policy,” and “Procurement and Purchasing Guidelines”<br>P.23 | (Risks and opportunities) Selected the “Food and Beverage sector” as the priority sector and analyzed risks and opportunities in that sector<br>P.117                                                                                                                               | ③ Regular monitoring of whether investment and financing activities are being conducted in accordance with the “Environmentally and Socially Friendly Investments and Loans Policy”<br>P.118                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                       |

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

### Strategy Climate change-related (TCFD)

The Group conducts financial impact assessments based on the identification of climate change risks and opportunities that are expected to impact its business activities. Based on the assessment results, we are taking steps to mitigate risks and capture opportunities.

### Risks

#### (1) Awareness of risks

We are aware of climate change-related risks as follows:

|                  | Risks                                                                                                                                                                                                                                                                                                                                                                               | Details                                                                                                                                                                                                                                                                                                                                                                  | Time frames                                     |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Physical risks   | <ul style="list-style-type: none"> <li>Increased severity of extreme natural disasters such as typhoons and flooding and chronic changes to the climate such as increased rainfall, both of which are triggered by the progress of global warming</li> </ul>                                                                                                                        | <ul style="list-style-type: none"> <li>Increased credit-related costs for the Group due to deterioration in customers' performance and damage to collateral properties</li> <li>Risk that business operations may be unable to continue if the Group's locations are affected by disasters, and increased costs for business continuity measures and recovery</li> </ul> | Short- to long-term                             |
| Transition risks | <ul style="list-style-type: none"> <li>Tightening of laws and regulations, such as the setting of stricter CO<sub>2</sub> emissions reduction targets and the introduction/hike of carbon taxes, and changes in the industrial structure</li> <li>Deterioration in reputation due to insufficient action on climate change issues or insufficient information disclosure</li> </ul> | <ul style="list-style-type: none"> <li>Deteriorated earnings at customers and increased credit-related costs at the Group, which may lead the Group to review/revise its business strategies, including the Investments and Loans Policy (a sector-specific policy)</li> <li>Greater difficulty in funding for the Group</li> </ul>                                      | Medium- to long-term<br><br>Short- to long-term |

\*Short-term: approx. 5 years; medium-term: approx. 10 years; long-term: approx. 30 years

#### (2) Scenario analyses

We conducted scenario analyses of "physical risks" and "transition risks" to assess the Group's resilience under climate change scenarios and strengthen dialogue (engagement) with customers.

##### <Physical risks>

|                         | From flooding                                                                                                                                                                   |                                                                                          |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Risk events             | <ul style="list-style-type: none"> <li>Damage to collateral properties</li> <li>Deteriorated financial position of customers due to discontinued business operations</li> </ul> | <ul style="list-style-type: none"> <li>Damage to own facilities</li> </ul>               |
| Scenarios               | RCP8.5 scenario* <sup>2</sup> according to IPCC (4°C scenario)                                                                                                                  |                                                                                          |
| Subject of the analysis | Customers with their business locations in Japan                                                                                                                                | All own buildings in Japan                                                               |
| Period of analysis      | Until 2050                                                                                                                                                                      |                                                                                          |
| Risk metrics            | Credit-related costs (credit costs) that will likely increase                                                                                                                   | The number of locations and amount of damage where flood damage occurs                   |
| Amount of risk          | Increase in credit-related costs: Up to ¥15.3 bn                                                                                                                                | The number of locations: 103 (16.6% of all locations)<br>Amount of damage: Up to ¥1.4 bn |

\*A scenario developed by IPCC

##### <Transition risks>

|                         |                                                                                                      |
|-------------------------|------------------------------------------------------------------------------------------------------|
| Risk events             | Deteriorated financial position of customers as a result of the transition to a decarbonized society |
| Scenarios               | NZE scenario* <sup>1</sup> (1.5°C scenario), RCP2.6 scenario* <sup>2</sup> (2°C scenario)            |
| Subject of the analysis | Electricity, Petrochemical, Automobile, and Metals and Mining sectors                                |
| Period of analysis      | Until 2050                                                                                           |
| Risk metrics            | Credit-related costs (credit costs) that will likely increase                                        |
| Amount of risk          | Increase in credit-related costs: Up to ¥20.5 bn                                                     |

\*1 A scenario developed by IEA \*2 A scenario developed by IPCC

#### (3) Results of the scenario analysis

This analysis approach found that both physical risks and transition risks have limited impacts on the Group. We will use analysis results for our customer engagement and support our customers in making efforts to address climate change and toward decarbonization, thereby aiming to maximize opportunities and minimize risks for the Group and customers as we continue to strive to evolve our analysis.

#### (4) Status of carbon-related assets

As one of our efforts to understand climate change-related risks, the Group is working to understand the status of transactions with carbon-related sectors, which are considered to be more susceptible to financial impacts from climate change-related risks than other sectors. The following shows the credit exposure to carbon-related sectors\*<sup>2</sup> as a percentage of the Group's total credit exposure\*<sup>1</sup> and total loans.

| Sector           | Energy         | Transportation | Materials and Buildings | Agriculture, Food, and Forest Products | Total            |
|------------------|----------------|----------------|-------------------------|----------------------------------------|------------------|
| Amount of credit | ¥185.3 billion | ¥570.0 billion | ¥3,475.8 billion        | ¥326.2 billion                         | ¥4,557.4 billion |
| Percentage       | 1.4%           | 4.4%           | 26.6%                   | 2.5%                                   | 34.8%            |

\*1 The sum of loans, acceptances and guarantees, foreign exchanges, private placement bonds, unused portions of commitment lines, etc. Excluding the water supply and renewable energy power generation businesses.

\*2 The sectors suggested in the TCFD Recommendations are the Global Industry Classification Standard (GICS) sectors; however, the Group used the Bank of Japan's sector classification to calculate the amounts and percentages. Therefore, there may be differences between those calculated based on the GICS sectors and those calculated based on the BoJ's sector classification.

### Opportunities

#### (1) Awareness of opportunities

We are aware of climate change-related opportunities as follows:

|                                  | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Time frames          |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Increased business opportunities | <ul style="list-style-type: none"> <li>Increased demand for climate change-related businesses toward decarbonization (e.g., provision of consulting services, products, and services)</li> <li>Increased sustainable finance and related transactions, including renewable energy-related loans</li> <li>Increased demand for funds to invest in infrastructure and make other capital investments, both of which are aimed at minimizing damage from natural disasters triggered by abnormal weather (e.g., damage to offices and residences)</li> </ul> | Short- to long-term  |
| Cost reduction                   | <ul style="list-style-type: none"> <li>Reduced business costs at the Group through measures such as saving resources and energy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                | Medium- to long-term |
| Enhanced social reputation       | <ul style="list-style-type: none"> <li>Enhanced corporate value and social reputation through strengthened responses to climate change and proactive information disclosure</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    | Medium- to long-term |

\*Short-term: approx. 5 years; medium-term: approx. 10 years; long-term: approx. 30 years

#### (2) Efforts to seize the opportunities we are aware of

Making efforts to achieve carbon neutrality and preparing for natural disasters, which are becoming increasingly severe and ever more frequent as the planet heats up, are essential for business continuity and sustainable growth and have become important management issues, not just for listed and larger companies, but also for small and medium-sized local enterprises. In light of such circumstances, the Group actively supports its corporate customers in taking climate change measures by providing funds and consulting services.  **P.48**

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

### Strategy Natural capital-related (TNFD)

The Group has analyzed the dependence and impact of its business activities on nature, as well as the risks and opportunities, with reference to the TNFD Recommendations. We will continue to conduct more surveys and research and work to increase the sophistication of our analysis.

In FY2025, the Group was selected for the Ministry of the Environment's "FY2025 Practical Program for Nature-related Information Analysis toward the Realization of a Decarbonized Society," and conducted the analysis based on knowledge gained under expert guidance.

### Dependencies on and Impacts on Nature

Using data from the analytical tool ENCORE\*, we prepared a heat map analyzing the loan portfolio's dependencies on and impacts on nature. We also selected the "Food and Beverage" sector as the priority sector based on factors including its importance within the region and stakeholder engagement.

We found particularly significant dependencies and impacts related to "water" in this sector.

\*ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is an analytical tool developed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and the Natural Capital Finance Alliance (NCFA). It enables analysis of dependence on and impact on nature by sector.

#### [Heat Map Analysis]

| Legend                                                   |           | Dependencies (ecosystem services) |              |              |                                     |                           |                        |                                              |                |                         |                                   |                         |                    |                        |                        |             |                                                 |                             |                    |                             |                                     |                 |                             |                         |                                           | Impacts (pressures)                        |                                   |                             |               |                           |                                             |                                    |                                        |                                                   |                                                       |                                       |                       |                          |                           |    |
|----------------------------------------------------------|-----------|-----------------------------------|--------------|--------------|-------------------------------------|---------------------------|------------------------|----------------------------------------------|----------------|-------------------------|-----------------------------------|-------------------------|--------------------|------------------------|------------------------|-------------|-------------------------------------------------|-----------------------------|--------------------|-----------------------------|-------------------------------------|-----------------|-----------------------------|-------------------------|-------------------------------------------|--------------------------------------------|-----------------------------------|-----------------------------|---------------|---------------------------|---------------------------------------------|------------------------------------|----------------------------------------|---------------------------------------------------|-------------------------------------------------------|---------------------------------------|-----------------------|--------------------------|---------------------------|----|
|                                                          |           | Supply services                   |              |              | Regulation and maintenance services |                           |                        |                                              |                |                         |                                   |                         |                    |                        |                        |             |                                                 |                             |                    |                             |                                     |                 | Cultural services           |                         |                                           |                                            |                                   |                             |               |                           |                                             |                                    |                                        |                                                   |                                                       |                                       |                       |                          |                           |    |
|                                                          |           | Biomass supply                    | Gene samples | Water supply | Animal-derived energy               | Global climate regulation | Water level regulation | Sensory impact regulation (other than noise) | Air filtration | Soil quality regulation | Conservation of soil and sediment | Solid waste remediation | Water purification | Protection from storms | Protection from floods | Pollination | Maintenance of nursery populations and habitats | Regional climate regulation | Biological control | Rainfall pattern regulation | Atmospheric and ecological dilution | Noise reduction | Recreation-related services | Visual amenity services | Education, science, and research services | Spiritual, artistic, and symbolic services | Disturbances (noise, light, etc.) | Freshwater utilization area | GHG emissions | Seafloor utilization area | Emissions of air pollutants other than GHGs | Collection of biological resources | Collection of non-biological resources | Discharge of toxic pollutants into water and soil | Discharge of dangerous substances into water and soil | Generation and release of solid waste | Land utilization area | Water consumption amount | Invasion of alien species |    |
| VH                                                       | Very High | H                                 | High         | M            | Middle                              | L                         | Low                    | VL                                           | Very Low       |                         |                                   |                         |                    |                        |                        |             |                                                 |                             |                    |                             |                                     |                 |                             |                         |                                           |                                            |                                   |                             |               |                           |                                             |                                    |                                        |                                                   |                                                       |                                       |                       |                          |                           |    |
| Energy                                                   | VL        | VL                                | M            |              | M                                   | L                         | L                      |                                              | M              | L                       | L                                 | M                       | M                  |                        |                        |             | L                                               | VL                          | L                  | L                           | VL                                  |                 |                             |                         |                                           |                                            | H                                 | M                           | H             | L                         | M                                           |                                    |                                        |                                                   | VH                                                    | VL                                    | M                     | M                        | M                         | VL |
| Materials                                                | VL        | VL                                | M            | VL           | L                                   | M                         | VL                     | L                                            | VL             | M                       | M                                 | M                       | M                  |                        | VL                     | VL          |                                                 | M                           | VL                 | M                           | L                                   | VL              |                             |                         |                                           | VL                                         | VH                                | L                           | M             | VL                        | M                                           |                                    | VL                                     |                                                   | VH                                                    | VL                                    | M                     | M                        | M                         | VL |
| Transportation                                           |           |                                   | L            | VL           | M                                   | L                         |                        | VL                                           |                |                         |                                   | VL                      | M                  |                        |                        |             | M                                               | VL                          | M                  | VL                          | VL                                  | L               | M                           |                         |                                           |                                            | H                                 | M                           | VL            | M                         |                                             |                                    |                                        |                                                   | L                                                     | L                                     | L                     | M                        | M                         | VL |
| Automobiles and auto parts                               |           |                                   | M            | L            | M                                   | VL                        | L                      |                                              | M              | M                       | M                                 | M                       |                    |                        |                        |             | M                                               |                             | VL                 | L                           | L                                   |                 |                             |                         |                                           |                                            | H                                 | L                           | M             |                           |                                             |                                    |                                        |                                                   | M                                                     | M                                     | M                     |                          |                           | VL |
| Consumer durables and apparel                            |           |                                   | M            | L            | M                                   | VL                        | L                      |                                              | M              | M                       | M                                 | M                       |                    |                        |                        |             | M                                               | VL                          | L                  | L                           | VL                                  |                 |                             |                         |                                           |                                            | M                                 | M                           | M             |                           |                                             |                                    |                                        |                                                   | M                                                     | VL                                    | M                     | M                        |                           | VL |
| Restaurants and food retail, etc.                        |           |                                   | M            | L            | M                                   | VL                        | VL                     |                                              | M              | L                       | M                                 | M                       |                    |                        |                        |             | M                                               | VL                          | L                  |                             |                                     |                 |                             |                         |                                           |                                            | L                                 | M                           | VL            | M                         |                                             |                                    |                                        |                                                   | L                                                     | VL                                    | L                     | M                        | M                         | VL |
| Food and Beverage                                        | M         | M                                 | VH           | L            | M                                   | H                         | VL                     | M                                            | M              | M                       | M                                 | VH                      | M                  | M                      | L                      | VL          |                                                 |                             | M                  | M                           | M                                   | VL              | VL                          |                         |                                           | L                                          | L                                 | M                           | L             | M                         | VL                                          | M                                  | VL                                     |                                                   |                                                       | M                                     | H                     | M                        | H                         | M  |
| Household and personal products                          |           |                                   | M            | L            | M                                   | L                         | L                      |                                              | M              | M                       | M                                 | M                       |                    |                        |                        |             | M                                               |                             | M                  | L                           |                                     |                 |                             |                         |                                           |                                            | VH                                | M                           | M             |                           |                                             |                                    |                                        |                                                   | VH                                                    | VL                                    | M                     | M                        |                           | VL |
| Pharmaceuticals and biotechnology                        |           |                                   | VH           | VH           | L                                   | VH                        |                        |                                              | M              | M                       | VH                                | M                       |                    |                        |                        |             | M                                               |                             |                    |                             |                                     |                 |                             |                         |                                           |                                            | VH                                | M                           | M             |                           |                                             |                                    |                                        |                                                   | M                                                     | M                                     | M                     | M                        |                           | VL |
| Semiconductors and semiconductor manufacturing equipment |           |                                   | M            | L            | M                                   | L                         | L                      |                                              | M              | M                       | M                                 | M                       |                    |                        |                        |             | M                                               |                             | L                  | M                           | L                                   |                 |                             |                         |                                           |                                            |                                   | M                           | L             | M                         |                                             |                                    |                                        |                                                   | VH                                                    | VL                                    | M                     | M                        |                           | VL |
| Utilities, etc.                                          | VL        |                                   | M            | L            | M                                   | VL                        | L                      |                                              | M              | M                       | L                                 | M                       | M                  |                        |                        |             | L                                               | L                           | VL                 | VL                          | VL                                  |                 |                             |                         |                                           |                                            |                                   | M                           | L             | M                         | VL                                          | M                                  | VL                                     |                                                   |                                                       | M                                     | L                     | M                        |                           | VL |
| Real estate management and development, etc.             |           |                                   | M            | VL           | M                                   | M                         | VL                     | VL                                           |                | M                       | VL                                | M                       | M                  |                        |                        |             |                                                 |                             | VH                 | L                           | L                                   |                 |                             |                         |                                           |                                            | VH                                | M                           | M             | VL                        |                                             |                                    |                                        | H                                                 | M                                                     | L                                     | M                     |                          | VL                        |    |

### Identification of Priority Areas and Environmental Impact Analysis

Focusing on Ibaraki and Tochigi Prefectures, we identified protected areas and other locations essential to maintaining biodiversity and analyzed the negative impacts of business activities on nature in those areas.

Based on an analysis of the proximity of customers' locations to protected areas, we determined that the current negative impact is "limited."

### Risks

The Group recognizes the following nature-related risks.

|                  | Risks (priority sector)                                                                                                                                                                              | Risks to the Group                                                                                                                                                                                                                                      | Main risk mitigation measures of the Group                                                                                                                                  | Risks the Group seeks to avoid                                                                                                                                                     | Time frames           |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Physical risks   | <ul style="list-style-type: none"> <li>Rising raw material prices and procurement difficulties due to abnormal weather and drought, and suspension of operations at customers' own plants</li> </ul> | <ul style="list-style-type: none"> <li>Increased credit costs due to deterioration in customers' performance</li> <li>Reduced repayment capacity due to damage to natural capital at investees and borrowers</li> </ul>                                 | <ul style="list-style-type: none"> <li>Providing information to customers</li> <li>Providing consulting services and expanding the range of solutions</li> </ul>            | <ul style="list-style-type: none"> <li>Reducing the risk of business suspension (default) due to drought and other events</li> <li>Avoiding the risk of stranded assets</li> </ul> | Short- to long-term   |
| Transition risks | <ul style="list-style-type: none"> <li>Increased costs for complying with regulations and standards, and higher procurement costs associated with consideration for natural capital</li> </ul>       | <ul style="list-style-type: none"> <li>Increased credit costs due to deterioration in customers' performance</li> <li>Deterioration in the reputation of investees and borrowers (e.g., financing companies that discharge water pollutants)</li> </ul> | <ul style="list-style-type: none"> <li>Engagement with stakeholders</li> <li>Operation of the Environmentally and Socially Friendly Investments and Loans Policy</li> </ul> | <ul style="list-style-type: none"> <li>Improving the resilience of the overall portfolio</li> <li>Reducing reputational risk</li> </ul>                                            | Short- to medium-term |

\*Short-term: approx. 5 years; medium-term: approx. 10 years; long-term: approx. 30 years

### Opportunities

The Group recognizes the following nature-related opportunities.

|                                                                         | Business opportunities for the Group                                                                                                                                                                                    | Main activities and response measures of the Group                                                                                                                                               | Ultimate ripple effects for the Group                                                                                                                                                                                                                                          | Outcomes for nature                                                                                                                                                                                                                                                                                                                                      | Time frames         |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Financial flows, access to finance, resource efficiency, and reputation | <ul style="list-style-type: none"> <li>Increased social demand for sustainable finance</li> <li>Increase in new investment opportunities</li> <li>Increase in consulting and business matching opportunities</li> </ul> | <ul style="list-style-type: none"> <li>Provision of sustainable finance</li> <li>Providing information and consulting to customers</li> <li>Ongoing engagement (dialogue and support)</li> </ul> | <ul style="list-style-type: none"> <li>Expansion of earnings opportunities through sustainable finance and consulting</li> <li>Improvement in portfolio soundness through reduced risks at investees and borrowers</li> <li>Enhanced reputation and corporate value</li> </ul> | <ul style="list-style-type: none"> <li>[Reduction of environmental footprint]</li> <li>Preventing depletion of regional water resources</li> <li>Reducing water pollution</li> <li>Maintaining ecosystems and avoiding their degradation</li> <li>Creating a market in which environmentally responsible businesses are economically rewarded</li> </ul> | Short- to long-term |

\*Short-term: approx. 5 years; medium-term: approx. 10 years; long-term: approx. 30 years

### Efforts to address the risks and seize the opportunities we are aware of

Going forward, we will work to balance the preservation of a rich natural environment with industrial activity by minimizing nature-related risks and maximizing opportunities for the Group, local communities, and customers. To achieve this, we will further improve our analyses and update assessment methods, while providing both financial support through sustainable finance and other means and non-financial support through consulting, thereby deepening engagement with customers.

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

### Risk management Climate change-related (TCFD) Natural capital-related (TNFD)

The Group has worked to have a more sophisticated risk management system based on the recognition that one of its most important management issues is to appropriately control risks according to the characteristics of business operations and risks in order to enhance its corporate value while ensuring its sound and safe corporate management.

We will continue to work to improve our risk management system, and at the same time, we will develop and provide optimal solutions to the issues and needs we have identified through engagement with our customers, and we will strive to create business opportunities while reducing and avoiding risks.

### Top risk management

Of the risk events that have an impact on the Group's management and strategies, those deemed particularly significant in terms of likelihood, potential impact, or public attention are designated as top risks by the Board of Directors. For these top risks, we implement predictive management and risk control measures based on risk scenarios.

With regard to climate change and natural capital, we have also designated “delayed response to climate change and environmental issues” and “the occurrence of major earthquakes, wind and flood damage, and other disasters” as top risks and manage them accordingly.  **P.102**

### Integrated risk management

The Group undertakes integrated risk management which quantitatively measures various types of risk including credit risk and market risk, using statistical methods, such as VaR, in order to individually manage increasingly diversified and complicated types of risk relevant to financial services, and at the same time, to comprehensively capture said risks.

### Establishment of the “Environmentally and Socially Friendly Investments and Loans Policy”

The Group has established the “Environmentally and Socially Friendly Investments and Loans Policy” for investments and loans to sectors that may have negative environmental and social impacts, and has worked to reduce and avoid such impacts.

We will more actively support initiatives aimed at solving environmental and social issues. At the same time, for investments and loans that may have negative environmental and social impacts, we will regularly monitor whether they are being appropriately managed in accordance with this policy. For details of the “Environmentally and Socially Friendly Investments and Loans Policy,” please refer to the Group's website.

Policy details: [https://www.mebuki-fg.co.jp/eng/sustainability/pdf/investments\\_and\\_loans\\_policy.pdf](https://www.mebuki-fg.co.jp/eng/sustainability/pdf/investments_and_loans_policy.pdf)

### Risk transmission

We are currently taking a phased approach to analyzing risk transmission in two areas: “climate change” and “natural capital.”

#### (1) Spread of climate change-related risks

Given the results of the scenario analysis and qualitative analyses, we recognize that climate change risks could permeate and materially affect the Group's business operations, strategies, and financial planning by way of credit risks, operational risks, and a broad range of complex pathways over a variety of time frames.

In order to understand and assess the impact of climate change on the Group's business, we consider the ripple effects of potential climate change risks. Based on this, we conduct a scenario analysis to identify the current risks and opportunities associated with climate change.

|                   | Physical risks                                                                                                                                                                                                                                                                                | Transition risks                                                                                                                                                                                                                                                                                                                              |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Credit risk       | <ul style="list-style-type: none"> <li>■ Increase in credit risk due to damage to customers' assets, caused by the increased severity of natural disasters and the subsequent impairment of collateral values, and to the slow-down/deteriorated earnings of customers' businesses</li> </ul> | <ul style="list-style-type: none"> <li>■ Deterioration in earnings of customers and subsequent increase in credit risk for reasons including their insufficient responses to changes associated with the transition to a decarbonized society, such as the changes in policies/regulations, markets, and technological development</li> </ul> |
| Market risk       | <ul style="list-style-type: none"> <li>■ Increase in market risk with the declining values of securities, etc., caused by the increased severity of natural disasters</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>■ Deterioration in earnings of investees on the back of the transition to a decarbonized society, increase in market risk coupled with a decline in the values of securities and other instruments caused by changes in investor behavior</li> </ul>                                                   |
| Liquidity risk    | <ul style="list-style-type: none"> <li>■ Increase in liquidity risk coupled with increased outflow of funds due in part to the withdrawal of deposits by customers who were affected by the increased severity of natural disasters, and as a consequence, are cash-strapped</li> </ul>       | <ul style="list-style-type: none"> <li>■ Increase in liquidity risk coupled with increased funding costs on the back of a rating downgrade of the Group due in part to its insufficient response to climate change risks and the outflow of deposits</li> </ul>                                                                               |
| Operational risks | <ul style="list-style-type: none"> <li>■ Increase in tangible asset risk, discontinued business operations, and increase in disaster prevention costs as a consequence of damage to the Group's business locations by natural disasters</li> </ul>                                            | <ul style="list-style-type: none"> <li>■ Increase in reputational risk due to insufficient responses to the transition to a decarbonized society (e.g., insufficient disclosure, holding of carbon-related assets)</li> </ul>                                                                                                                 |

#### (2) Transmission of natural capital-related risks

At present, the Group's natural-capital analysis remains qualitative, consisting primarily of heat-map analysis using ENCORE and the identification and organization of risks faced by the Group.

Going forward, we will advance our analysis of risks and opportunities through scenario analysis and other initiatives. We will also deepen analysis of the impacts and time horizons for each risk category, including credit, market, liquidity, and operational risks, and work to establish an appropriate risk management framework.

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

### Metrics and targets Climate change-related (TCFD) Natural capital-related (TNFD)

The Group has set the targets and created a roadmap for the realization of a decarbonized society and nature positivity, and monitors them with various metrics. We regularly report the progress made toward the targets and the use of metrics to the Sustainability Committee and the Board of Directors, reflect them in the strategy, and receive supervision.

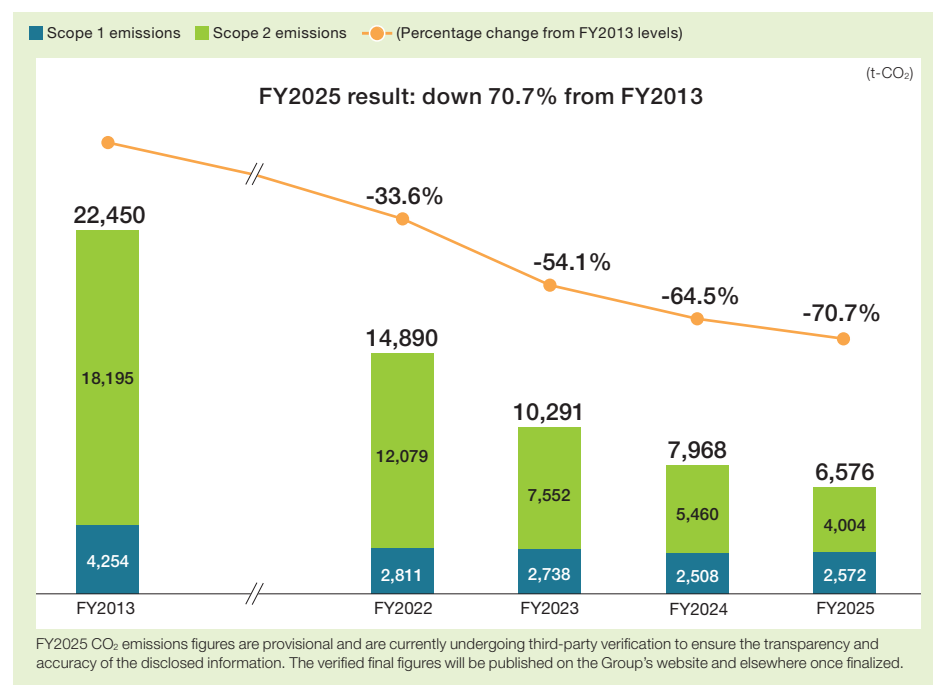
### Sustainable finance

We have set targets to execute sustainable finance for a cumulative total of ¥3 trillion over the period from FY2021 to FY2030 (of which, ¥2 trillion is for environmental sectors), and are proactively working to achieve these targets.

### CO<sub>2</sub> emissions

#### Scope 1, Scope 2

We have set a target of achieving net-zero CO<sub>2</sub> emissions (Scope 1 and Scope 2) across the entire Group by FY2030 and are working toward its achievement.



### Scope 3

The sum of Scope 3 emissions of Joyo Bank and Ashikaga Bank for FY2025 is as follows:

| Category                                                          | Emissions (tons of CO <sub>2</sub> eq) |
|-------------------------------------------------------------------|----------------------------------------|
| ① Products and services purchased                                 | 12,186                                 |
| ② Capital goods                                                   | 25,144                                 |
| ③ Fuels and energy activities not included in Scope 1 and Scope 2 | 2,493                                  |
| ④ Transportation and delivery (upstream)                          | 463                                    |
| ⑤ Waste generated through business                                | 41                                     |
| ⑥ Business trips                                                  | 1,077                                  |
| ⑦ Commuting of employees                                          | 3,233                                  |
| ⑮ Investments and loans                                           | 30,816,296                             |
| Total                                                             | 30,860,936                             |

\*No emissions were measured for Categories 8 through 14.

\*Categories 1 to 7 are calculated with reference to the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.8)" (March 2026, Ministry of the Environment and Ministry of Economy, Trade and Industry) and the "Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains (ver. 3.6)" (March 2026, Ministry of the Environment).

\*Category 15 is calculated in accordance with the calculation standards of Partnership for Carbon Accounting Financials (PCAF), an international initiative to develop methods for measuring and disclosing GHG emissions in investment and loan portfolios.

### Scope 3, Category 15 (investments and loans)

The combined Scope 3, Category 15 emissions of Joyo Bank and Ashikaga Bank in FY2025 were as follows.

| Sector                                 | Emissions (tons of CO <sub>2</sub> eq)* <sup>1</sup> |           |           |            | DQ** <sup>2</sup> |         | Carbon intensity* <sup>3</sup><br>(tons of CO <sub>2</sub> eq/<br>million yen) |
|----------------------------------------|------------------------------------------------------|-----------|-----------|------------|-------------------|---------|--------------------------------------------------------------------------------|
|                                        | Total                                                | Scope 1   | Scope 2   | Scope 3    | Scope 1 and 2     | Scope 3 |                                                                                |
| Energy                                 | Oil and gas                                          | 1,791,603 | 425,485   | 50,202     | 1,315,917         | 2.4     | 15.53                                                                          |
|                                        | Coal                                                 | 1,593     | 1,223     | 56         | 314               | 4.0     | 22.76                                                                          |
|                                        | Electric utilities                                   | 1,072,089 | 581,886   | 28,877     | 461,326           | 2.8     | 7.61                                                                           |
| Transportation                         | Automobiles and parts                                | 1,267,581 | 14,410    | 47,246     | 1,205,925         | 2.7     | 13.04                                                                          |
|                                        | Truck services                                       | 300,339   | 3,090     | 8,665      | 288,584           | 3.9     | 1.69                                                                           |
|                                        | Rail-based transportation                            | 108,115   | 10,448    | 21,154     | 76,513            | 2.0     | 2.2                                                                            |
|                                        | Marine transportation                                | 178,685   | 80,983    | 310        | 97,391            | 2.9     | 6.65                                                                           |
|                                        | Passenger air transportation                         | 32,431    | 24,151    | 161        | 8,120             | 4.9     | 4.17                                                                           |
| Materials and buildings                | Air freight                                          | 140,581   | 104,462   | 746        | 35,373            | 3.9     | 4.31                                                                           |
|                                        | Metals and mining                                    | 1,456,622 | 587,958   | 114,074    | 754,590           | 3.0     | 10.17                                                                          |
|                                        | Chemicals                                            | 1,766,009 | 315,122   | 151,501    | 1,299,386         | 2.2     | 6.86                                                                           |
|                                        | Construction materials                               | 2,173,896 | 1,752,667 | 133,922    | 287,307           | 3.2     | 42.76                                                                          |
|                                        | Capital goods                                        | 9,781,242 | 291,143   | 210,719    | 9,279,380         | 3.0     | 6.58                                                                           |
| Agriculture, Food, and Forest Products | Real estate management and development               | 326,141   | 34,751    | 19,123     | 272,266           | 3.0     | 0.36                                                                           |
|                                        | Agriculture                                          | 193,553   | 126,485   | 9,332      | 57,736            | 4.0     | 6.43                                                                           |
|                                        | Beverages                                            | 20,026    | 1,886     | 1,984      | 16,156            | 3.5     | 1.74                                                                           |
|                                        | Processed food and processed meat                    | 3,052,671 | 1,754,206 | 77,360     | 1,221,106         | 3.4     | 15.26                                                                          |
| Others                                 | Paper manufacturing and forestry products            | 472,071   | 136,285   | 55,287     | 280,499           | 2.6     | 7.10                                                                           |
|                                        |                                                      | 6,681,047 | 841,168   | 1,441,589  | 4,398,290         | 4.1     | 1.81                                                                           |
| Total                                  | 30,816,296                                           | 7,087,809 | 2,372,305 | 21,356,181 | —                 | —       | —                                                                              |

\*1 Emissions: The portion of a borrower's GHG (greenhouse gas) emissions attributable to the Group's business loans. Calculations covered business borrowers of Joyo Bank and Ashikaga Bank. The formula for calculating emissions: Emissions =  $\sum$  {Borrower GHG emissions x Attribution coefficient (Amount of loans from Joyo Bank and Ashikaga Bank / Total amount of funds raised by borrowers)}

\*2 DQ (Data Quality Score): A number indicating the quality of the GHG emissions data using a five-point scale. The closer the value is to 1, the higher the quality. The closer the value is to 5, the higher the number of estimates used.

For emissions data, we use the "bottom-up method," which utilizes actual GHG emissions data (see corporate disclosure data and CDP data). For companies for which data are not available, we use the "top-down method," which uses emission factors, etc.

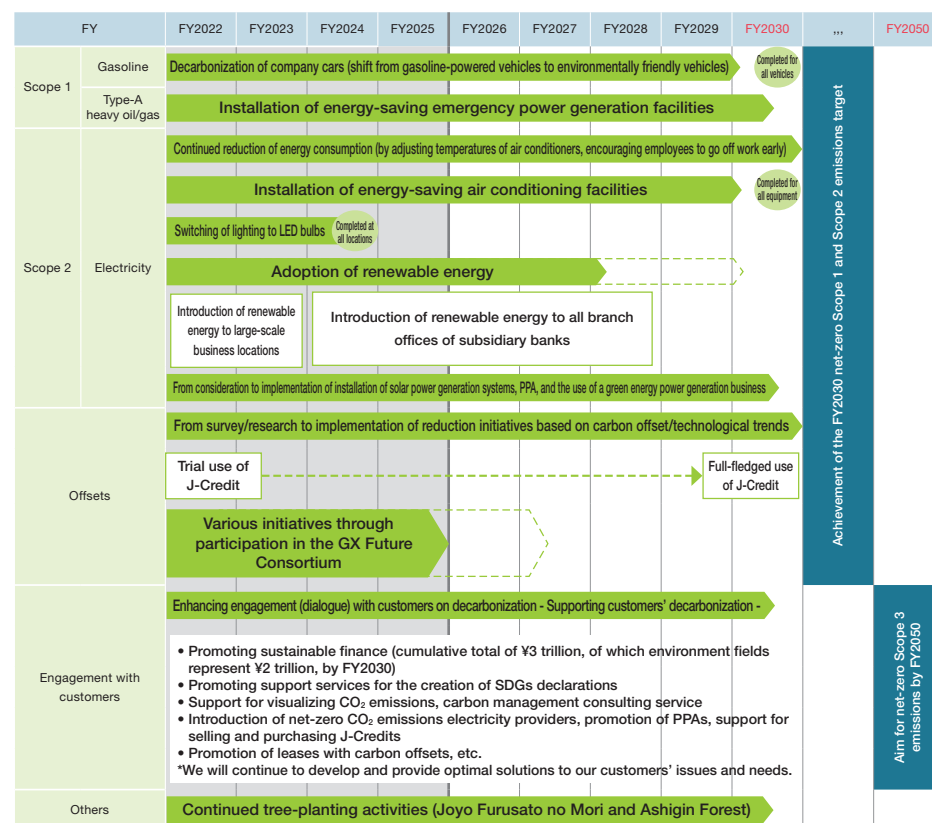
\*3 Carbon intensity: "Emissions"<sup>\*1</sup> per million yen of loan amount

Sector-specific carbon intensity =  $\sum$  (Emissions<sup>\*1</sup> by borrowers of each sector) /  $\sum$  (Loan amount by borrowers of each sector)

## Addressing Opportunities and Risks Related to Climate Change and Natural Capital (TCFD, TNFD)

### Roadmap for reducing CO<sub>2</sub> emissions

To achieve our long-term sustainability KPI of “net-zero CO<sub>2</sub> emissions (Scope 1 and 2) by FY2030,” we will reduce emissions from the Group’s business activities in accordance with the roadmap, support customers’ decarbonization through engagement activities, and aim for net-zero Scope 3 emissions by 2050.



### Main initiatives in FY2025

- Registered as a TNFD Adopter
- Selected for the Ministry of the Environment's "FY2025 Practical Program for Nature-related Information Analysis toward the Realization of a Decarbonized Society"
- Revision of the Procurement and Purchasing Guidelines
- (Joyo Bank) Conducted joint research with Ibaraki University on realizing nature positivity and creating social impact in Kasumigaura Bay
- (Ashikaga Bank) Joined the "Nature-Positive Nasunogahara Alliance" operated by Nasushiobara City, Tochigi Prefecture, and other organizations

### Support for and participation in initiatives

The Group considers cooperating with international organizations, the government, and other companies to be important for accelerating sustainability initiatives, including response to climate change and environmental conservation. The Group therefore endeavors to actively support and participate in initiatives by these organizations.



### External evaluation

In FY2025, CDP, an international environmental non-profit organization, gave the Group a “B” rating for the second time in a row for its efforts to reduce CO<sub>2</sub> emissions and combat climate change.

### Internal Carbon Pricing (ICP) system

We have introduced Internal Carbon Pricing (ICP)\* to further strengthen our decarbonization initiatives.

Currently, when considering the introduction of equipment, we calculate the CO<sub>2</sub> emissions from that equipment in monetary terms and incorporate them into investment decisions, which is used to reduce CO<sub>2</sub> emissions and raise awareness within the Group.

The price was set with reference to the NZE Scenario (assuming the achievement of net zero CO<sub>2</sub> emissions by 2050) by IEA, a public organization that publishes long-term carbon price forecasts. We will continue to monitor trends and review as appropriate.

\*An initiative in which companies voluntarily assign a price to the amount of carbon dioxide they emit in the course of their business.

### TOPIC Mebuki Financial Group's initiatives to conserve and restore natural capital

#### Forest conservation and tree planting activities

In addition to subsidizing groups working to conserve the environment and planting trees in the mountains of Ashio, we are also engaged in forest maintenance through regular forest thinning and tree planting activities in the Joyo Furusato no Mori and Ashigin Forest, managed by our subsidiary banks.



Joyo Furusato no Mori



Ashigin Forest

# Group Structure and Corporate Data

Mebuki Financial Group is committed to leases, securities, credit guarantees, credit cards, and other business activities, providing local customers with a variety of financial services and products. The businesses are conducted primarily by The Joyo Bank, Ltd. and The Ashikaga Bank, Ltd., which are engaged in the banking business. Making full use of a variety of expertise in our group, we provide comprehensive, quality financial services.

(as of March 31, 2026)



**MEBUKI**  
Financial Group

|                               |                                                                                                                                                         |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Address</b>                | 2-1-1, Nihonbashi Muromachi, Chuo-ku, Tokyo                                                                                                             |
| <b>Head Office address</b>    | (Mito Head Office) 5-5, Minami-machi 2-chome, Mito, Ibaraki Prefecture<br>(Utsunomiya Head Office) 1-25, Sakura 4-chome, Utsunomiya, Tochigi Prefecture |
| <b>Paid in capital</b>        | 117.4 billion yen                                                                                                                                       |
| <b>Establishment</b>          | April 1, 2008 (Change of tradename: October 1, 2016)                                                                                                    |
| <b>Stock exchange listing</b> | Tokyo Stock Exchange                                                                                                                                    |
| <b>Credit ratings</b>         | A+ (R&I)                                                                                                                                                |



**JOYO BANK**

|                             |                                                                                                                                    |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Founded</b>              | July 30, 1935                                                                                                                      |
| <b>Head Office</b>          | 5-5, Minami-machi 2-chome, Mito, Ibaraki Prefecture                                                                                |
| <b>Paid in capital</b>      | 85.1 billion yen                                                                                                                   |
| <b>Network</b>              | Domestic: 180 offices (153 branches, 27 sub-branches)<br>Overseas: 4 Representative Offices (Shanghai, Singapore, New York, Hanoi) |
| <b>Number of employees*</b> | 3,059                                                                                                                              |
| <b>Credit ratings</b>       | A+ (R&I)<br>A3 (Moody's)                                                                                                           |



**ASHIKAGA BANK**

|                             |                                                                                                                  |
|-----------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Founded</b>              | October 1, 1895                                                                                                  |
| <b>Head Office</b>          | 1-25, Sakura 4-chome, Utsunomiya, Tochigi Prefecture                                                             |
| <b>Paid in capital</b>      | 135 billion yen                                                                                                  |
| <b>Network</b>              | Domestic: 134 offices (107 branches, 27 sub-branches)<br>Overseas: 2 Representative Offices (Hong Kong, Bangkok) |
| <b>Number of employees*</b> | 2,448                                                                                                            |
| <b>Credit ratings</b>       | A+ (R&I)                                                                                                         |



**MEBUKI MEBUKI LEASE**  
Financial Group

|                        |                                                      |
|------------------------|------------------------------------------------------|
| <b>Founded</b>         | September 25, 1974                                   |
| <b>Head Office</b>     | 4-12, Minami-machi 3-chome, Mito, Ibaraki Prefecture |
| <b>Paid in capital</b> | 100 million yen                                      |



**MEBUKI MEBUKI SECURITIES**  
Financial Group

|                        |                                                      |
|------------------------|------------------------------------------------------|
| <b>Founded</b>         | November 30, 2007                                    |
| <b>Head Office</b>     | 4-12, Minami-machi 3-chome, Mito, Ibaraki Prefecture |
| <b>Paid in capital</b> | 3 billion yen                                        |



**MEBUKI MEBUKI CREDIT GUARANTEE**  
Financial Group

|                        |                                                      |
|------------------------|------------------------------------------------------|
| <b>Founded</b>         | December 21, 1978                                    |
| <b>Head Office</b>     | 1-25, Sakura 4-chome, Utsunomiya, Tochigi Prefecture |
| <b>Paid in capital</b> | 50 million yen                                       |



**MEBUKI MEBUKI CARD**  
Financial Group

|                        |                                                      |
|------------------------|------------------------------------------------------|
| <b>Founded</b>         | August 30, 1982                                      |
| <b>Head Office</b>     | 4-12, Minami-machi 3-chome, Mito, Ibaraki Prefecture |
| <b>Paid in capital</b> | 100 million yen                                      |

\*Number of employees excludes employees seconded.

**Other businesses** 10 consolidated subsidiaries (Research, consulting, investment, real estate leasing, renewable energy-related, and regional trading, etc.)  
The Ashikaga Bank, Ltd., a subsidiary of the Company, acquired all shares of Caters Inc. (currently Wing IT Solutions, Ltd.) on April 1, 2026, resulting in Caters Inc. becoming a consolidated subsidiary on the same day.

# Overseas Representative Offices

(as of July 31,2026)



## New York Representative Office, Joyo Bank

**Address** 1270 Avenue of the Americas,  
Suite#555, New York,  
NY 10020

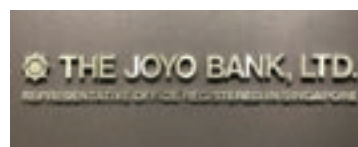
**Phone** +1-917-388-2400



## Representative Office Registered in Singapore, Joyo Bank

**Address** 10 Collyer Quay, #09-07A,  
Ocean Financial Centre,  
Singapore, 049315

**Phone** +65-6225-6543



## Hong Kong Representative Office, Ashikaga Bank

**Address** Suite 1601, 16th Floor, Tower2,  
The Gateway, Harbour City, Kowloon,  
Hong Kong

**Phone** +852-2251-9475



## Shanghai Representative Office, Joyo Bank

**Address** Room 1901, Shanghai International Trade  
Centre, 2201 Yan An Road (West),  
Shanghai 200336  
P. R. China

**Phone** +86-21-6209-0258



## Hanoi Representative Office, Joyo Bank

**Address** 5<sup>th</sup> Floor, Sun Red River,  
23 Phan Chu Trinh Street,  
Cua Nam Ward,  
Hanoi, Vietnam

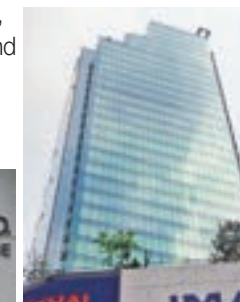
**Phone** +84-24-3218-1668



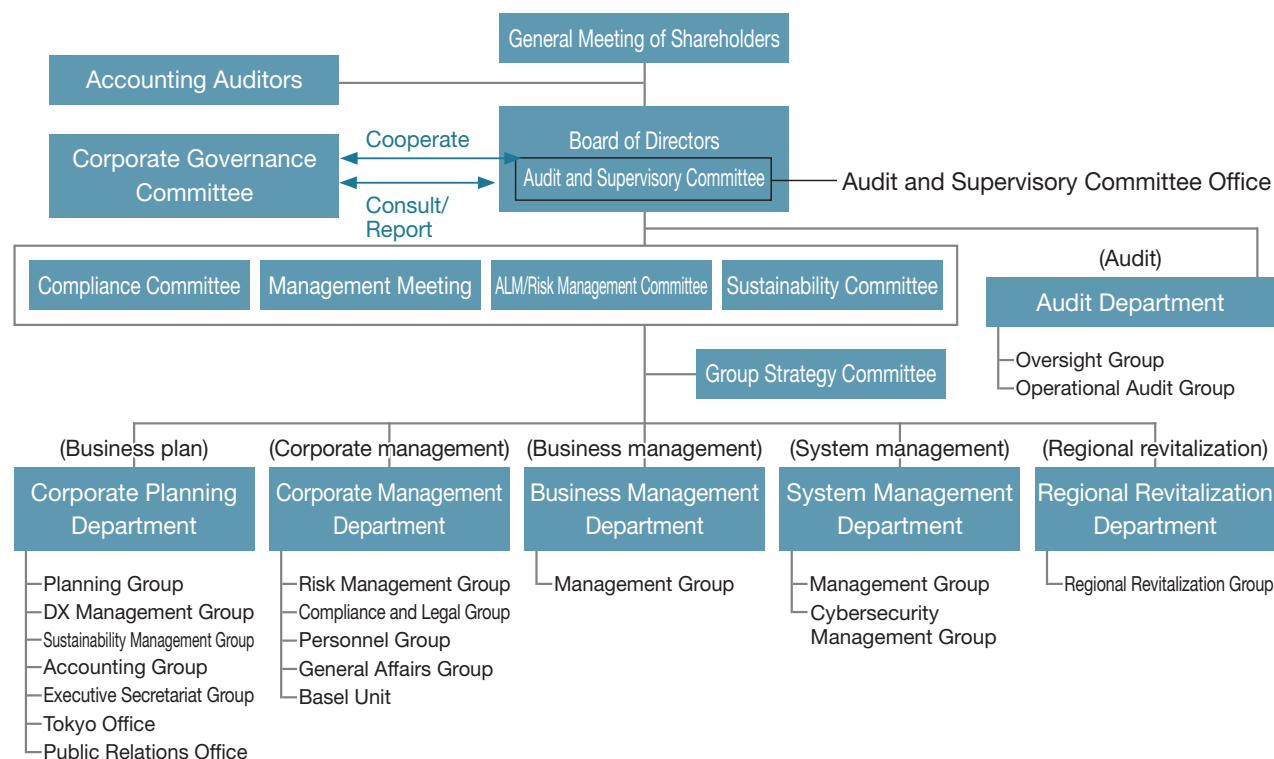
## Bangkok Representative Office, Ashikaga Bank

**Address** 689, Bhiraj Tower at EmQuartier, 27<sup>th</sup> Floor,  
Room No.2714, Sukhumvit Road,  
Klongton-nue, Wattana,  
Bangkok 10110 Thailand

**Phone** +66-2-261-2852



## Organization (as of April 31, 2026)



## Stock Information (as of March 31, 2026)

### Capital and number of issued shares

|                        |                     |
|------------------------|---------------------|
| Common stock           | 117,495,550,000 yen |
| Number of issued stock | 987,055,218 shares  |
| of which, common stock | 987,055,218 shares  |

### Major shareholders

#### Mebuki Financial Group

| Name                                                 | Number of shares held (thousand shares) | Shareholding ratio to the total number of issued stock (%) |
|------------------------------------------------------|-----------------------------------------|------------------------------------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 131,933                                 | 14.05                                                      |
| Custody Bank of Japan, Ltd. (Trust Account)          | 63,128                                  | 6.72                                                       |
| Nippon Life Insurance Company                        | 27,590                                  | 2.93                                                       |
| Sumitomo Life Insurance Company                      | 22,427                                  | 2.38                                                       |
| Meiji Yasuda Life Insurance Company                  | 15,864                                  | 1.69                                                       |
| JP MORGAN CHASE BANK 380055                          | 15,627                                  | 1.66                                                       |
| STATE STREET BANK AND TRUST COMPANY 505001           | 15,236                                  | 1.62                                                       |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)           | 13,680                                  | 1.45                                                       |
| JP MORGAN CHASE BANK 385781                          | 13,317                                  | 1.41                                                       |
| BBH(LUX) FOR FIDELITY FUNDS - JAPAN ADVANTAGE POOL   | 12,367                                  | 1.31                                                       |
| Total                                                | 331,174                                 | 35.28                                                      |

#### Joyo Bank

| Name                         | Number of shares held (thousand shares) | Shareholding ratio to the total number of issued stock (%) |
|------------------------------|-----------------------------------------|------------------------------------------------------------|
| Mebuki Financial Group, Inc. | 722,910                                 | 100.00                                                     |

#### Ashikaga Bank

| Name                         | Number of shares held (thousand shares) | Shareholding ratio to the total number of issued stock (%) |
|------------------------------|-----------------------------------------|------------------------------------------------------------|
| Mebuki Financial Group, Inc. | 1,340,520                               | 100.00                                                     |

