

Mebuki Financial Group

IR Presentation

Financial Results for the Third Quarter of FY2025



MEBUKI
Financial Group

Hello, everyone. I am Akino from Mebuki Financial Group. Today, I will provide an overview of our financial results for the third quarter of fiscal year 2025.

1 (1) Highlights

■ Results for 3Q25

		Results for 3Q25	YoY Change	Progress
Net income attributable to owners of the parent	Consolidated	¥64.6bn	+¥15.5bn	Previous forecast (¥75.0bn) 86.2% Revised forecast (¥81.0bn) 79.8%
Core net business income ¹		¥86.9bn	+¥19.9bn	—
(o/w Difference of interests between loans and deposits)		(¥94.1bn)	(+¥7.6bn)	—
(o/w Fees from customers)		(¥33.3bn)	(+¥0.3bn)	—
(o/w Securities income ²)	Banks' total	(¥44.9bn)	(+¥16.5bn)	—
(o/w Expenses (-))		(85.5bn)	(+¥4.7bn)	—
Gains/losses on securities ³		¥2.9bn	+¥3.1bn	—
Credit related costs		¥6.4bn	+¥1.4bn	—

- Net income attributable to owners of the parent increased by ¥15.5bn YoY to ¥64.6bn, achieving the highest profit for the third quarter since business integration. While increasing in total expenses by the investment in human capital, etc., the expansion of difference of interests between loans and deposits capturing the rise in domestic interest rates and the increase in securities income, etc. have driven profit growth.

¹ Excluding gains/losses on cancellation of investment trusts and futures and options
² Excluding gains/losses on cancellation of investment trusts and including interest on BOJ deposits
³ Gains/losses on "Bond transactions + Related to stocks + Cancellation of investment trusts + Futures and options"

■ Forecast for FY25 (revised on February 24, 2026)

		Previous forecast (Revised in Nov. 2025)	Revised forecast (Revised in Feb. 2026)	Compared to previous forecast
Ordinary profit		¥106.0bn	¥113.0bn	+¥7.0bn
Net income attributable to owners of the parent	Consolidated	¥75.0bn	¥81.0bn	+¥6.0bn
ROE (based on net assets)		7.5%	8.1%	+0.6%pt

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First, I will explain the summary of our financial results. Net income attributable to owners of parent increased by ¥15.5 billion year-on-year to ¥64.6 billion, marking the highest profit for a third quarter since the business integration in 2016.

The profit growth was driven by an expansion in the net interest income from loans and deposits, capturing domestic interest rate hikes, and an increase in income from securities, which reflected the effects of our securities portfolio maintenance.

As a result, the progress rate against our full-year forecast of ¥75.0 billion announced last November reached a high level of 86.2%. Furthermore, following the additional hike in the domestic policy interest rate in December last year, we expect a further expansion of core business earnings. Consequently, we have announced an upward revision of our forecasts for the second time this fiscal year.

As shown at the bottom of the slide, we have revised the full-year forecast for net income upward by an additional ¥6.0 billion to ¥81.0 billion. We expect ROE for the current fiscal year to be approximately 8%.

1 (1) Highlights

■ Shareholder Returns for FY25

- Based on our upward revision of the full-year forecast, etc., we decided to increase dividends. Annual dividends per share is scheduled to increase by ¥2 from the previous forecast to ¥28.
- The total dividend for FY25 is expected to be ¥26.3 bn (payout ratio of 32.5%), and the total shareholder return including share repurchases is expected to be ¥56.3bn (total return ratio of 69.5%).

Shareholder Return Policy

Shareholder Return Policy (after the change)	We aim to fundamentally achieve a stable and sustainable increase in dividends per share through profit growth, and target a <u>Dividend Payout Ratio of 40% or more by fiscal year 2027</u> . 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.
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Increase in Dividends	Previous forecast (revised in Nov. 2025)	Revised forecast (revised in Feb. 2026)	Compared to Previous forecast	(Reference) Results for FY2024
Annual Dividends per Share	¥26	¥28	+¥2	¥16
(Interim)	(¥12)	(¥12)	(±¥0)	(¥7)
(Year-end)	(¥14)	(¥16)	(+¥2)	(¥9)

Share Acquisition	1st (announced in April 2025)	2nd (announced in Oct. 2025)	Annual Total	(Reference) Results for FY2024
Amount of purchase ¹	¥23.0bn	¥7.0bn	¥30.0bn	¥20.0bn
Number of shares	38 million shares	7 million shares	46 million shares	31 million shares
Period of purchase	From Apr. 8, 2025 to Jun. 20, 2025	From Oct. 7, 2025 to Nov. 17, 2025	—	—

Shareholders Return (Scheduled)	FY2025 (previous forecast)	FY2025 (scheduled) ²	
Payout Ratio	32.6%	32.5%	Total amount of dividends ¥26.3bn
Total Return Ratio	72.6%	69.5%	Total amount ¥56.3bn = Dividends ¥26.3bn + Share acquisition ¥30.0bn

* 1 Figures are rounded to the nearest 100 million yen.
* 2 Calculated based on the revised consolidated net profit of ¥81.0bn.

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Next, I will discuss shareholder returns. In light of the upward revision to our full-year earnings forecast, we have decided to increase the dividend. We plan to raise the annual dividend per share by ¥2 from the level announced in November, to ¥28. Compared with the previous fiscal year's dividend of ¥16 yen share, this represents an increase of ¥12.

Total dividends for FY2025 are expected to be ¥26.3 billion. Combined with the ¥30.0 billion of share buybacks already executed, total shareholder returns are expected to amount to ¥56.3 billion. Against the full-year net income forecast of ¥81.0 billion, the dividend payout ratio is expected to be 32.5%, and the total shareholder return ratio is expected to be 69.5%.

1 (2) Main Points of 3Q25 Financial Results

■ Mebuki FG (Consolidated)

【Mebuki FG (Consolidated)】	(¥bn)		
	3Q25 Results	YoY Chg	Progress
Gross Business profit	164.3	22.7	-
Net interest income	154.3	+37.3	-
(o/w Difference of interests between loans and deposits)	(96.2)	(+8.6)	-
Net fees and commissions	37.3	+1.1	-
Net trading income	0.4	0.0	-
Net other business income	-27.7	-15.7	-
Expenses	86.5	5.3	-
Credit related cost	8.0	2.8	-
Gains/losses related to stocks	17.1	+4.6	-
Ordinary profit	89.2	+18.8	78.9%
Extraordinary income/losses	2.9	+2.9	-
Net income attributable to owners of the parent	64.6	+15.5	79.8%

	3Q25 Results	
	Results	YoY
Bank Total Net income (a)	62.5	+16.6
Group Companies Net income (b)	5.5	+1.0
Mebuki Lease	0.7	-0.0
Mebuki Securities	0.5	+0.1
Mebuki Credit Guarantee	3.7	+0.9
Mebuki Card	0.2	-0.0
Total of banking subsidiaries	0.3	+0.0
Consolidation Adjustment ¹⁾ (c)	-1.5	-1.5
Consolidation Adjustment ²⁾ (c')	-1.8	-0.6
Net income attributable to owners of the parent: (a)+(b)+(c)+(c')	64.6	+15.5

¹⁾ Mebuki Credit Guarantee received a dividend of ¥1.5 bn from Jojo Credit Guarantee.

²⁾ Adjustments related to securities, etc.

³⁾ Excl. gains/losses on cancellation of investment trusts, and incl. interest on Bank of Japan

⁴⁾ Gains/losses on bond transactions +related to stocks + cancellation of investment trusts + futures and options

■ Jojo + Ashikaga (Non-consolidated)

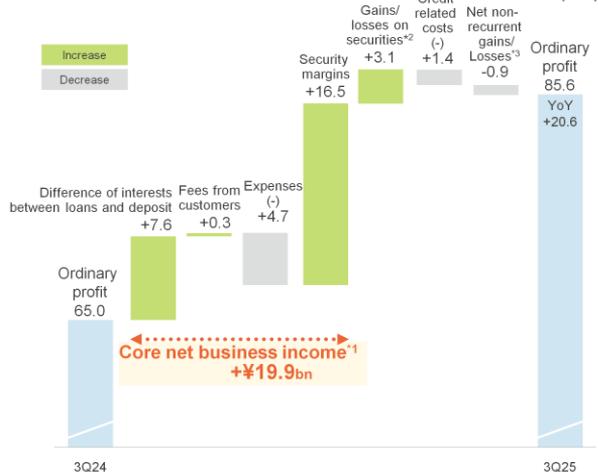
【Jojo + Ashikaga (Non-consolidated)】	(¥bn)		
	3Q25 Results	YoY chg	Progress
Gross business profit	157.8	+22.7	-
Net interest income	154.7	+37.3	-
(o/w Gains/losses on cancellation of investment trusts)(1)	(15.6)	(+13.0)	-
Net interest income (excl. Gains/losses on cancellation of investment trusts)	139.1	+24.2	-
(o/w Difference of interests between loans and deposits(2))	(94.1)	(+7.6)	-
(o/w Securities Income) ³⁾	(44.9)	(+16.5)	-
Net fees and commissions(3)	30.3	+0.8	-
Net other business income	-27.2	-15.4	-
(o/w gains/losses on bond transactions (4))	(-38.3)	(-23.3)	-
(o/w gains/losses on futures and options) (5)	(8.1)	(+8.3)	-
(o/w other income related to customers)(6)	(2.9)	(-0.5)	-
Expenses(7)	85.5	+4.7	-
Net business income (before general allowance for loan losses)	72.3	+17.9	-
Core net business income (excl. gains/losses on cancellation of investment trusts)	110.6	+41.2	-
Core net business income (excl. gains/losses on cancellation of investment trusts and futures and options)	86.9	19.9	-
Net transfer to general allowance for loan losses (8)	-0.7	+0.4	-
Net business income	73.0	+17.4	-
Net non-recurrent gains/losses	12.6	+3.1	-
(o/w Disposal of non-performing loans (9))	(7.2)	(+1.0)	-
(o/w Gains/losses related to stocks, etc. (10))	(17.6)	(+5.1)	-
Ordinary profit	85.6	+20.6	78.2%
Extraordinary income/losses	2.9	+2.9	-
Net income	62.5	+16.6	79.1%
Profit from customer services (2)+(3)+(6)-(7)	41.9	+3.3	-
Credit related cost (8)+(9)	6.4	+1.4	-
Gains/losses on securities ⁴⁾ (1)+(4)+(5)+(10)	2.9	+3.1	-

This slide provides a summary of the figures for the consolidated results, including the combined totals for the two subsidiary banks and other group companies. As I explained the overall trends previously, please review the details later at your convenience.

1 (3) Change of Ordinary Profit (Bank total / non-consolidated)

- The expansion of difference of interests between loans and deposits capturing the rise in domestic interest rates and the increase in securities income due to the maintenance effect of our securities portfolio, etc., have led to increase core net business income (+¥19.9bn, YoY), resulting in ordinary profit (bank total) increasing by ¥20.6 bn (YoY).

■ Year-on-Year Changes of Ordinary Profit (Bank total) (¥bn)



■ Factors of Increase / Decrease in Main Items (¥bn)

Items	Breakdown	Increase / Decrease
Difference of interests between loans and deposits	Yen denominated loans	+27.3
	Foreign currency denominated loans	-1.3
	Loans to special account of MoF	+0.5
	Yen denominated deposits(-)	+19.2
Fees from customers	Foreign currency denominated deposits(-)	-0.3
	Fees from corporate customers (incl. derivatives CVA)	+0.0
	Customer assets related	-0.2
	Individual loans related fees	+0.6
Security margins	EB / Internet banking related fees	+0.2
	Group life insurance related fees (-)	+0.3
	Interest and dividend on securities (Yen denominated)	+10.3
	(Foreign currency denominated)	-3.3
	Market borrowings, etc. (Yen denominated) (-)	+3.9
Gains/losses on securities	(Foreign currency denominated) (-)	-7.7
	Interest on Bank of Japan deposits	+5.7
	Bond transactions	-23.3
	Related to stocks	+5.1
	Cancellations of investment trusts	+13.0
	Futures and options	+8.3

¹ Excluding gains/losses on cancellation of investment trusts and futures and options
² Gains/losses on bond transactions + Related to stocks + Cancellation of investment trusts + Futures and options
³ Increase in retirement benefit expenses, etc.

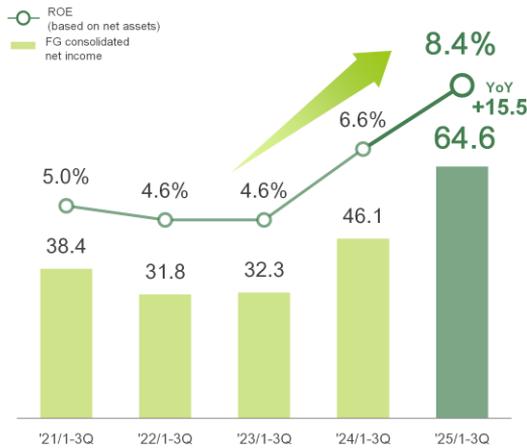
Looking at the factors behind the change in ordinary income compared with the same period of the previous year, this chart breaks down the year-on-year increase and decrease by factor. The items shown in green represent factors contributing to profit growth.

In addition to the expansion of the loan-and-deposit margin and the increase in income from securities and other related transactions, an increase in gains and losses on sales and other transactions of securities also drove profit growth, resulting in a ¥20.6 billion increase in ordinary income year on year.

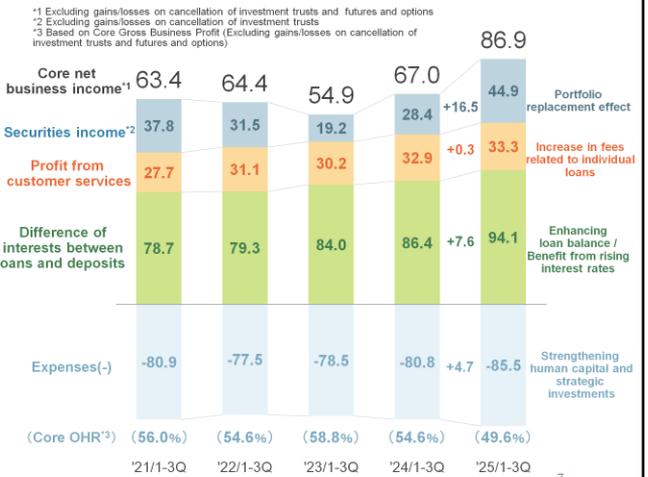
1 (4) Consolidated Net Income / Core Net Business Income

- Consolidated net income increased by ¥15.5bn YoY to ¥64.6bn, maintaining a growth trend.
- The expansion of difference of interests between loans and deposits capturing the rise in domestic interest rates and the improvement in securities income have led to increase core net business income, resulting in the highest profit for the third quarter since business integration.

■ Changes of Consolidated Net Income / ROE (¥ bn)



■ Changes of Core Net Business Income*1 (Bank total) (¥ bn)



This slide shows the trends for net income and core business net income, which indicates our core earning power. The bar graph on the left shows net income for the third quarter; it has increased for three consecutive periods since bottoming out in fiscal year 2022.

The bar graph on the right illustrates the trends for each component of core business net income. This has also increased for two consecutive periods, showing a continued expansion of our core earning power. Although expenses have increased, the growth in the top line has outpaced them, resulting in the Core OHR (Overhead Ratio) falling below the 50% level.

1 (5) Loans —Term-end Balance—

- Amount of loans increased by ¥622.0bn (YoY) and the growth was +4.8%(annualized). Loans to corporate customers maintained a high growth rate, while loans to individual customers also showed steady progress.
- Difference of domestic interests between deposits and loans increased by ¥8.6bn due to an increase in loan interest (average balance +¥664.0bn, yield +23.2bp) that exceeds the interest paid on deposits.

■ Term-end Balance *1 (Bank total) (¥bn)

* 1 Not including loans to special account of MoF



Loans to special account of MoF (¥bn)

885.7	768.4	671.2	466.2	285.0	340.0	385.6
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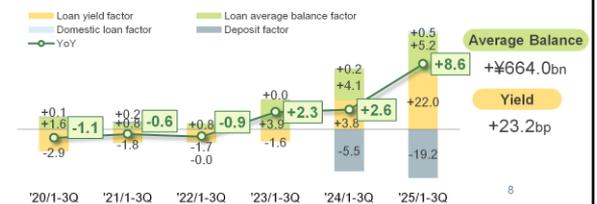
Total loans (¥bn)

12,404.7	12,588.5	12,742.7	12,809.6	13,064.6	13,359.3	13,787.3
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■ Year on Year Changes (¥bn)

	Dec-23	Dec-24	Dec-25
Total	+552.4 +4.7%	+708.1 +5.8%	+622.0 +4.8%
Corporate	+388.8 +6.9%	+595.2 +9.9%	+405.6 +6.1%
Individual	+83.7 +1.6%	+100.2 +1.9%	+122.0 +2.3%
Public	+79.8 +9.5%	+12.6 +1.3%	+94.3 +10.1%

■ YoY Change in Difference of Domestic Interests between Loans and Deposits (¥bn)



This slide shows the status of loans. The term-end balance of loans increased by ¥622.0 billion, or an annualized 4.8%, compared with the end of the same period of the previous year.

Please look at the table in the upper right. By borrower type, loans to corporate customers increased at an annualized rate of 6.1%, while loans to individual and public sectors have also remained solid.

1 (5) Loans –Yield in Yen-denominated Loans –

- Yen-denominated loan interest rates have risen for both floating- and fixed-rates. For floating-rate loans, the interest rate increase in both short-term prime-rate linked and market-linked loans have been progressing smoothly.
- Following the additional increase in domestic policy rate in December 2025, further rises in yen-denominated loan interest rates are expected.

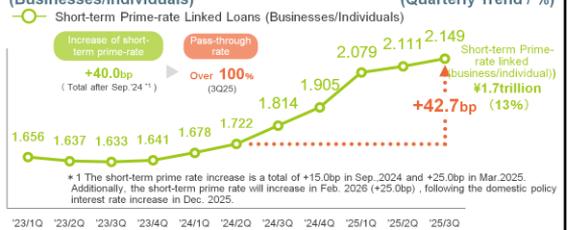
Yield on Yen-denominated Loans (Quarterly Trend / %)



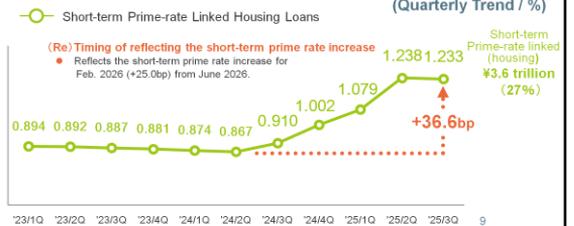
Yield on Market-Linked Loans (Quarterly Trend / %)



Yield on Short-term Prime-rate Linked Loans (Businesses/Individuals) (Quarterly Trend / %)



Yield on Short-term Prime-rate Linked Housing Loans (Quarterly Trend / %)



Moving to the yields on yen-denominated loans, this slide shows the quarterly trends in these yields. First, please look at the graph in the upper left. The top green line represents floating-rate loans, the middle line represents total loans, and the bottom line represents fixed-rate loans. Yields have been rising since the fourth quarter of fiscal year 2023, when the negative interest rate policy was lifted. Accordingly, the loan-and-deposit yield spread has expanded from 0.872% to 1.037% over the past three years.

For fixed-rate loans, the balance stood at ¥4.8 trillion as of the end of December, with an average remaining duration of around 4.3 years. This means that interest rates on roughly ¥1.0 trillion of loans will be renewed each year.

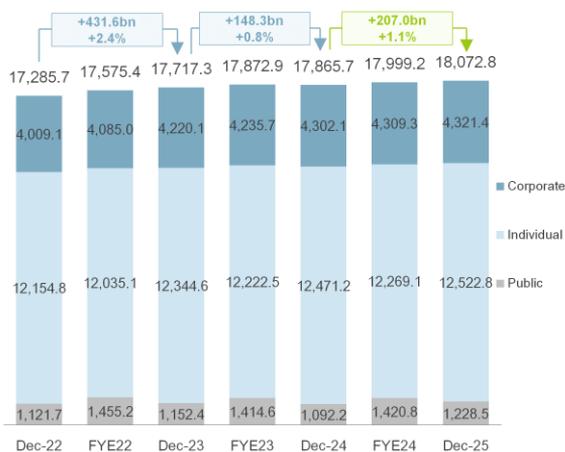
For floating-rate loans, we have broken them down into three categories: short-term prime rate-linked, market rate-linked, and housing loans. In all of these categories, rate hikes are progressing smoothly. In addition, following the additional policy rate hike in Japan in December last year, we expect further increases going forward.

1 (6) Deposits – Term-end Balance –

- Balance of deposits increased by ¥207.0bn YoY (+1.1% annualized).
- Although the growth rate of both corporate and individual deposits is slowing, we have made efforts to strengthen the acquisition of sticky deposits by promoting the use of settlement transactions as the main accounts.

■ Term-end Balance *1 (Bank total) (¥bn)

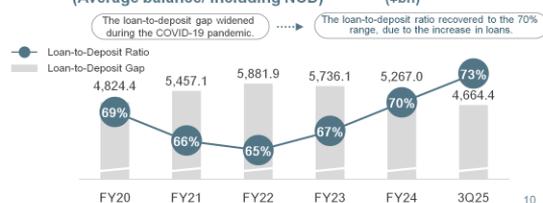
*1 Including NCD



■ Year on Year Changes (¥bn)

	Dec-23	Dec-24	Dec-25
Total	+431.6 +2.4%	+148.3 +0.8%	+207.0 +1.1%
Corporate	+211.0 +5.2%	+81.9 +1.9%	+19.2 +0.4%
Individual	+189.8 +1.5%	+126.6 +1.0%	+51.5 +0.4%
Public	+3.07 +2.7%	-60.1 -5.2%	+136.2 +12.4%

■ Yen-denominated Loan-to-Deposit Ratio / Gap (Average balance/ including NCD) (¥bn)



This slide shows the status of deposits, including NCDs. The term-end balance of deposits increased by ¥207.0 billion, or an annualized 1.1%, compared with the end of the same period of the previous year.

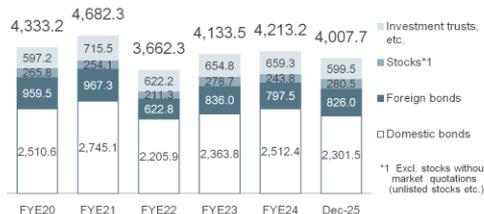
Going forward, for corporate customers, we will work to further secure a deposit share that exceeds our loan share by acquiring settlement accounts and payroll accounts. For individual customers, we intend to further strengthen our stable and sticky deposit base by acquiring main accounts, such as salary and pension deposit accounts and various payment settlements, as well as by strengthening the intake of inheritance-related deposits and retirement payments.

The graph in the bottom right shows the loan-and-deposit gap, which is the difference between loan balances and deposit balances, and the loan-to-deposit ratio. Because loans are being accumulated at a pace exceeding the growth of deposits, the loan-and-deposit gap is on a narrowing trend. However, with the current loan-to-deposit ratio at 73%, we believe we have secured sufficient funding capacity.

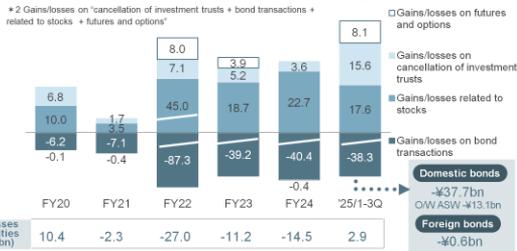
1 (7) Securities — Overall Portfolio —

- We continued operations while closely monitoring domestic and international monetary policies and stock price trends, resulting in the balance (carrying amount) of ¥4,007.7bn.
- We implemented a partial replacement of domestic bonds (asset swaps) for the purpose of risk control and profit improvement, securing valuation gains (after considering deferred gains (losses) on hedges) of ¥161.6 bn.

■ Balance (Consolidated / Carrying amount) (¥bn)



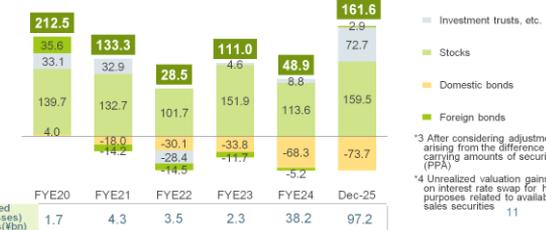
■ Gains and losses on securities² (bank total) (¥bn)



■ Unrealized valuation gains/losses on available for sales securities³ (Consolidated) (¥bn)



■ Unrealized valuation gains/losses on securities³ —After considering deferred gains(losses) on hedges⁴— (¥bn)



This slide shows the status of securities. As you can see in the graph in the upper left, the total balance of securities decreased by around ¥200.0 billion from the end of the previous fiscal year, to ¥4.0077 trillion.

As for gains and losses on sales and other transactions of securities, as shown in the graph in the lower left, we recorded a loss on sales of ¥38.3 billion, primarily due to the replacement of low-margin domestic bonds to improving future profitability. However, gains on the sale of stocks and other items more than offset this, resulting in a net gain on sales of ¥2.9 billion.

In addition, as shown in the graph in the lower right, valuation gains (after considering deferred hedges) came to ¥161.6 billion, supported by the rise in the stock market.

1 (7) Securities — Domestic Bonds —

- A partial replacement of domestic bonds (including asset swaps) has been implemented for risk control and profit improvement.
- We will continue to closely monitor domestic interest rate trends, repurchase bonds corresponding to the amount redeemed, and increase the yield on our holdings.

■ Overview of Domestic Bonds*¹ (Bank Total) (¥bn)

	FYE23	FYE24 ①
Balance	2,412.4 (OW ASW 90.0)	2,626.5 (OW ASW 700.0)
Valuation gains/losses ²	-26.6	-66.9
Yield	0.45%	0.77%
10bpv	-9.5	-8.9
Duration	3.9 years	3.3 years

	1H25 cumulative	3Q25 (Oct-Dec)	1-3Q/25 cumulative
Purchase	+approx. 225.0 (OW ASW 95.0)	+approx. 115.0 (OW ASW 20.0)	+approx. 340.0 (OW ASW 115.0)
Sale	-approx. 115.0 (OW ASW 90.0)	-approx. 90.0 (OW ASW -)	-approx. 205.0 (OW ASW 90.0)
Redemption	-approx. 140.0	-approx. 145.0	-approx. 285.0
Total	-approx. 30.0	-approx. 120.0	-approx. 150.0
Gains/losses on securities ³	-11.8	-17.7	-29.6

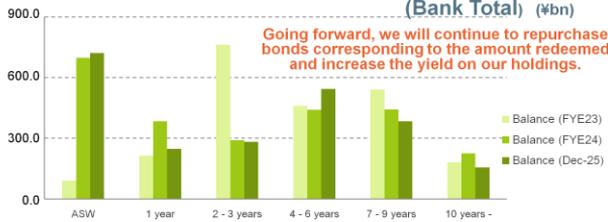
	Dec-25 ②	Change ② - ①
Balance	2,478.4 (OW ASW 725.0)	-148.1
Valuation gains/losses ²	-80.0	-13.1
Yield	1.04%	+0.26%pt
10bpv	-8.2	+0.6
Duration	3.3 years	-0.0 year

*1 Including bear funds and hedged swaps, etc. Asset swaps(ASW) are stated on notional amount basis.

*2 After considering adjustments arising from the difference in carrying amounts of securities (PPA)

*3 After considering the gains on cancellation of swap (futures and options gains/losses) due to the replacement of asset swaps(ASW).

■ Status of Domestic Bond's⁴ Ladder / Yield by Year (Bank Total) (¥bn)



■ Yield on Domestic Bonds by Maturity (Bank Total)

	ASW	1-3 years	4-6 years	7-9 years	10 years -	Total
Dec-25	about 1.00%	about 0.30%	about 1.00%	about 1.00%	about 1.80%	1.04%
FYE24	about 0.75%	about 0.20%	about 0.85%	about 0.75%	about 1.25%	0.77%
FYE23	about 0.15%	about 0.25%	about 0.60%	about 0.45%	about 0.70%	0.45%

⁴ Excluding private placement investment trusts. Asset swaps(ASW) are stated on notional amount basis.

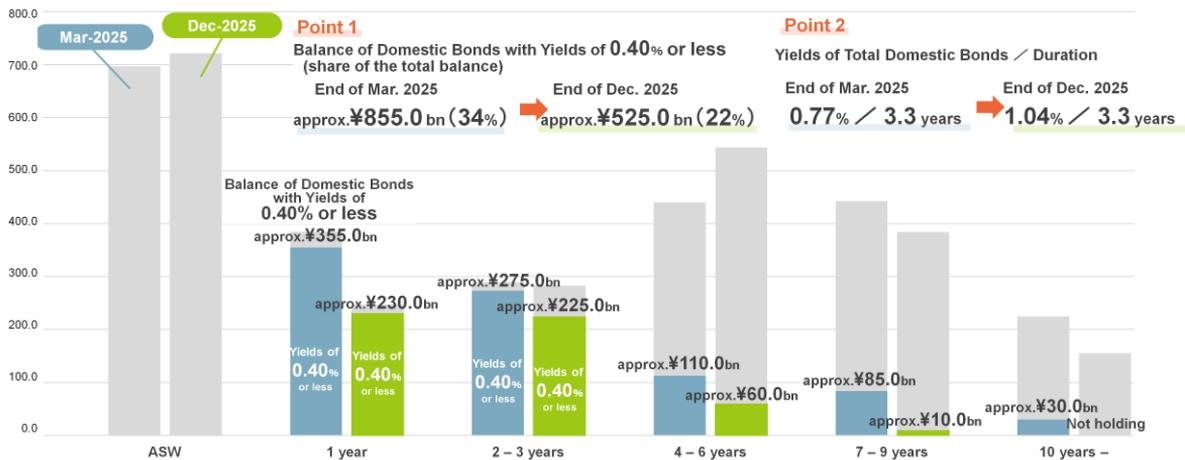
Regarding domestic bonds, this slide shows the status of our domestic bond portfolio. As described in the middle of the upper section of the slide, our operations this fiscal year have basically focused on buying back bonds to match redemptions, while also carrying out replacements, including floating-rate, for risk control and profitability improvement.

As a result, as shown in the lower right of the slide, the yield on each maturity has risen, and the overall yield on domestic bonds has reached 1.04%, more than doubling compared with the end of March 2024.

1 (7) Securities — Domestic Bonds (reference) —

- We proceeded with the sale of low-yield bonds, reducing the balance of bonds with yields of 0.40% or less to approximately ¥525.0bn as of the end of Dec. 2025, shrinking their share to 22% of the total balance.
- At the same time, while maintaining a short duration, the overall yield has been raised to a level exceeding 1.00%.

■ Balance of Domestic Bonds*1 with Yields of 0.40% or less by Maturity (bank total) (¥bn)



*1 Excluding private placement bonds, including bear funds and hedged swaps, etc. Asset swaps(ASW) are stated on notional amount basis.

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I will provide supplementary information regarding the domestic bond portfolio.

Assuming that the policy interest rate rises to 1.00% and the deposit beta remains at the current level of 40%, domestic bonds with a yield of 0.40% or less could result in a negative spread. We are actively working on the maintenance of this segment. As of the end of December, the balance of these targeted bonds was ¥525.0 billion, and their share of the total domestic bond portfolio has shrunk from 34% at the end of March 2025 to 22%.

While controlling duration at a short level of 3.3 years, we have raised the yield to above 1.00% and built a portfolio with appropriate risk resilience. For the targeted bonds with maturities of more than two years (approximately ¥300.0 billion), we are continuing additional maintenance during the fourth quarter. We intend to control the impact on final net income by utilizing gains on the sale of stocks.

1 (8) Forecast for FY2025

- Based on the results for 3Q25 and future outlook, we revised the consolidated earnings forecast upward again.
- For the fiscal year 2025, we plan consolidated ordinary profit of ¥113.0bn, an increase of ¥7.0bn from the previous forecast, and net income of ¥81.0bn (+ ¥6.0bn from the previous forecast).

■ Forecast for FY2025 (Ordinary Profit / Net Income)

● Mebuki FG Consolidated (¥bn)

	Forecast for FY2025		Results for 3Q25	
	Forecast for FY2025	Compared to previous forecast	Results for 3Q25	Progress
Ordinary Profit	113.0	+7.0	89.2	78.9%
Net income attributable to owners of the parent	81.0	+6.0	64.6	79.8%

● Total of Two Subsidiary Banks (¥bn)

	Forecast for FY2025		Results for 3Q25	
	Forecast for FY2025	Compared to previous forecast	Results for 3Q25	Progress
Ordinary Profit	109.5	+7.0	85.6	78.2%
Net Income	79.0	+6.0	62.5	79.1%

● Subsidiary Banks (Non-consolidated) (¥bn)

Joyo Bank	Forecast for FY2025		Results for 3Q25	
	Forecast for FY2025	Compared to previous forecast	Results for 3Q25	Progress
Ordinary Profit	68.0	+3.0	54.4	80.0%
Net Income	49.5	+2.5	40.4	81.6%

Ashikaga Bank	Forecast for FY2025		Results for 3Q25	
	Forecast for FY2025	Compared to previous forecast	Results for 3Q25	Progress
Ordinary Profit	41.5	+4.0	31.2	75.2%
Net Income	29.5	+3.5	22.0	74.8%

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This slide shows the full-year earnings forecasts for the consolidated group and the individual subsidiary banks. In addition to the consolidated profit explained at the beginning, we have also revised the full-year forecasts for each subsidiary bank upward. The net income forecast for Joyo Bank has been raised by ¥2.5 billion to ¥49.5 billion, and for Ashikaga Bank by ¥3.5 billion to ¥29.5 billion.

1 (8) Forecast for FY2025

Breakdown of Forecast for FY2025

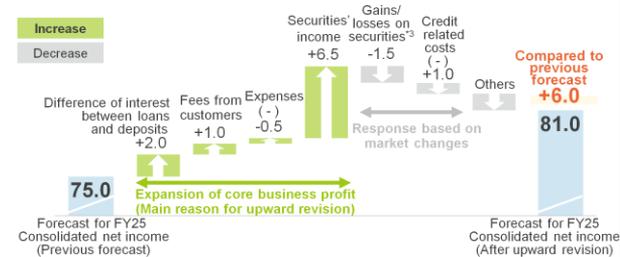
【Joyo+Ashikaga】				(Ybn)	
	Forecast for FY25	vs. prior forecast	3Q25 Results	Progress	
	238.5	+13.0	180.5	75.7%	
	186.5	+8.5	139.1	74.6%	
1	126.0	+2.0	94.1	74.7%	
2	60.5	+6.5	44.9	74.3%	
	15.5	+2.0	11.9	76.9%	
	44.0	+1.0	33.3	75.7%	
	116.0	-0.5	85.5	73.7%	
	114.5	+10.0	86.9	75.9%	
3	2.5	-1.5	2.9	119.5%	
4	10.0	+1.0	6.4	64.8%	
	109.5	+7.0	85.6	78.2%	
	79.0	+6.0	62.5	79.1%	

【Mebuki FG Consolidated】					
	6.5	+0.5	5.5	86.1%	
	-4.5	-0.5	-3.3	-	
	81.0	+6.0	64.6	79.8%	
	8.1%	+0.6%	8.4%	-	
	1.16%	+0.08%	1.24%	-	

*1 Net fees and commissions + Income related to derivatives for customers + foreign exchange
 *2 Excluding gains/losses on cancellation of investment trusts and futures and options
 3 Gains/losses on bond transactions + related to stocks + cancellation of investment trusts + futures and options

Main Reasons of Change (compared to previous forecast) (¥ bn)

Factors		Main Reasons
1	Difference of interest between loans and deposits +2.0	<ul style="list-style-type: none"> (Yen-denominated) Interest on loans +2.5 / Interest on deposits(-)+2.0 (Foreign currency) Interest on loans +0.5 / Interest on deposits(-) ±0.0 Interest on loans to special account of MoF +1.0
2	Securities' income +6.5	<ul style="list-style-type: none"> Increase in interest and dividends from domestic bonds (incl. ASW) Increase in dividends from investment trusts and stocks, etc. Increase in interest on BOJ deposits +2.0
3	Gains/losses on securities -1.5	<ul style="list-style-type: none"> Profit improvement by the change in our securities portfolio Gains on sales of strategic shareholdings and investment trusts due to rising stock prices
4	Credit related costs (-) +1.0	<ul style="list-style-type: none"> Reflecting the current situation such as rising prices, soaring labor costs, and increased borrowing burdens caused by interest rate rising



This slide shows the breakdown of the upward revision to the full-year earnings forecast. Driven primarily by the expansion of net interest income due to rising domestic interest rates, we are planning for consolidated net income of ¥81.0 billion. This represents an increase of ¥6.0 billion from the forecast announced in November, and an increase of ¥11.0 billion from the initial forecast of ¥70.0 billion. The main factors behind the changes from the previous forecast are shown in the upper right of the slide. On the upside, loan-and-deposit income is expected to increase by ¥2.0 billion, and income from securities, including interest on excess reserves at the BOJ, is expected to increase by ¥6.5 billion. On the downside, gains and losses on sales and other transactions of securities are expected to decrease by ¥1.5 billion, and credit costs are expected to increase by ¥1.0 billion.

1 (9) Impact of Domestic Interest Rates Rising

- Assuming the yen-denominated balance sheet as of end of Dec. 2025, we have estimated the impact on net interest income due to the rising interest rate.
- If the policy rate is maintained at 0.75%, the positive impact after 3 years is expected to be approximately ¥35.0bn. And if the policy rate increases to 1.00%, the impact is expected to be around ¥46.0bn.

Impact on Net Interest Income (Estimate / Bank total)

Simulation 1 Interest rate scenario : Policy rate 0.75%(unchanged)

- TIBOR: Rise approximately in line with policy rate.
- Short-term prime rate: 2.625%
- 5-year swap rate (base rate of fixed-rate loans): 1.20%

Impact on Net Interest Income (Net income equivalent / ROE improvement effect¹⁾)



<Assumption> * 1 The effect on ROE improvement was calculated based on net assets as of the end of Dec. 2025.

- Balance of loans, deposits and yen bonds will stay the same as the portfolio as of end of Dec. 2025.
- The pass-through rate for housing loans to the short-term prime-rate is set at 100%. For businesses / individuals, at 70%.
- Fixed-rate loans will be executed at the rate of the due date based on current 5-year swap rate for maturing amounts. The pass-through rate is set at 70%.

Simulation 2 Interest rate scenario : Policy rate 1.00%(+0.25%)

- TIBOR: Rise approximately in line with policy rate.
- Short-term prime rate: 2.875%
- 5-year swap rate (base rate of fixed-rate loans): 1.45%



- Deposit rate is set with the pass-through rate of 40% for liquid deposits and 60% 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 18 Common Collateral Operations (loan enhancement support operations).

This slide shows the estimated impact of policy rate hikes on net interest income.

Based on the balance sheet as of the end of December, we simulated the impact on net interest income under two scenarios: one where the policy rate is maintained at the current 0.75%, and another where it is raised to 1.00%.

Under the assumptions shown in the lower part of the slide, if the policy rate is maintained at 0.75%, we expect an increase in net interest income of approximately ¥16.0 billion after one year and approximately ¥35.0 billion after three years. In terms of net income, this corresponds to approximately ¥11.0 billion after one year and ¥24.5 billion after three years, representing a positive ROE impact of 1.0% and 2.3%, respectively.

If the policy rate is raised to 1.00%, the increase in net interest income is estimated to be approximately ¥24.0 billion after one year and approximately ¥46.0 billion after three years.

That concludes my presentation for today.