

March 28, 2022

Company name: Mebuki Financial Group, Inc.
Representative: Ritsuo Sasajima, President
(Code number : 7167 First Section,
Tokyo Stock Exchange)

Formulation of “Long-Term Vision 2030” and “Third Medium-Term Group Business Plan”

Mebuki Financial Group, Inc. (President: Ritsuo Sasajima) has formulated the “Long-Term Vision 2030” and the “Third Medium-Term Group Business Plan” for the period from fiscal year 2022 to fiscal year 2024. We hereby announce its summary.

Description

1. Long-Term Vision 2030

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.

(1) Vision we are aiming for in 2030

“A Value Creation Group Working Together with Local Communities”

(2) Target level in 2030

Business Objective Indicator	Target for 2030
Consolidated Fee Income Ratio ^{*1}	50% or more
Consolidated Ordinary Profit	100 billion yen or more

*1 Consolidated fee income ratio = Consolidated fee income ^{*2} ÷ Income from customers ^{*3}

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

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

2. The Third Medium-Term Group Business Plan

(1) Plan period

3 years (from April, 2022 to March, 2025)

(2) Basic strategy

To realize our Long-Term Vision 2030, the Third Medium-Term Group Business Plan is positioned to be a “Period for Taking on Challenges for Sustainable Growth.” Positioning the three years from fiscal year 2022 as the first phase of the vision, we will strengthen our management structure by innovating traditional banking services and deepening comprehensive financial services. Furthermore, by taking on the challenges of new business areas, we aim to contribute to local communities beyond the conventional framework.

① Pursue a business model to support local communities

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

② Build a sustainable management base

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

③ Develop human resources and promote active participation

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

(3) Business objectives in fiscal year 2024

Business Objective Indicator	Objectives in Fiscal Year 2024
Consolidated Net Income (Attributable to owners of the parent)	52 billion yen or more
Core OHR (bank total) ^{*4}	Less than 58%
Consolidated ROE (based on shareholder's equity)	5.5% or more

*4 Core OHR = Expenses ÷ Core gross business profit (Gross business profit ^{*5}-gain/losses on bond transactions)

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

End

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1. Long-Term Vision

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



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

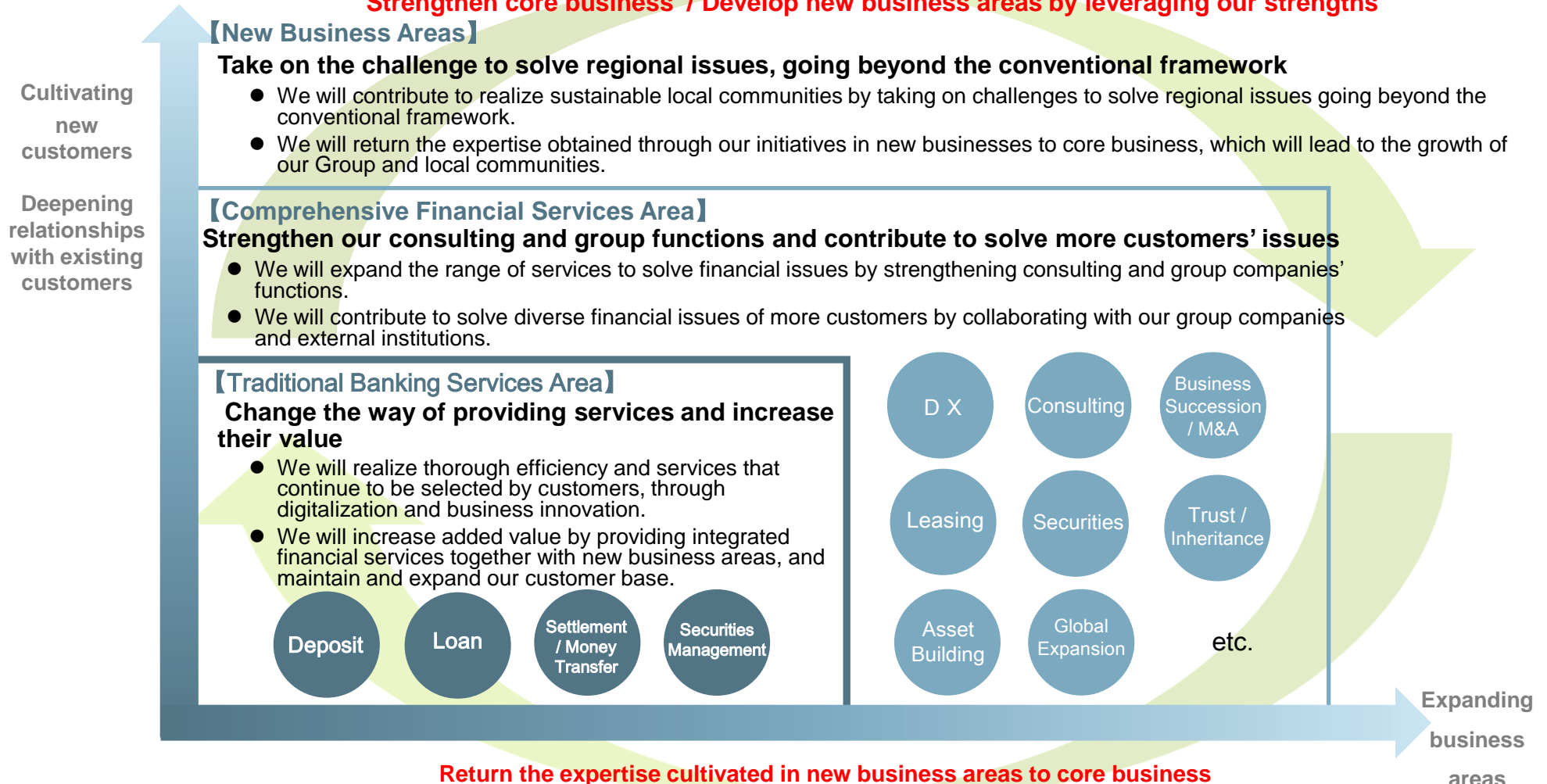
(*2) Consolidated fee income = Fee from customers of Banks + Gross profit from customers of other group companies

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

2. Approach to Realization of Long-Term Vision 2030

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

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



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

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



Basic Strategies

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

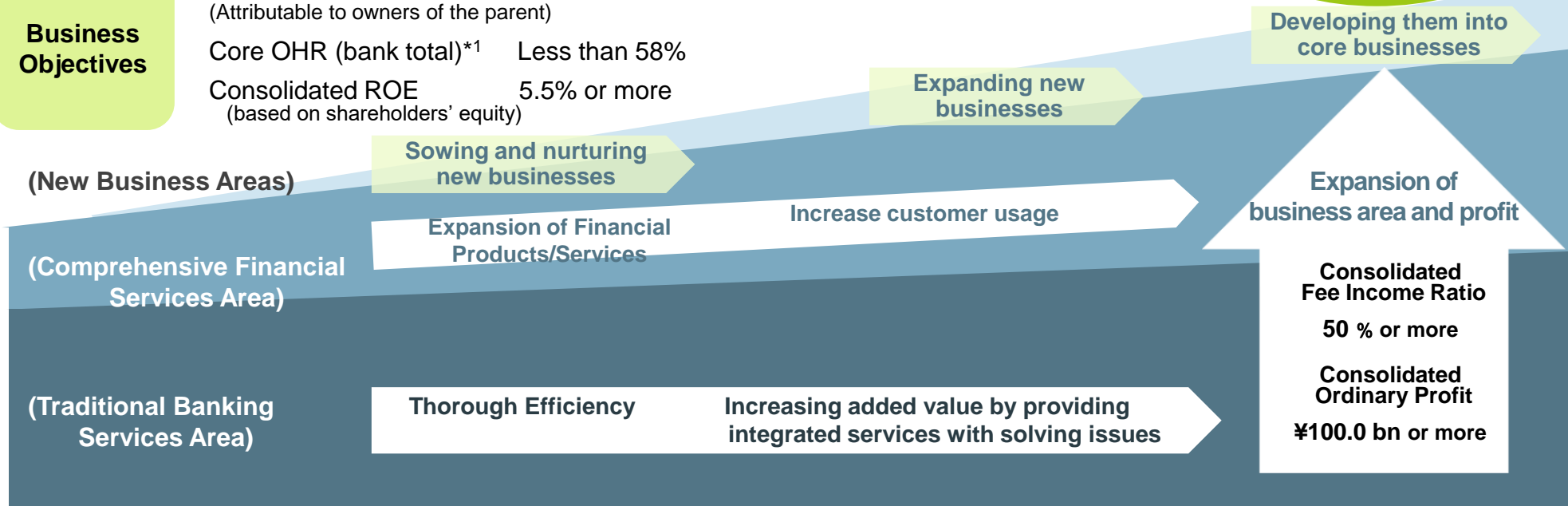
Business Objectives

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

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

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

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



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

4. Basic Strategies of the Third Medium-Term Group Business Plan

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

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