



# The Hyakugo Bank, Ltd.

TSE Prime, NSE Premier (8368)

## Information meeting

Presentation for FY2021 Financial Results

May 31, 2022



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KAI-KAKU 150 2nd STAGE "Gateway to the Future II"

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# Improvement in Shortage of Successors in Mie Prefecture

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- Hyakugo Bank's Support for Business Succession -

## Improvement rate of “percentage of companies without successors,” by prefecture

(Comparison of improvements from 2011 to 2021)

(unit: points)

1	<b>Mie</b>	<b>31.3</b>	25	Fukui	1.3
2	Yamanashi	13.9	26	Yamaguchi	1.2
3	Miyagi	11.0	27	Hokkaido	0.8
4	Hiroshima	10.8	28	Iwate	0.6
	Okinawa	10.8	29	Nagano	0.4
6	Osaka	10.0	30	Gunma	0.3
7	Tokyo	8.0	31	Gifu	-1.0
8	<b>Aichi</b>	<b>7.5</b>	32	Nagasaki	-1.3
9	Nara	6.9	33	Aomori	-2.1
10	Tochigi	5.8	34	Shizuoka	-2.2
11	Yamagata	5.5	35	Kagoshima	-2.3
12	Kyoto	5.4	36	Fukuoka	-2.4
13	Fukushima	5.1	37	Ishikawa	-3.7
14	Saitama	4.8	38	Kochi	-5.9
15	Akita	4.3	39	Tottori	-6.3
	Chiba	4.3	40	Kagawa	-6.4
	Niigata	4.3	41	Ehime	-6.5
18	Hyogo	4.2	42	Kumamoto	-6.7
19	Ibaraki	3.1	43	Toyama	-7.5
20	Shiga	2.9	44	Miyazaki	-8.6
21	Kanagawa	2.6	45	Saga	-10.0
22	Oita	2.0	46	Wakayama	-10.2
23	Shimane	1.6	47	Tokushima	-11.1
	Okayama	1.6			

\* Source: Teikoku Databank  
Ranking of 47 prefectures

## Initiatives to support business succession in Mie Prefecture

August 2017: Mie Prefecture business succession network established

The prefecture, financial institutions, commercial and industrial associations, professionals, and other experts launch the collaboration framework

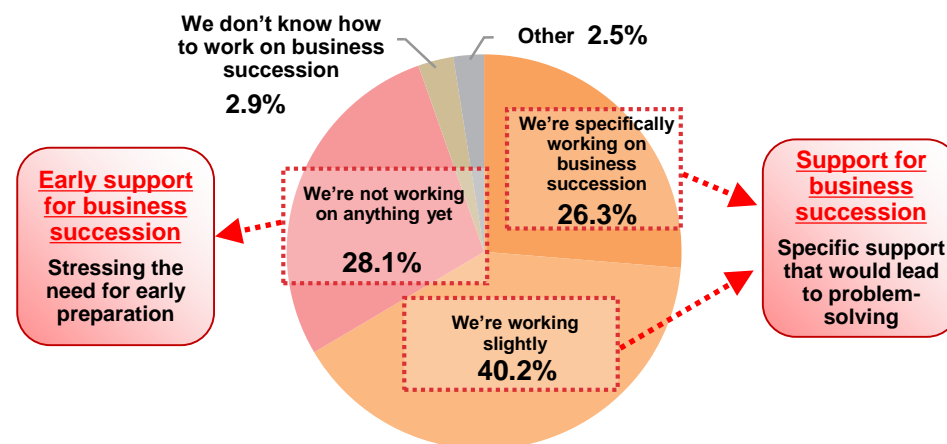
March 2018: Mie Prefecture formulates policy to support business succession

The prefecture sets a **five-year period until FY2021 as an intensive period** to provide support

August 2018: Mie Prefecture announces emergency declaration on business succession

The prefecture declares a shared sense of urgency and action on business succession

## Business succession by companies in Mie Prefecture



\* The results of a questionnaire survey on business succession in SMEs in Mie Prefecture (January 2018)

## Support system for business succession

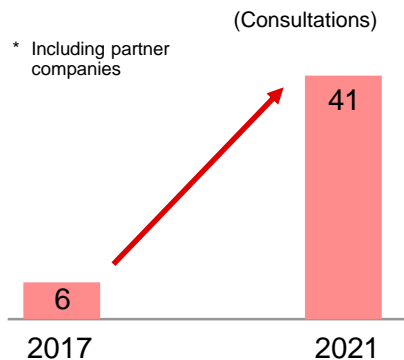
**Increasing needs for business succession support**

2000	The Bank assigns dedicated M&A specialists
2010	The Bank assigns dedicated business succession specialists
2019	The Bank establishes a new department in charge of business succession and M&A

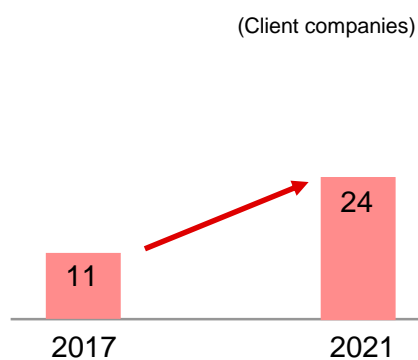
**The Bank is now staffed with 10 dedicated specialists**

## Support for business succession

**Number of consultations on business succession**



**Number of client companies for M&A**



## “Hyakugo Successor Training School”



### Purpose of the school

Learning about the need for and measures to address business succession planning

Acquiring management skills required of proprietors

Networking across industries and ages

Cumulative total of **98** persons graduated



The Bank provides participants with opportunities to seriously consider business succession and the management of their companies and the way they should be



# Status of Response to COVID-19

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**- loan and accompanying support -**

## Status of COVID-19 loans

### Accumulated loan amount executed

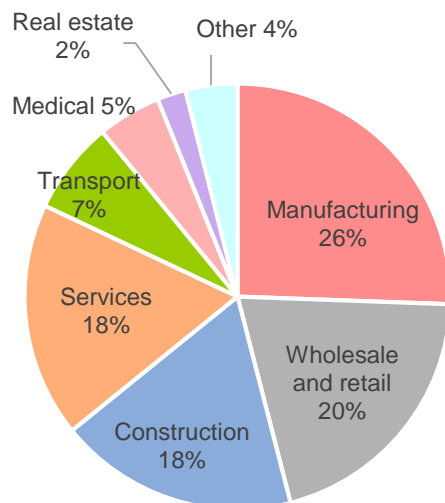
**284.5 billion yen**

	By the end of March 2022	
	Borrowers	Amount
New loans	<b>8,117 clients</b>	<b>284.5 billion yen</b>
Repeated clients	463 clients	106.6 billion yen
via credit guarantee associations	7,654 clients	177.9 billion yen

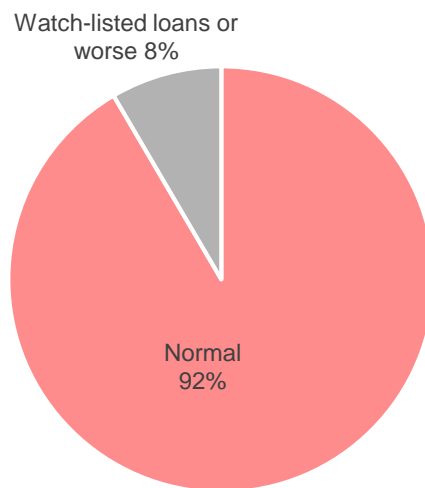
### Percentage of loans by industry and borrower category

\* Based on amounts executed through the end of March 2022

#### By industry



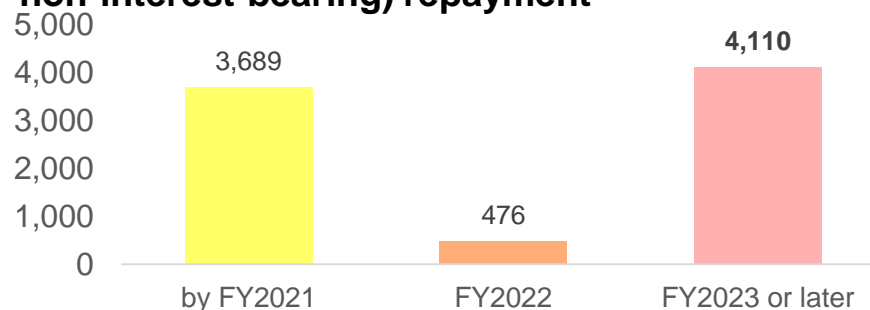
#### By borrower category



## Timing of COVID-19 loan repayment commencement and corporate support

### Timing of COVID-19 loan (practically non-interest-bearing) repayment

(unit: contracts)



- Of the 8,275 clients who received COVID-19 loans (as of the end of March 2022), 3,689 clients (44.6%) have begun repayment.
- Most loans have a grace period of 3 years, and about half of all loans (49.7%) will be repaid in FY2023 or later.
- Many clients have borrowed COVID-19 loans to have surplus funds at hand and, given their cash reserves, are expected to repay them relatively smoothly.

### Corporate support system

- The Bank selects priority support clients, formulates policies tailored to the needs of each client, and provides support to resolve their issues.
- The Bank has expanded its support system for the lodging and tourism industry, which has been severely affected by the pandemic, by appointing a dedicated person in charge of the industry.
- The Bank's sales branches and headquarters work in unison to support the smooth start of repayment of COVID-19 loans by providing accompanying support to each client.

# Outline of Financial Position

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An increase in interest income and fees and commissions, and a decrease in credit costs caused net income to increase 6.3% year-on-year.

	(Million yen)	FY 3/21	FY 3/22	Year-on-year
<b>Gross operating income</b>	(1)	57,919	56,107	(1,812)
Interest income <b>B</b>		47,694	52,593	4,898
Fees and commissions <b>C</b>		10,615	11,970	1,355
Other operating income		(390)	(8,456)	(8,066)
Of which, gain and loss from government bonds and other bonds	(2)	40	(8,343)	(8,383)
Provision of general allowance for loan losses	(3)	652	(193)	(846)
Expenses	(4)	40,989	40,119	(870)
<b>Net operating income <b>A</b></b>	(1) - (3) - (4)	16,276	16,181	(95)
<b>Core net operating income</b>	(1) - (2) - (4)	16,889	24,331	7,442
<b>Core net operating income (excluding gain and loss from cancellation of Investment trusts) <b>D</b></b>		15,827	20,117	4,289
<b>Non-recurring gain and loss</b>		942	2,238	1,296
Of which, disposal of bad debts	(5)	5,653	4,412	(1,241)
Gain and loss from stocks and other securities		6,459	5,439	(1,019)
<b>Ordinary income</b>		17,219	18,419	1,200
<b>Extraordinary gain and loss</b>		(273)	(511)	(238)
<b>Net income before income taxes</b>		16,945	17,908	962
<b>Net income</b>		12,200	12,975	774
<b>Credit costs</b>	(3) + (5)	6,306	4,219	(2,087)

	(100 million yen)		
	FY 3/21	FY 3/22	Year-on-year
<b>Interest and dividend on securities</b>	175	198	22
of which, gain and loss from cancellation of Investment trusts	10	42	31
<b>Gain and loss from government bonds and other bonds</b>	0	(83)	(83)
of which, gain on sale and redemption	33	29	(3)
of which, loss on sale and redemption, and amortization	32	113	80
<b>Gain and loss from stocks and other securities</b>	64	54	(10)
of which, gain on sale	82	64	(18)
of which, loss on sale and amortization	17	9	(8)

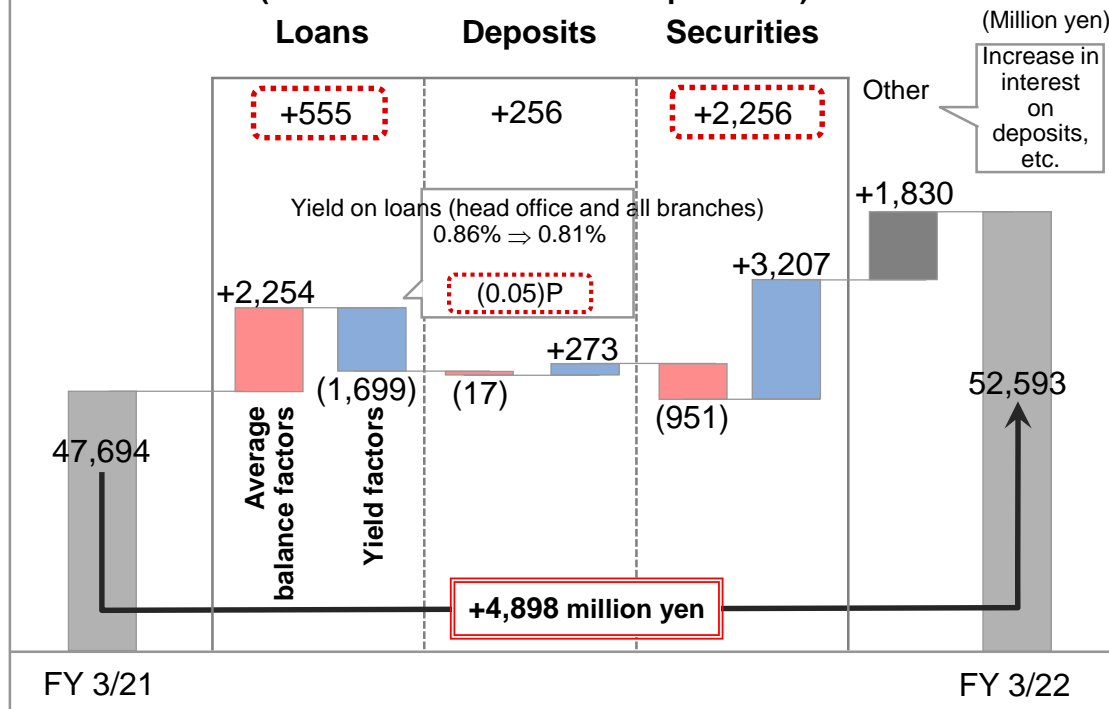
- Net interest income increased mainly due to an increase in interest and dividends on securities, mainly arising from gain from the cancellation of investment trusts. On the other hand, net operating income decreased slightly due to a decrease in other operating income, which was mainly caused by a decrease in gain and loss from government bonds and other bonds.
- The decrease in gain and loss from government bonds and other bonds was attributable to the sale of bonds that incurred valuation losses in order to ensure the soundness of the portfolio.
- Both ordinary income and net income increased from the previous year due to an increase in non-recurring gain and loss, mainly arising from a decrease in disposal of bad debts.
- Credit costs decreased year-on-year, although the Bank carefully and conservatively made judgments on debtor classification in this fiscal year in anticipation of the impact of COVID-19 pandemic. Full-year forecast of 4.3 billion yen was almost in line with expectations.

An increase in loan and securities interest contributes to an increase in interest income of 10.3% year-on-year.

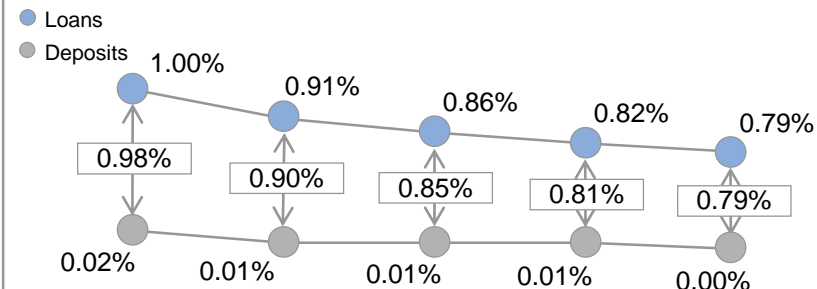
(Million yen)	FY 3/21	FY 3/22	Year-on-year
<b>Interest income</b>	<b>47,694</b>	<b>52,593</b>	<b>4,898</b>
Total interest income	50,992	54,956	3,964
Loan interest	32,955	33,510	555
Interest and dividends on securities	17,574	19,831	2,256
Other	461	1,613	1,152
Interest expenses	3,297	2,363	(934)
Interest on deposits	594	338	(256)
Other	2,703	2,024	(678)

## Major factors underlying changes in interest income

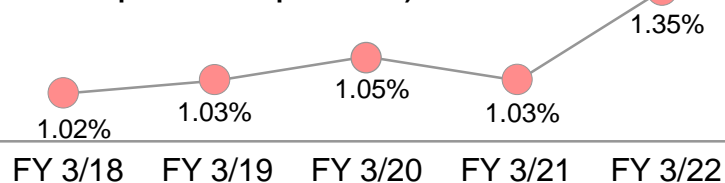
<All branches (domestic and international operations)>



## Deposit-loan yield margin (domestic operations)

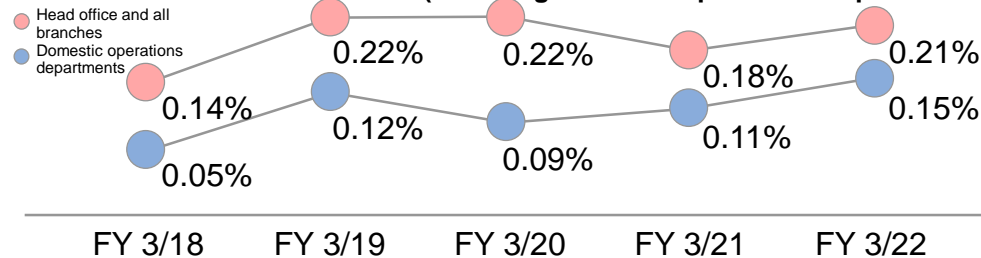


## Returns on securities investments (domestic operations departments)



## Historical overall profit margin

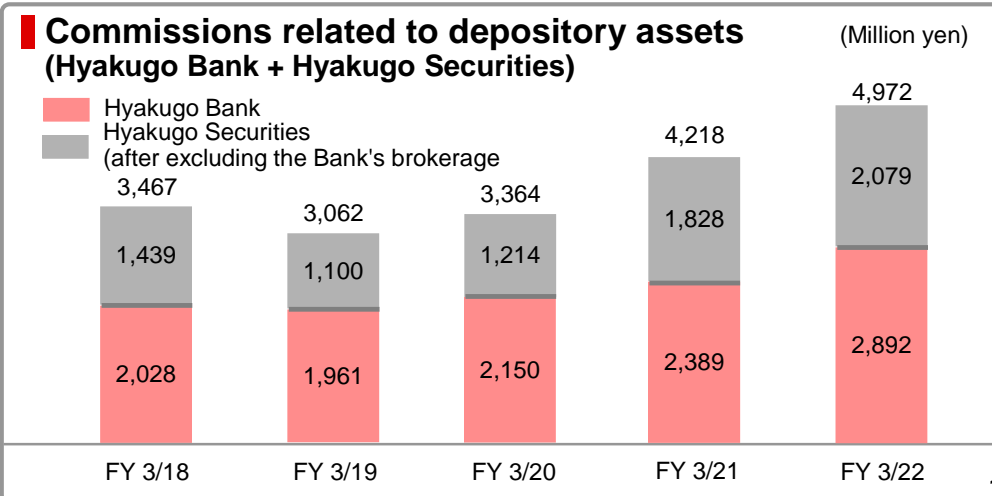
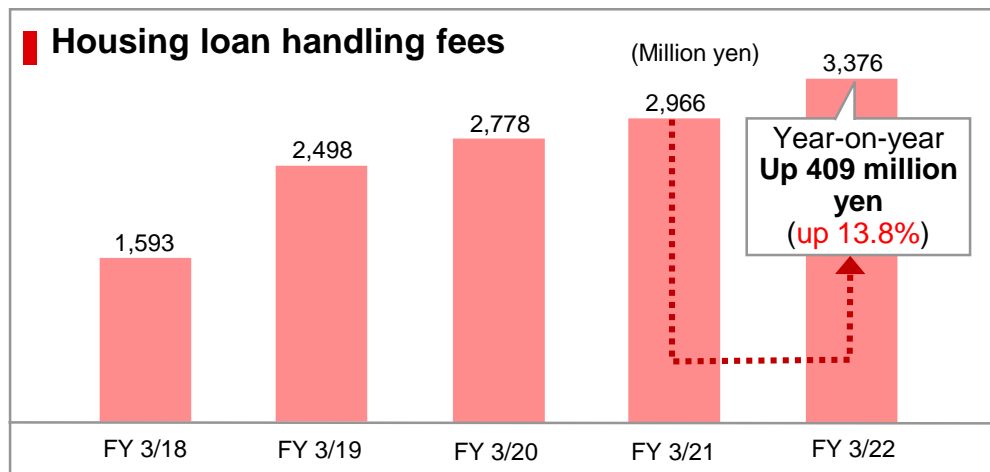
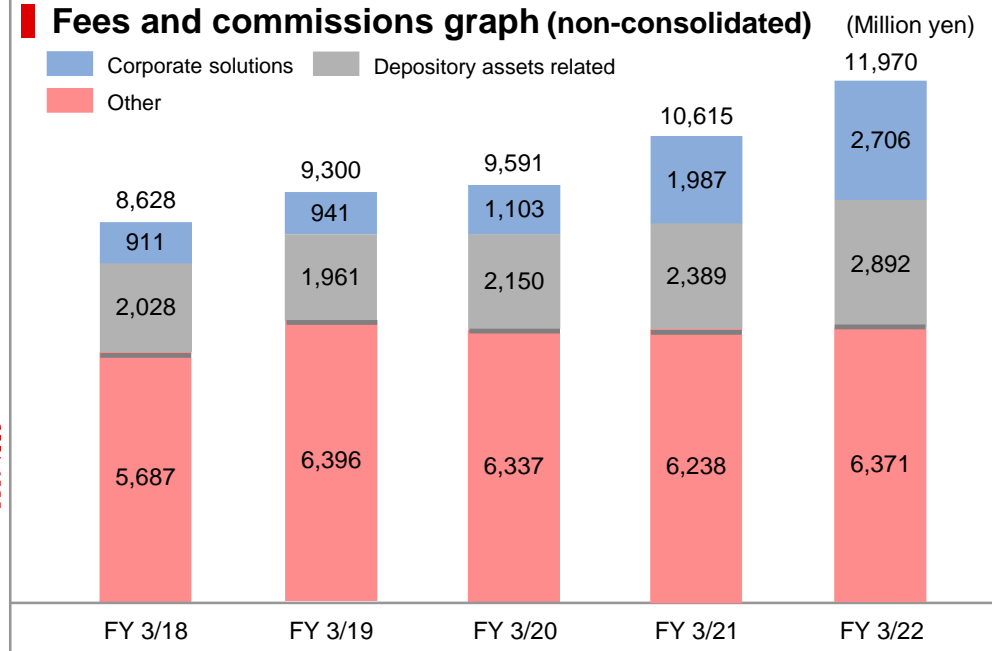
<Head office and all branches (including domestic operations departments)>



Fees and commissions increased 12.8% year-on-year due to an increase in corporate solution fees, commissions related to depository assets, etc.

	(Million yen)		
	FY 3/21	FY 3/22	Year-on-year
<b>Fees and commissions</b>	<b>10,615</b>	<b>11,970</b>	<b>1,355</b>
<b>Fees and commissions</b>	<b>15,527</b>	<b>17,080</b>	<b>1,552</b>
<b>Commissions related to depository assets</b> <sup>A</sup>	<b>2,389</b>	<b>2,892</b>	<b>503</b>
Investment trust commissions	1,134	1,496	362
Insurance sales commissions (*)	761	866	105
Financial instruments brokerage commissions	387	404	16
Defined contribution pension commissions	106	124	18
<b>Corporate solutions fees (*)</b> <sup>B</sup>	<b>1,987</b>	<b>2,706</b>	<b>718</b>
<b>Housing loan handling fees</b> <sup>C</sup>	<b>2,966</b>	<b>3,376</b>	<b>409</b>
<b>Fees and commissions expenses (expenses)</b>	<b>4,912</b>	<b>5,109</b>	<b>197</b>
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	3,481	3,848	366

\* A part of business insurance fees is included in corporate solutions fees, not in insurance sales commissions



## Expenses decreased 2.1% year-on-year due to decreases in personnel and non-personnel expenses

(Million yen)

	FY 3/21	FY 3/22	Year-on-year
<b>Expenses</b>	<b>40,989</b>	<b>40,119</b>	<b>(870)</b>
Personnel expenses	21,878	21,219	(659)
Non-personnel expenses	16,992	16,851	(141)
Taxes	2,118	2,048	(69)

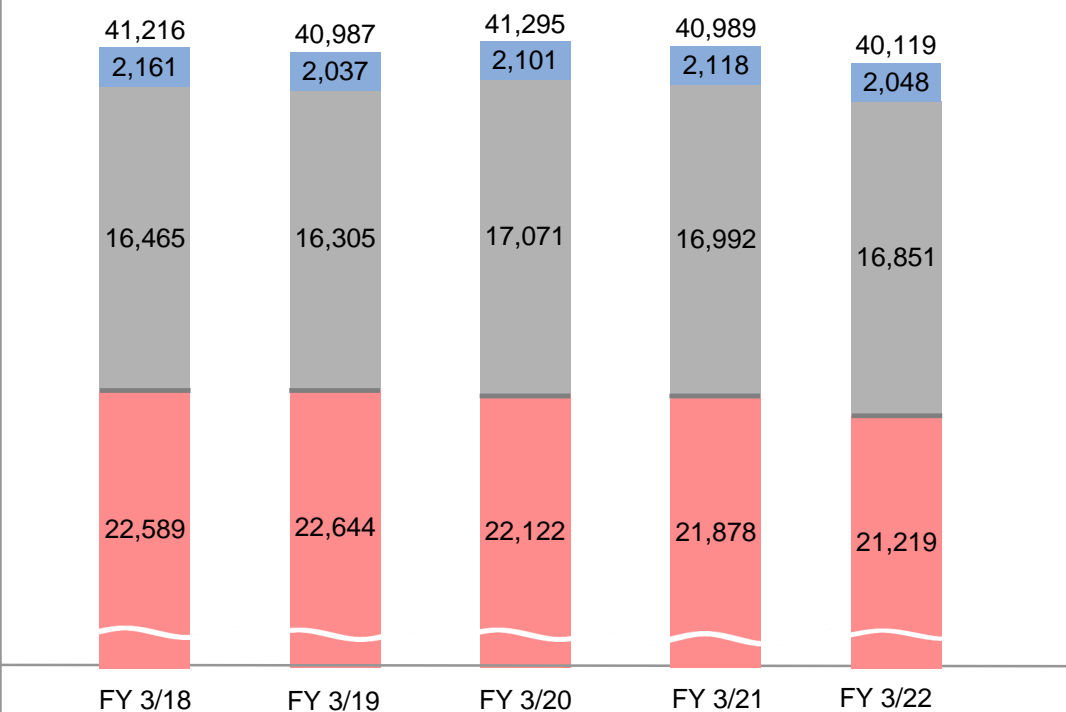
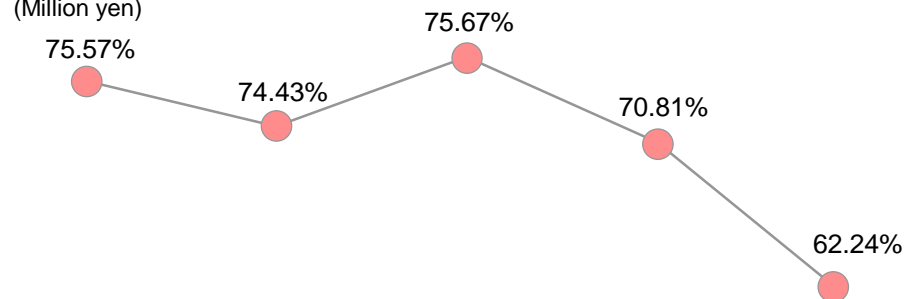
### Major factors underlying changes in expenses

- **Personnel expenses**  
Decreased 3.0%, mainly due to a decrease in retirement benefit expenses
- **Non-personnel expenses**  
Decreased 0.8% as a result of efforts to cut expenses
- **Core OHR**  
Core OHR increased 8.57 points year-on-year due to an increase in core gross operating profit and a decrease in expenses.  
Efforts will be continuously made to reduce expenses

### Expenses and core OHR

■ Taxes    ■ Non-personnel expenses    ■ Personnel expenses  
● OHR (core gross operating profit basis)

(Million yen)



The Bank fulfilled the OHR requirements for FY2021 as in the previous fiscal year. It will strive to reduce expenses and increase gross operating income to continue fulfilling the requirements in the final fiscal year

	(Million yen)		
	FY2019 (base year)	FY2020 (actual)	FY2021 (actual)
Expenses	39,455	38,879	38,262
Gross operating income	58,103	61,698	64,360
OHR (%)	67.90	63.01	59.44
Base year comparison OHR change rate	-	(7.20)	(12.45)

\* OHR is on a consolidated base. Based on the calculation method set forth by the Bank of Japan.

#### [Expenses]

- Reduce personnel (natural reduction due to gap between hiring and retirement, consider increasing external transfers)
- Integrate and close branches (reduction in non-personnel expenses, optimization of personnel allocation)
- Improve operational efficiency across the entire Group, including affiliated companies

etc.

#### [Gross operating income]

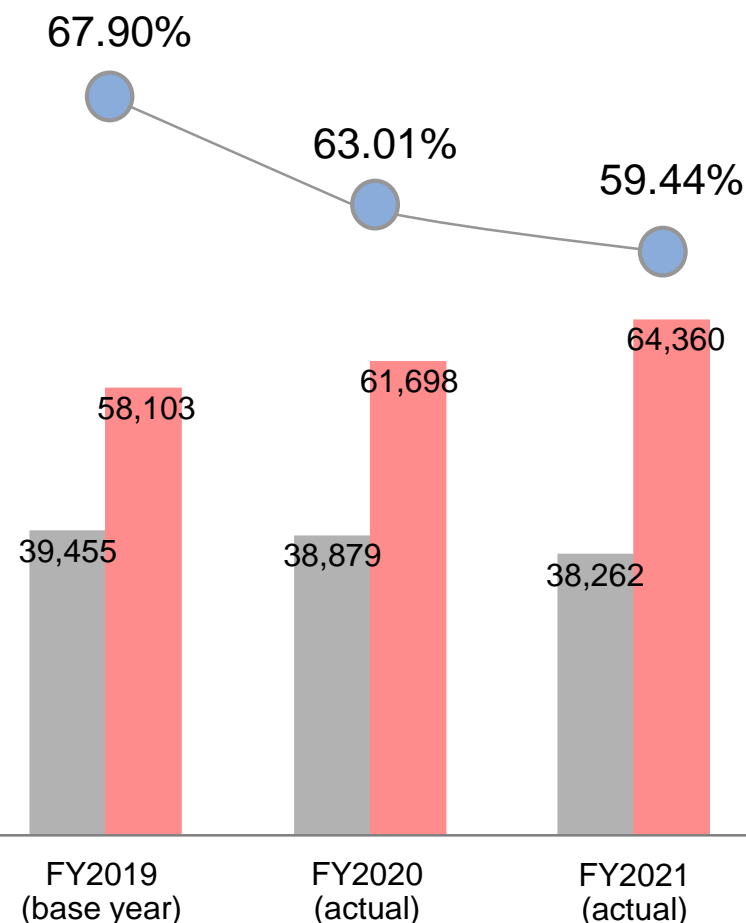
- Strengthen loans (for housing, regional small and medium-sized companies, etc.)
- Strengthen fees and commissions, especially consulting income
- Strengthen securities investments

etc.

#### Changes in expenses, gross operating income and OHR

(Million yen)

Expenses Gross operating income OHR

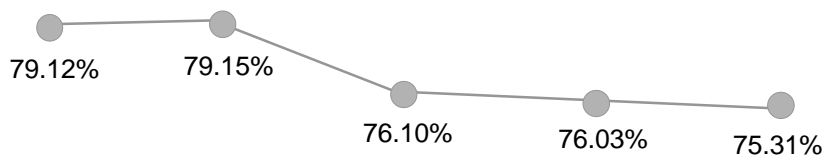


Decrease in the provision of general allowance for loan losses and loss on sale of receivables and other securities caused a year-on-year decrease in credit costs

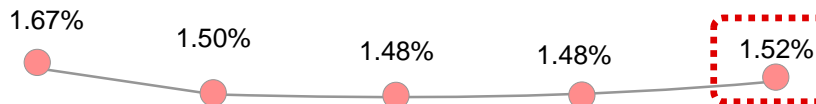
	(Million yen)		
	FY 3/21	FY 3/22	Year-on-year
<b>Credit costs</b>	<b>6,306</b>	<b>4,219</b>	<b>(2,087)</b>
Of which, provision of general allowance for loan losses	652	(193)	(846)
Of which, provision of specific allowance for loan losses	4,008	3,886	(121)
Of which, loss on sale of receivables and other securities	1,519	504	(1,014)
<b>Credit cost ratio</b>	<b>0.15%</b>	<b>0.09%</b>	<b>(0.06)P</b>

	FY 3/21	FY 3/22	Year-on-year
<b>Nonperforming loans</b>	<b>59,823</b>	<b>65,109</b>	<b>5,286</b>

### Nonperforming loans coverage ratio

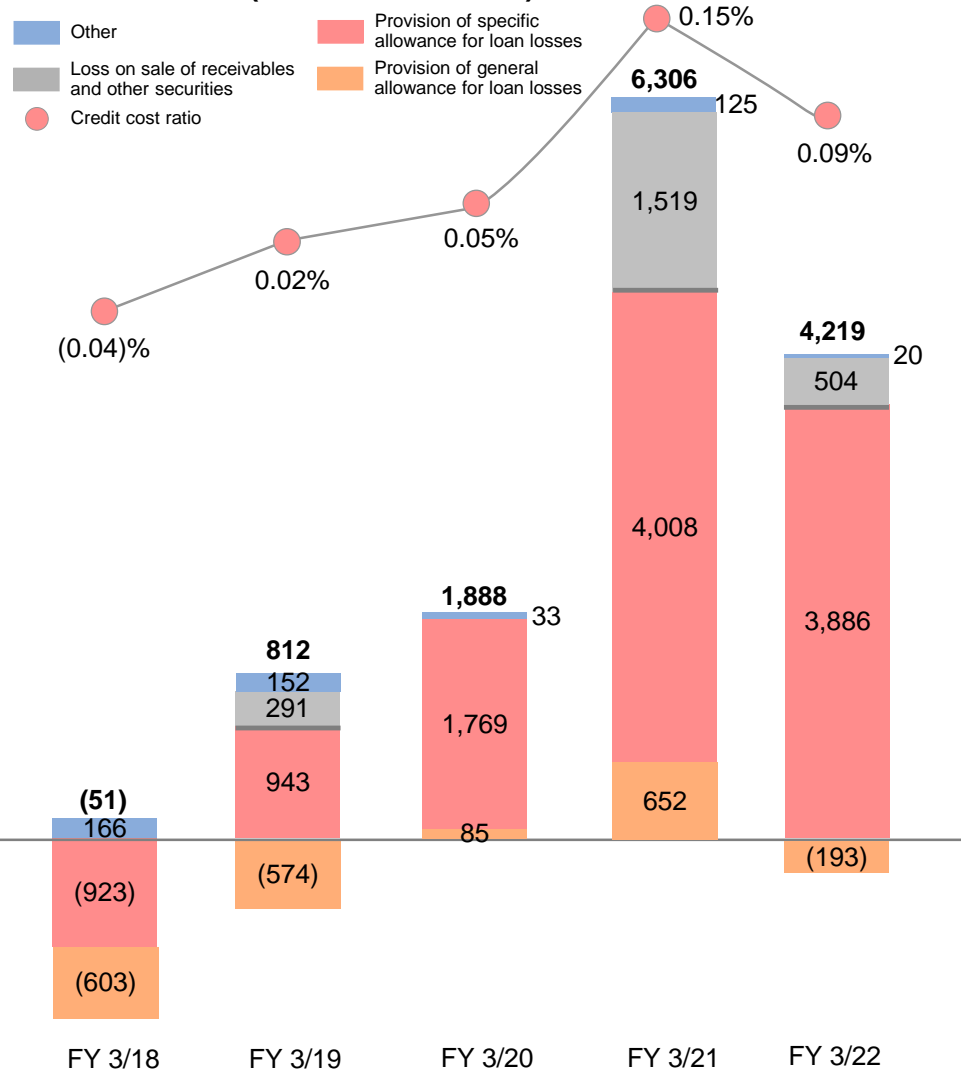


### Nonperforming loans ratio



FY 3/18      FY 3/19      FY 3/20      FY 3/21      FY 3/22

### Credit costs (non-consolidated)



Individual deposits and corporate deposits both remained strong, increasing total deposits 5.6% year-on-year

(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Total deposits (average balance)</b>	<b>54,053</b>	<b>57,066</b>	<b>3,013</b>
Mie Prefecture	48,723	51,571	2,848
Aichi Prefecture	5,007	5,221	214
Tokyo and Osaka	322	273	(48)

up 5.6%

(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Individual deposits (average balance)</b>	<b>39,835</b>	<b>41,729</b>	<b>1,894</b>
Mie Prefecture	36,790	38,470	1,680
Aichi Prefecture	3,017	3,229	212
Tokyo and Osaka	27	29	2

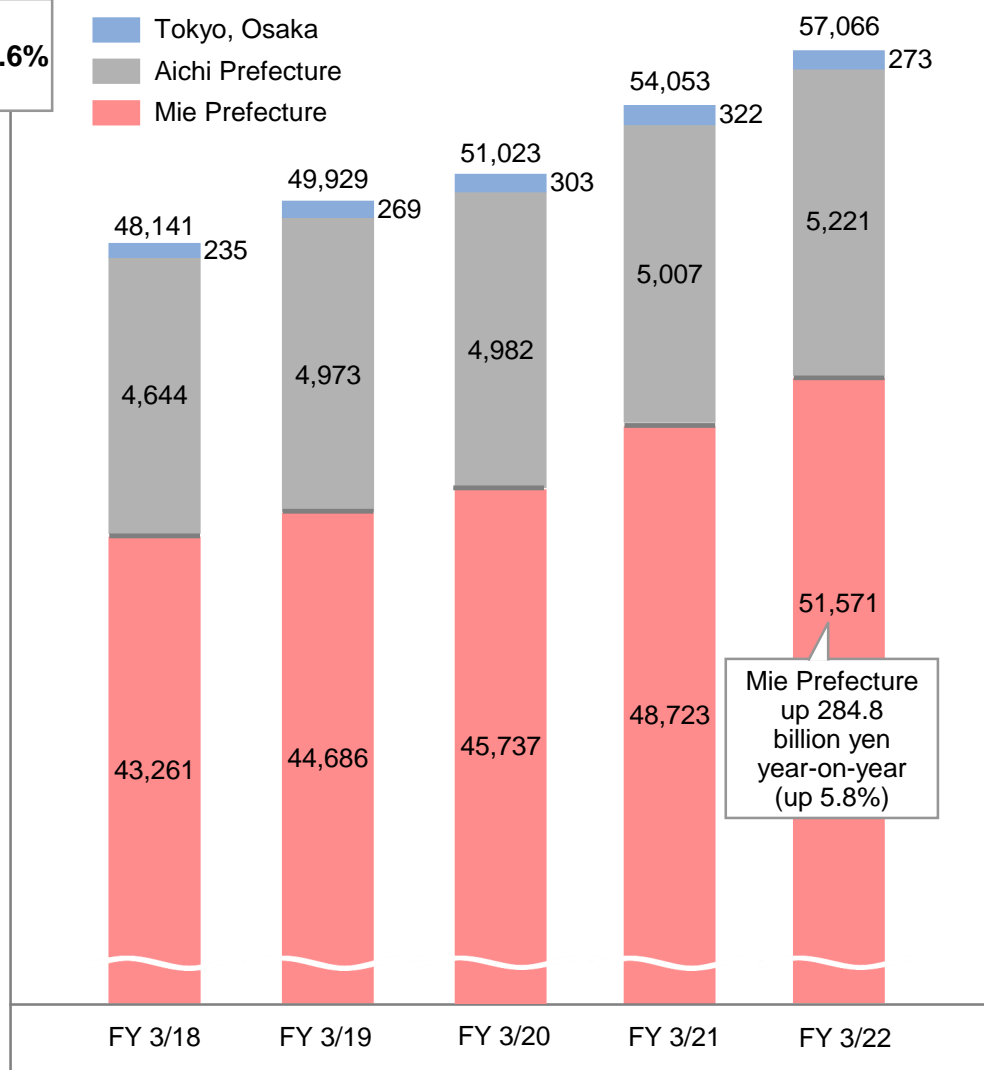
(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Corporate deposits (average balance)</b>	<b>11,649</b>	<b>12,339</b>	<b>690</b>
Mie Prefecture	9,389	10,139	750
Aichi Prefecture	1,972	1,960	(12)
Tokyo and Osaka	288	240	(47)

## Total deposits (average balance)

(100 million yen)

- Tokyo, Osaka
- Aichi Prefecture
- Mie Prefecture



Mie Prefecture up 284.8 billion yen year-on-year (up 5.8%)

Individual loans such as housing loans and loans to SMEs increased, resulting in a 7.2% increase year-on-year in total loans

(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Total loans (average balance)</b>	<b>38,240</b>	<b>40,999</b>	<b>2,758</b>
Mie Prefecture	17,728	18,568	840
Aichi Prefecture	12,979	14,820	1,840
Tokyo and Osaka	7,532	7,610	77

Up  
7.2%Up  
14.2%

(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Loans to SMEs (average balance)</b>	<b>13,219</b>	<b>13,834</b>	<b>614</b>
Mie Prefecture	7,823	8,271	448
Aichi Prefecture	3,563	3,749	186
Tokyo and Osaka	1,833	1,812	(20)

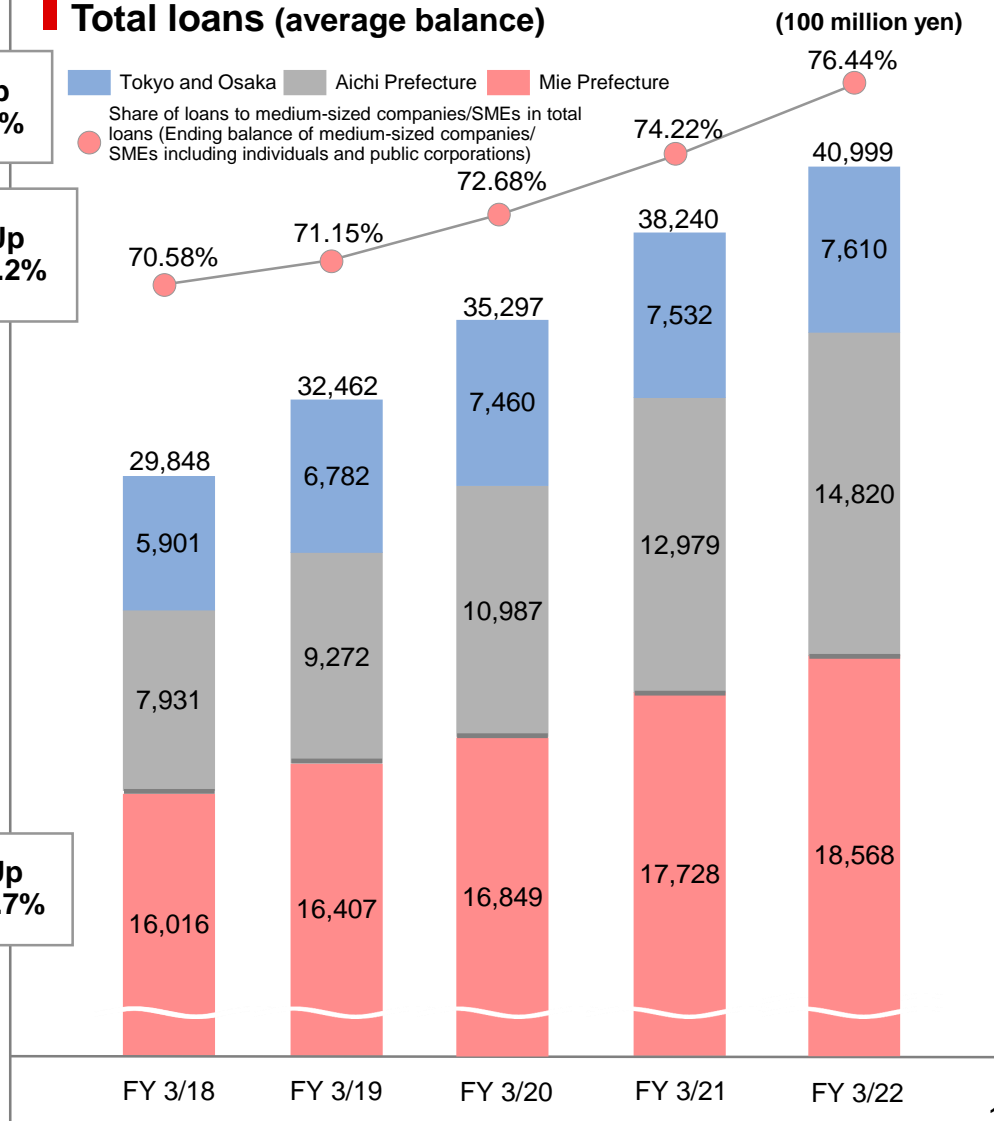
(100 million yen)

	FY 3/21	FY 3/22	YoY change
<b>Housing loans (average balance)</b>	<b>14,069</b>	<b>16,273</b>	<b>2,203</b>
Mie Prefecture	6,448	6,948	499
Aichi Prefecture	7,320	8,938	1,618
Osaka	300	385	84

Up  
15.7%

### Total loans (average balance)

■ Tokyo and Osaka
 ■ Aichi Prefecture
 ■ Mie Prefecture  
 ● Share of loans to medium-sized companies/SMEs in total loans (Ending balance of medium-sized companies/SMEs including individuals and public corporations)





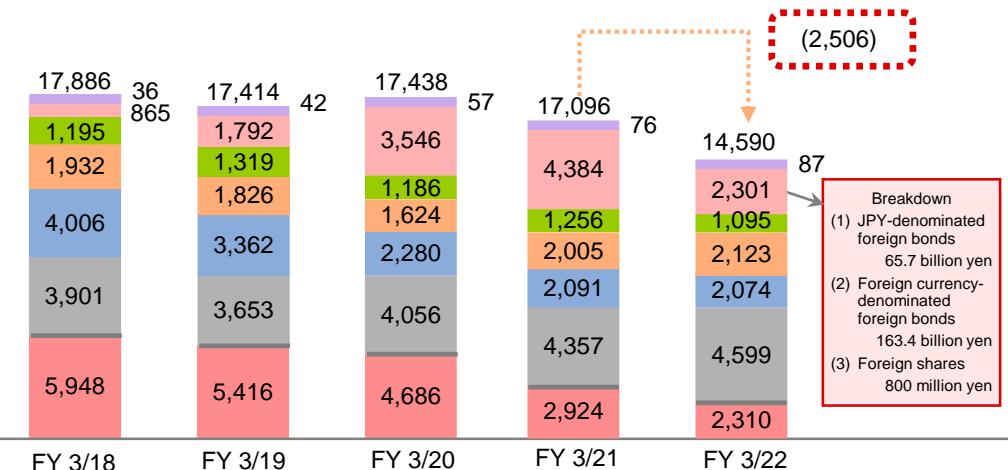
Valuation gains (losses) on bonds and investment trusts decreased 5.9% from the end of the previous fiscal year due mainly to an increase in share prices.

(100 million yen)	end of 3/21	end of 3/22	Year-on-year
<b>Securities balance</b>	<b>17,096</b>	<b>14,590</b>	<b>(2,506)</b>
Government bonds	2,924	2,310	(614)
Municipal bonds	4,357	4,599	242
Corporate bonds	2,091	2,074	(17)
Shares	2,005	2,123	117
Investment trusts	1,256	1,095	(161)
Foreign securities	4,384	2,301	(2,083)
Other	76	87	10
<b>JPY-denominated average balance*</b>	<b>13,559</b>	<b>12,468</b>	<b>(1,090)</b>
<b>Foreign currency-denominated average balance*</b>	<b>3,282</b>	<b>3,433</b>	<b>150</b>

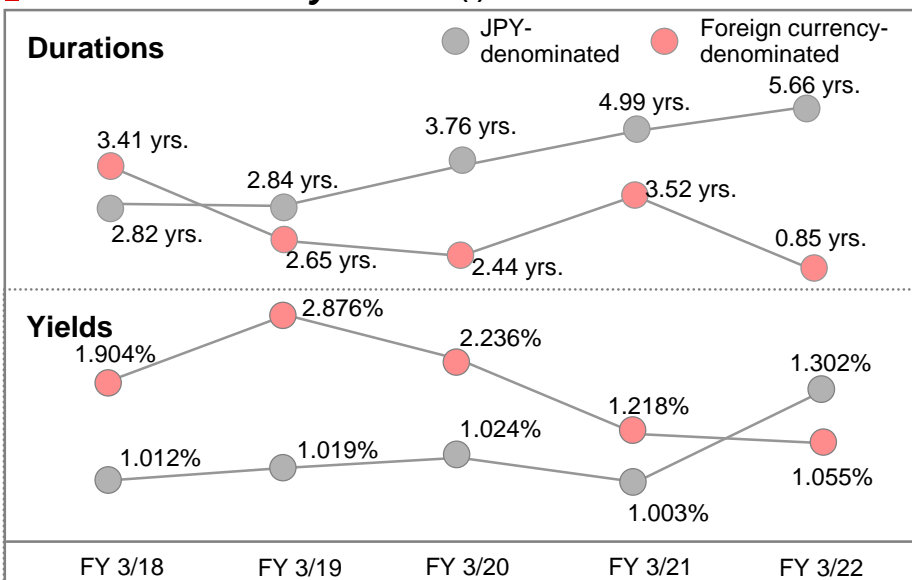
## Securities balance

(100 million yen)

Government bonds Municipal bonds Corporate bonds Shares  
Investment trusts Foreign securities Other



## Durations and yields (\*)

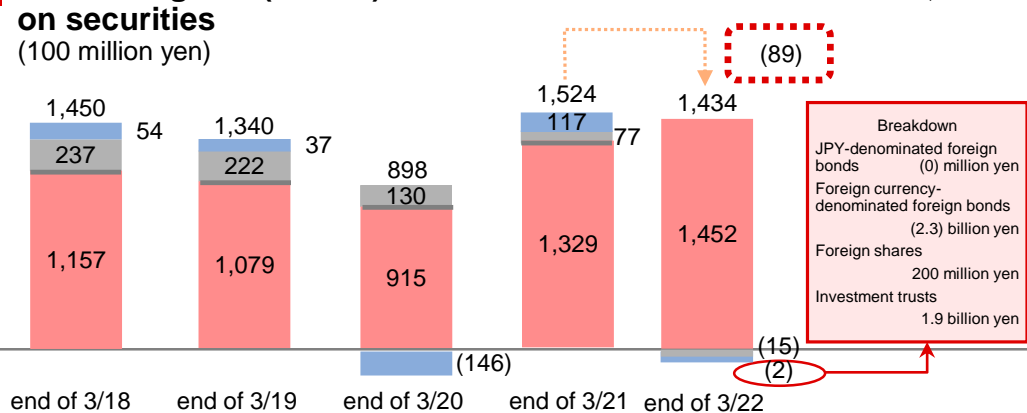


\*Including beneficiary rights on trust

## Valuation gains (losses) on securities

(100 million yen)

Shares Bonds Other (including foreign securities and investment trusts)



An increase in risk assets, resulting from increased loans, caused the equity ratio to decrease 0.27 percentage points year-on-year

(100 million yen)

	FY 3/20	FY 3/21	FY 3/22
<b>Equity capital</b> (For equity ratio calculation purposes)	<b>2,338</b>	<b>2,412</b>	<b>2,470</b>
<b>Risk Assets</b>	<b>23,200</b>	<b>23,841</b>	<b>25,089</b>
<b>Equity Ratio</b>	<b>10.07%</b>	<b>10.11%</b>	<b>9.84%</b>

**(0.27)P**

<b>Shareholders' equity</b>	<b>2,621</b>	<b>2,720</b>	<b>2,821</b>
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Method of computing value-at-credit-risk asset value:

Fundamental internal ratings based approach

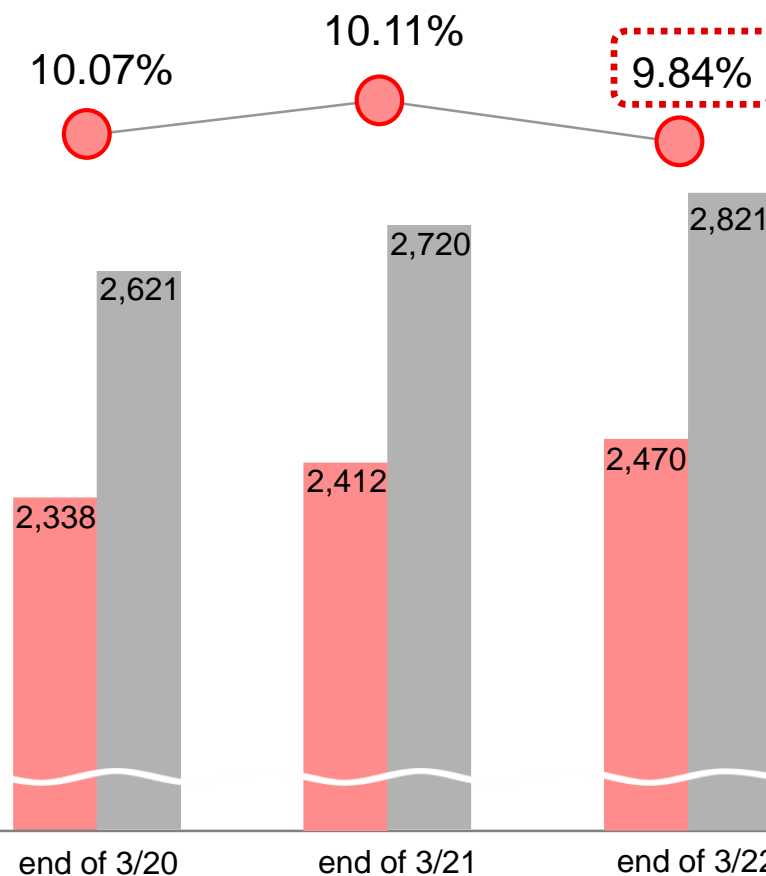
Method of computing value-at-operational risk:

The Standardized Approach (TSA)

## Equity capital, shareholders' equity, and equity ratio

(100 million yen)

Equity capital   Shareholders' equity   Equity Ratio  
(JGAAP, Non-consolidated)



Full-year net income is forecast to increase due to expected improvement in gain and loss from government bonds and other bonds and decrease in expenses.

### Forecast (non-consolidated)

(Million yen)

	FY 3/22	FY 3/23 (forecast)
<b>Gross operating income</b>	<b>56,107</b>	<b>55,600</b>
Interest income	52,593	45,800
Fees and commissions	11,970	11,100
Other operating income	(8,456)	(1,300)
<b>Net operating income</b>	<b>16,181</b>	<b>15,700</b>
<b>Ordinary income</b>	<b>18,419</b>	<b>18,500</b>
<b>Net income</b>	<b>12,975</b>	<b>13,000</b>
<b>Credit costs</b>	<b>4,219</b>	<b>4,600</b>
<b>Consolidated net income attributable to shareholders of the parent (consolidated)</b>	<b>13,402</b>	<b>13,500</b>

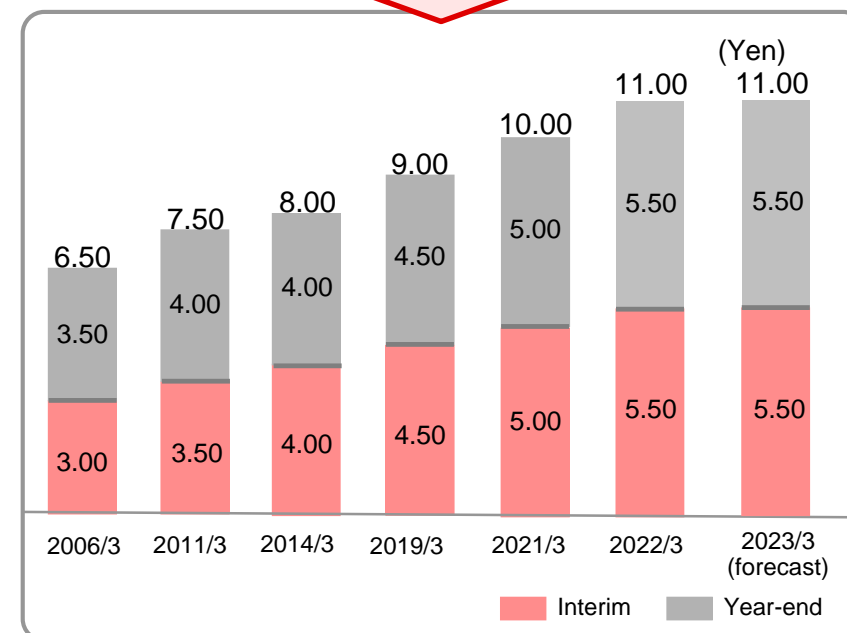
Although net interest income will decrease, income is expected to increase due to an improvement in gain and loss from government bonds and other bonds and a decrease in expenses.

### Dividend forecast

Interim	Year-end	Full year
5.50 yen	5.50 yen	11.00 yen

### Shareholder return policy

**Continue to pay stable dividends**



# Summary of the Previous Medium-term Management Plan

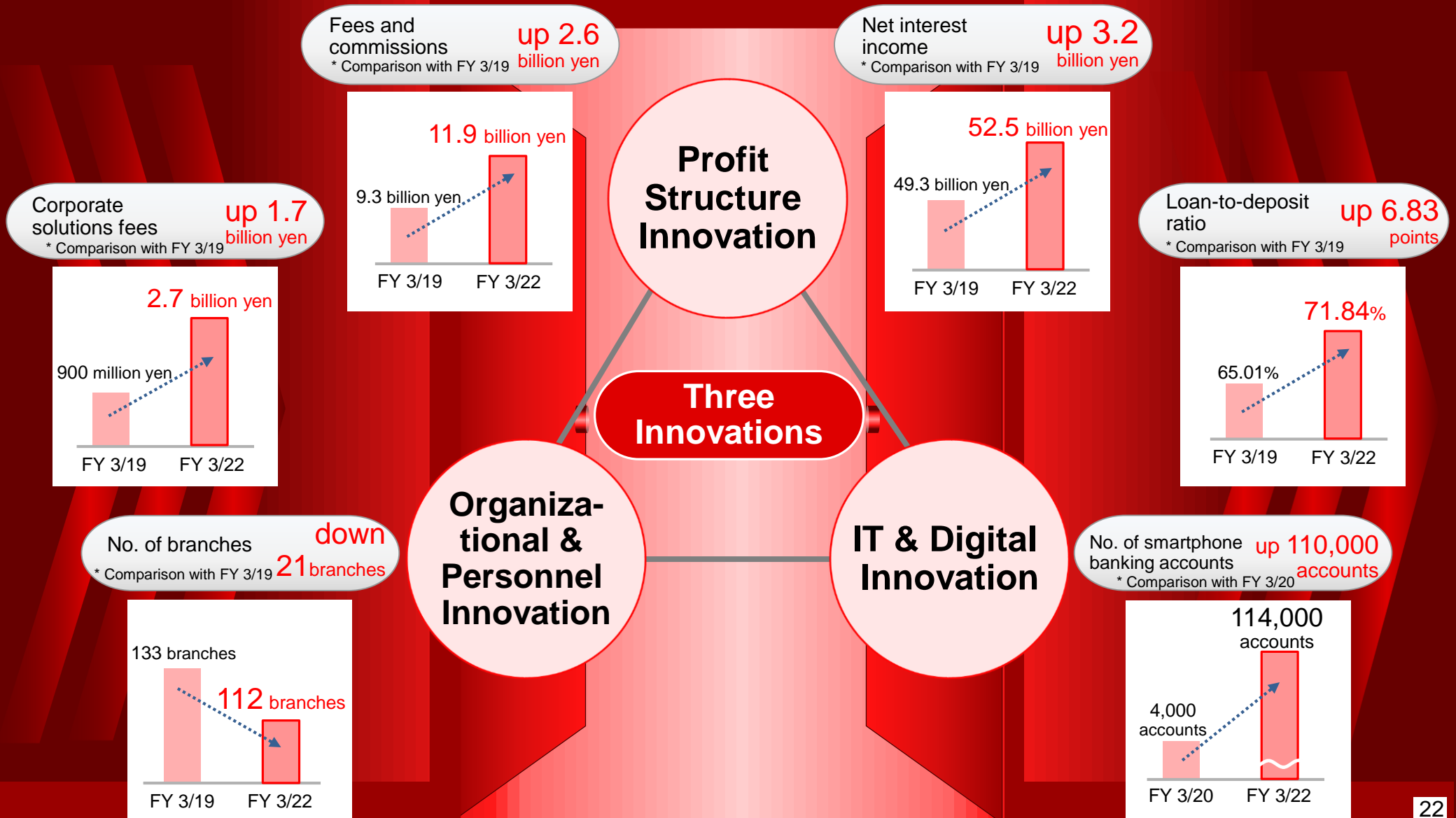
## KAI-KAKU 150 1st STAGE “Gateway to the Future”

Aiming to Transform into a Digital & Consulting Bank

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April 1, 2019 through March 31, 2022

## The Previous Medium-term Management Plan KAI-KAKU 150 1st STAGE “Gateway to the Future”



■ The Group achieved all items as a result of concerted efforts to promote each measure

## Results of Key Numerical Targets

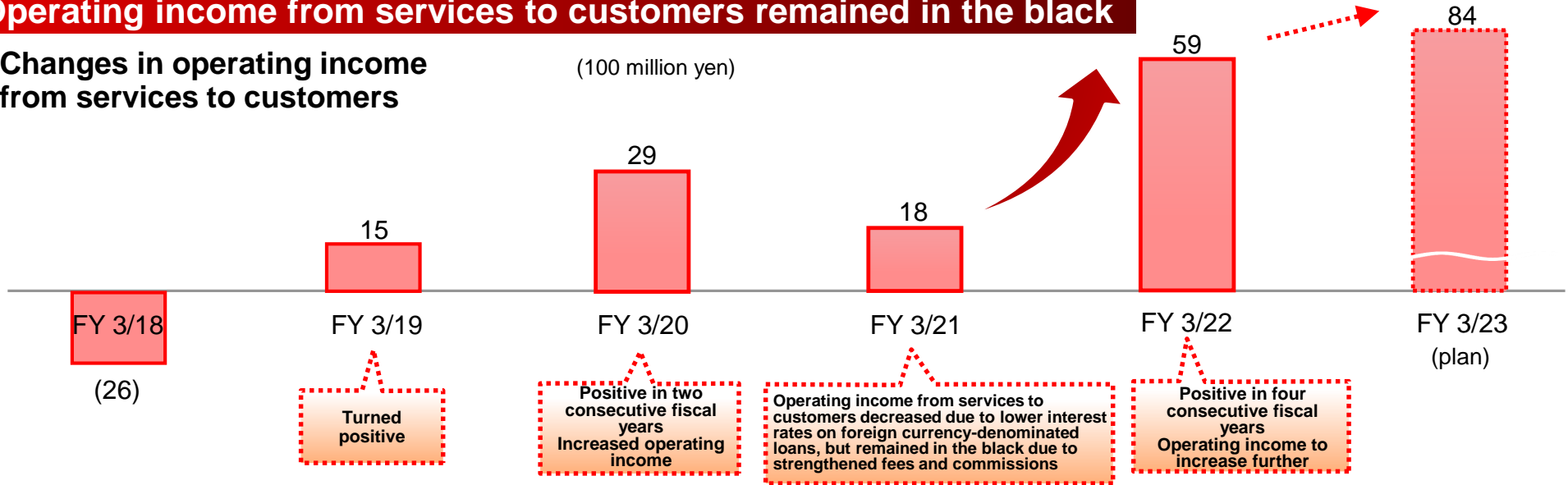
	Item	Term of the Previous Medium-term Management Plan		Achievement	Changes over three years
		Results in FY 3/19	Results in FY 3/22		
Profitability indicator	Net income	10.7 billion yen	12.9 billion yen	○	up 2.2 billion yen
Capital efficiency indicator	ROE (shareholders' equity basis)	4.32%	4.68%	○	up 0.36%
Efficiency indicator	OHR (core gross operating profit basis)	74.43%	62.24%	○	up 12.19 points
Soundness indicator	Equity Ratio	9.74%	9.84%	○	up 0.1 points
Growth indicators	Average balance of total deposits (including negotiable certificates of deposit)	4,992.9 billion yen	5,706.6 billion yen	○	up 713.7 billion yen
	Average balance of total	3,246.2 billion yen	4,099.9 billion yen	○	up 853.7 billion yen
	Loan-to-deposit ratio (average balance basis)	65.01%	71.84%	○	up 6.83 points
Profit indicator	Operating income from services to customers	1.5 billion yen	5.9 billion yen	○	up 4.4 billion yen
	Corporate solutions fees	941 million yen	2,706 million yen	○	up 1,765 million yen
Human resources development indicator	Number of personnel with professional qualifications	161 persons	336 persons	○	up 175 persons

Operating income from services to customers was positive for four consecutive terms due mainly to an increase in fees and commissions

## Operating income from services to customers remained in the black

### Changes in operating income from services to customers

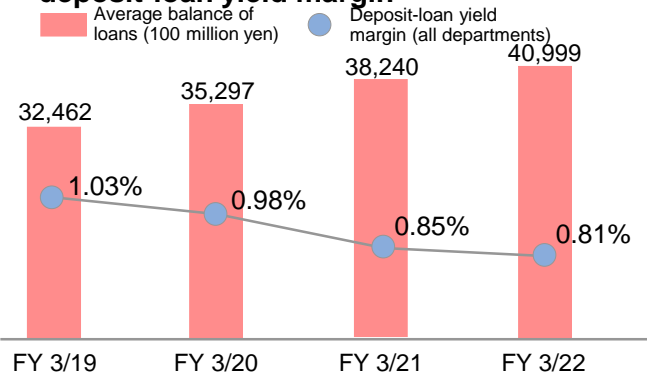
(100 million yen)



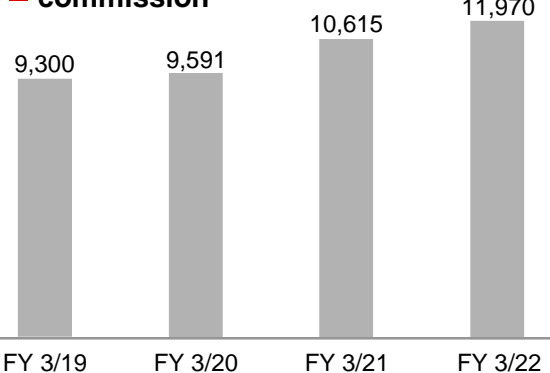
### Operating income from services to customers

Average balance of loans × (interest rate on loans – interest on deposits, etc.) + fees and commissions – operating expenses (including retirement benefit expenses in non-recurring gain and loss, etc.)

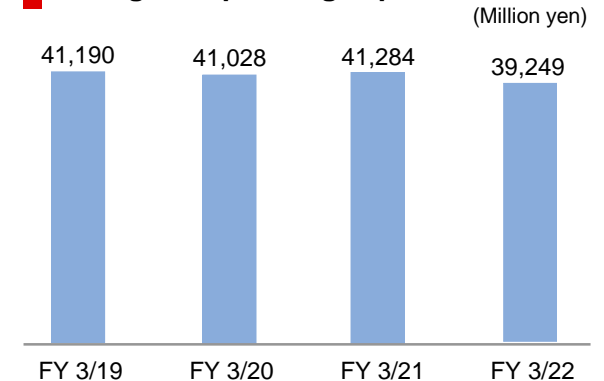
### Change in average balance of loans and deposit-loan yield margin



### Change in fees and commission



### Change in operating expenses



# **New Medium-term Management Plan** **KAI-KAKU 150 2nd STAGE “Gateway to the Future II”** Aiming to Transform into a Green & Consulting Bank Group

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April 1, 2022 through March 31, 2025



The Bank has developed a new long-term vision to respond to new threats, such as increased climate change risks and changing lifestyles

## KAI-KAKU 150 2nd STAGE “Gateway to the Future II” New Long-Term Vision

### Aiming to Transform into a Green & Consulting Bank Group

#### New threats

- Increased climate change risks
- Changing lifestyles

#### <The Hyakugo Bank Group’s Aims>

- **Green**
  - The Hyakugo Bank Group will support "Just Transition," a fair transition to carbon neutrality in the region, and contribute to the sustainable economic development of local communities.
- **Consulting bank group**
  - The Hyakugo Bank Group will practice problem-solving consulting and commit itself to pioneering the future of its customers and local communities.
  - The Hyakugo Bank Group will continue its IT strategy to improve productivity and support customers and local communities with IT through consulting.

## KAI-KAKU 150 1st STAGE “Gateway to the Future” Long-Term Vision

### Aiming to Transform into a Digital & Consulting Bank

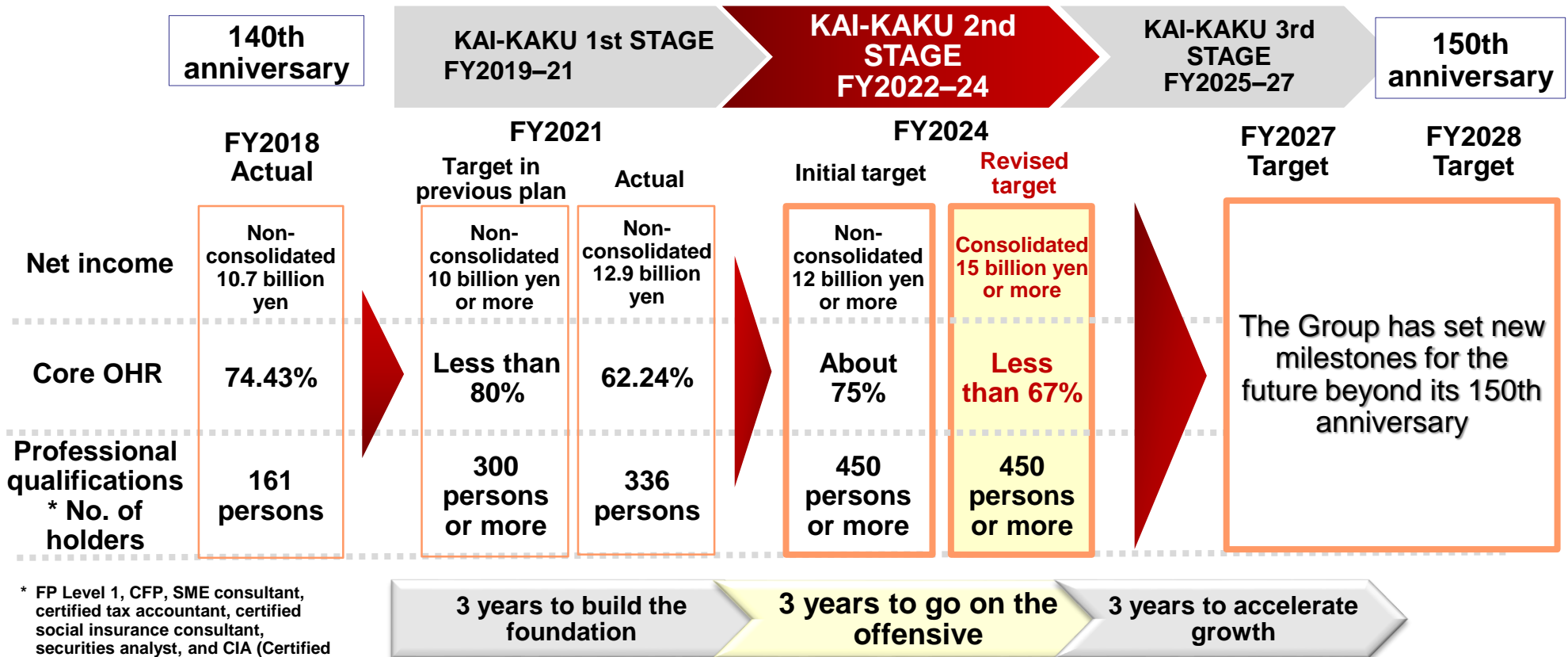
#### <Three Innovations>

- Profit Structure Innovation
- Organizational & Personnel Innovation
- IT & Digital Innovation

The Group has positioned the period of its New Medium-term Management Plan as "three years to go on the offensive" and will work on new measures

## KAI-KAKU 150 2nd STAGE "Gateway to the Future II"

Aiming to Transform into a Green & Consulting Bank Group



\* FP Level 1, CFP, SME consultant, certified tax accountant, certified social insurance consultant, securities analyst, and CIA (Certified Internal Auditor), etc.

**New Medium-term Management Plan KAI-KAKU 150 2nd STAGE “Gateway to the Future II” consists of five basic policies and 11 key strategies**

Five Basic Policies		11 Key Strategies	
I	Strengthening Efforts towards Carbon Neutrality	1	Carbon Neutral Strategy <b>&gt; P.30</b>
II	Strengthening Business Model	2	Strategy to Enhance Loan Income and Fees and Commissions <b>&gt; P.31</b>
		3	Securities Strategy <b>&gt; P.35</b>
		4	Group Company Strategy <b>&gt; P.36</b>
III	Increased Productivity	5	Channel Strategy <b>&gt; P.37</b>
		6	IT Strategy
IV	Strengthening Management Foundation	7	Human Resources Strategy
		8	Governance Strategy <b>&gt; P.38</b>
		9	Organizational Strategy
V	Increased Awareness of SDGs/ESG	10	Diversity Strategy <b>&gt; P.39</b>
		11	SDGs/ESG Strategy <b>&gt; P.40</b>

These targets have been set for the next three years as the Bank takes the offensive and leaps to the next stage. The Bank will also actively promote sustainable finance

		Results in FY2021	Targets in FY2024
KGI	Consolidated net income	13.4 billion yen	15 billion yen or more
	ROE in consolidated net assets	3.36%	3.50% or more <small>* Aiming for 5% in the long term</small>
	Core OHR	62.24%	Less than 67%
	Equity Ratio	9.84%	11% or more
KPI	Housing loan-related fees	3.4 billion yen	4.4 billion yen <small>Compared with FY2021 up 29%</small>
	Commissions related to depository assets	2.8 billion yen	3.4 billion yen <small>up 21%</small>
	Corporate solutions fees	2.7 billion yen	3 billion yen <small>up 11%</small>
	Number of personnel with professional qualifications	336 persons	450 persons <small>up 33%</small>

## Return to shareholders

Dividend payout ratio

Aiming for **30%** in the long term

\* Dividend payout ratio in FY2021 (consolidated): 20.8%

## Contributing to local sustainability

Greenhouse gas emissions

**Target for the end of FY2030**

Achieve **net zero** (Scopes 1, 2)

Amount of sustainable finance executed

**1 trillion yen** (of which, more than 500 billion yen is environment-related loans)

\* Cumulative total since FY2022

Promote carbon neutrality by creating green financial flows in the region and solving issues related to decarbonization

## Support local decarbonization

### Provide decarbonization consulting

- Provide a tool for identifying CO<sub>2</sub> emissions through business matching
- Assist companies in developing financial plans (for example, help them apply for interest subsidies and support programs)
- Support and manage progress in developing decarbonization plans
- Support public relations efforts of companies that have declared their decarbonization management by introducing them in press releases

**Establish a specialized team within the headquarters**

## Perform sustainable finance functions

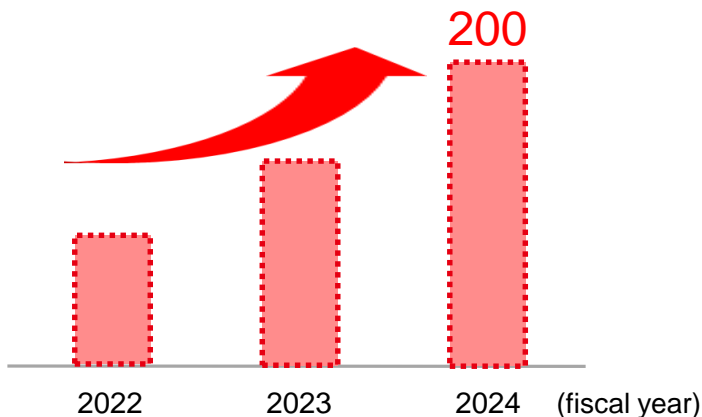
### Finance to support companies' investments in decarbonization

- Provide a wide range of "sustainable finance" to customers who are working on decarbonization
- Support customers' public relations efforts by offering products that incorporate third-party opinions, such as "Positive Impact Finance" and "Green Loans"

**Expand product lineup**

### Fee target for consulting related to decarbonization

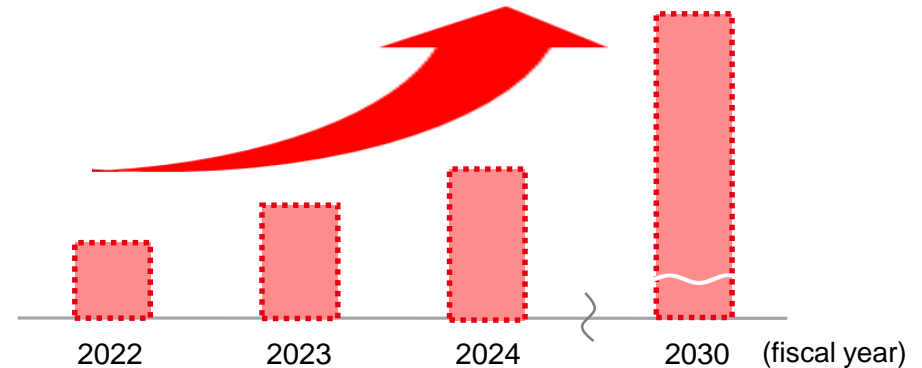
(millions of yen)



\* Part of the corporate solutions fees. Target for related fees for a single fiscal year

### Target for amount of sustainable finance execution

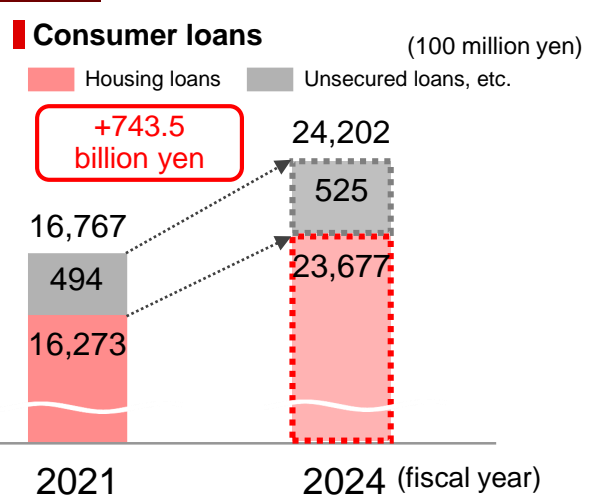
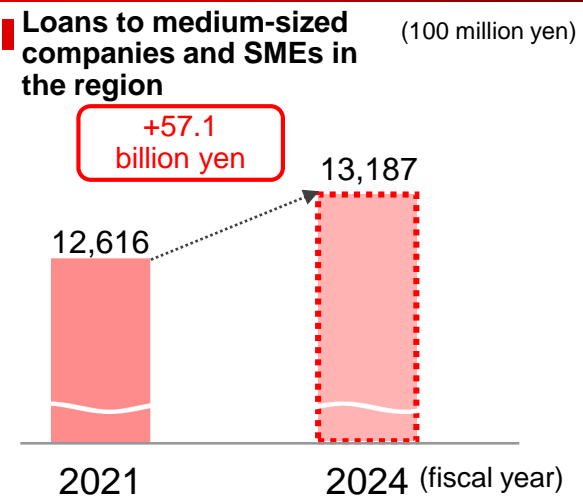
1 trillion yen



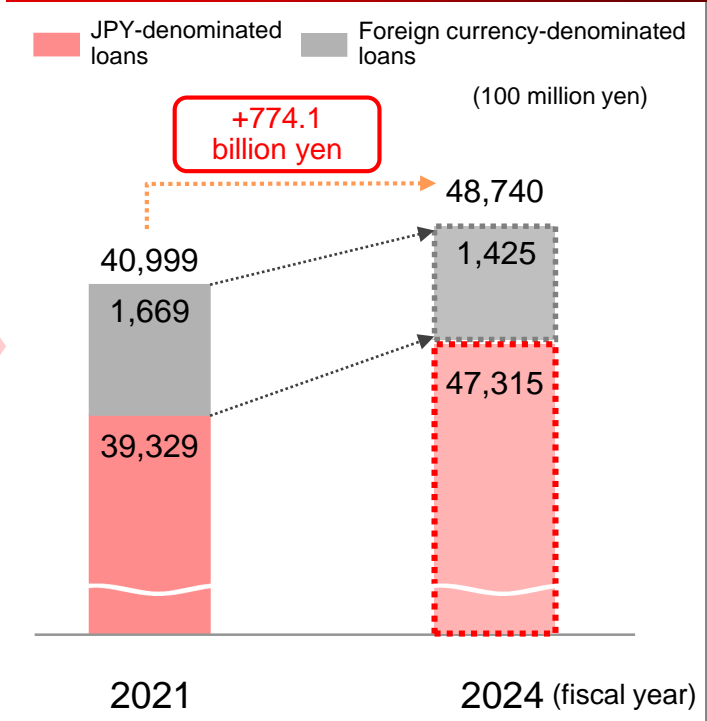
\* Cumulative amount to be executed by the end of FY2030

**Aim to increase revenues and profits by increasing loans and fees and commissions, despite expected declines in returns on securities investment and yield on loans**

### JPY-denominated loans Average balance plan



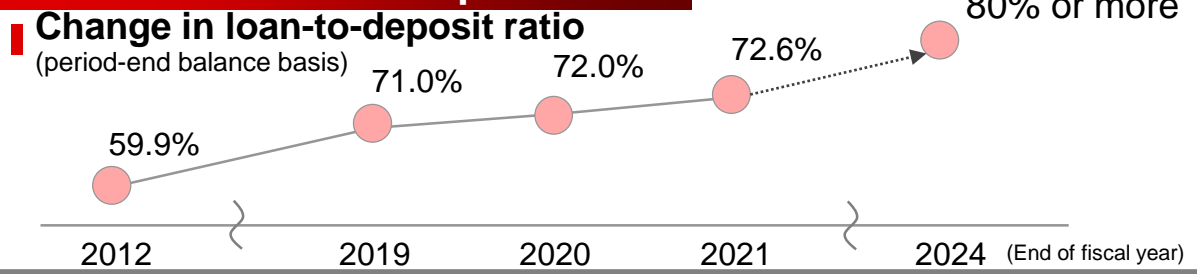
### Total loans Average balance plan



### Foreign currency-denominated loans Average balance plan

- Focus on investment-grade companies and projects with good quality guarantees
- Avoid aggressive lending in light of social conditions such as the COVID-19 pandemic and the situation in Ukraine

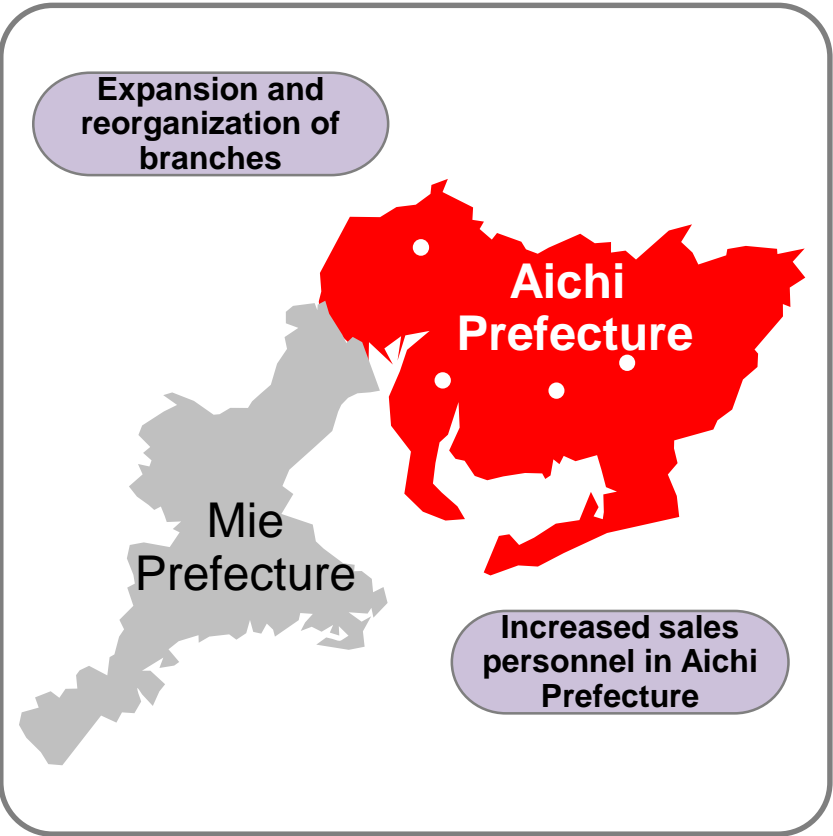
### Increase in loan-to-deposit ratio



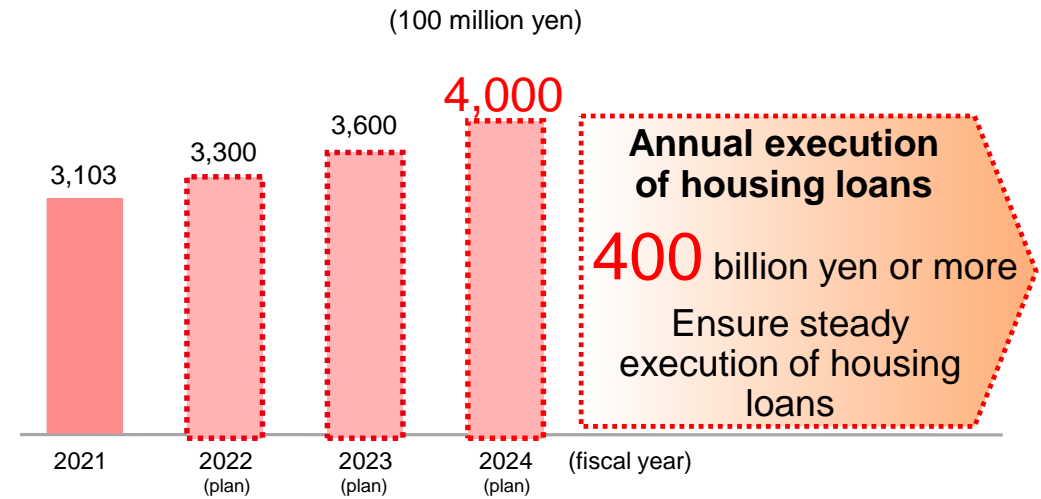
<b>FY2024</b> (Final year of the Medium-term Plan)	<b>Compared with the figure in FY2021</b>
<b>80.0% or more</b>	<b>up 7.4 points or more</b>

Build a structure capable of acquiring 400 billion yen annually by strengthening sales force and improving productivity

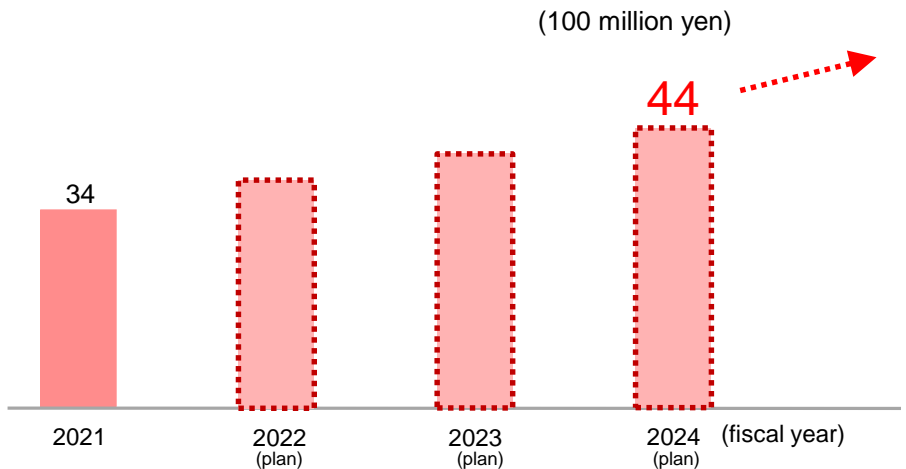
## Measures to promote housing loans and quantitative plan



### Single-year execution of housing loans



### Housing loan-related fees



Increase customer-oriented business operations and overall income from depository assets by “increasing opportunities to make proposals” and “improving quality”

## Newly established a consulting plaza to "strengthen face-to-face sales"

- Strengthen human resource development by consolidating personnel
- Co-locate Hyakugo Securities at the branches for enhanced collaboration between the banking and securities functions
- Relocate personnel generated by the new structure to strategic divisions

<Consulting Plaza (CP) locations>  
**9 locations (of which, 8 are co-located with the Hyakugo Securities functions)**

## Newly established a depository asset center to "strengthen non-face-to-face sales"

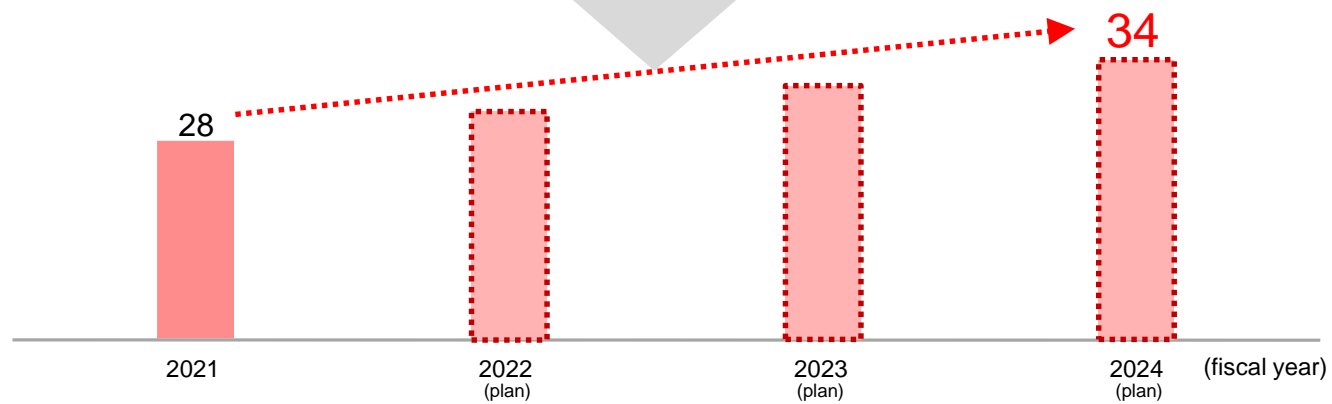
- Strengthen non-face-to-face sales to customers with assets
- Aim to become the main bank for as many of these customers as possible by promoting products other than depository assets
- Facilitate transactions through personal Internet banking services and, depending on needs, provide intermediary services to face-to-face transaction departments and remote support using tablets

**Provide consulting services and services to fulfil various needs via telephone and internet**

- Asset-building
- Household budget review
- Asset management
- Dementia measures
- Asset extension
- Inheritance measures
- Gift during life

## Maximize returns on depository assets

Commissions related to depository assets (100 million yen)



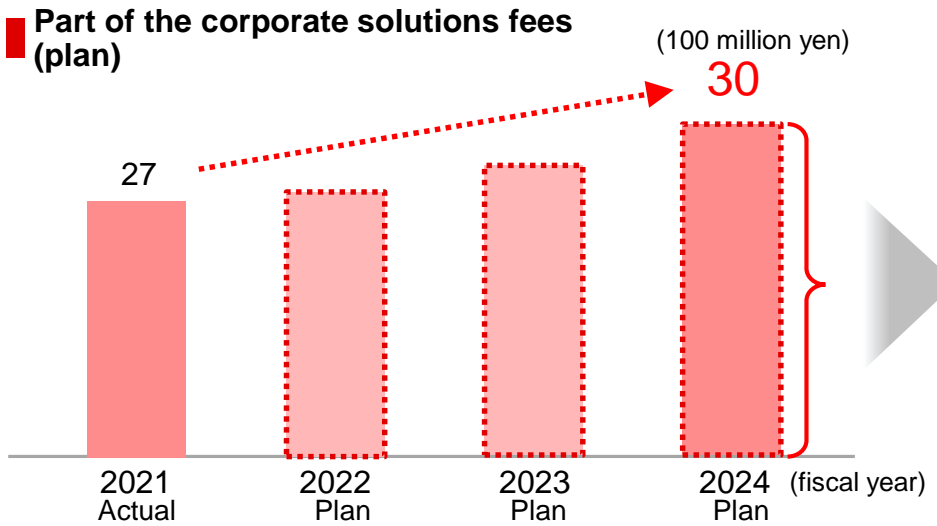


Provide optimal solutions to customers' diverse management issues and needs and increase non-interest income

## Corporate solutions fees

**Consulting personnel at headquarters**  
 in charge of corporate clients  
 in charge of private clients  
**A total of 70 specialists**

- Specific solutions**
- Support for business model review
  - Support for business succession and M&A
  - Structured finance
  - Business matching
  - Support for decarbonization
  - SDGs consulting
  - ICT consulting
  - Support for medical and welfare businesses
  - Support for overseas expansion



(Million yen)

Major items	FY2024 (plan)
Structured finance-related	925
Business matching	500
M&A, etc.	430
ICT consulting, etc.	65

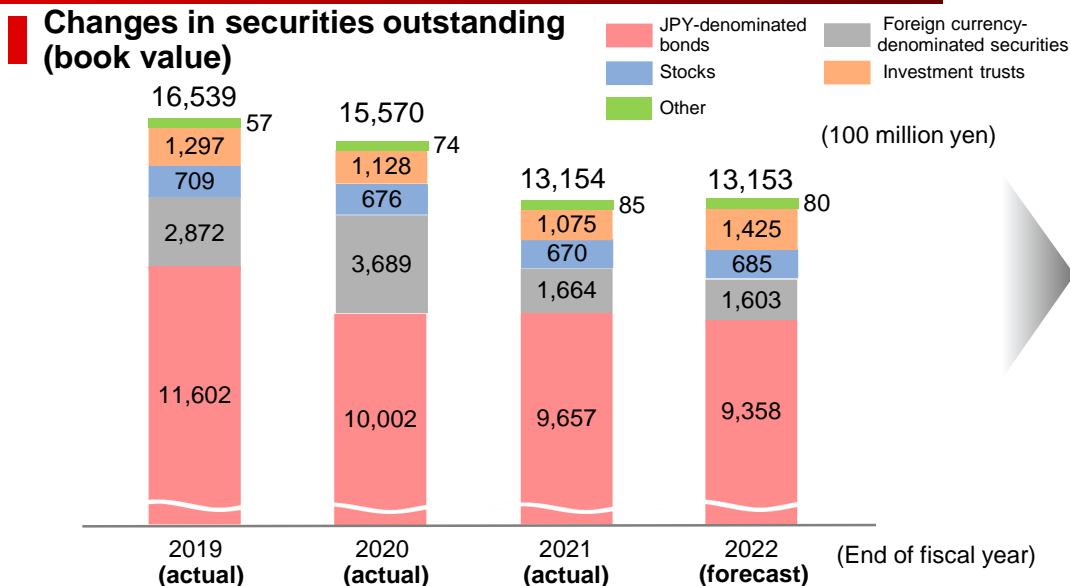
\* Business matching includes a portion of decarbonization consulting fees

Redemption of JPY-denominated bonds during the period of the medium-term management plan is approximately 290 billion yen. The Bank will utilize investment trusts and other instruments to supplement earnings

## Investment policy by target

Investment target	Future policy	Trend
JPY-denominated bonds	<ul style="list-style-type: none"> <li>Intend to curb investment in a low-interest-rate environment</li> </ul>	↘
Foreign currency-denominated bonds	<ul style="list-style-type: none"> <li>Intend to temporarily reduce balances in response to rapid interest rate hikes, but consider investments depending on market conditions</li> </ul>	↘
Stocks	<ul style="list-style-type: none"> <li>Intend to invest by time diversification and trade stocks according to market conditions</li> </ul>	→
Investment trusts, etc.	<ul style="list-style-type: none"> <li>Intend to increase investment depending on timing in terms of both income &amp; capital gains</li> </ul>	↗

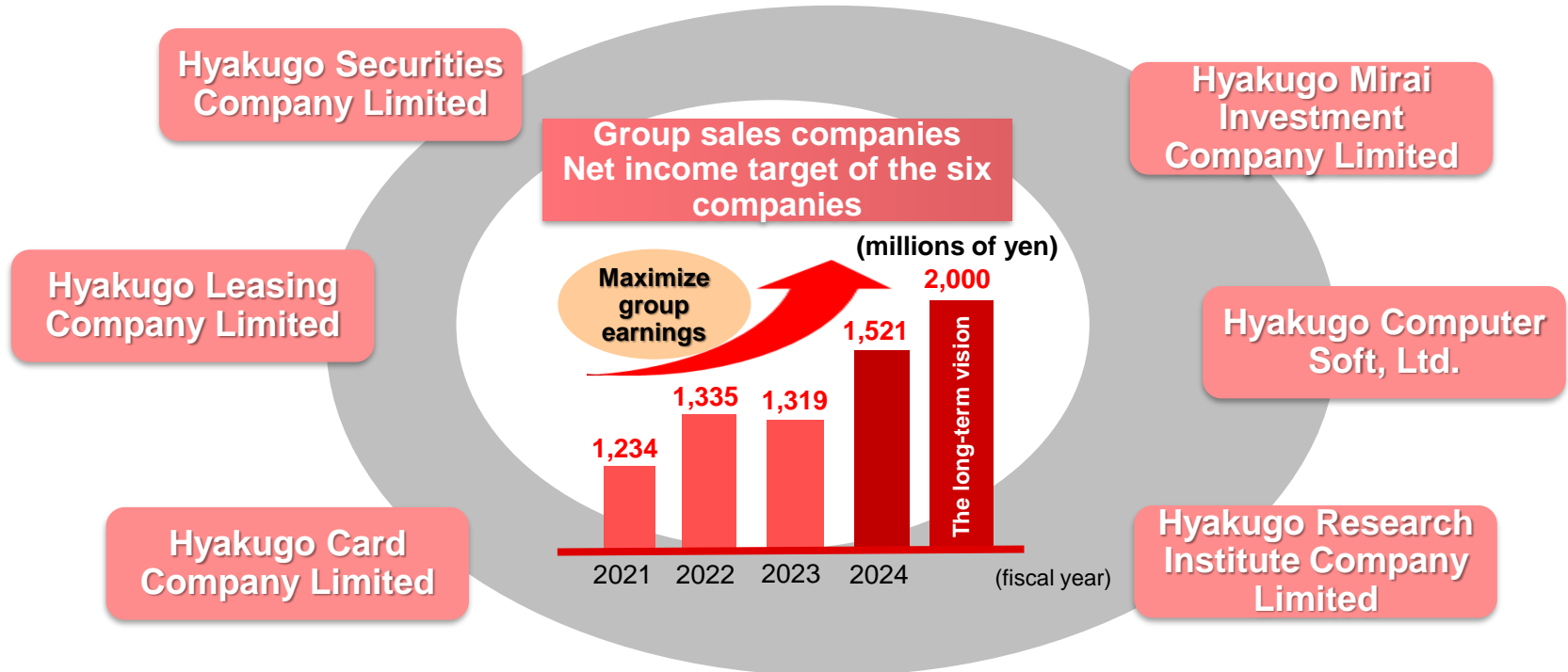
## Securities portfolio plan



Secure stable income by diversifying investments and utilizing investment trusts

Review and rebalance investments according to market trends to improve portfolio quality

## Provide comprehensive financial services as an integrated group to maximize group earnings



### Contribute to local communities through job creation for people with disabilities

**Hyakugo Kanri Service Company Limited (special affiliated company)**

Employment rate of persons with disabilities

- Create new job opportunities for persons with disabilities through job creation, such as outsourcing existing operations, bringing outsourced operations in-house, and considering new business types
- Strengthen initiatives to promote diversity through employment of persons with disabilities

### Initiatives to support regional problem-solving

**Consider regional trading company business**

**Establish a new company**

- Consider a mechanism to maximize the appeal of the region through the use of companies such as "advanced banking service companies"
- Support sales channel development, branding, etc.

**Strengthen initiatives to support human resources**

**Hyakugo Staff Service Company Limited (Expand fee-charging job placement services)**

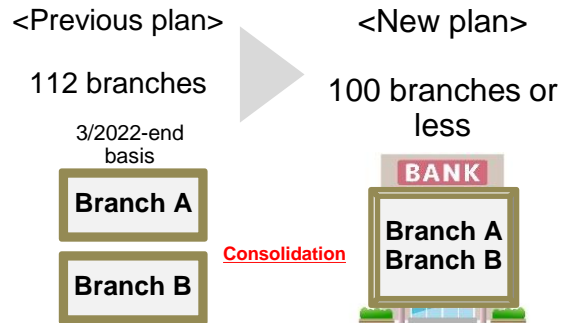
- Promote human resource matching through expanded placement and recruiting services
- Participate in "matching business for leading human resources" (Cabinet Office)
- Participate in the project to promote the matching of human resources for local business management \* REVICareer (FSA)

**Aim to build an optimal sales structure by developing a channel strategy that captures the changing needs of customers**

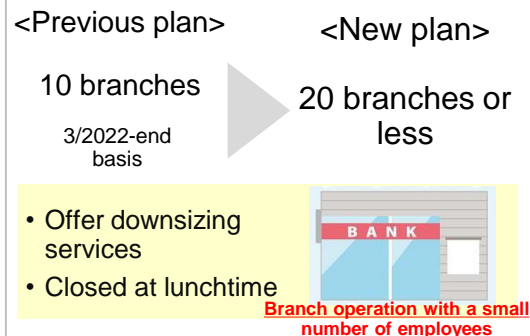
## Optimize the branch network

- Consolidate branches using the branch-in-branch method to reduce the total number of branches to 100 or less (a reduction of 30% or more from the peak level\*) \* Compared with 1995
- Accelerate the downsizing of branches to respond to the decline in the number of customers and the consolidation of deposit asset sales

### No. of branches



### No. of compact branches



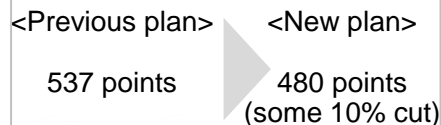
### Higher efficiency

Create available personnel **48 persons**  
Reduce property costs **89 million yen per year**  
Reduce CO<sub>2</sub> **240 tons per year**

## Reduce ATMs

### Review existing ATMs

[Investigate ATM utilization rates by location]



### Strategic relocation

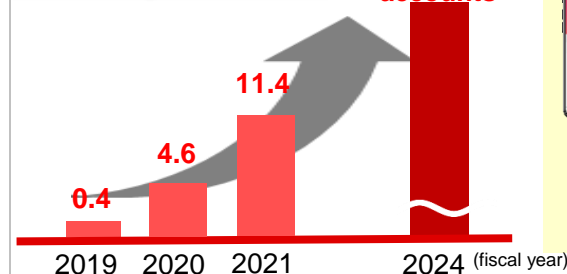
**[Install ATMs in Aichi]**  
Consider installing ATMs in areas where none exist

Streamline ATM channels

## Enhanced smartphone banking

No. of smartphone banking accounts

**300,000 accounts**



Consider and promote functional expansion

To enable customers to make the same transactions on their smartphone as they would at a branch

**Strengthen the management system by responding to changing regulations and addressing new risks as needed**

## Compliance with new regulations

- Compliance with Basel III
  - Apply Basel III finalization to risk-weighted asset calculations
  - Review the method of calculating operational risk equivalent amount



## Identification and disclosure of new risks

- Understanding climate change risks (including TCFD)
  - Disclose physical and transition risks
  - Continue disclosing climate change risks
  - Understand the Hyakugo Bank Group's energy consumption



## Sophisticated anti-money-laundering and anti-terrorist financing

- Establish a strong anti-money-laundering system
  - Fully implement ongoing customer management
  - Manage and enhance Hyakugo Bank Group's proprietary database
  - Reinforce the transaction monitoring system



## Long-term initiatives to enhance corporate value

- Strengthening corporate governance
  - Diversify the board of Directors further
  - Systematically reduce policy shareholdings
  - Establish a flexible business auditing system



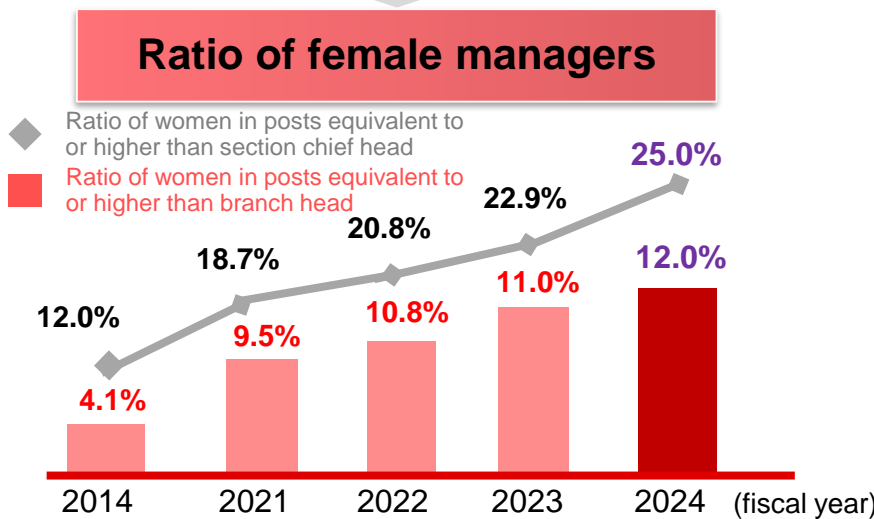
**Build an environment in which each member of our diverse human resources feels fulfilled in their work and can maximize their abilities**

## Career support for diverse human resources

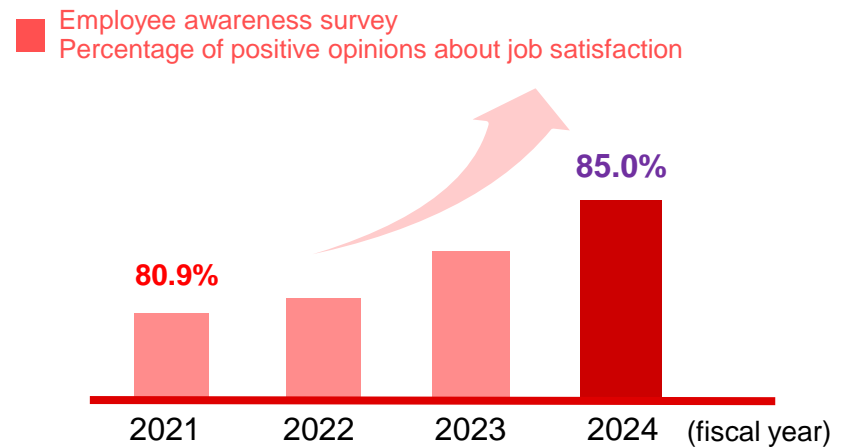
- **Promote women's participation**
  - Provide stronger career support (reduction of prescribed working hours, inclusion of childcare leave period in career)
  - Control unconscious bias (training and study sessions)
  - Provide equal opportunity for training, placement, and evaluation
  - Change management's awareness
- **Promote diversification of human resources and improve the environment**
  - Support for retention of persons with disabilities
  - Encourage male workers to participate in childcare
  - Various responses to LGBTQ (sexual minority)

## Well-being management practices

- **Enhanced employee well-being**
  - Conduct activities to improve job satisfaction, starting with employee awareness surveys
    - ⇒ Solidarity-building
  - Correct long working hours by improving operational efficiency
    - ⇒ Fulfilled work-life balance
  - Distribute tablets to the child-rearing generation
    - ⇒ Promotion of diversified working styles
  - Support the success of diverse human resources
    - ⇒ Diversity and inclusion practices



### Percentage of positive opinions about job satisfaction



## The Bank is implementing a wide range of SDG/ESG-related initiatives

### Mie Prefecture's Scheme for Registering SDGs Promotion Partners

**Efforts to promote and raise awareness of the SDGs in the region**

**The Bank signs a collaboration agreement to promote SDGs**

Hyakugo Bank × Mie Pref. × Tokyo Marine & Nichido

Support registration of local businesses

### Positive impact finance

**Initiatives to support both the resolution of local social issues and economic development**

### Green deposit

**Environmental conservation efforts through the handling of green deposits**

Obtained third-party evaluation by R&I

**First in Japan! Developed JPY-denominated green deposits**

**The Bank received the 7th (2021) Sustainable Finance Awards "Regional Finance Award"**

Obtained third-party opinion by JCR

- SDGs promotion
- Decarbonization, etc.

**Support customers' efforts to increase positive economic, social, and environmental impacts and mitigate negative impacts**

# Appendix

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# Results of Major Target Items during the Term of the Previous Medium-term Management Plan (1)

	Major target item	Unit	Gateway to the Future 1st STAGE				Target for FY 3/2022 at the time the medium-term plan was formulated	2019 => 2022
			Results in FY 3/2019	Results in FY 3/2020	Results in FY 3/2021	Results in FY 3/2022		
KGI	(Non-consolidated) net income	100 million yen	107.66	113.71	122.00	129.75	100	22.09
	ROE (non-consolidated, shareholders' equity basis)	%	4.32	4.41	4.56	4.68	3.71	0.36
	OHR (non-consolidated, core gross operating profit basis)	%	74.43	75.67	70.81	62.24	78.6	(12.19)
	Equity Ratio	%	9.74	10.07	10.11	9.84	9.55	0.1
KPI	Operating income from services to customers	100 million yen	15	29	18	59	37	44
	Average balance of deposits, etc.	100 million yen	49,929	51,023	54,053	57,066	52,338	7,137
	Average balance of loans	100 million yen	32,462	35,297	38,240	40,999	37,043	8,537
	Loan-to-deposit ratio (average balance basis)	%	65.01	69.17	70.74	71.84	70.80	6.83
	Corporate solutions fees	100 million yen	9.41	11.03	19.87	27.06	20	17.65
	Professional personnel	persons	161	221	282	336	300	175
Other	Average balance of loans to small and medium-sized businesses in the region	100 million yen	10,725	11,082	12,025	12,616	11,841	1,891
	Average balance of consumer loans	100 million yen	10,716	12,643	14,552	16,767	14,102	6,051
	Average balance of housing loans	100 million yen	10,258	12,164	14,069	16,273	13,610	6,015
	Amount of housing loans executed (annual)	100 million yen	2,354	2,585	2,782	3,103	2,000	749
	Average balance of foreign currency-denominated loans	100 million yen	1,617	1,854	1,746	1,669	2,146	52
	Share of loans in Mie Prefecture	%	36.9	37.5	38.1	-	39	-
	M&A fees	100 million yen	2.08	2.11	2.42	4.25	6.30	2.17
	Structured finance fees	100 million yen	3.82	4.64	9.91	9.43	4.78	5.61
	Business matching fees	100 million yen	0.85	1.57	2.79	4.12	3.00	3.27
	Derivative fees	100 million yen	0.51	1.31	0.49	0.60	2.40	0.09

# Results of Major Target Items during the Term of the Previous Medium-term Management Plan (2)

	Major target item	Unit	Gateway to the Future 1st STAGE				Target for FY 3/2022 at the time the medium-term plan was formulated	2019 => 2022
			Results in FY 3/2019	Results in FY 3/2020	Results in FY 3/2021	Results in FY 3/2022		
Other	Commissions on sales of depository assets	100 million yen	19.61	21.50	23.89	28.92	29.97	9.31
	of which, investment trusts	100 million yen	8.20	8.92	11.34	14.96	11.76	6.76
	of which, insurance	100 million yen	9.93	9.90	7.61	8.66	14.96	(1.27)
	of which, financial instruments brokerage	100 million yen	0.68	1.72	3.87	4.04	2.25	3.36
	of which, defined contribution pension	100 million yen	0.79	0.95	1.06	1.24	1.00	0.45
	Depository assets penetration ratio	%	4.41	3.96	4.45	4.87	5.27	0.46
	Expenses (non-consolidated)	100 million yen	409.87	412.95	409.89	401.19	416.00	(8.68)
	of which, personnel expenses	100 million yen	226.44	221.22	218.78	212.19	217.00	(14.25)
	of which, non-personnel expenses	100 million yen	163.05	170.71	169.92	168.51	176.00	5.46
	Consolidation of branches through branch-in-branch method	branches	-	2	12	13	16	27
	Downsizing of branches	branches	-	7	-	-	10	3
	CO <sub>2</sub> emissions based on the Act on the Rational Use of Energy (non-consolidated)	t-CO <sub>2</sub>	7.347	6.760	6.225	-	-	-
	Balance of renewable-energy-related loans (as of March 31)	100 million yen	612	663	713	757	-	145
	No. of women in posts equivalent to or higher than section chief head	persons	178	180	186	195	-	17
	Ratio of women in posts equivalent to or higher than section chief head	%	16.48	17.01	17.78	18.66	-	2.18
No. of women in posts equivalent to or higher than branch head	persons	22	26	28	29	-	7	
Ratio of women in posts equivalent to or higher than branch head	%	7.38	8.67	9.40	9.54	-	2.16	

## Deposits (ending balance)

(Million yen)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22
<b>Corporate deposits</b>	897,550	940,577	957,260	1,140,057	1,148,376
JPY liquid	607,132	637,719	652,847	812,544	827,444
JPY time	284,375	296,595	296,535	321,973	315,830
Foreign currency	6,043	6,261	7,877	5,539	5,102
<b>Individual deposits</b>	3,647,772	3,741,707	3,821,661	4,086,211	4,244,558
JPY liquid	1,900,053	2,000,289	2,122,226	2,424,830	2,628,110
JPY time	1,728,979	1,720,154	1,680,890	1,643,569	1,602,595
Foreign currency	18,739	21,263	18,544	17,811	13,851
<b>Public funds deposits</b>	145,611	165,245	129,009	117,530	190,852
JPY liquid	110,241	126,707	104,235	85,817	156,486
JPY time	35,370	38,537	24,774	31,713	34,365
Foreign currency	0	0	0	0	0
<b>Other</b>	31,961	35,456	42,955	44,176	65,728
<b>Total deposits</b>	4,722,896	4,882,986	4,950,887	5,387,976	5,649,515
<b>Deposits in Mie Prefecture<sup>(*)</sup></b>	4,297,944	4,427,536	4,485,158	4,874,667	5,122,798
<b>Deposits outside Mie Prefecture</b>	424,951	455,449	465,729	513,308	526,717
Tokyo and Osaka	9,592	11,379	18,776	13,513	13,081
Aichi	415,358	444,069	446,952	499,794	513,635
<b>Negotiable certificates of deposit</b>	187,500	182,115	160,490	154,505	171,666

## Loans (ending balance)

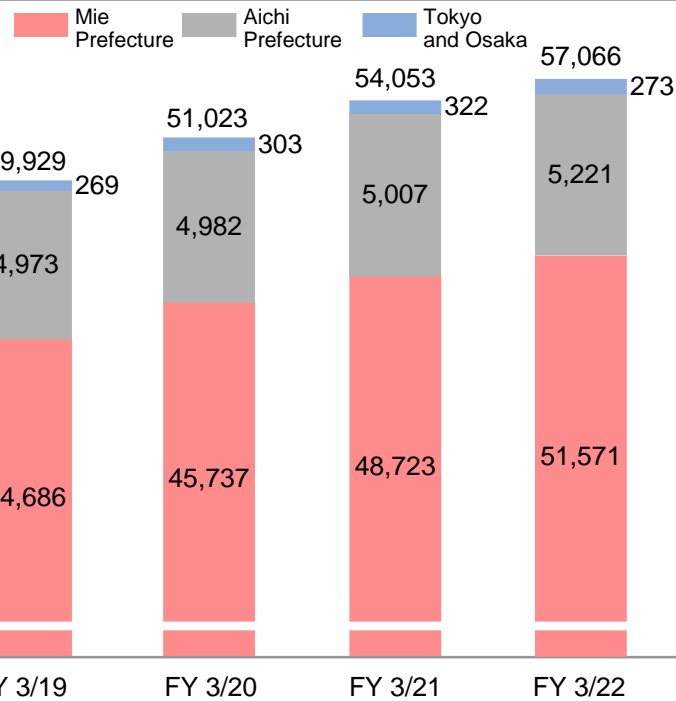
(Million yen)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22
<b>Corporate sector</b>	1,837,194	2,023,492	2,038,320	2,211,389	2,230,098
Large companies	597,913	701,520	706,445	764,085	741,121
Medium-sized companies	70,576	68,607	76,523	72,632	70,012
Small and medium-sized companies	1,168,705	1,253,367	1,255,350	1,374,671	1,418,965
<b>Individual sector</b>	1,014,861	1,188,146	1,378,725	1,581,166	1,806,575
<b>Public corporations</b>	249,991	230,114	214,004	195,812	187,096
Governments	120	0	0	0	0
Other	249,870	230,114	214,004	195,812	187,096
Total loans	3,102,047	3,441,753	3,631,051	3,988,368	4,223,771
(except those for governments)	3,101,926	3,441,753	3,631,051	3,988,368	4,223,771
<b>Consumer loans</b>	997,845	1,172,255	1,363,812	1,568,347	1,793,865
Housing loans	952,761	1,125,634	1,315,068	1,519,349	1,744,239
Other loans	45,084	46,621	48,744	48,998	49,626
<b>Loans in Mie Prefecture<sup>*</sup></b>	1,642,246	1,672,737	1,705,231	1,827,164	1,883,944
<b>Loans outside Mie Prefecture</b>	1,459,800	1,769,016	1,925,819	2,161,204	2,339,826
Tokyo and Osaka	611,914	749,869	738,003	765,891	763,513
Aichi	847,885	1,019,146	1,187,816	1,395,312	1,576,313

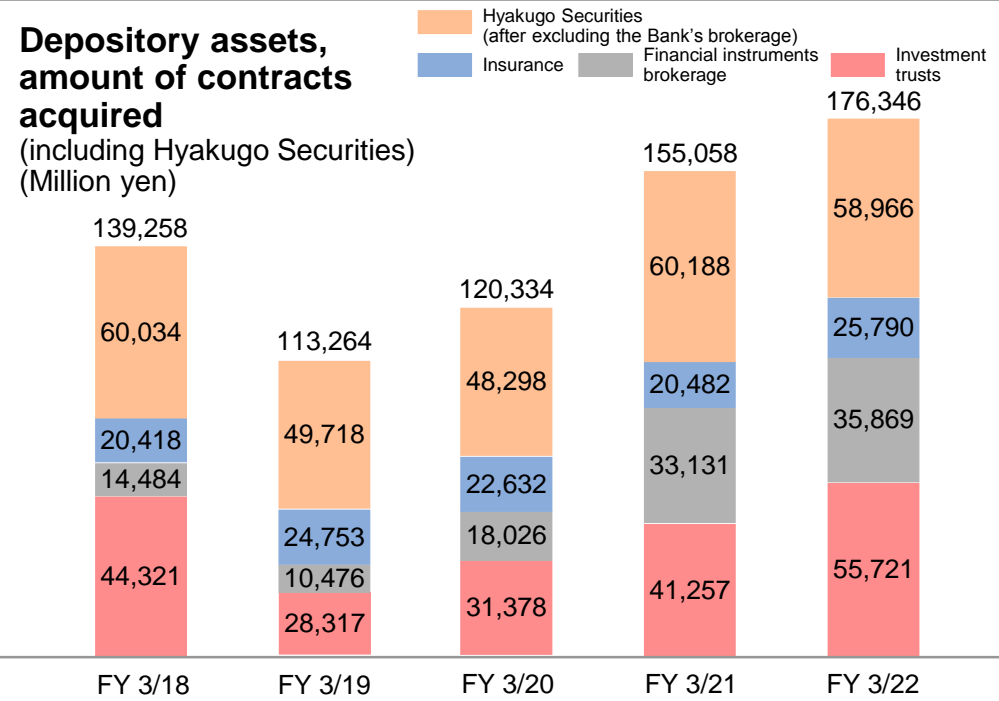
\* Deposits in Mie Prefecture and Loans in Mie Prefecture include Shingu

# Deposits (including negotiable certificates of deposit), Depository Assets

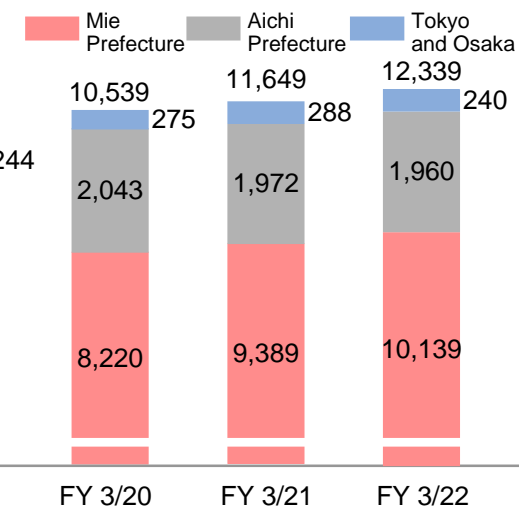
## Total deposits (average balance) (100 million yen)



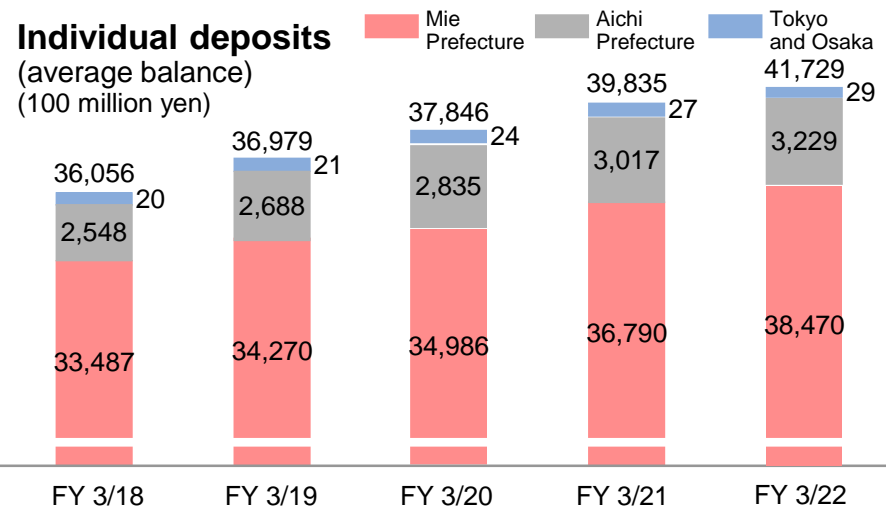
## Depository assets, amount of contracts acquired (including Hyakugo Securities) (Million yen)

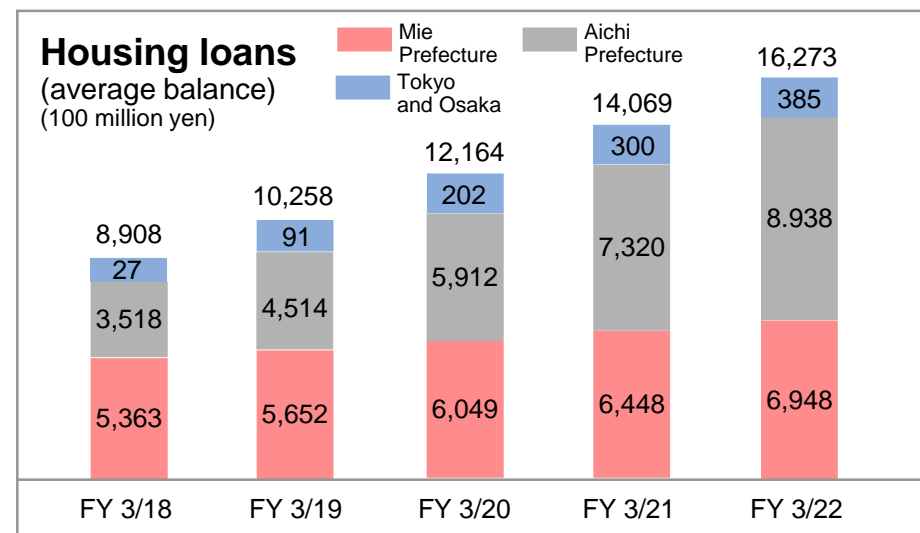
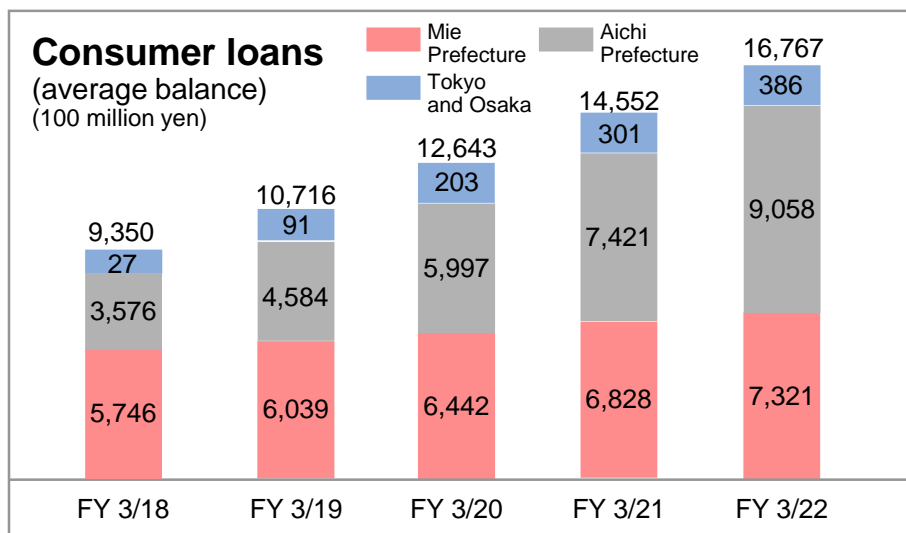
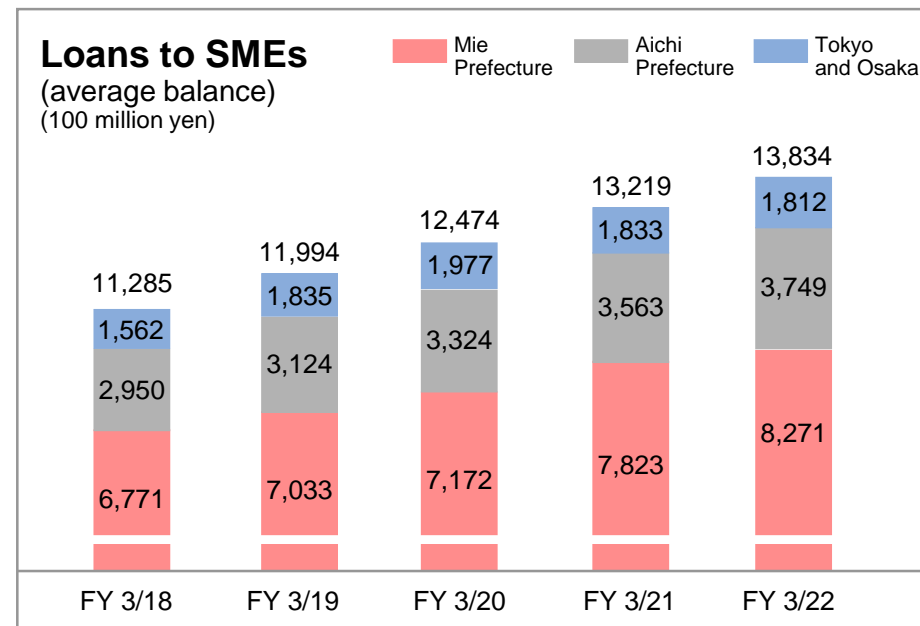
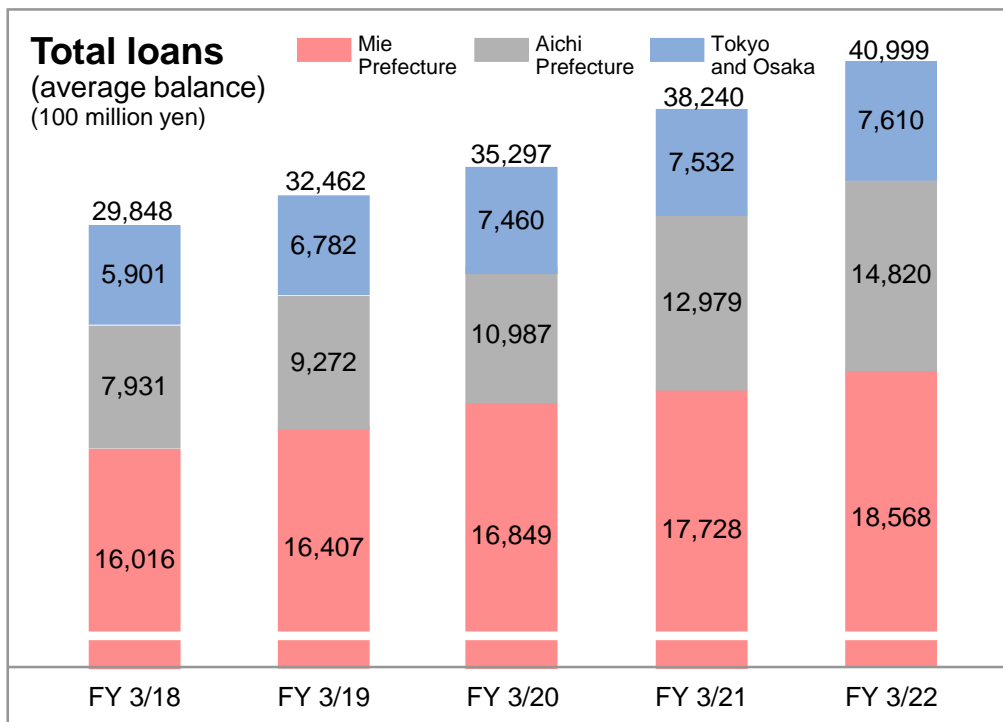


## Corporate deposits (average balance) (100 million yen)

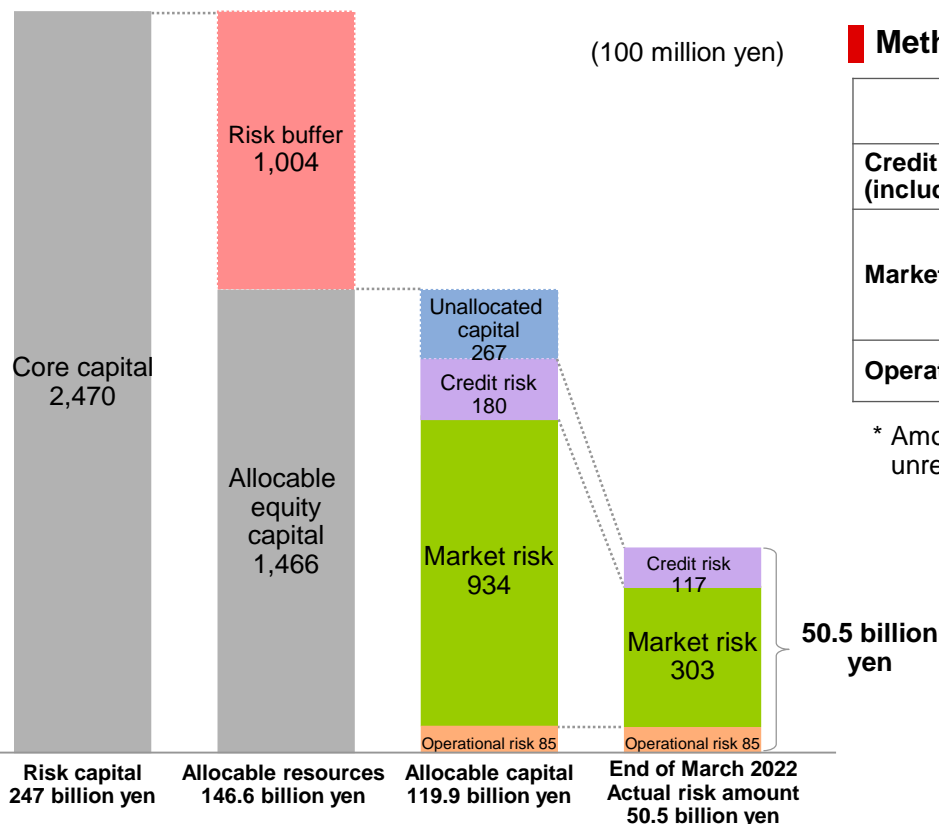


## Individual deposits (average balance) (100 million yen)





- Risk is kept within an appropriate range according to the Bank's operating capabilities based on integrated risk management.
- Compared with core capital of 247 billion yen and allocable capital of 146.6 billion yen, actual amount of risk is 50.5 billion yen.



### Method of measuring risk

	Method of measurement	Confidence interval	Holding period
Credit risk (including market-related credit exposure)	VaR	99%	One year
Market risk	Cross-shareholdings	VaR*	99%
	Investment rates, portfolio investment, investment trusts	VaR	99%
Operational risk	The Standardized Approach (TSA)		

\* Amount of risk of cross shareholdings is measured after taking into consideration unrealized gains or losses (valuation gains (losses) minus the VaR equivalent value)

\* Risk buffer : Capital not allocated to risk limits in the case of emergencies (equivalent to 4% of equity ratio)

\* Unallocated capital : Unused portion of allocable capital

# Outstanding Nonperforming Loans by Disclosure Standard and Coverage

Nonperforming Loans under Internal Assessment Standard (target: total credit exposure)						Loans disclosed under the Financial Reconstruction Act and risk-managed claims (target: total credit exposure) * Special attention loans, loans that are delinquent for three months or more and restructured loans are loans only					
Classification	Credit outstanding	Category				Category	Credit outstanding	Amount covered by collateral and guarantee	Reserve for possible loan losses	Coverage ratio	
		Non- categorized	Category II	Category III	Category IV						
Failure	4 <3>	4	0	- (0)	- (1)	Bankrupt and quasi-bankrupt assets	91 <47>	42	48	100.00%	
Substantial failure	86 <44>	69	16	- (4)	- (41)						
Possible failure	456	279	77	99 (103)		Doubtful assets	456	253	103	78.17%	
Watch list	Under control	151	42	108		Substandard loans	103	Debts past due by three months or more 0	35	6	40.88%
								Restructured loans 102			
	Others	868	384	483		Sub-total	651 <607>	331	158	75.31%	
	Normal	41,211	41,211			Normal assets	42,128	Ratio of loans disclosed under the Financial Reconstruction Act (subtotal) over total credit exposure: 1.52%			
	Total	42,779 <42,735>	41,991	688	99 (108)	- (43)	Total	42,779 <42,735>	Reference Ratio of loans disclosed under the Financial Reconstruction Act over total credit exposure if partial direct write offs were carried out: 1.42%		

(100 million yen) \* Amounts less than stated units are rounded down.

\* Total credit: loans, customers' liabilities for acceptances and guarantees, private placement bonds guaranteed by the bank, foreign exchange, suspense payments and accrued interest similar to loans, etc.

\* Values shown in the section "Nonperforming Loans" under "Internal Assessment Standard" are after loan loss reserves, with the value indicated in parentheses representing amounts of reserves corresponding to the respective sections.

\* The Bank does not carry out partial direct write offs, but the amounts that would be derived if a partial direct write-off were carried out is shown in angled brackets.

## Trends of Loans disclosed under the Financial Reconstruction Act

(100 million yen)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	Year-on-year
Bankrupt and quasi-bankrupt assets	64	73	66	87	91	3
Doubtful assets	393	379	387	419	456	37
Substandard loans	67	68	92	90	103	12
Total	524	522	547	598	651	52
Nonperforming loans ratio	1.67%	1.50%	1.48%	1.48%	1.52%	0.04

Upper: Number of debtors / Lower: credit exposure

(Million yen)

		Debtor Classification as of the end of March 2022									Ratio of downgrading to possible failure or lower	Upgrade	Downgrade
		Normal	Other under close observation	Under control	Possible failure	Substantial failure	Failure	Other	Bulk, etc.				
as of 3/31/2021 Credit exposure by debtor classification	Normal	188,922	165,644	628	47	70	101	7	22,425	3	0.09%	—	853
		3,864,534	3,452,622	28,382	5,884	1,865	1,070	158	374,550	535	0.08%	—	37,360
	Other under close observation	1,940	342	1,233	14	84	6	—	261	4	4.64%	342	104
		79,926	11,340	52,696	1,330	5,256	84	—	9,217	937	6.68%	11,340	6,672
	Under control	190	8	24	127	17	2	—	12	—	10.00%	32	19
		14,469	541	1,524	7,133	3,974	14	—	1,280	—	27.57%	2,066	3,989
	Possible failure	1,148	23	45	5	929	23	2	121	15		73	25
		41,853	480	1,467	84	33,339	1,265	72	5,143	2,379		2,031	1,338
	Substantial failure	476	8	4	—	—	330	6	128	14		12	6
		7,084	95	43	—	—	5,724	150	1,069	215		139	150
	Failure	37	—	3	—	—	8	11	15	11		11	—
		1,701	—	66	—	—	205	113	1,315	1,109		272	—
	Total	192,713	166,025	1,937	193	1,100	470	26	22,962	47		470	1,007
		4,009,569	3,465,080	84,182	14,433	44,436	8,364	494	392,577	5,176		15,850	49,511

Number of debtors

	1st Half of 2016	2nd Half of 2016	1st Half of 2017	2nd Half of 2017	1st Half of 2018	2nd Half of 2018	1st Half of 2019	2nd Half of 2019	1st Half of 2020	2nd Half of 2020	1st Half of 2021	2nd Half of 2021
Subject to Head Office support	45	44	40	46	48	53	62	58	64	64	60	71
Subject to branch support	361	343	308	293	271	259	202	217	212	205	196	205
Number of instances of upgrading	21	21	28	25	32	25	22	18	15	10	20	11
Number of instances of downgrading	28	19	11	12	14	15	14	15	7	15	12	23
Change in nonperforming loans of branches subject to support	12 million yen	(0.04) million yen	(24) million yen	0.8 million yen	(8) million yen	1 million yen	3 million yen	21 million yen	0.6 million yen	9 million yen	13 million yen	33 million yen



**Compliance with Hyakugo Bank's credit policies (as of end of March 2022)**

(100 million yen)

Classification	Content	Limit	Compliance	
Loans for individuals engaging in housing leasing business	7% or less of total loans	2,956	1,914	4.53%
Loans for other real estate industry	7% or less of total loans	2,956	2,193	5.19%
Loans for non-banks	10% or less of total loans	4,223	1,740	4.12%
Loans for large companies	Total loans for large companies by Tokyo and Osaka sales departments should be 20% or less of the Bank's total loans	8,447	4,513	10.69%
Loan balance per borrower	Credit for a borrower should be 10% or less of the Bank's equity capital	247	220	8.91%
Loan balance per corporate group	Credit per corporate group should be 25% or less of the Bank's equity capital	617	402	16.28%

**Changes in loans by industry**

(100 million yen)

Industry	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	Share by industry
Manufacturing	3,349	3,627	3,758	4,035	4,056	9.60%
of which, transportation equipment manufacturing	676	795	865	849	851	2.01%
Agriculture, Forestry, Fishery, Mining, Quarrying and Gravel quarrying	209	241	239	241	218	0.51%
Construction	1,034	1,057	1,099	1,388	1,418	3.35%
Utilities	761	900	977	1,047	1,176	2.78%
Telecommunication	106	123	123	149	135	0.32%
Transport and Post	1,170	1,231	1,237	1,374	1,354	3.20%
Wholesale and Retail	2,508	2,678	2,718	3,028	2,899	6.86%
Finance and Insurance	2,560	3,440	3,049	3,138	2,979	7.05%
Real estate and Rental	4,377	4,619	4,780	4,913	5,098	12.07%
of which, Real estate	3,307	3,399	3,524	3,524	3,705	8.77%
Academic research, Specialist and Technical services	137	136	147	183	203	0.48%
Accommodation and Food and beverage	294	315	316	397	379	0.89%
Lifestyle-related services and Entertainment	242	245	263	308	294	0.69%
Education and Learning support	74	76	76	83	91	0.21%
Medical and Social welfare	1,196	1,216	1,239	1,406	1,517	3.59%
Other services	407	399	407	463	508	1.20%
National and local governments	2,440	2,227	2,088	1,911	1,839	4.35%
Other	10,148	11,881	13,787	15,811	18,065	42.77%
Total by industry	31,020	34,417	36,310	39,883	42,237	100.00%

				Deposits		Loans						
Including megabanks				Hyakugo Bank		Hyakugo Bank						
Mega	Other	Shinkin	Bank A			Bank A	Shinkin	Other	Mega			
8.9	9.4	11.8	24.7	45.2		Mie Prefecture	38.6		28.3	11.4	16.8	4.9

\* Excludes Agricultural Cooperative, Fisheries Cooperative, JP Bank, and Hyakugo Bank's Shingu Branch

(% (as of end of September, 2021))

Excluding megabanks				Hyakugo Bank		Hyakugo Bank						
Other	Shinkin	Bank A			Mie Prefecture	Bank A	Shinkin	Other				
10.3	13.0	27.1	49.6		Mie Prefecture	40.6		29.8	12.0	17.6		
20.2		23.1	16.3	40.4		Kuwana District	32.1	18.7	18.4	30.8		
8.1	12.1	39.8		40.0		Yokkaichi District	32.0	36.7		13.4	17.9	
8.2	6.1	38.6		47.1		Suzuka District	35.0	41.3		7.6	16.1	
20.3		23.2	16.3	40.2		Iga District	35.7	15.3	24.3		24.7	
7.9	7.0	18.5	66.6		Tsu District	58.8		25.9		4.4	10.9	
5.9	15.5	29.6		49.0		Matsusaka District	37.6	36.1		13.6	12.7	
10.6	6.4	19.4	63.6		Ise District	54.5		22.9		5.1	17.5	
2.6	1.6	31.1		64.7		Toba Shima District	61.2		31.3		2.1	5.4
5.6	35.2		27.5	31.7		Kishu District	29.6	29.1	29.4		11.9	

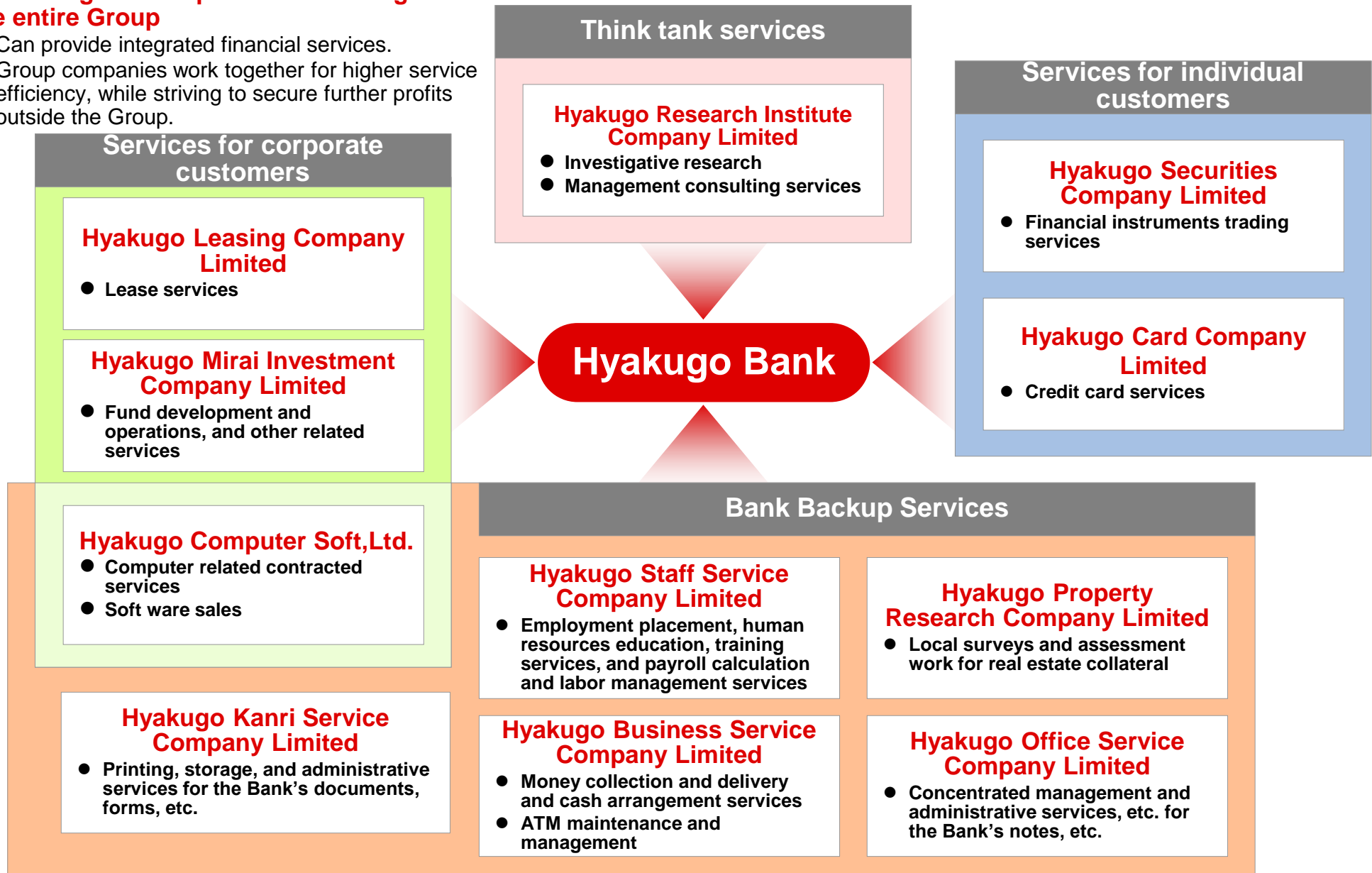
\* Excludes megabanks, Agricultural Cooperative, Fisheries Cooperative, JP Bank, and Hyakugo Bank's Shingu Branch

\* The Bank's share is calculated, excluding the Osaka and Aichi Net Branches

(% (as of end of September, 2021))

## Enhancing the comprehensive strength of the entire Group

Can provide integrated financial services.  
Group companies work together for higher service efficiency, while striving to secure further profits outside the Group.



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