



The Hyakugo Bank, Ltd.

TSE Prime, NSE Premier (8368)

Information meeting

Presentation for FY2024 Interim Financial Results

November 29, 2024



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FY2024 interim results, and FY 3/2025 financial and dividend forecasts

- ✓ FY2024 interim results - Both ordinary income and interim net income **increased year-on-year**
- ✓ FY 3/2025 forecasts - In light of the expected increase in interest income, the Bank revised its consolidated and non-consolidated financial results **upward** from its initial forecast, and expects **to renew the record high** in FY2022
- ✓ Dividend per share - Dividend per share for FY2024 is expected to be **18 yen**, **an increase of 3 yen** from the previous fiscal year's actual dividend of 15 yen, including the commemorative dividend

Progress of the Medium-term Management Plan (KGI and KPI)

- ✓ The current Medium-term Management Plan is the second stage towards achieving the long-term vision for the 150th anniversary of the Bank's founding
The next Medium-term Management Plan is entering the final stage
- ✓ **KGI** set out in the Medium-term Management Plan **is generally progressing smoothly**
- ✓ KPI for corporate solutions fees **reached its target level set in the Medium-term Management Plan** ahead of schedule
- ✓ Housing-loan-related fees and commissions related to depository assets are affected by changes in the external environment, but **we are promoting various measures to achieve our targets**. Going forward, the Bank will step up **its investment in human capital and digital transformation**, and take on **the challenge** of building a system for further efficiency

Initiatives to Improve Corporate Value

- ✓ The Bank will continue to take on **the challenge** of improving the P/B ratio and achieving the long-term vision
- ✓ Regarding shareholder returns, the Bank will aim to **achieve a dividend payout ratio of 30% as soon as possible** while maintaining a stable long-term dividend policy
- ✓ With regard to cross-shareholdings, the Bank **will determine the significance of holding and whether it will help to improve corporate value**, and will reduce cross-shareholdings through continuous dialogue with investees

Outline of Financial Position

Interim net income increased 11.5% year-on-year due to an increase in interest income and other operating income

(Million yen)	FY 9/23	FY 9/24	YoY change
Gross operating income (1)	28,070	31,897	3,827
Interest income	31,661	32,961	1,299
Fees and commissions	5,610	5,325	(284)
Other operating income	(9,201)	(6,389)	2,811
Of which, gain and loss from government bonds and other bonds (2)	(4,001)	(728)	3,272
Provision of general allowance for loan losses (3)	2,139	262	(1,876)
Expenses (4)	19,613	19,925	312
Net operating income A (1)-(3)-(4)	6,317	11,709	5,391
Core net operating income (1)-(2)-(4)	12,458	12,700	241
Core net operating income (excluding gain and loss from cancellation of investment trusts) B	11,878	12,700	822
Non-recurring gain and loss	4,987	848	(4,138)
Of which, disposal of bad debts (5)	(600)	1,902	2,502
Gain and loss from stocks and other securities	3,849	1,216	(2,633)
Ordinary income	11,305	12,557	1,252
Extraordinary gain and loss	(88)	(68)	20
Interim net income before income taxes	11,216	12,489	1,273
Interim net income	8,249	9,195	945
Credit costs (3) + (5)	1,539	2,165	625

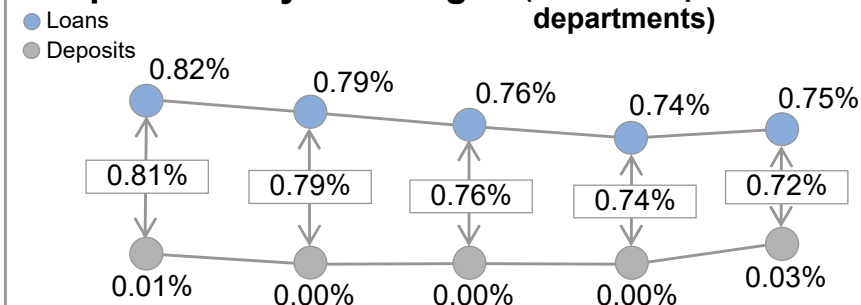
	(100 million yen)		
	FY 9/23	FY 9/24	YoY change
Interest and dividend on securities	123	131	8
Of which, gain and loss from cancellation of investment trusts	5	-	(5)
Gain and loss from government bonds and other bonds	(40)	(7)	32
Of which, gain on sale and redemption	0	1	1
Of which, loss on sale and redemption, and amortization	40	8	(31)
Gain and loss from stocks and other securities	38	12	(26)
Of which, gain on sale	41	13	(27)
Of which, loss on sale and amortization	2	1	(1)

- Gross operating income rose due to higher interest income, mainly due to an increase in interest on loans and securities, and an increase in other operating income, mainly due to an improvement in gain and loss from government bonds and other bonds.
- Provision of general allowance for loan losses decreased as a reaction to the change to a more conservative calculation method in the previous period.
- Accordingly, net operating income increased.
- Both ordinary income and interim net income were up year-on-year as net operating income increased despite a drop in non-recurring gain and loss due to a decrease in gain and loss from stocks and other securities and an increase in disposal of bad debts.
- Credit costs rose year-on-year due to an increase in provision of specific allowance for loan losses, but came in roughly in line with expectations at 2.1 billion yen versus the 1.9 billion yen forecast for 1H.

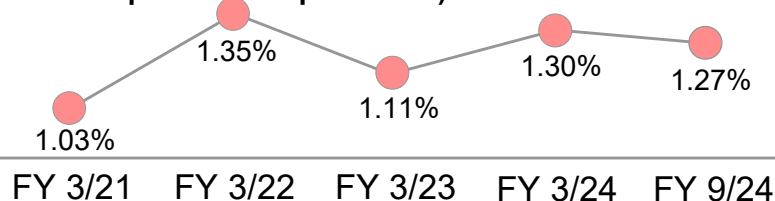
An increase in interest on loans and securities contributes to higher interest income of 4.1% year-on-year

(Million yen)	FY 9/23	FY 9/24	YoY change
Interest income	31,661	32,961	1,299
Total interest income	36,440	39,760	3,319
Loan interest	23,279	25,088	1,809
Interest and dividends on securities	12,359	13,171	811
Other	801	1,499	697
Interest expenses	4,778	6,798	2,019
Interest on deposits	191	1,036	844
Other	4,586	5,762	1,175

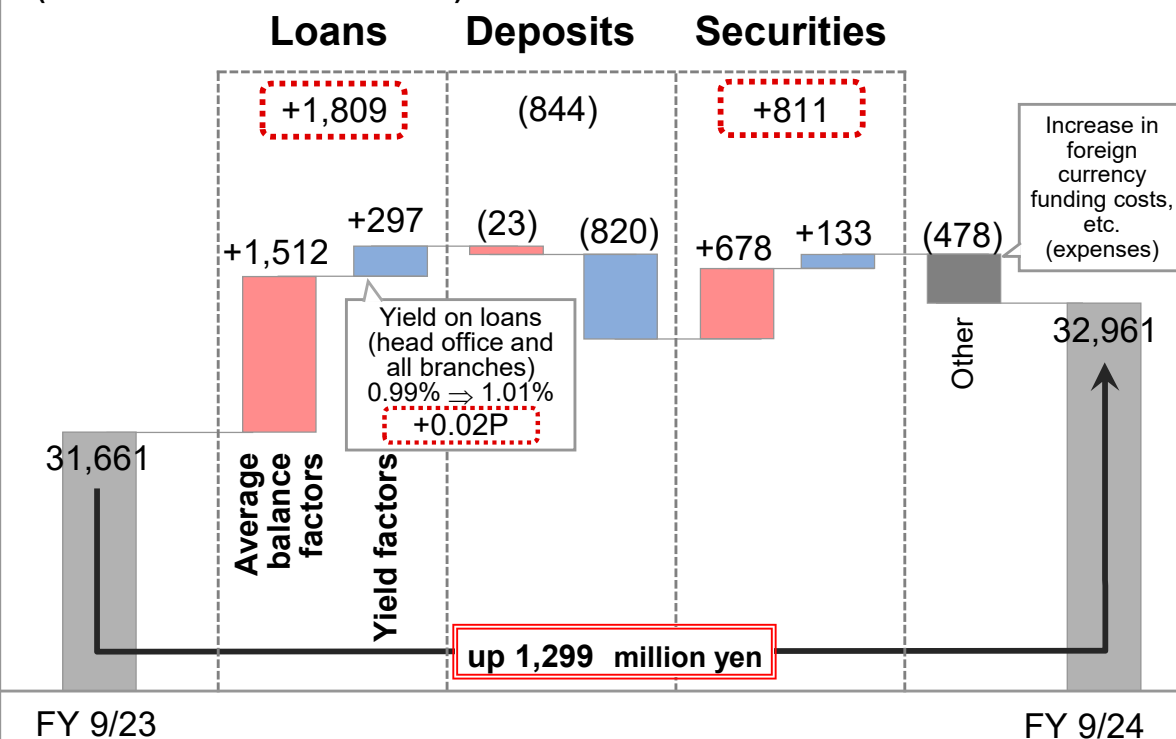
Deposit-loan yield margin (domestic operations departments)



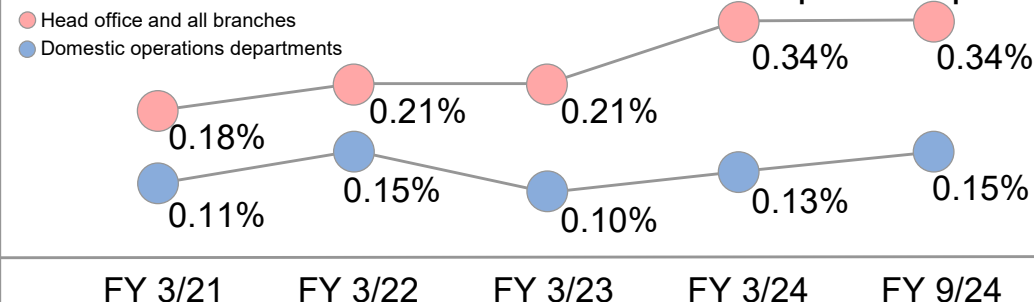
Returns on securities investments (domestic operations departments)



Factors underlying changes in interest income (Head office and all branches)



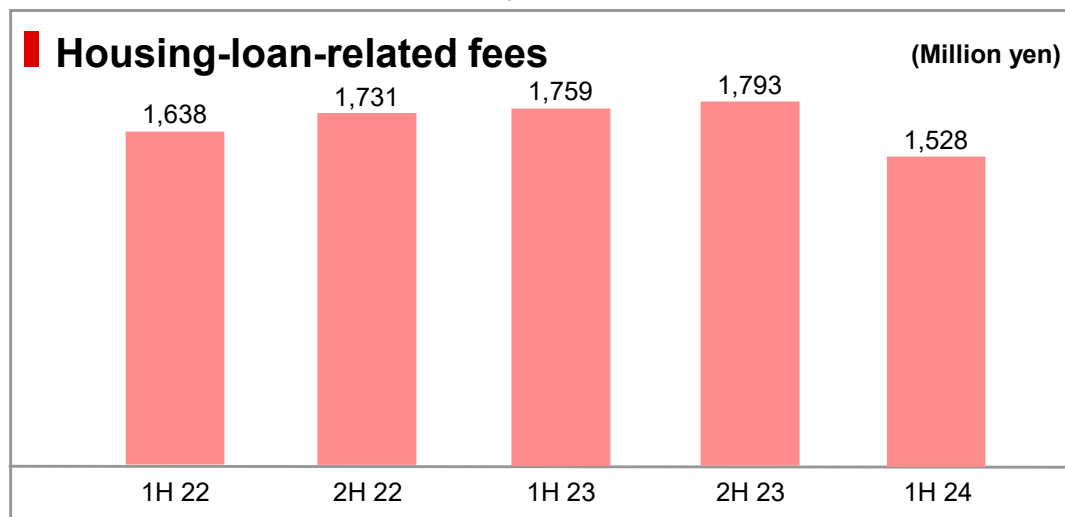
Historical overall profit margin (Head office and all branches, including domestic operations departments)



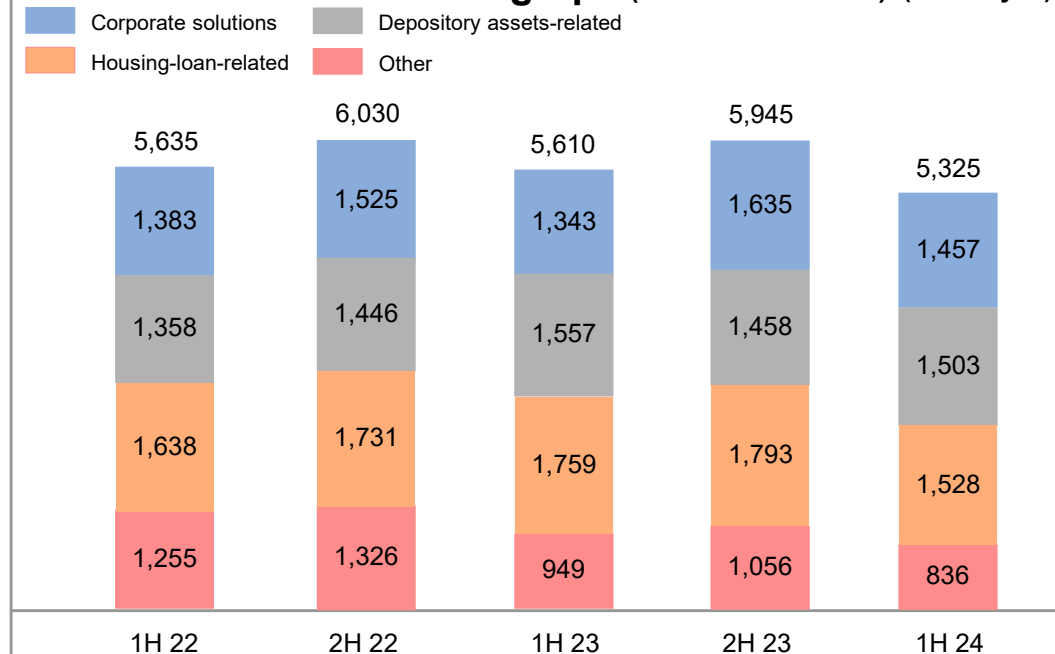
Fees and commissions decreased 5.1% year-on-year, mainly due to a decrease in housing-loan-related fees

	(Million yen)		
	FY 9/23	FY 9/24	YoY change
Fees and commissions	5,610	5,325	(284)
Fees and commissions	8,612	8,413	(199)
Commissions related to depository assets	1,557	1,503	(54)
Of which, investment trust commissions	685	726	41
Of which, insurance sales commissions*	670	568	(101)
Of which, financial instrument brokerage commissions	118	113	(4)
Of which, defined contribution pension commissions	77	84	6
Corporate solutions fees* A	1,343	1,457	114
Housing-loan-related fees B	1,759	1,528	(231)
Fees and commissions expenses (expenses)	3,002	3,087	85
Of which, insurance premiums paid for housing loans (expenses)	2,434	2,498	64

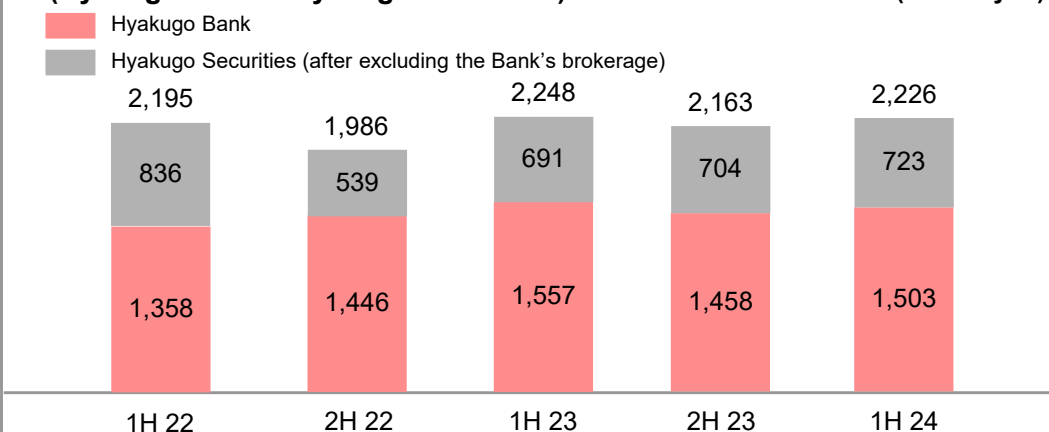
* Some business insurance fees are included in corporate solutions fees, not in insurance sales commissions.



Fees and commissions graph (non-consolidated) (Million yen)



Commissions related to depository assets (Hyakugo Bank + Hyakugo Securities) (Million yen)



Expenses grew 1.6% year-on-year due to increases in non-personnel expenses

(Million yen)

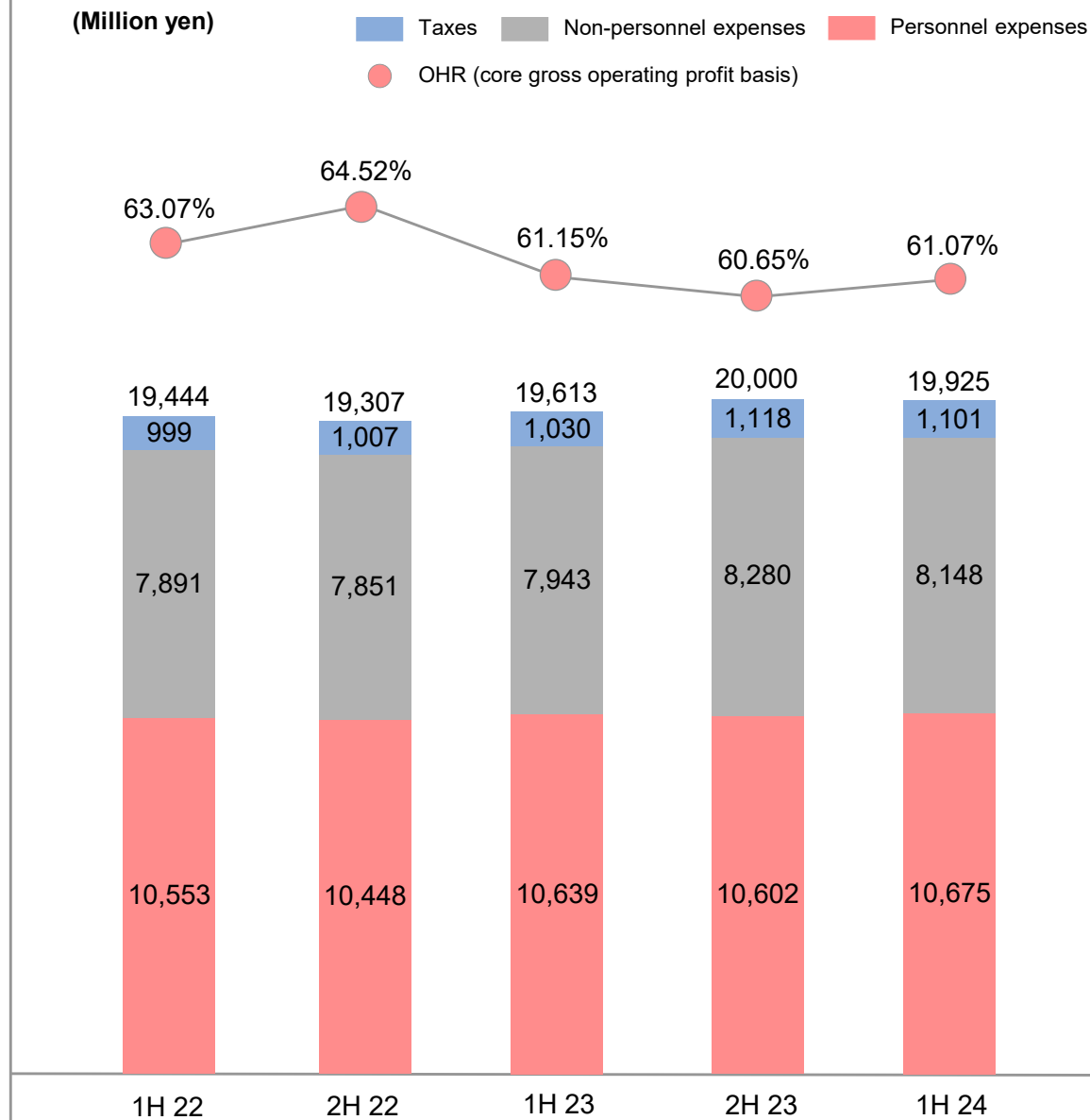
	FY 9/23	FY 9/24	YoY change
Expenses	19,613	19,925	312
Personnel expenses	10,639	10,675	36
Non-personnel expenses	7,943	8,148	204
Taxes	1,030	1,101	71

Major factors underlying changes in expenses

- **Non-personnel expenses**
Increased 2.6% due to IT-related investments.
- **Core OHR**
Down 0.08 points compared with 1H 23 due to an increase in core gross operating income.

Expenses and core OHR

(Million yen)



Increase in the provision of specific allowance for loan losses caused a year-on-year increase in credit costs

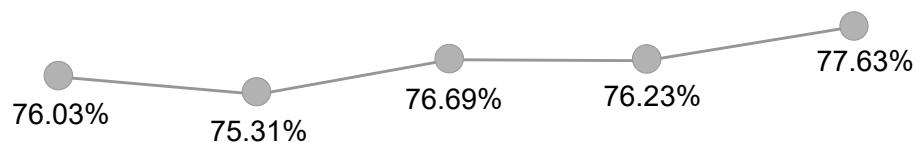
(Million yen)

	FY 9/23	FY 9/24	YoY change
Credit costs	1,539	2,165	625
Of which, provision of general allowance for loan losses	2,139	262	(1,876)
Of which, provision of specific allowance for loan losses	(656)	1,865	2,521
Of which, loss on sale of receivables and other securities	-	-	-
Credit cost ratio	0.06%	0.08%	0.02P

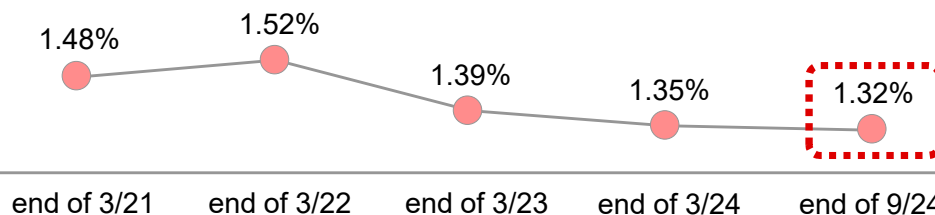
* Effective from FY 9/23, the Bank partially changed its calculation method for the general allowance for loan losses, resulting in an increase of 1,862 million yen in the provision for general allowance for loan losses for FY 9/23 compared with the amount calculated using the previous method.

	end of 9/23	end of 9/24	YoY change
Non-performing loans	61,471	66,498	5,026

Non-performing loans coverage ratio

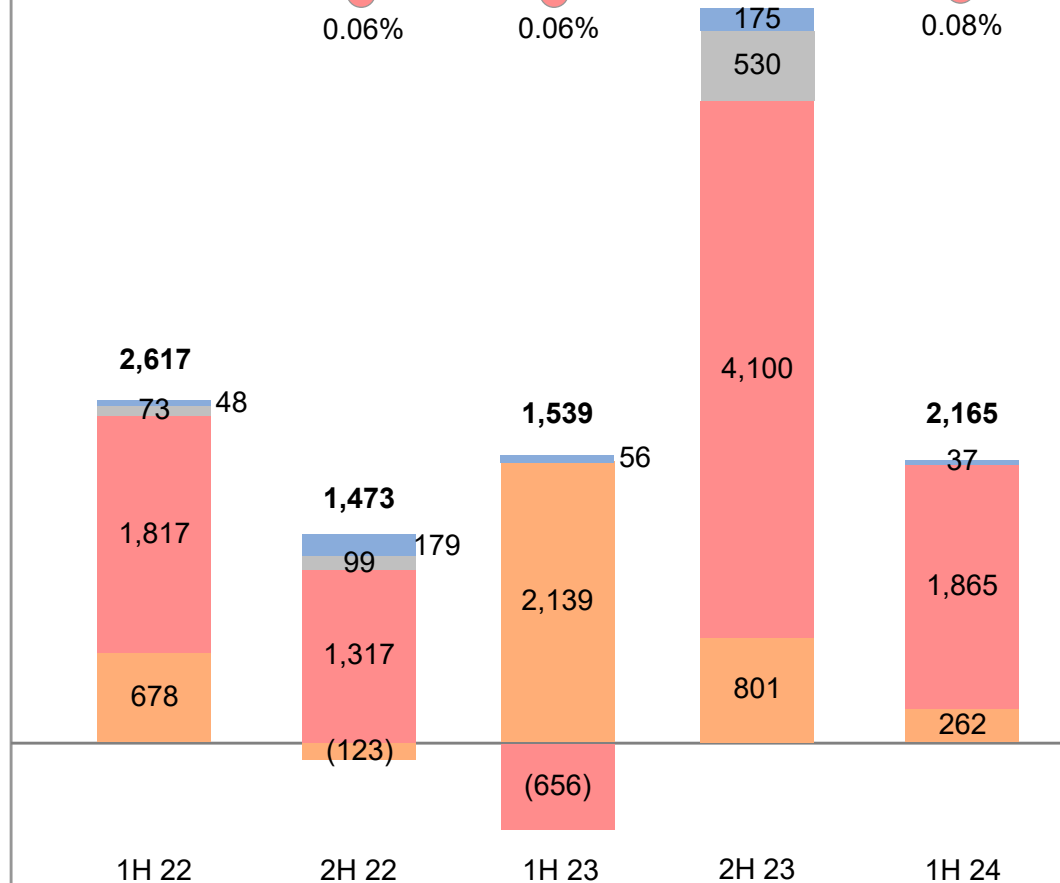
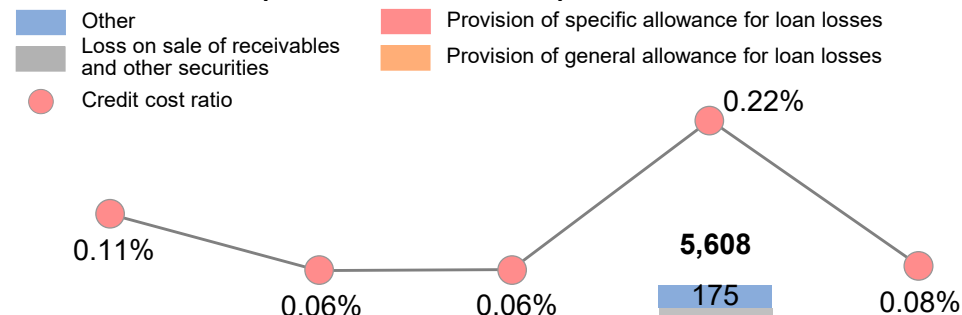


Non-performing loans ratio



Credit costs (non-consolidated)

(Million yen)



Corporate and other deposits remained strong, with total deposits up 3.0% year-on-year

(100 million yen)

	FY 3/24	FY 9/24	YoY change
Total deposits (average balance)	60,212	62,037	1,824
Mie Prefecture	54,364	55,000	635
Aichi Prefecture	5,540	6,134	593
Tokyo, Osaka	307	902	595

up
3.0%

(100 million yen)

	FY 3/24	FY 9/24	YoY change
Individual deposits (average balance)	43,512	43,848	336
Mie Prefecture	39,925	40,174	249
Aichi Prefecture	3,554	3,639	85
Tokyo, Osaka	32	33	1

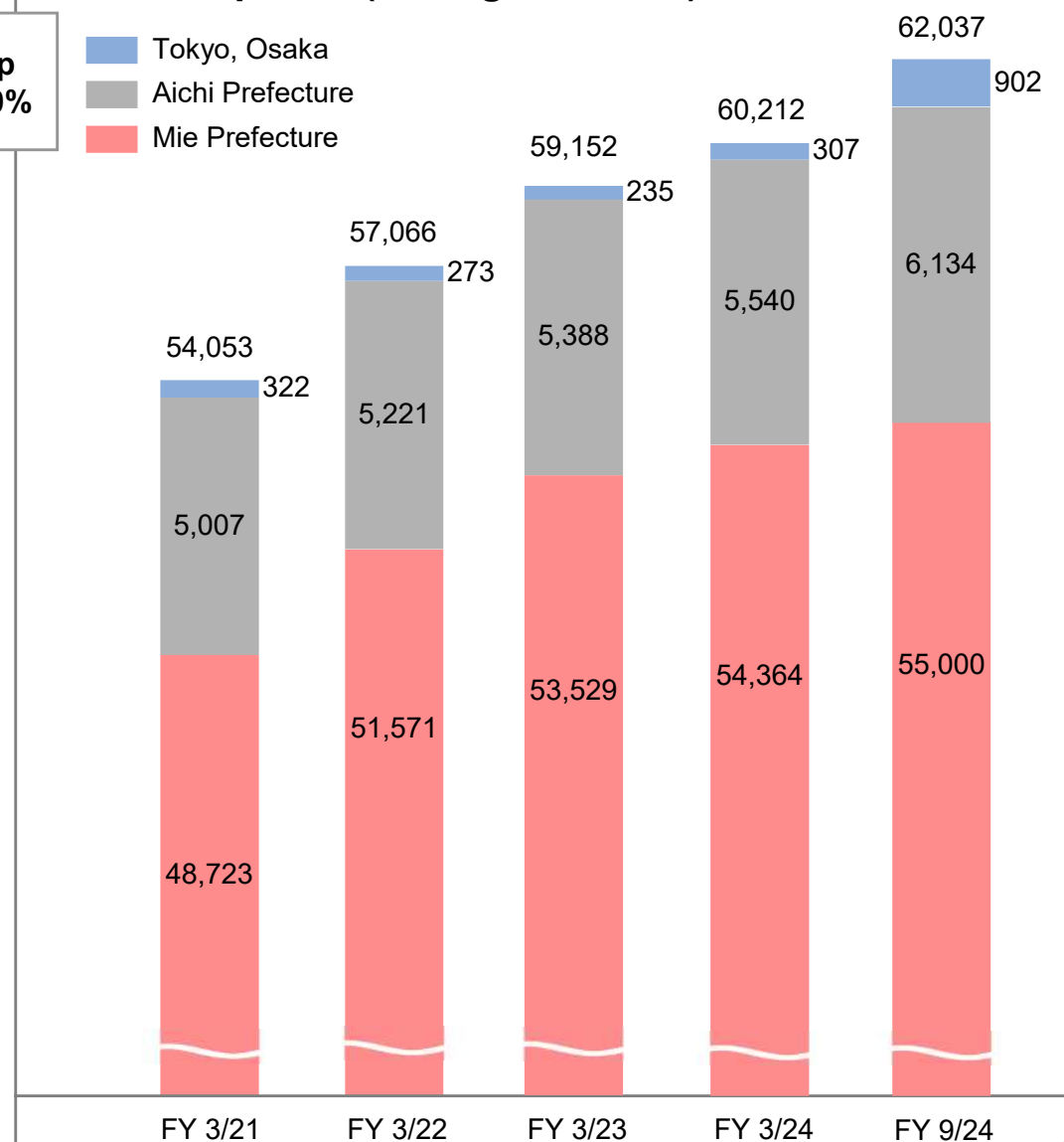
(100 million yen)

	FY 3/24	FY 9/24	YoY change
Corporate deposits (average balance)	12,661	13,713	1,052
Mie Prefecture	10,516	10,752	236
Aichi Prefecture	1,964	2,410	446
Tokyo, Osaka	179	550	370

Total deposits (average balance)

(100 million yen)

- Tokyo, Osaka
- Aichi Prefecture
- Mie Prefecture



Loans grew 4.5% year-on-year, mainly due to an increase in loans to individuals, such as housing loans

(100 million yen)

	FY 3/24	FY 9/24	YoY change
Total loans (average balance)	47,333	49,482	2,148
Mie Prefecture	19,822	20,121	298
Aichi Prefecture	19,188	20,781	1,593
Tokyo, Osaka	8,322	8,579	256

up 4.5%

up 8.3%

(100 million yen)

	FY 3/24	FY 9/24	YoY change
Loans to SMEs (average balance)	15,375	15,689	313
Mie Prefecture	8,778	8,759	(18)
Aichi Prefecture	4,389	4,537	148
Tokyo, Osaka	2,208	2,391	182

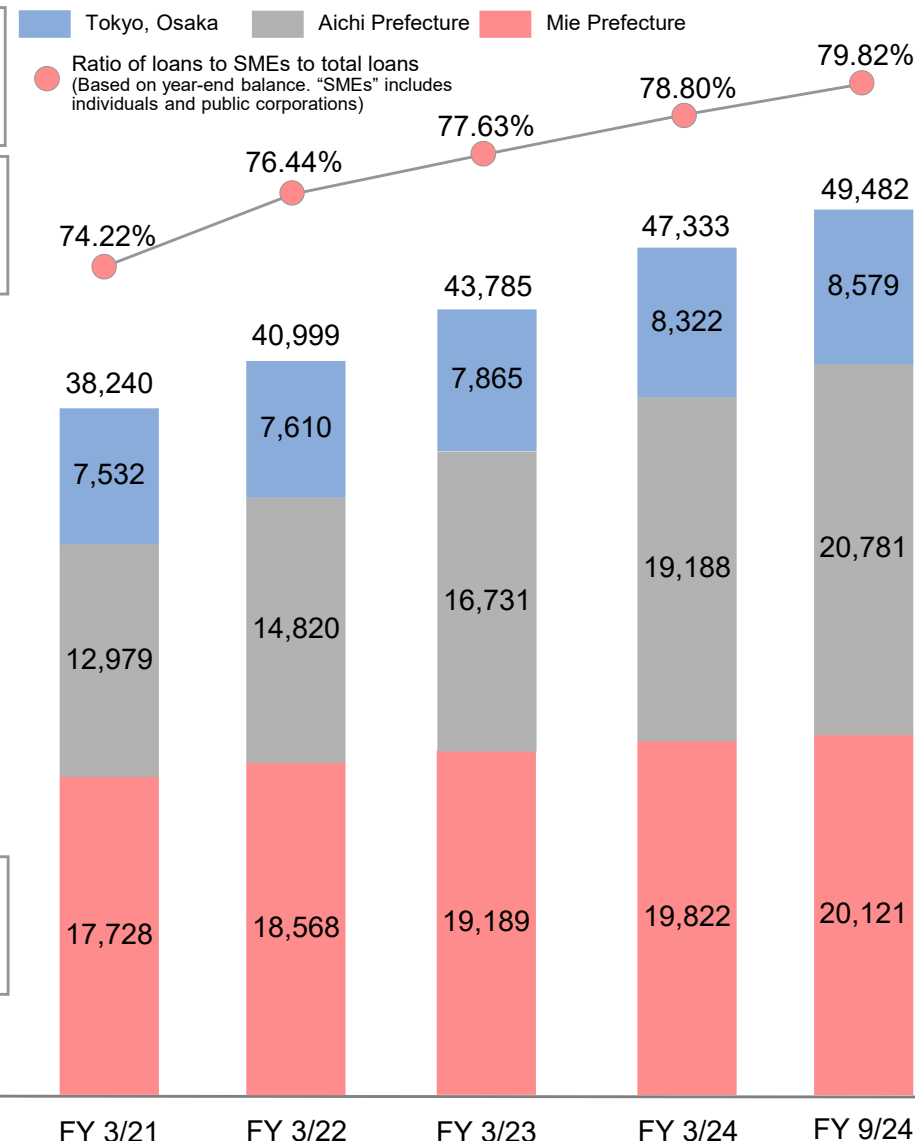
(100 million yen)

	FY 3/24	FY 9/24	YoY change
Housing loans (average balance)	20,895	22,719	1,823
Mie Prefecture	7,827	8,168	340
Aichi Prefecture	12,526	13,945	1,418
Osaka	541	605	63

up 8.7%

Total loans (average balance)

(100 million yen)

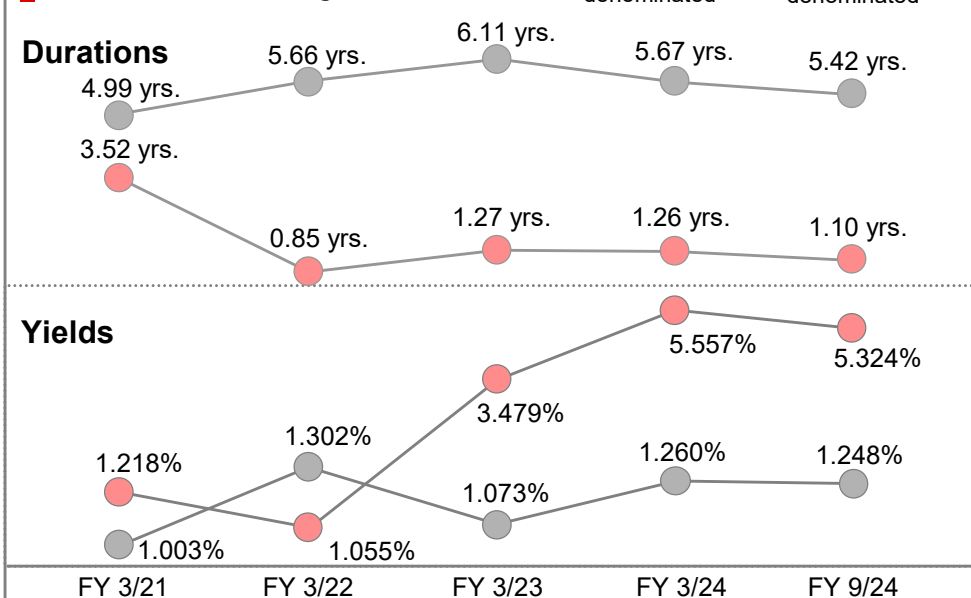


Valuation gains (losses) on securities decreased, mainly in stocks

(100 million yen)	end of 3/24	end of 9/24	Year-on-year
Securities balance	15,621	15,198	(423)
Government bonds	1,712	1,639	(73)
Municipal bonds	4,517	4,459	(57)
Corporate bonds	2,260	2,355	95
Stocks	3,111	2,579	(531)
Investment trusts	1,430	1,636	205
Foreign securities	2,499	2,440	(59)
Other	89	88	(1)

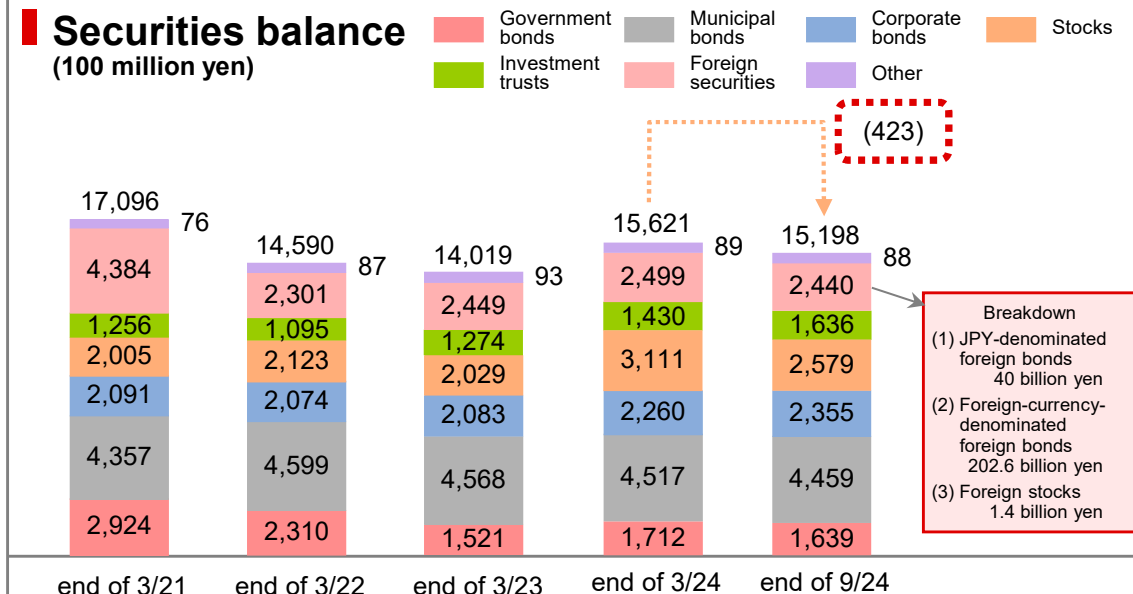
JPY-denominated average balance*	11,320	11,730	409
Foreign-currency-denominated average balance*	1,929	2,185	256

Durations and yields*

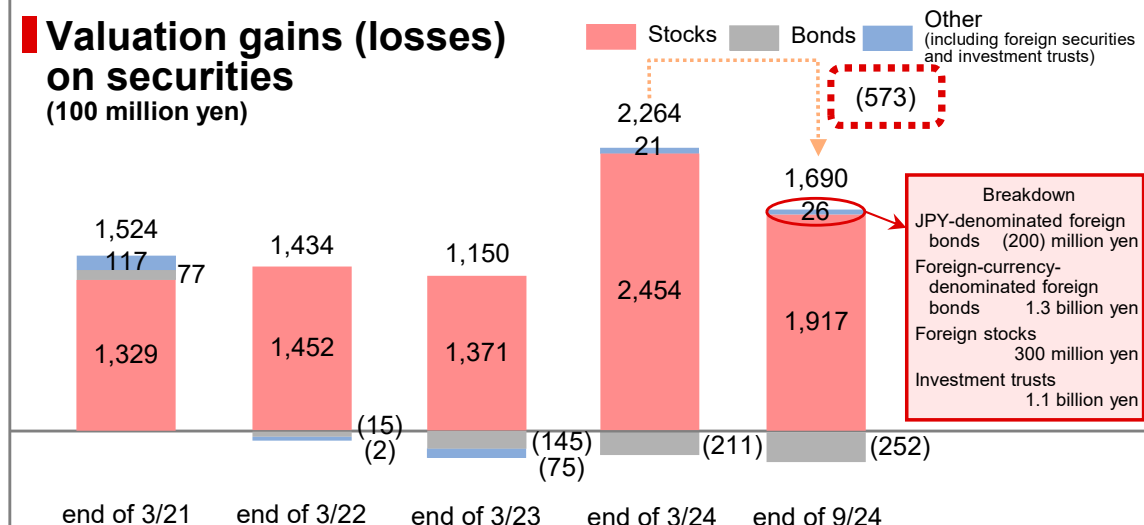


* Including beneficiary rights on trust

Securities balance (100 million yen)



Valuation gains (losses) on securities (100 million yen)



Equity ratio rose 0.05 points from the end of the previous fiscal year due to an increase in equity capital resulting from profit recognition, etc.

	(100 million yen)		
	end of 3/23	end of 3/24	end of 9/24
Equity capital (For equity ratio calculation purposes)	2,595	2,682	2,721
Risk assets	21,210	21,952	22,166
Equity ratio	12.23%	12.22%	12.27%

+0.05P

Shareholders' equity	2,934	3,011	3,062
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Credit risk asset calculation method: Approach based on fundamental internal ratings

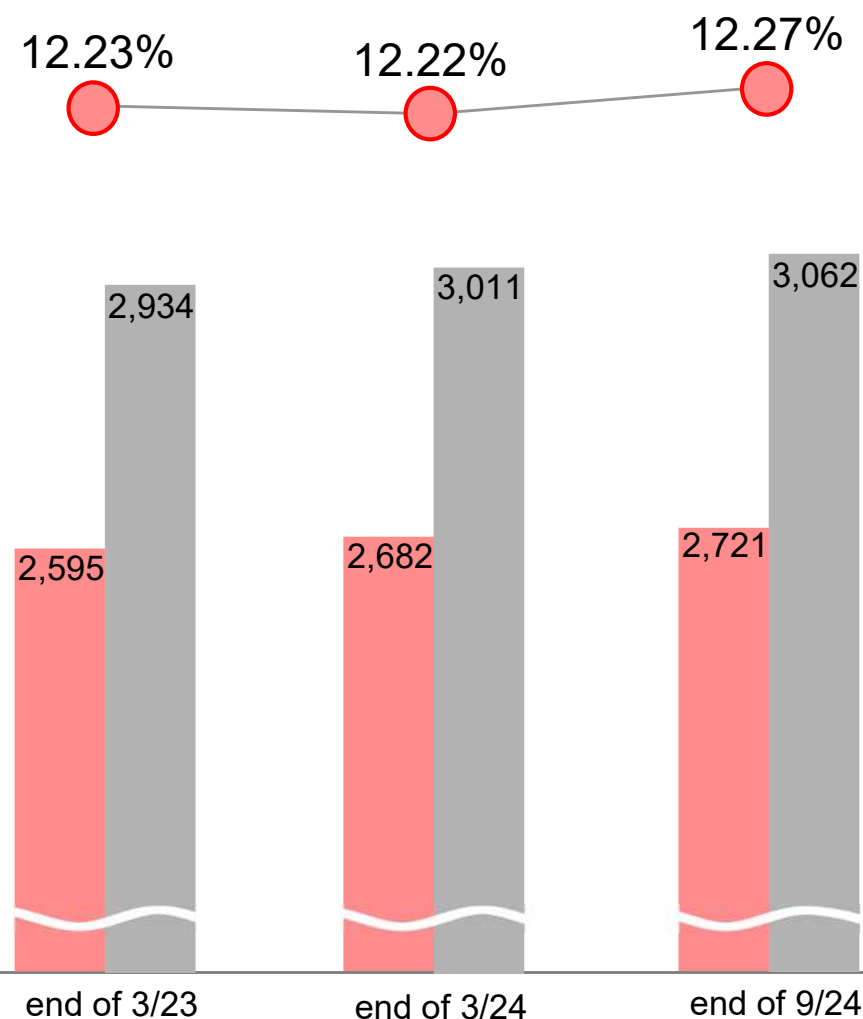
Method of computing value-at-risk: Standard approach

The finalization of Basel III was early adopted from the end of March 2023.

Equity capital, shareholders' equity, and equity ratio

(100 million yen)

Equity capital Shareholders' equity Equity ratio
(JGAAP, non-consolidated)



Financial results are expected to exceed FY2022 levels on both a consolidated and non-consolidated basis, with record profits

Forecast (non-consolidated)

(Million yen)

	FY 3/25 (initially announced)	FY 3/25 (after review)
Gross operating income	60,200	61,600
Interest income	58,200	63,000
Fees and commissions	10,400	10,100
Other operating income	(8,400)	(11,500)
Net operating income	19,100	20,900
Ordinary income	21,400	23,400
Net income	15,200	16,800
Credit costs	3,500	3,800

Forecast (consolidated)

(Million yen)

	FY 3/25 (initially announced)	FY 3/25 (after review)
Ordinary income	22,200	24,200
Consolidated net income attributable to shareholders of the parent	15,600	17,200

Both consolidated and non-consolidated financial results were revised upward from initial forecasts due to expected increases in interest income and other factors compared with the initial announcement.
Financial results are expected to exceed FY2022 levels and reach a record high.

Dividends are planned to be increased by 2 yen from the initial forecast and 3 yen from the previous term's results

In light of the performance in 1H, we have decided to increase the interim dividend for FY 3/25 by 1 yen compared with the initial forecast.

We also plan to increase the year-end dividend by 1 yen from the initial forecast.

Accordingly, the interim dividend will be 9 yen and the year-end dividend will be 9 yen, totaling 18 yen for the year, an increase of 3 yen from the previous term's actual dividend of 15 yen, including the commemorative dividend.

Breakdown of annual dividends

	Interim	Year-end	Full year
Results in FY 3/24	8.00 yen (Ordinary dividend: 7.00 yen) (Commemorative dividend: 1.00 yen)	7.00 yen (Ordinary dividend: 7.00 yen) (Commemorative dividend: - yen)	15.00 yen (Ordinary dividend: 14.00 yen) (Commemorative dividend: 1.00 yen)
Initial forecast for FY 3/25	8.00 yen	8.00 yen	16.00 yen
Results and revised forecasts for FY 3/25	9.00 yen (Actual)	9.00 yen (Revised forecast)	18.00 yen

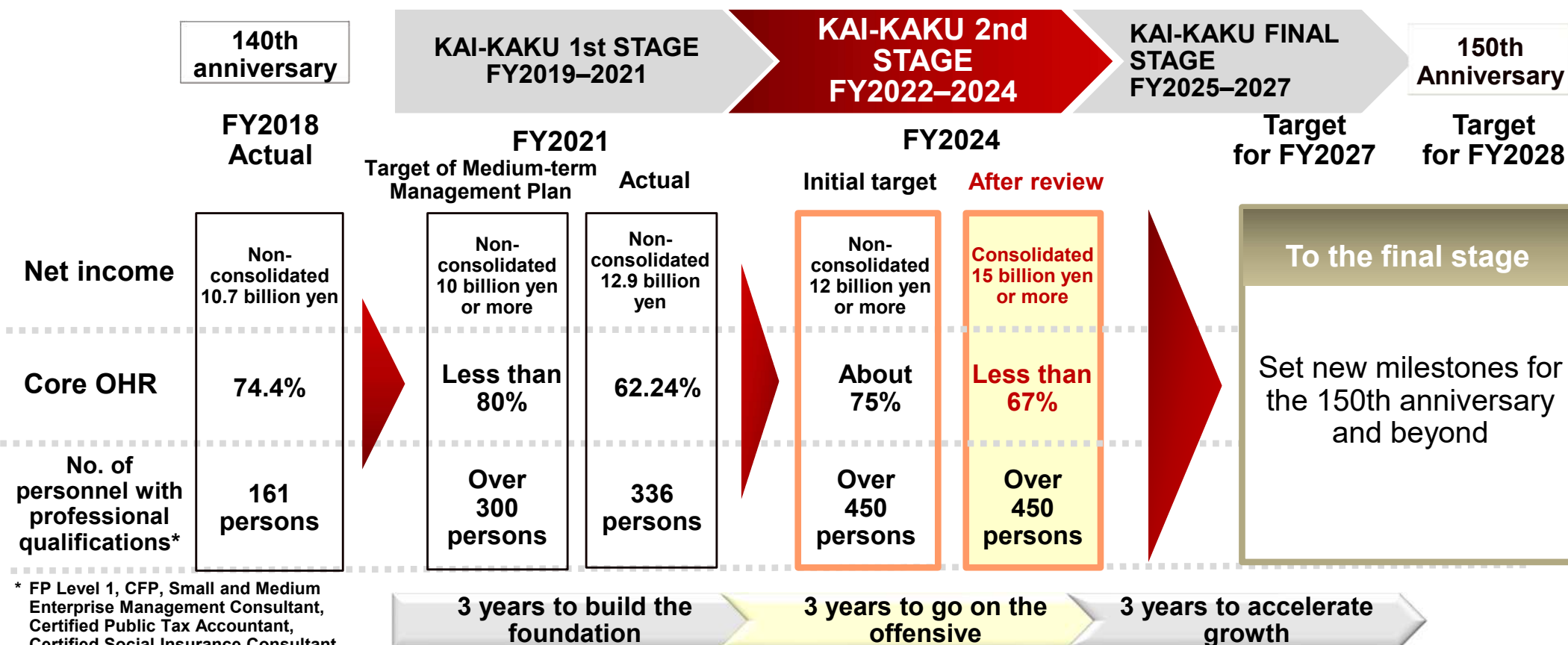
Medium-term Management Plan

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

Aiming to Transform into a Green & Consulting Bank Group

State of Progress

Take on the challenge to reach the final stage in order to realize the Bank's long-term vision of "Aiming to Transform into a Green & Consulting Bank Group"



* FP Level 1, CFP, Small and Medium Enterprise Management Consultant, Certified Public Tax Accountant, Certified Social Insurance Consultant, Securities Analyst, Certified Internal Auditor (CIA), etc.

- ✓ The current Medium-term Management Plan is **the second stage to realize the Bank's long-term vision** through FY2028, which marks its 150th anniversary since its founding. This is the final year of the plan and the Bank has begun formulating the next Medium-term Management Plan
- ✓ The next Medium-term Management Plan is **the final stage** towards realizing the long-term vision

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
II	Strengthening Business Model	2	Strategy to Enhance Loan Income and Fees and Commissions
		3	Securities Strategy
		4	Group Company Strategy
III	Increased Productivity	5	Channel Strategy
		6	IT Strategy
IV	Strengthening Management Foundation	7	Human Resource Strategy
		8	Governance Strategy
		9	Organizational Strategy
V	Increased Awareness of SDGs/ESG	10	Diversity Strategy
		11	SDGs/ESG Strategy

State of Progress of Numerical Targets of Medium-Term Management Plan

Some KPI targets were revised due to changes in the external environment, but KGI targets are expected to be achieved in general

		Results in FY 3/24	Results in FY 9/24	Targets in FY 3/25 (Final targets of the Medium-term Management Plan)
KGI	Consolidated net income	14.2 billion yen	9.1 billion yen	15 billion yen or more
	ROE in consolidated net assets	3.21%	3.83%	3.50% or more *1
	Core OHR	60.89%	61.07%	Less than 67%
	Equity ratio	12.22%	12.27%	11% or more
KPT	Housing-loan-related fees	3.55 billion yen	1.52 billion yen	4.4 billion yen ⇒ 2.6 billion yen or more
	Commissions related to depository assets	3.01 billion yen	1.5 billion yen	3.4 billion yen or more
	Corporate solutions fees	2.97 billion yen	1.45 billion yen	3.0 billion yen or more *2
	Number of personnel with professional qualifications	390 persons	399 persons	Over 450 persons

*1 Aiming for 5% in the long term

*2 Excluding income from derivatives

Target for the end of FY2030

Greenhouse gas emissions
Amount of sustainable finance executed

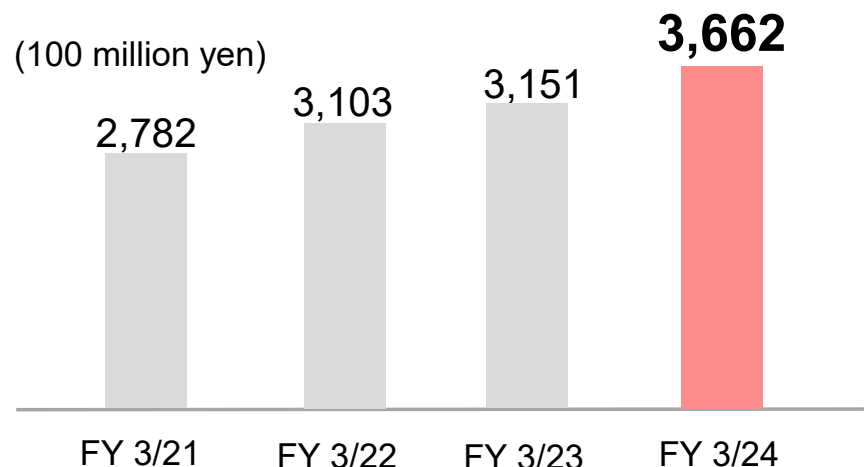
Achieve **net zero** (Scope1,2)
1 trillion yen or more (Of which, more than 500 billion yen is environment-related loans)

* Cumulative total since FY2022

Results

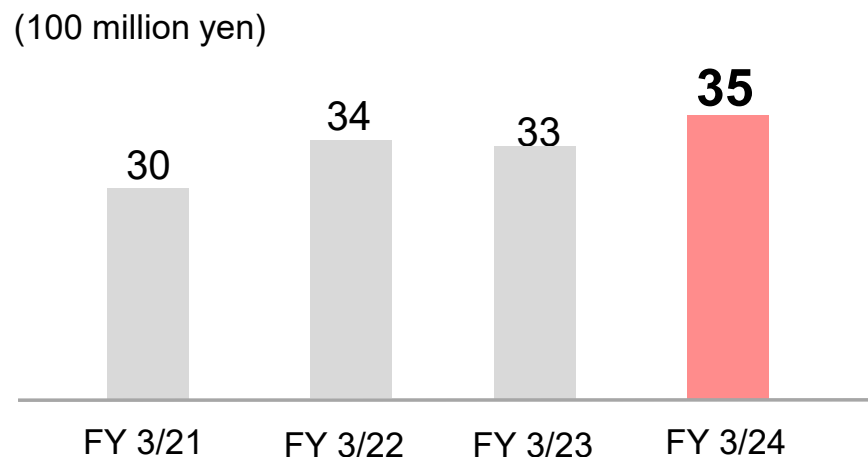
Ranked No. 1 in the nation for 6 consecutive years in terms of housing loan growth through efficient sales activities and human resource development through improving its bases

Housing loans offered in a single year in value

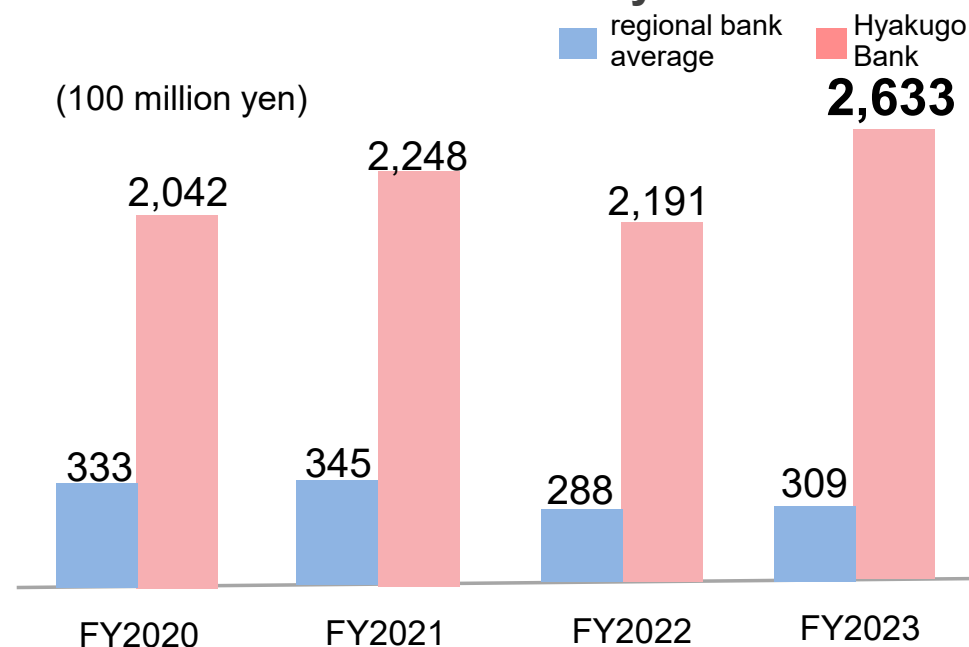


- ✓ The Bank adopted a strategy of countering the massive redemption of government bonds with **highly capital efficient housing loans**
- ✓ It has succeeded in **growing “Hyakugo’s Housing Loans” into a nationwide strength** by steadily implementing efficient sales activities and ongoing human resource development through the integration of overlapping area bases in Aichi Prefecture

Housing-loan-related fees



In terms of housing loan increase
Ranked No. 1 in the nation for 6 consecutive years



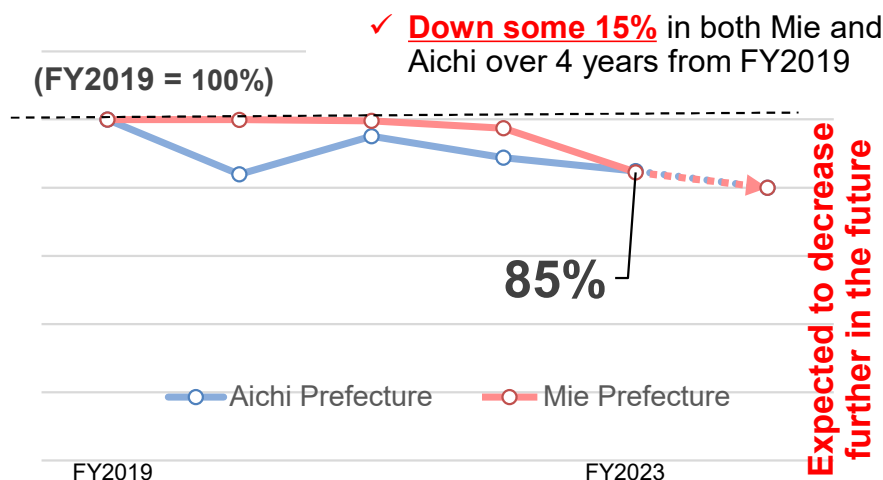
(Created by the Bank based on the Nikkin Report)

**Issues and
future
measures**

Focus on improving profitability by improving efficiency through digital transformation, in anticipation of a future decline in housing loan demand

Changes in the external environment

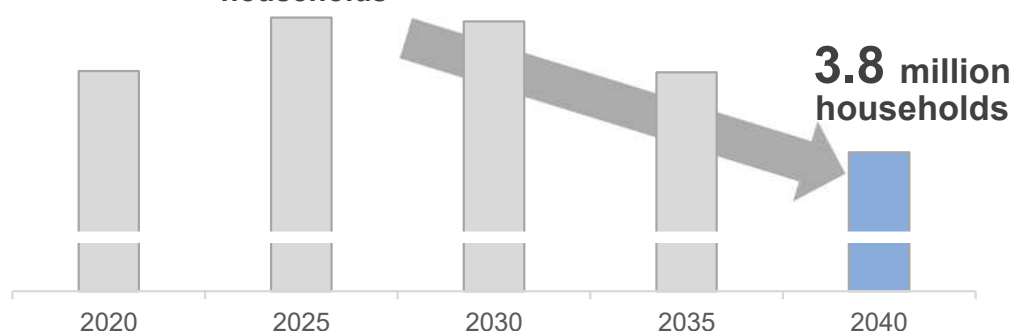
■ Percentage change in housing starts



(Created by the Bank based on the “Housing Starts Statistics” of the Ministry of Land, Infrastructure, Transport and Tourism)

■ Household forecast * Total of Aichi and Mie prefectures

3.91 million households



(Created by the Bank based on “Household Projection by Prefecture in Japan” of the National Institute of Population and Social Security Research)

- ✓ The Bank **strategically reviewed its plans** in light of recent changes in the external environment, such as a decline in housing starts and a decline in the number of households, as well as intensifying competition with other banks.

Housing loan plan (100 million yen)	FY 3/2025 Initial plan	FY 3/2025 Revised plan	Results in FY 9/2024
Mortgage financing	4,000	3,000	1,581
Housing-loan-related fees	44	26	15

- ✓ Make **proactive digital transformation investments** in the future to focus on **improving the efficiency of housing loan operations**

1H 2024 Various measures implemented

Electronic contract service introduced

System to manage loans with outstanding repayments introduced

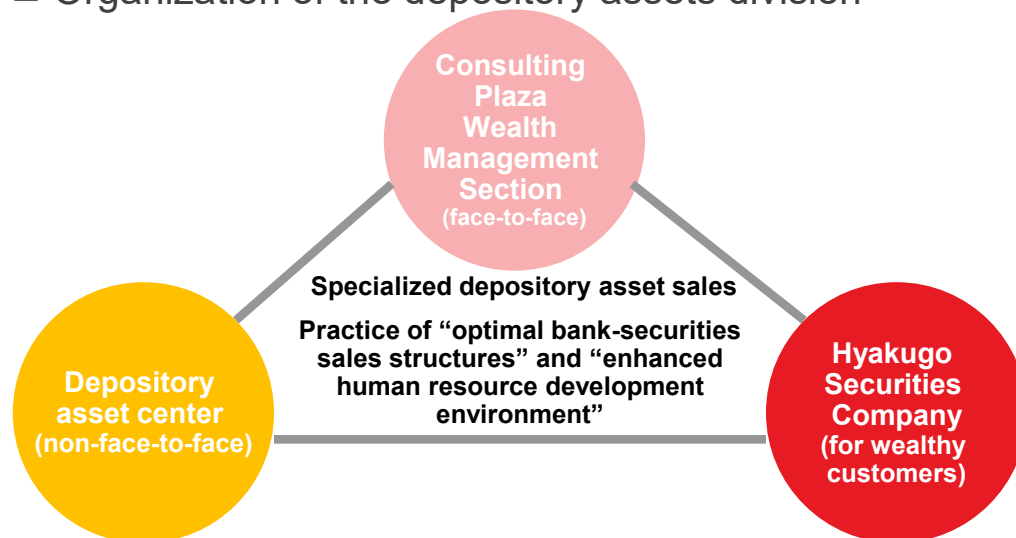
Loan management system introduced

Results

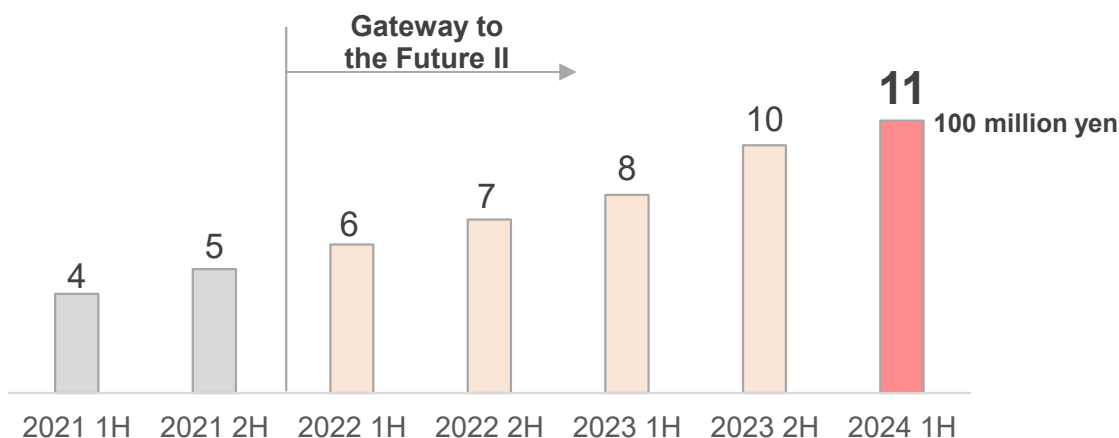
Achieved an effective sales structure by consolidating its sales branches for depository assets and strengthening cooperation with bank and securities companies

Strengthening the sales structure for depository assets

■ Organization of the depository assets division

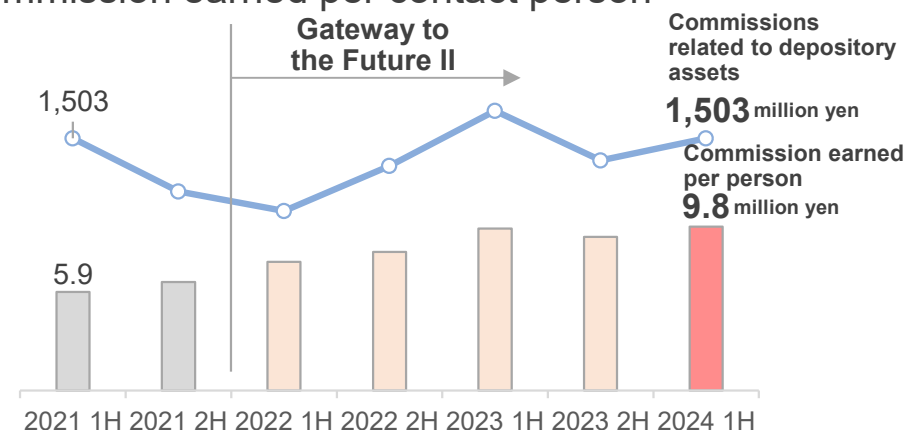


■ Investment trust balance per contact person



Commissions related to depository assets

■ Commission earned per contact person



■ Commissions related to depository assets (Hyakugo Bank)

* Breakdown of four major items
(Million yen)

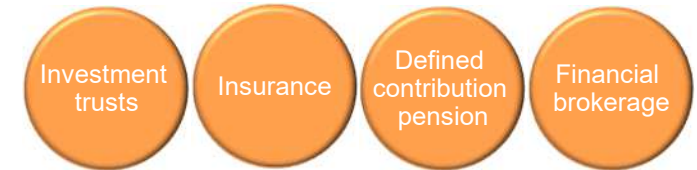
	FY 3/24 (Actual)	FY 9/24 (Actual)	FY 3/25 (Medium-Term Plan)
Investment trusts	1,431	726	1,570
Insurance	1,198	568	1,247
Financial instrument brokerage	228	113	502
Defined contribution pension	146	84	153
Inheritance-related services	11	9	25
Total	3,016	1,503	3,497

Future
measures

Optimize the Group's depository asset structure and streamline its operations through DX while strengthening customer-oriented business operations

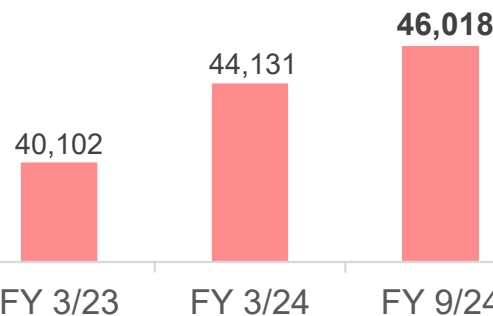
Advance “customer-oriented depository asset management sales”

- Propose products that meet customer needs based on customer profiles
- Consider tools and content that will be useful to customers
- Ensure penetration of initiatives through fiduciary duty (FD) monitoring and evaluation
- Carry out timely and appropriate follow-up



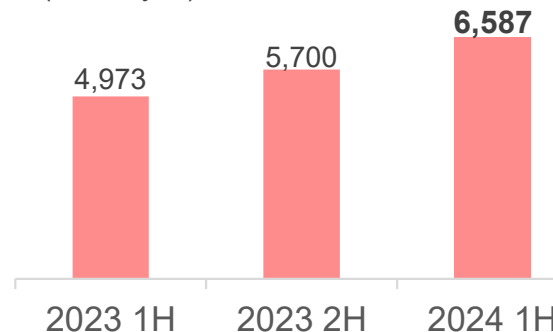
No. of NISA accounts

(accounts)



Value of installment investment trust purchases

(million yen)

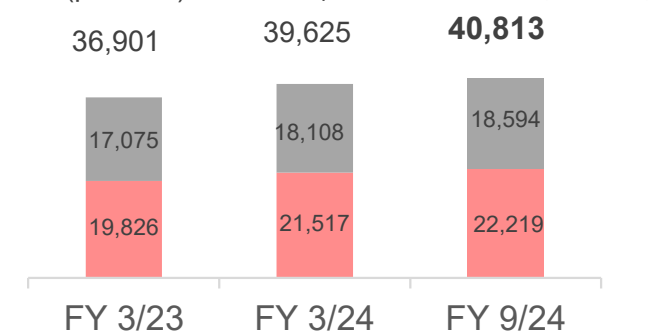


No. of defined contribution pension plan subscribers

(persons)

corporate

iDeCo (individual)



Optimize the Group's customer depository asset sales structure

Ensure penetration of bank-securities segment sales structure
Strengthen financial and economic education

Balance of depository assets from regional customers
Contribution to increased asset income

DX (paperless)

Streamline the operations through DX (paperless)

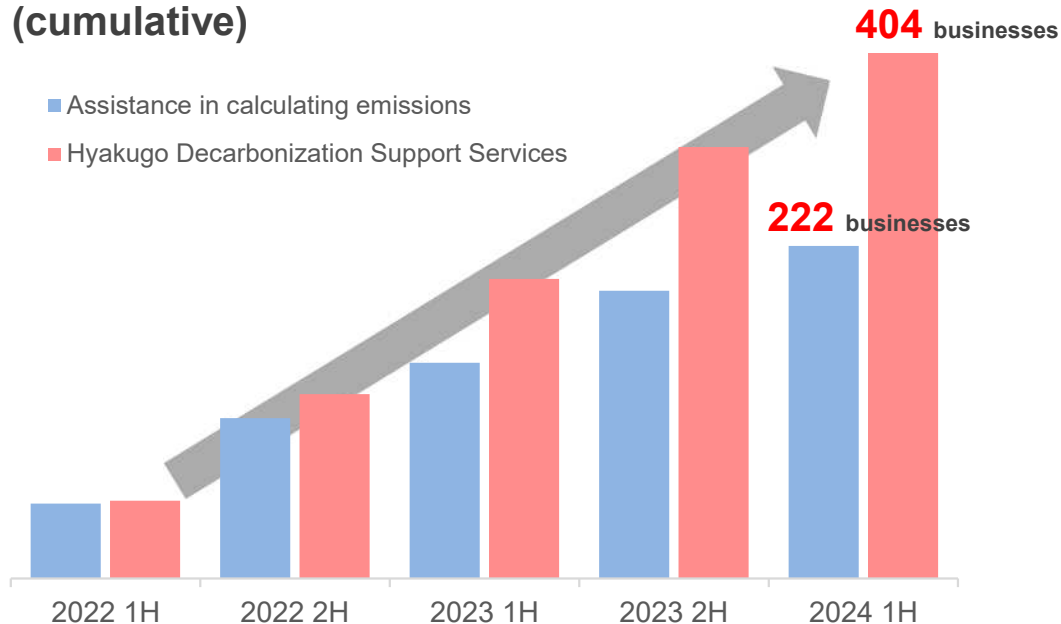
- Increase customer satisfaction
- Ensure robust administration and improve departmental income and expenditure

Results

Has provided support for decarbonization and overseas expansion of regional businesses, and proposed solutions to new business challenges

Support for decarbonization

■ Achievements in supporting decarbonization (cumulative)



- Decarbonization support services
Assistance in developing reduction targets and simulations, declaration issued and posted on the Bank's website

- ✓ The Bank began the initiative in April 2022 with the assignment of three dedicated staff members
- ✓ **Provided regional companies with solutions to achieve decarbonized management**, focusing on assistance in calculating and decarbonization support services
- ✓ The number of projects supporting decarbonization steadily increased, **surpassing 400 businesses in total**

Support for overseas expansion

■ Malaysia Halal Roundtable Meeting



- ✓ Communicated to regional businesses **the growth potential of the Halal business, which is effective for exports and inbound tourism**
- ✓ Continued activities to make Mie Prefecture an **advanced halal prefecture** and support regional businesses in taking on the challenge of halal business

■ Formed business alliance with Hong Kong Trade Development Council, a government-affiliated organization

- ✓ Formed alliance with **Hong Kong Trade Development Council** with the aim of contributing to business development of regional businesses through export support
- ✓ **Supported regional businesses to develop business in Hong Kong** in the form of sales channel development for local products, local business development, and individual matching with local companies

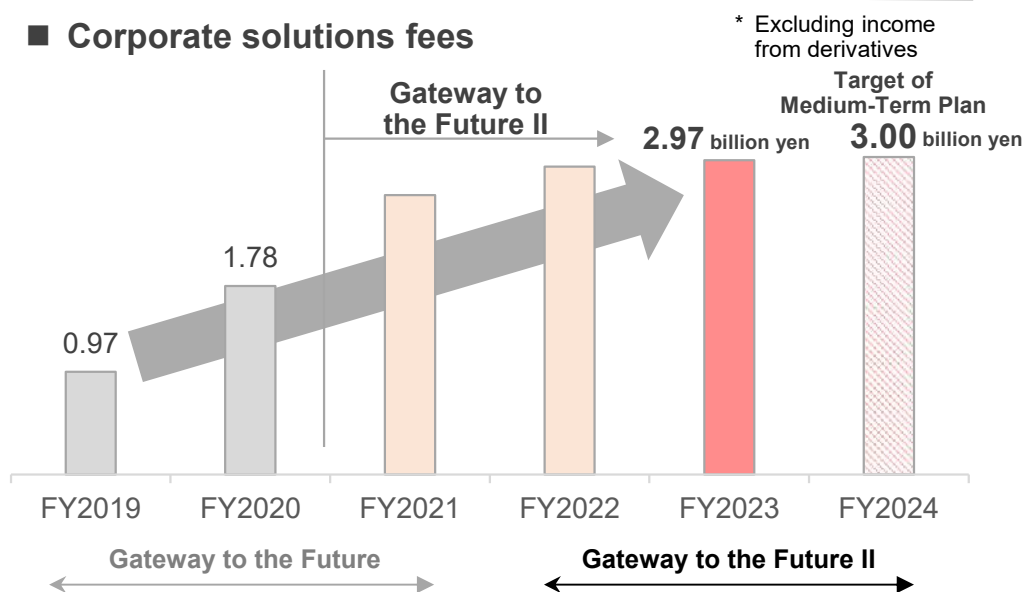


Results

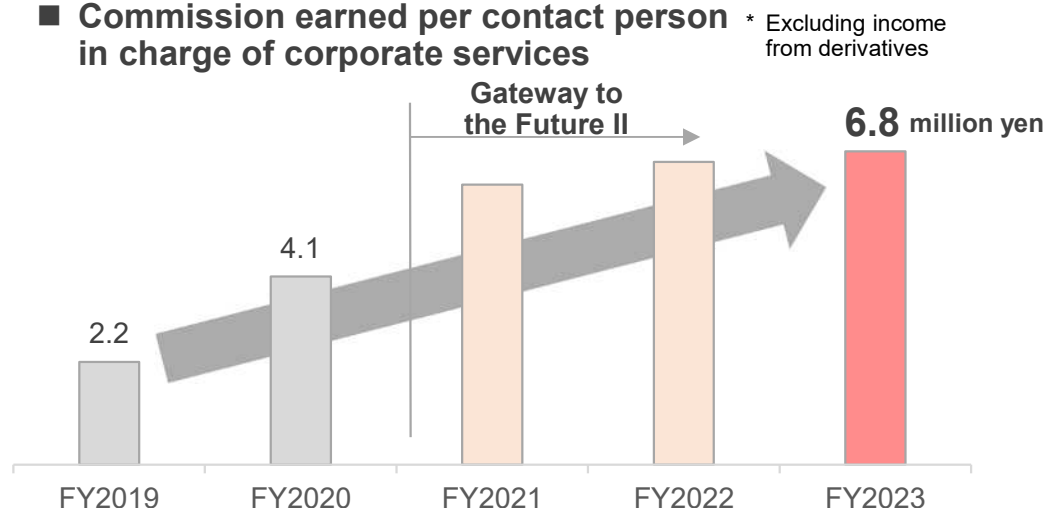
Has sophisticated further the business feasibility assessments, causing corporate solution fees to grow to the target level set in the Medium-term Management Plan

Corporate solutions fees

■ Corporate solutions fees



■ Commission earned per contact person in charge of corporate services



Renewed business feasibility assessment activities

Established new **management vision sharing sheet**

- ✓ Started review at the start of the Medium-term Management Plan, focusing on **sharing issues with customers**
Started operations under a new structure in May 2023
- ✓ **Contributed significantly to “fostering a common understanding” with customers**
- ✓ Sharing issues with customers led to solid progress in corporate consulting services
Commissions per contact person in charge of corporate services increased by 2.7 million yen from the start of the Medium-term Management Plan

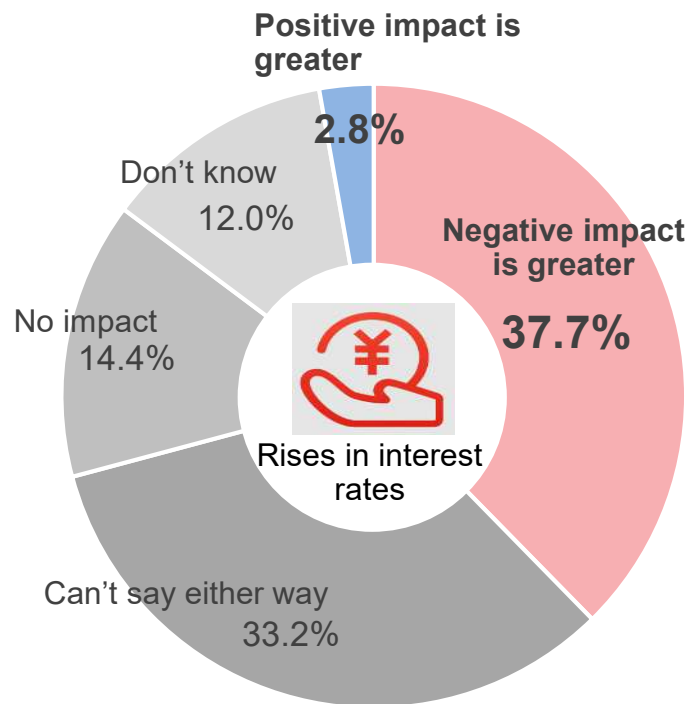
Corporate solution commissions grew to the target level set in the Medium-term Management Plan

Issues and
future
measures

Invest in human capital and DX in response to changes in the external environment so as to solidify the foundation of the corporate consulting business

Changes in the external environment

■ Impact of rising interest rates on businesses



(Created by the Bank based on the "Survey of the Impact of Rising Interest Rates on Businesses (April 2024)" of Teikoku Databank Ltd.)

- ✓ Many businesses are concerned about **the negative impact** of higher interest rates **on their business**, which may reduce their appetite for capital investment
- ✓ The Bank needs to **continue dialogue with customers, paying attention to their cash flow situation** and whether or not they need to invest in labor-saving measures to streamline their business operations

Initiatives required in the future

- ✓ Continue to share issues arising from rising interest rates and other factors with businesses and **continue dialogue**
- ✓ Fundamentally streamline its existing operations through **human capital and DX investments** to **ensure high-quantity and -quality dialogue** with customers

Improve interest income and fees/commissions through solving customer issues

- Sophisticate interest income management (for fund and capital efficiency management)
- Analyze the current sales and consulting activities and standardize them (to share "patterns")
- Develop new products and services and consider replacing old products and services

Human capital and DX investments

- Reinforce OJT by making it more location-intensive (to share know-how)
- Build a flexible sales structure through DX investment
- Develop individual skills and career paths

Results

**Achieved Medium-term Management Plan target of 300,000 accounts for smartphone banking.
New branches converted to a consulting venue**

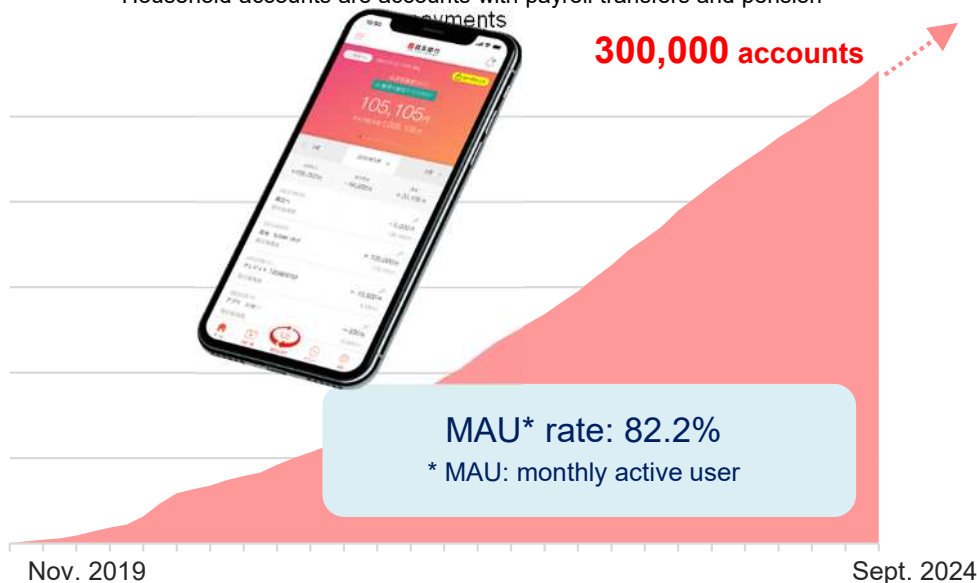
Smartphone banking

■ Changes in number of passbook-less accounts

Target of Medium-term Management Plan

Achieved **300,000 accounts** covering about
half of household accounts

* Household accounts are accounts with payroll transfers and pension
payments



SDGs

Reduction of
paper resource
use

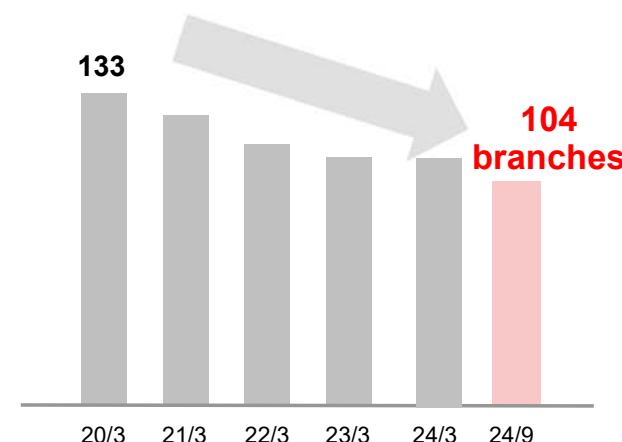


Digitization

Increased
convenience

Strengthened consulting activities at new branches

■ Changes in number of branches



The Bank did not reach the target of 100 branches in the Medium-term Management Plan, but actively worked to **consolidate branches**

Intend to **maintain the current number of branches** and engage in **efficient sales activities**

■ Converted branches into consulting venues



Expanded customer space
Significantly increased no. of consultation booths

Converted branches into **consulting venues** for higher-quality sales activities

(Hirata-cho Ekimae branch newly built, relocated, and opened on August 26, 2024)

Steady increase in professional qualification holders, but further measures are needed to increase the ratio of women in executive and managerial positions

Progress in human capital KPIs (FY2024 target)

Target for
FY2024

No. of personnel
with professional
qualifications

399 persons

Progress rate
88%

450
persons

* As of September 30, 2024

No. of personnel
who have acquired
the IT Passport

548 persons

Progress rate
109%

500
persons

* As of September 30, 2024

Ratio of female
executives

20.9%

Progress rate
83%

25%

* As of October 1, 2024

Ratio of female
managers

9.5%

Progress rate
79%

12%

* As of October 1, 2024

Ratio of positive
opinions about job
satisfaction

80.9%

95%
of the plan

85%

* Survey in FY2023

■ Development of professional human resources

Results

Steady increase in the number of professional qualification holders to achieve the target in the Medium-term Management Plan

Steady progress in staff capacity-building through practical trainee training

■ Promotion of diversity

Issues and
future
measures

The ratio of female executives and managers is below the progress target in the Medium-term Management Plan

Further promote women's autonomous career development, and enhance systems to accommodate diverse working styles

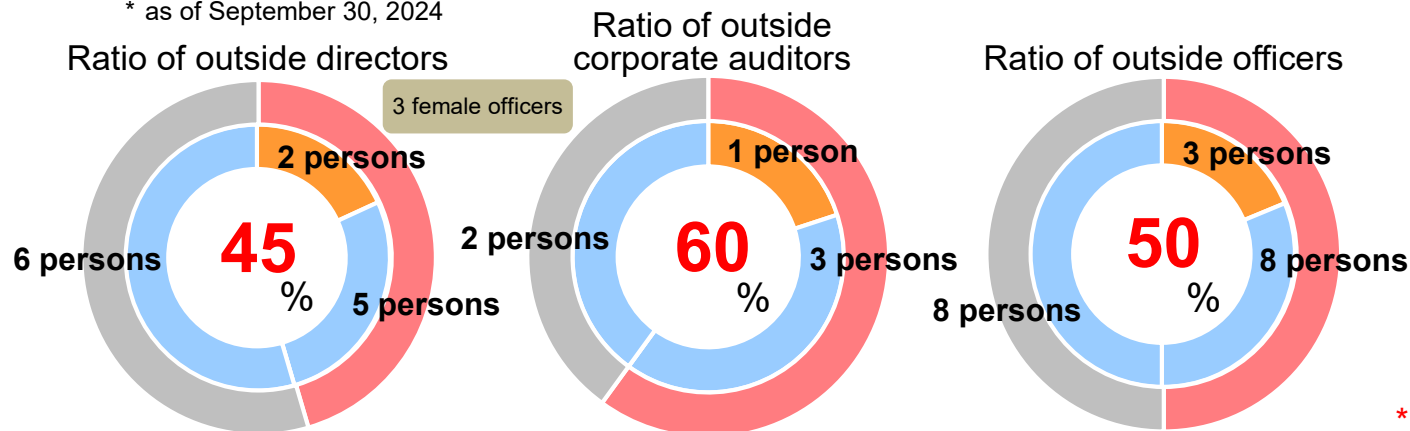
Strengthen corporate governance to ensure the Bank's sustainable growth and enhance its corporate value over the medium to long term

Appointment and diversification of outside officers

Ratio of outside officers

* as of September 30, 2024

Outside Inside Female Male



[Future policy]

The Bank will make further efforts to appoint and diversify individuals who meet the independence requirements and who can contribute to the Bank's management

* Eight outside officers are all "independent"

Enhance governance through appropriate involvement and advice from outside officers

Corporate Governance Committee (non-mandatory nomination/compensation committee)

Chair is elected from among
outside directors

Title	No. of persons
Outside directors	5
Inside directors (representative director)	2
Total	7

Decision-making of
Board of Directors

for higher
transparency

for higher
objectivity

[Functions]

Providing advice on the following matters to Board of Directors

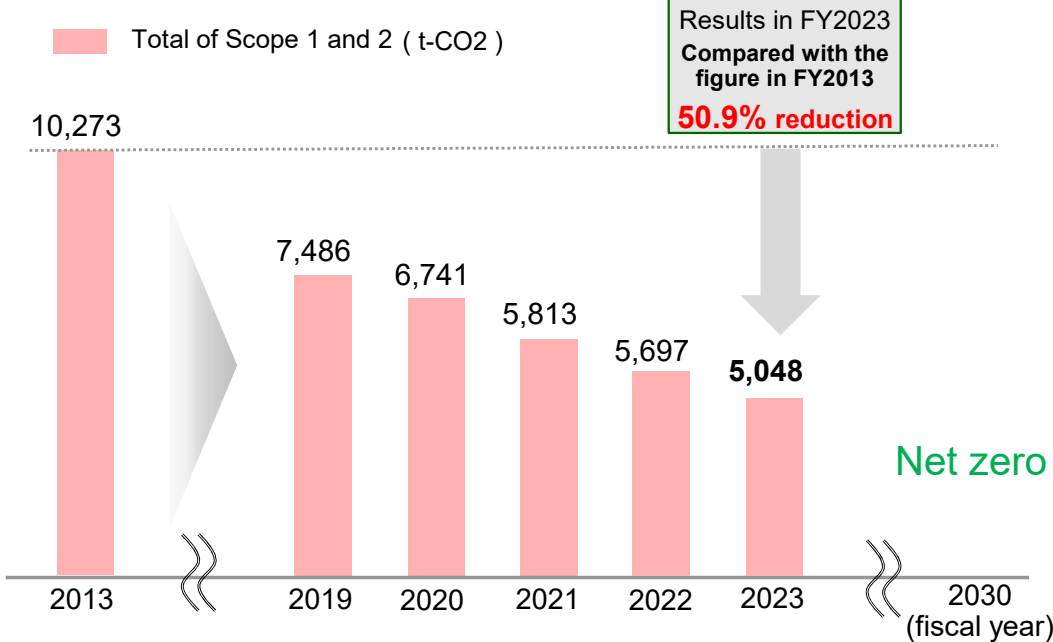
- Matters concerning candidates for directors and corporate auditors
- Matters concerning compensations, etc. to directors
- Other significant matters concerning management (such as fostering of successors and initiatives for diversity)

* No. of officers as of September 30, 2024

Greenhouse gas (GHG) emissions are steadily declining. Information disclosure based on the TCFD concept is also implemented

Greenhouse gas (GHG) emissions

Changes in the Bank Group's greenhouse gas (GHG) emissions



* The calculation method is disclosed in the Integrated Report.

Understand GHG emissions, including those from supply chain (Disclosed July 2024)

- Expand the measurement items and scope of Scope 3
Continue to increase measurement items and improve measurement methods

NEW	Category 2 (Capital Goods)	Category 6 (Business Travel)	Category 7 (Employee Commuting)	Category 15 (Investments)
	9,115 t-CO ₂	404 t-CO ₂	1,677 t-CO ₂	6,825,618 t-CO ₂

* The calculation method is disclosed in the Integrated Report.

Scenario analysis and carbon-related assets

Physical risk to 2050		Transition risk to 2050	
Additional credit cost	up to 5.1 billion yen	Additional credit cost	up to 14.5 billion yen
Carbon-related assets 4 major sectors		Energy, utility 1.99% Transport 4.48% Materials and buildings 17.02% Agriculture, food and forest products 1.85%	

* Based on the end of March 2024

* The calculation method is disclosed in the Integrated Report.

Sustainable finance

Sustainable finance* Targets and results

Target for cumulative amount of sustainable finance execution

1 trillion yen or more

of which, target for cumulative amount of execution in the environmental area

500 billion yen or more

60.5%
of FY2030 target

605.1 billion yen

1 trillion yen

2024/9

2031/3

28.9%
of FY2030 target

144.5 billion yen

500 billion yen

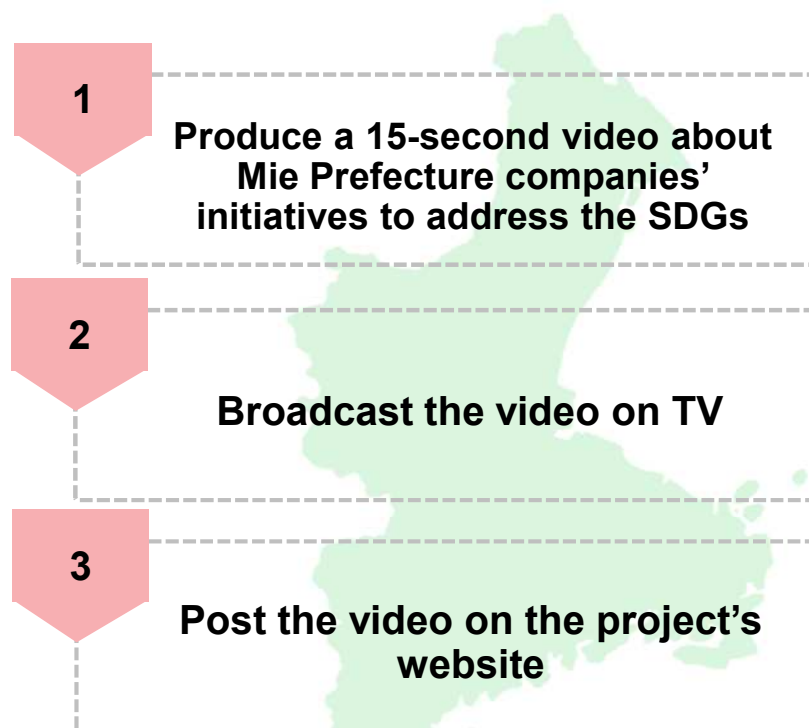
2024/9

2031/3

* Investments and loans that contribute to the realization of a sustainable society by resolving social and environmental issues, etc.

Launched a project to revitalize the SDGs initiatives of companies in Mie Prefecture

“We see it! A Good Future -- MIE SDGs ACTION”
launched



みえた!
いい未来
MIE SDGs ACTION

まだまだ課題山積みのSDGs。
だけど、前向きな変化は
あちこちでちゃんと生まれてきている。
その変化を集めて、発信し、
ここ三重から広げていくプロジェクト。
それが、MIE SDGs ACTION。
さあ、企業も、行政も、学校も。
できていないことをなげくより、
できていることに目を向けよう。
そして、つぎのアクションへとつなげていこう。
より良い未来は、このまちでもう、始まっている。

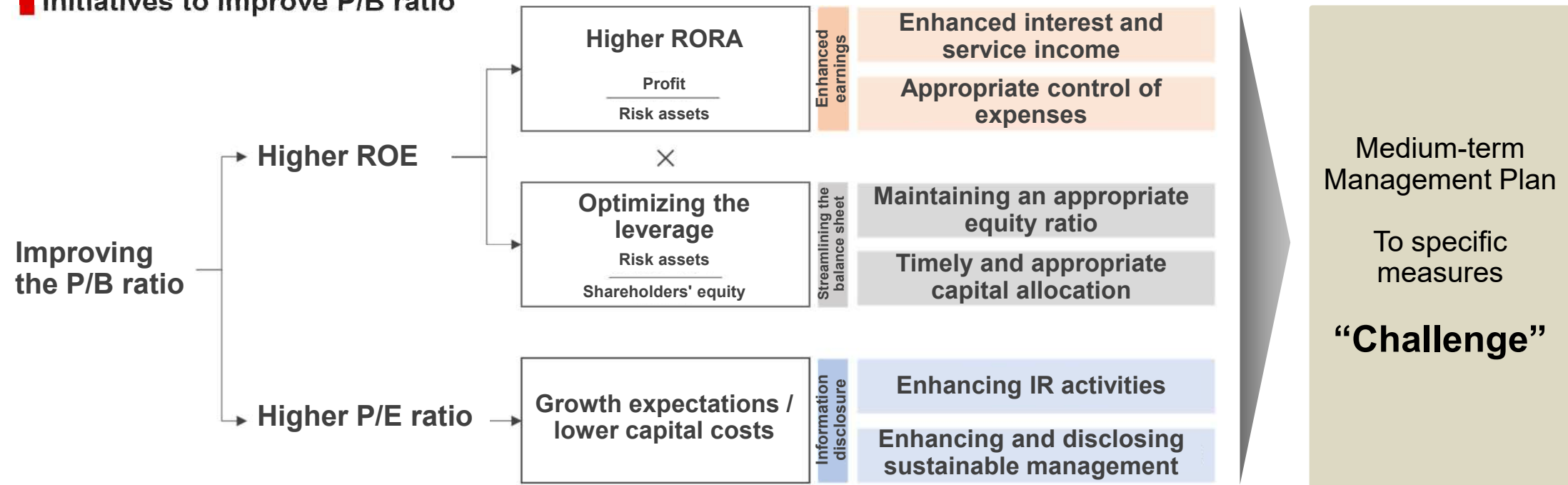
Helping Mie Prefecture companies
increase their corporate value

Fostering momentum for
local SDG initiatives

Initiatives to Improve Corporate Value

Continue its efforts to improve P/B ratio, with a focus on securing a high RORA, and take on the challenge of implementing specific measures for the next Medium-term Management Plan

Initiatives to improve P/B ratio



Enhance interest income and service income with RORA in mind

Make strategic investment in human capital and DX while reducing cross-shareholdings

Actively disclose information and enhance dialogue with markets and shareholders

Increase shareholder returns more than ever toward the next Medium-term Management Plan, while maintaining its basic policy of long-term, stable dividends

Approach to shareholder returns

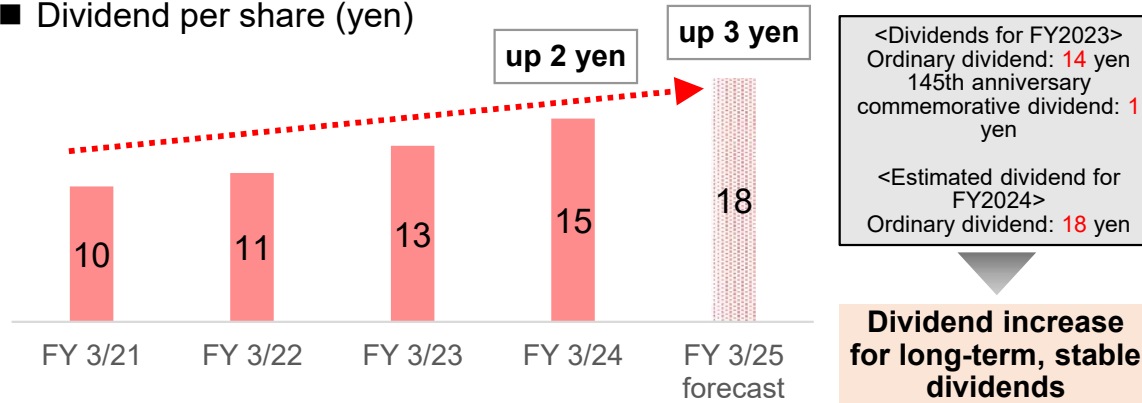
Long-term, stable dividends

The Bank returns profits to shareholders based on the principle of long-term, stable dividends, while taking care to increase internal reserves to ensure a solid management foundation

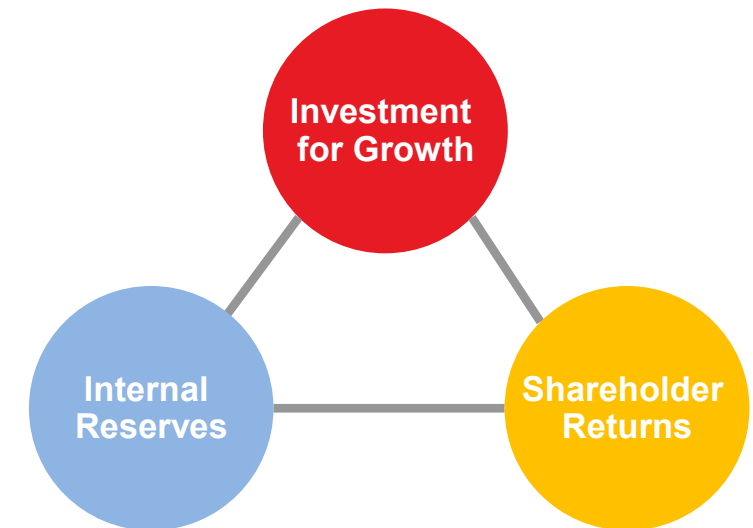
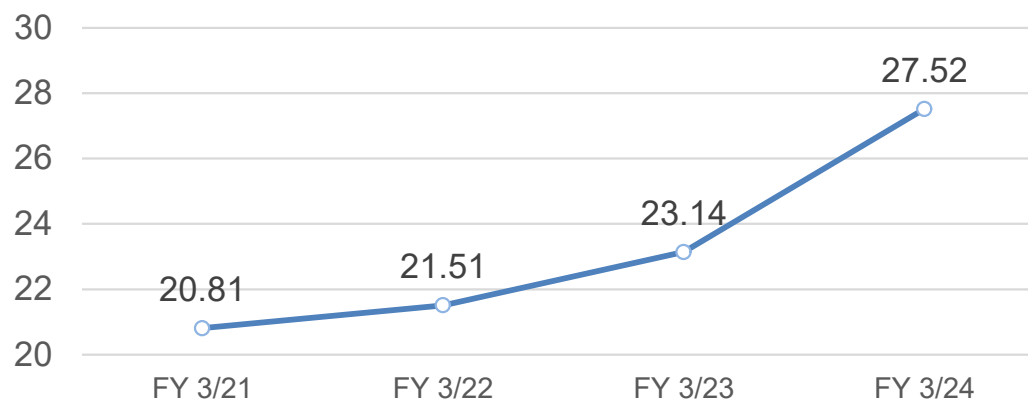
Medium- to long-term enhancement of corporate value

The Bank aims to enhance its corporate value over the medium to long term by striking an appropriate balance between “investment for growth,” “internal reserves,” and “shareholder returns,” while giving due consideration to the Bank’s performance in the fiscal year under review and future business development

■ Dividend per share (yen)



■ Dividend payout ratio (%)

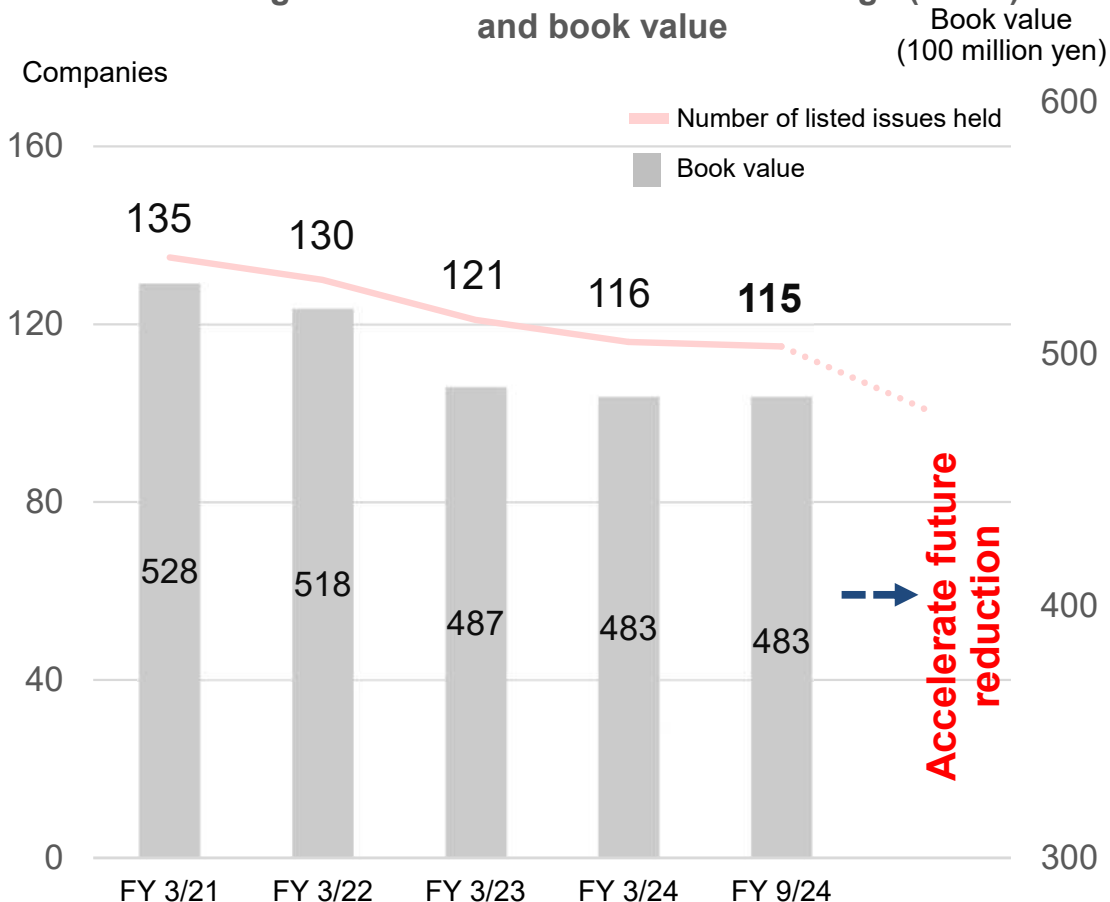


- ✓ Aim to achieve a payout ratio of 30% over the long term, and accelerate dividend increases to achieve this goal as quickly as possible
- ✓ Treasury stock will be flexibly repurchased based on market conditions, etc. including stock prices

Review cross-shareholdings from the viewpoint of significance of holding and economic rationality

Policy for reducing cross-shareholdings

Changes in number of cross-shareholdings (listed) and book value



* Excluding foreign stocks

Accelerate the use of proceeds from the sale of cross-shareholdings in strategic investments such as **human capital** and **DX**

Number of issues held and book value

Listed stock 135 companies (2021/3) ⇒ 115 companies (2024/9)

Book value 52.8 billion yen (2021/3) ⇒ 48.3 billion yen (2024/9)

Listed stocks have **declined by 20 companies** in the last 3 years

Book value **decreased by 4.5 billion yen** in the last 3 years

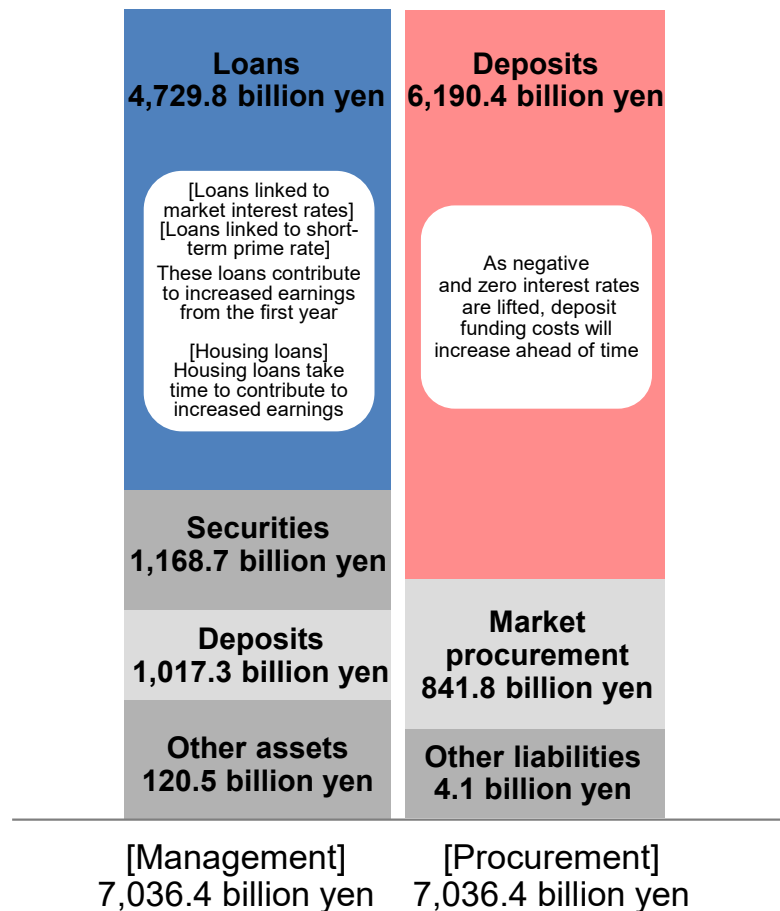
- ✓ With regard to cross-shareholdings, the basic policy is to **determine the significance of holding and whether it will help to improve corporate value**, and to **reduce cross-shareholdings through continuous dialogue** with investees
- ✓ As more and more investees tend to agree to the Bank selling their shares, the Bank intends to **continue to manage their shares as cross-shareholdings**, provided that the Bank still has banking and other transactions with those investees who have agreed to do so
- ✓ When selling such cross-holding shares, the order of sale will be determined from the **perspective of investment efficiency**

Appendix

In the short term, deposit funding costs will increase first, but in the long term, interest income is expected to increase due to rising interest rates on loans

Yen balance sheet (Bank's non-consolidated basis)

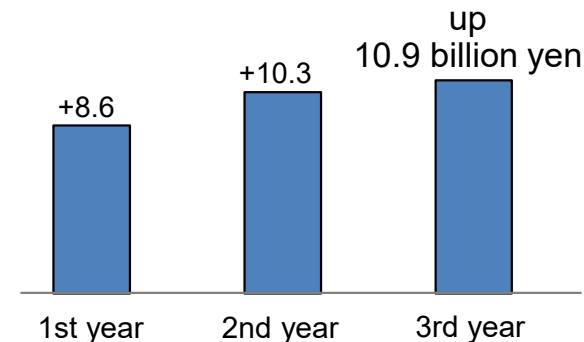
■ Summary of yen balance sheet (as of September 30, 2024)



Impact of a 0.50% increase in yen interest rates on interest income (annual)

■ Impact simulation

* Calculated based on the Bank's own simulation

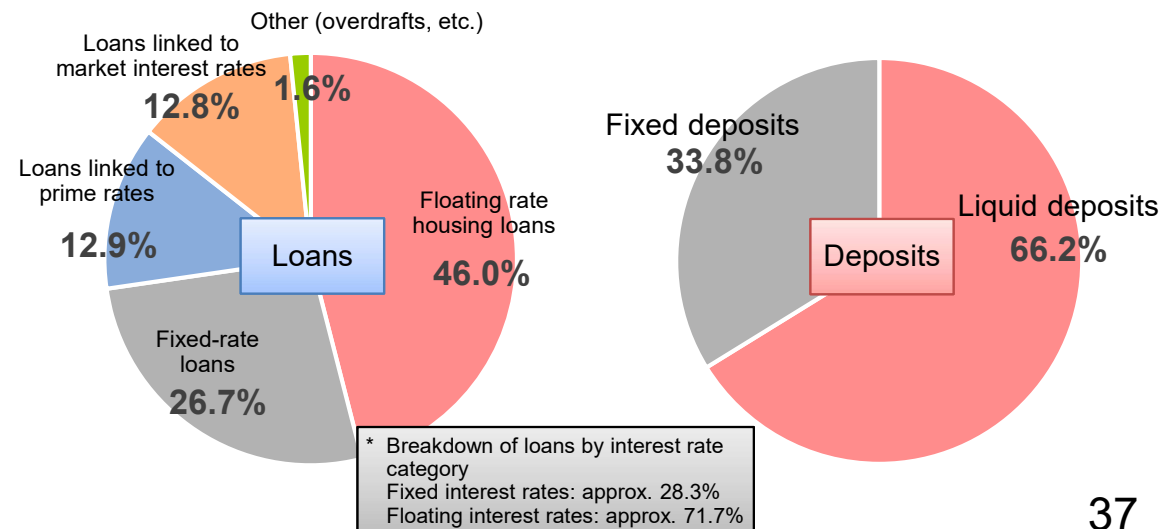


* Interest rate assumptions

[Policy rate and market interest rate]

- Parallel shift of **a flat rate of 0.50%**
- Rates will rise immediately in the first year and then remain unchanged

Composition of loans and deposits



Deposits (ending balance)

(Million yen)

	end of 3/21	end of 3/22	end of 3/23	end of 3/24	end of 9/24
Corporate deposits	1,140,057	1,148,376	1,172,626	1,269,046	1,265,548
JPY liquid	812,544	827,444	851,893	890,169	866,843
JPY time	321,973	315,830	313,082	373,903	393,188
Foreign currency	5,539	5,102	7,650	4,973	5,516
Individual deposits	4,086,211	4,244,558	4,318,085	4,375,943	4,389,097
JPY liquid	2,424,830	2,628,110	2,759,168	2,874,467	2,864,764
JPY time	1,643,569	1,602,595	1,549,352	1,493,236	1,517,025
Foreign currency	17,811	13,851	9,565	8,239	7,307
Public fund deposits	117,530	190,852	232,316	212,219	267,876
JPY liquid	85,817	156,486	204,216	183,537	186,329
JPY time	31,713	34,365	28,099	28,681	81,547
Foreign currency	0	0	0	0	0
Other	44,176	65,728	56,550	41,857	36,795
Total deposits	5,387,976	5,649,515	5,779,579	5,899,067	5,959,317
Deposits in Mie Prefecture*	4,874,667	5,122,798	5,242,287	5,285,922	5,321,521
Deposits outside Mie Prefecture	513,308	526,717	537,291	613,144	637,796
Tokyo, Osaka	13,513	13,081	13,035	31,934	50,674
Aichi	499,794	513,635	524,256	581,209	587,121
Negotiable certificates of deposit	154,505	171,666	149,858	177,288	196,554

Loans (ending balance)

(Million yen)

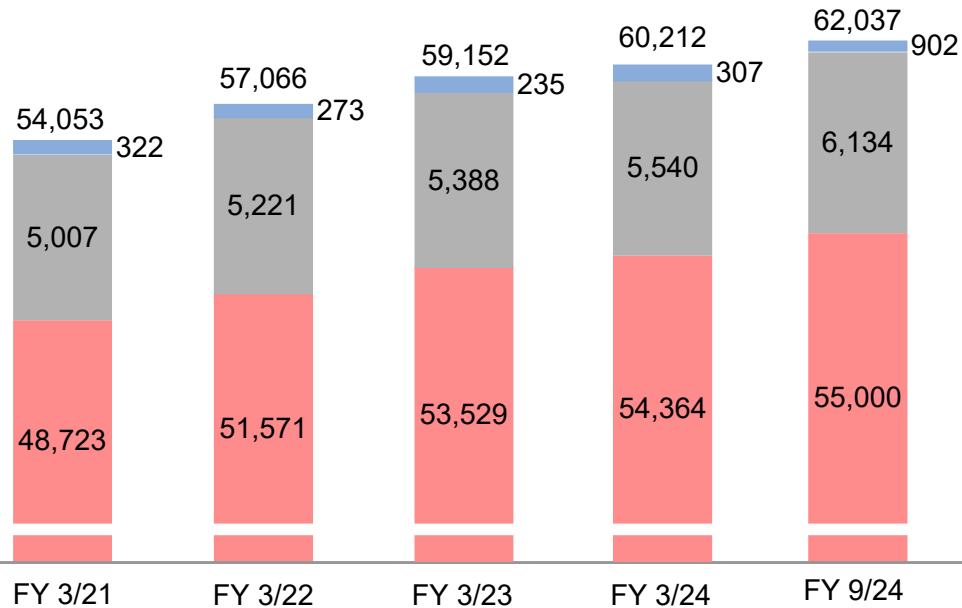
	end of 3/21	end of 3/22	end of 3/23	end of 3/24	end of 9/24
Corporate sector	2,211,389	2,230,098	2,361,962	2,453,861	2,411,222
Large companies	764,085	741,121	777,801	806,934	779,666
Medium-sized companies	72,632	70,012	67,575	74,849	71,031
Small and medium-sized companies	1,374,671	1,418,965	1,516,584	1,572,077	1,560,525
Individual sector	1,581,166	1,806,575	2,026,234	2,291,793	2,393,319
Public corporations	195,812	187,096	182,989	165,259	153,421
Total loans	3,988,368	4,223,771	4,571,185	4,910,914	4,957,963
Consumer loans	1,568,347	1,793,865	2,014,300	2,281,352	2,382,991
Housing loans	1,519,349	1,744,239	1,963,438	2,226,755	2,327,654
Other loans	48,998	49,626	50,862	54,597	55,337
Loans in Mie Prefecture*	1,827,164	1,883,944	1,959,791	2,010,620	2,013,128
Loans outside Mie Prefecture	2,161,204	2,339,826	2,611,394	2,900,294	2,944,835
Tokyo, Osaka	765,891	763,513	805,503	855,963	827,764
Aichi	1,395,312	1,576,313	1,805,890	2,044,330	2,117,071

* Deposits and loans in Mie include those in Shingu.

Deposits (including negotiable certificates of deposit), Depository Assets

Total deposits (average balance) (100 million yen)

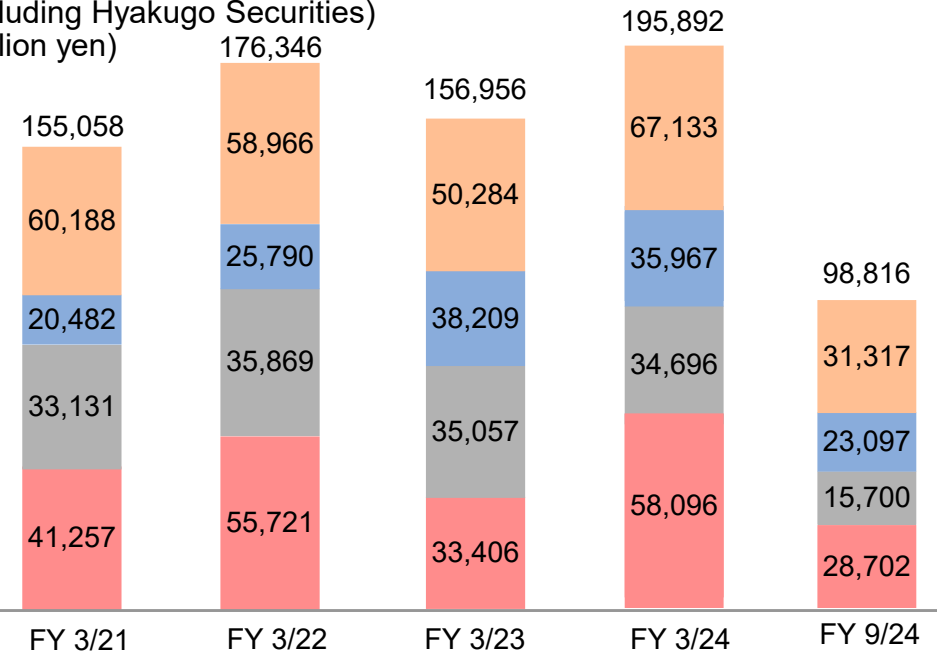
Mie Prefecture Aichi Prefecture Tokyo, Osaka



Depository assets, amount of contracts acquired

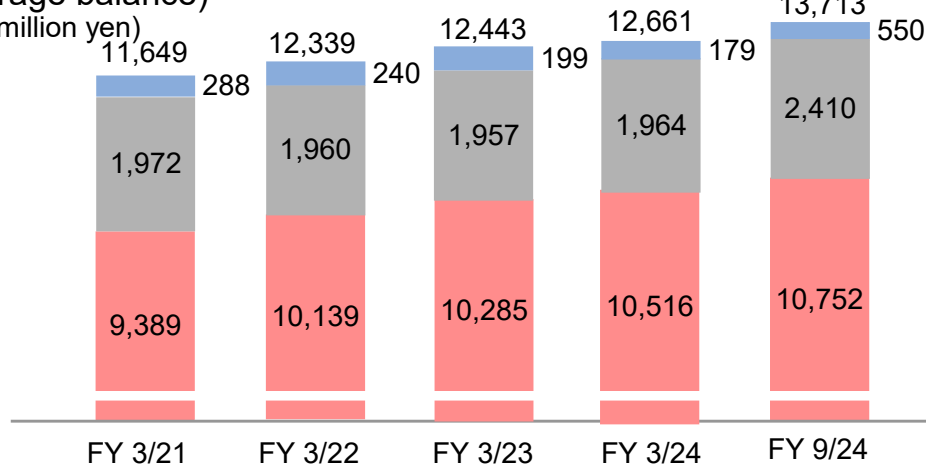
(including Hyakugo Securities)
(million yen)

Hyakugo Securities (after excluding the Bank's brokerage)
Insurance
Financial instrument brokerage
Investment trusts



Corporate deposits (average balance) (100 million yen)

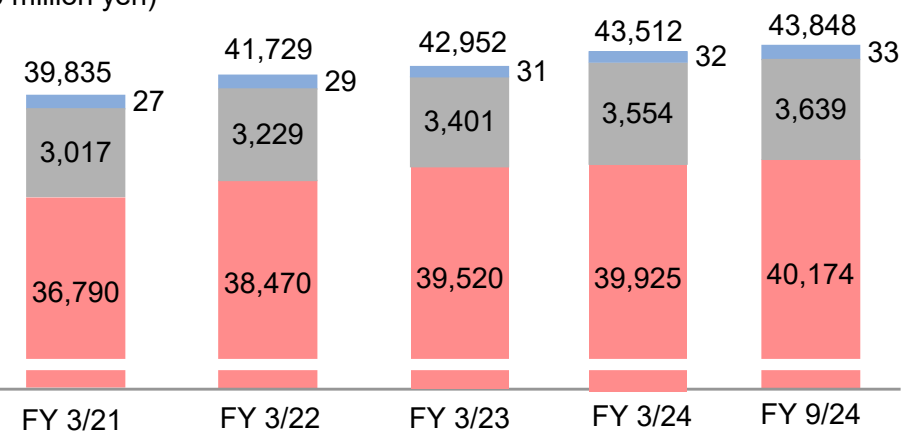
Mie Prefecture Aichi Prefecture Tokyo, Osaka



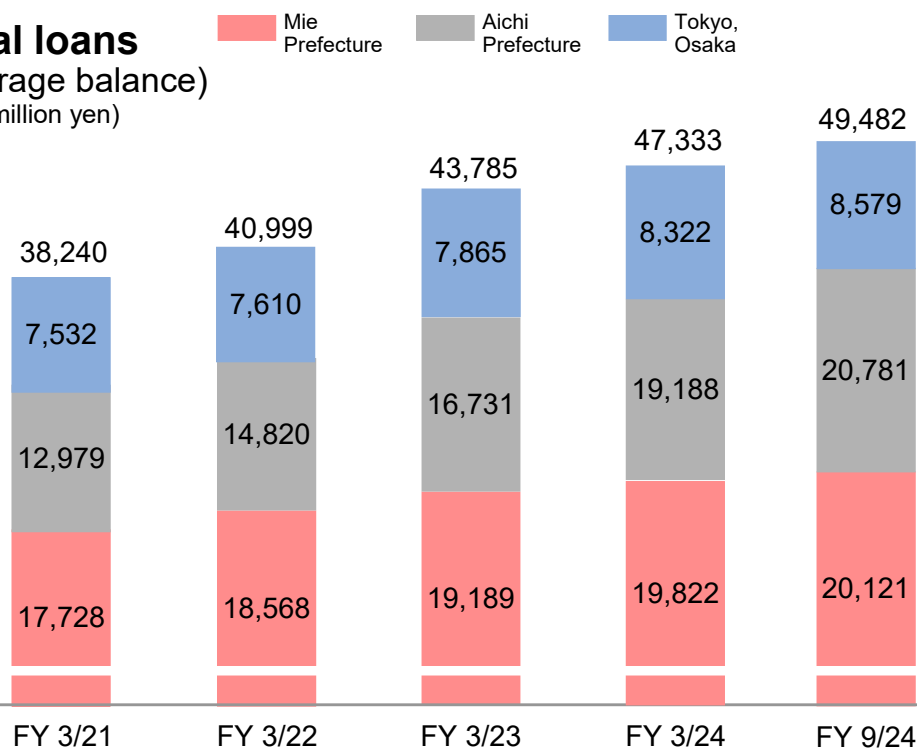
Individual deposits

(average balance)
(100 million yen)

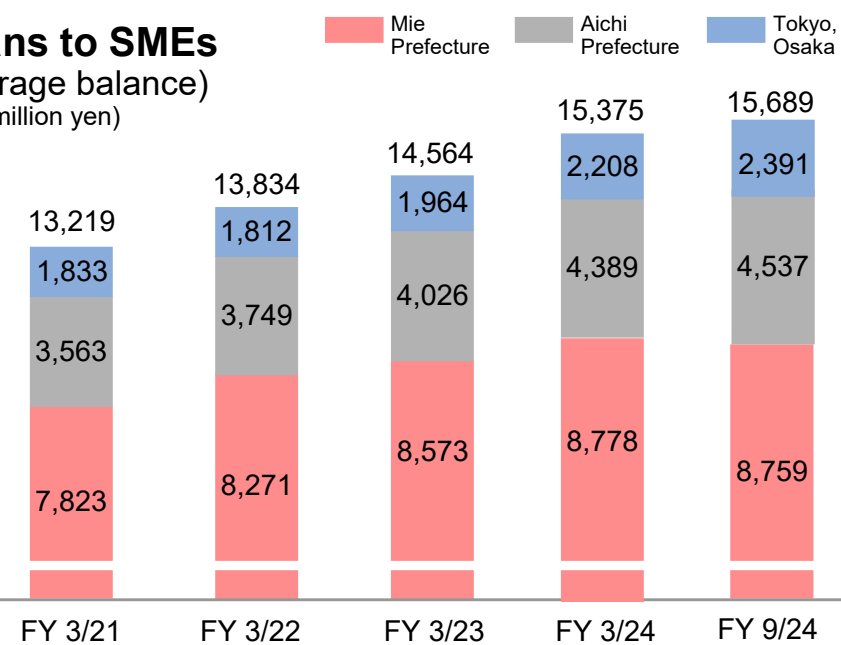
Mie Prefecture Aichi Prefecture Tokyo, Osaka



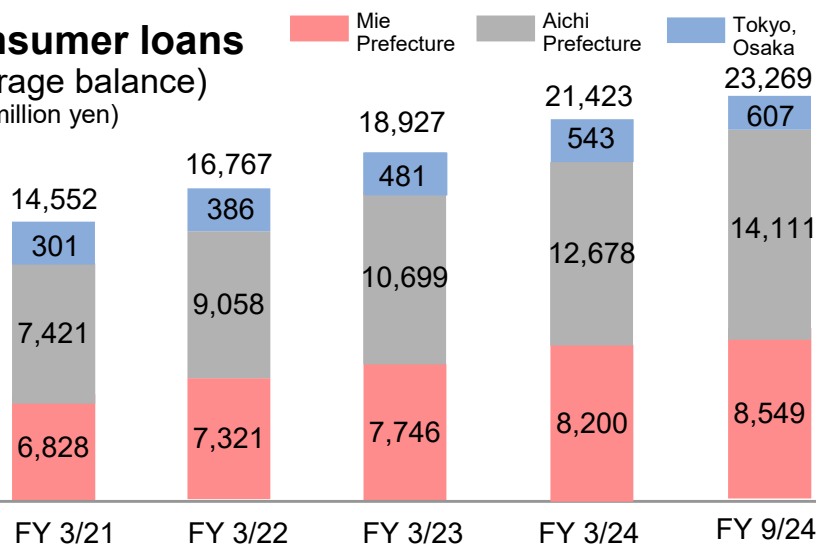
Total loans
(average balance)
(100 million yen)



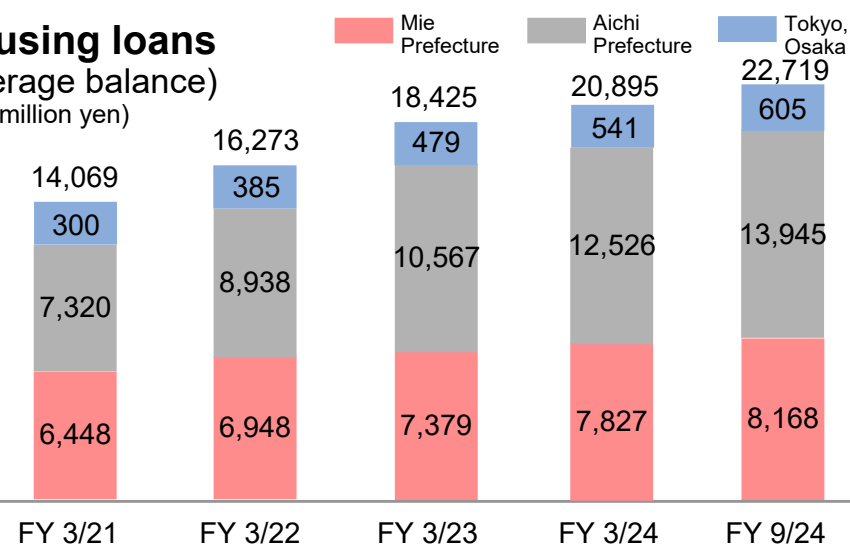
Loans to SMEs
(average balance)
(100 million yen)



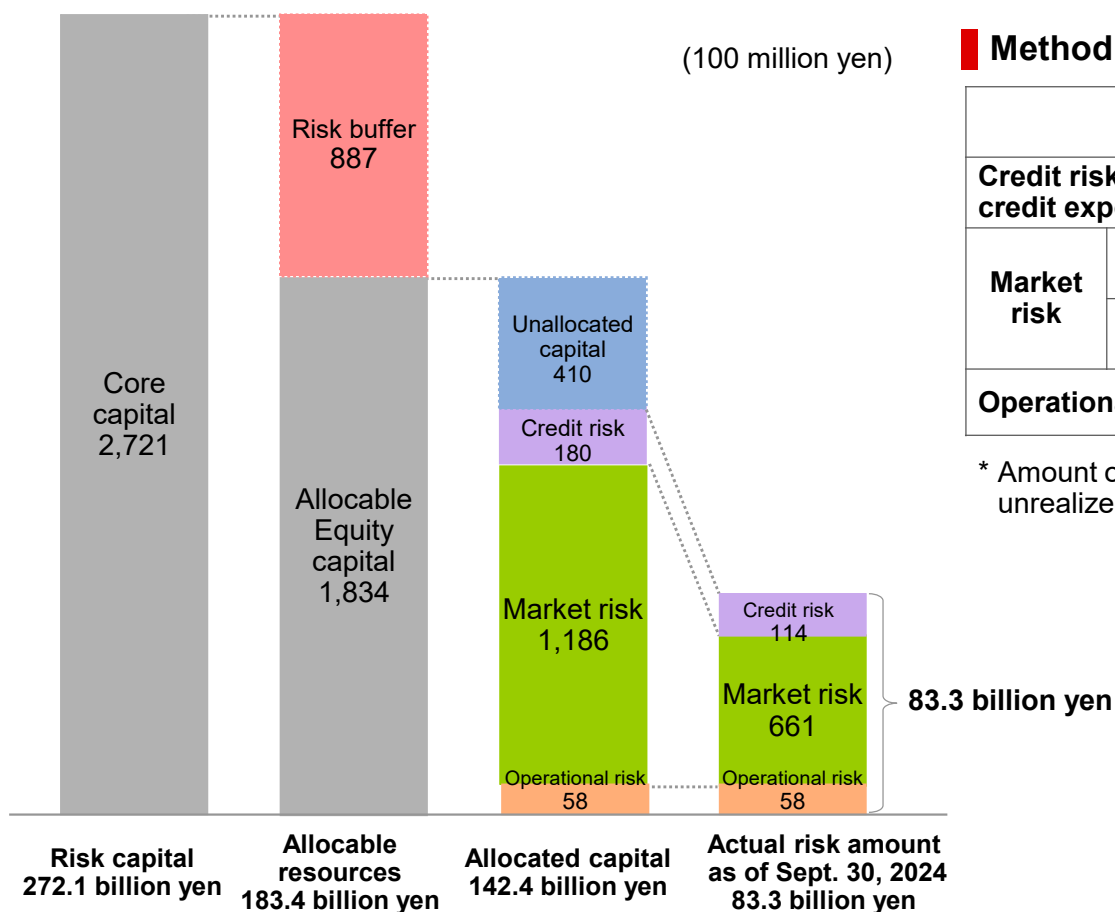
Consumer loans
(average balance)
(100 million yen)



Housing loans
(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 272.1 billion yen and allocable capital of 183.4 billion yen, actual amount of risk is 83.3 billion yen.



Method of measuring risk

		Method of measurement	Confidence interval	Holding period
Credit risk (including market-related credit exposure)		VaR	99 %	1 year
Market risk	Cross-shareholdings	VaR*	99 %	6 months
	Investment rates, portfolio investment, investment trusts	VaR	99 %	3 months
Operational risk		Standard approach		

* 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 Non-performing Loans by Disclosure Standard and Coverage

Non-performing 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				Classification	Credit outstanding	Amount covered by collateral and guarantee	Reserve for possible loan losses	Coverage ratio
		Non-categorized	Category II	Category III	Category IV					
Failure	8 <3>	7	1	- (1)	- (5)	Bankrupt and quasi-bankrupt assets	133 <64>	54	78	100.00%
Substantial failure	125 <61>	108	16	- (8)	- (63)					
Possible failure	432	266	70	95 (98)		Doubtful assets	432	237	98	77.83%
Watch list	Under control	141	32	108		Substandard loans	99 Debts past due by three months or more 3 Restructured loans 95	36	10	46.67%
	Others	943	419	523		Sub-total	664 <596>	328	187	77.63%
Normal	48,433	48,433				Normal assets	49,418	Ratio of loans disclosed under the Financial Reconstruction Act (subtotal) over total credit exposure: 1.32%		
Total	50,083 <50,014>	49,267	720	95 (108)	- (68)	Total	50,083 <50,014>	Reference Ratio of loans disclosed under the Financial Reconstruction Act over total credit exposure if partial direct write-offs were carried out: 1.19%		

(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 "Non-performing 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 are shown in angled brackets.

Trends of loans disclosed under the Financial Reconstruction Act

(100 million yen)

	end of 3/21	end of 3/22	end of 3/23	end of 3/24	end of 9/24	Year-on-year
Bankrupt and quasi-bankrupt assets	87	91	73	100	133	33
Doubtful assets	419	456	493	493	432	(60)
Substandard loans	90	103	79	80	99	19
Total	598	651	646	673	664	(8)
Non-performing loans ratio	1.48%	1.52%	1.39%	1.35%	1.32%	(0.03)P

Upper: Number of debtors / Lower: Credit exposure

(Million yen)

			Debtor Classification as of September 30, 2024								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.			
Credit by borrower category as of March 31, 2024	Normal	203,129	186,281	388	25	54	124	2	16,255	2	0.09%	-	593
		4,771,586	4,490,000	14,793	1,974	764	1,262	24	262,767	27	0.04%	-	18,818
	Other under close observation	2,104	255	1,584	4	58	20	-	183	-	3.71%	255	82
		94,231	7,951	75,934	2,504	2,106	427	-	5,306	-	2.69%	7,951	5,038
	Under control	173	4	9	141	6	5	-	8	-	6.36%	13	11
		12,189	652	585	8,906	852	238	-	955	-	8.95%	1,237	1,090
	Possible failure	1,054	7	29	5	893	43	3	74	6		41	46
		49,285	106	1,133	630	39,250	5,105	313	2,746	123		1,870	5,418
	Substantial failure	524	3	1	-	2	352	10	156	17		6	10
		9,180	1	16	-	45	5,439	275	3,402	1,362		63	275
	Failure	27	-	3	-	2	1	15	6	4		6	-
		840	-	53	-	57	16	210	501	383		128	-
	Total	207,011	186,550	2,014	175	1,015	545	30	16,682	29		321	742
		4,937,314	4,498,712	92,515	14,015	43,077	12,490	824	275,678	1,897		11,251	30,643

Units: no. of borrowers

	2H 2018	1H 2019	2H 2019	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024
Eligible for Head Office support	53	62	58	64	64	60	71	84	85	78	77	78
Eligible for branch support	259	202	217	212	205	196	205	216	219	216	216	212
Number of instances of upgrading	25	22	18	15	10	20	11	18	15	16	11	22
Number of instances of downgrading	15	14	15	7	15	12	23	31	14	12	13	21
Change in loans of branches eligible for support	100 million yen	300 million yen	2.1 billion yen	60 million yen	900 million yen	1.3 billion yen	3.3 billion yen	1.0 billion yen	1.1 billion yen	(900) million yen	2.6 billion yen	1.3 billion yen

Compliance of Hyakugo Credit Policy (September 30, 2024)

(100 million yen)

Classification	Content	Limit	Compliance	
Loans for individuals engaging in housing leasing business	7% or less of total loans	3,470	1,981	4.00%
Loans for other real estate industry	7% or less of total loans	3,470	2,716	5.48%
Loans for non-banks	10% or less of total loans	4,957	1,846	3.72%
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	9,915	4,881	9.85%
Loan balance per borrower	Credit for a borrower should be 10% or less of the Bank's equity capital	272	220	8.08%
Loan balance per corporate group	Credit per corporate group should be 25% or less of the Bank's equity capital	680	421	15.49%

Changes in loans by industry

(100 million yen)

Industry	end of 3/21	end of 3/22	end of 3/23	end of 3/24	end of 9/24	Share by industry
Manufacturing	4,035	4,056	4,210	4,187	4,034	8.13%
of which, transportation equipment manufacturing	849	851	877	842	825	1.66%
Agriculture, Forestry, Fishery, Mining, Quarrying and Gravel Quarrying	241	218	235	241	211	0.42%
Construction	1,388	1,418	1,605	1,550	1,525	3.07%
Utilities	1,047	1,176	1,302	1,404	1,373	2.77%
Telecommunication	149	135	130	118	111	0.22%
Transport and Post	1,374	1,354	1,398	1,484	1,434	2.89%
Wholesale and Retail	3,028	2,899	3,149	3,090	2,926	5.90%
Finance and Insurance	3,138	2,979	3,112	3,416	3,273	6.60%
Real Estate and Rental	4,913	5,098	5,364	5,870	5,980	12.06%
of which, Real Estate	3,524	3,705	3,908	4,274	4,454	8.98%
Academic Research, Specialist and Technical Services	183	203	256	292	307	0.62%
Accommodation and Food and Beverage	397	379	361	345	327	0.66%
Lifestyle-related Services and Entertainment	308	294	302	258	258	0.52%
Education and Learning Support	83	91	96	90	93	0.18%
Medical and Social Welfare	1,406	1,517	1,600	1,674	1,695	3.41%
Other Services	463	508	554	572	596	1.20%
Local Governments	1,911	1,839	1,768	1,591	1,496	3.01%
Other	15,811	18,065	20,262	22,917	23,933	48.27%
Total by industry	39,883	42,237	45,711	49,109	49,579	100.00%

Deposits

Loans

■ Including megabanks

Megabank	Other	Shinkin	Bank A	Hyakugo Bank	Mie Prefecture	Hyakugo Bank	Bank A	Shinkin	Other	Megabank
9.1	9.1	11.2	24.6	46.0		40.1	28.2	11.0	16.1	4.6

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

(%) (as of end of March 2024)

■ Excluding megabanks

Other	Shinkin	Bank A	Hyakugo Bank	Mie Prefecture	Hyakugo Bank	Bank A	Shinkin	Other
9.9	12.4	27.1	50.6		42.0	29.5	11.6	16.9
18.5	24.1	16.2	41.2	Kuwana District	34.5	18.2	18.0	29.3
8.9	11.2	40.5	39.4	Yokkaichi District	32.3	38.3	12.4	17.0
8.0	5.6	38.5	47.9	Suzuka District	37.7	39.6	7.7	15.0
19.1	21.9	16.6	42.4	Iga District	36.5	15.4	23.2	24.9
7.3	6.4	17.5	68.8	Tsu District	59.9	25.4	4.3	10.4
6.0	14.8	30.1	49.1	Matsusaka District	41.7	32.0	13.6	12.7
9.8	6.0	19.3	64.9	Ise District	56.3	22.5	5.2	16.0
1.0	1.5	28.6	68.9	Toba Shima District	63.4	30.3	2.1	4.2
5.8	33.7	27.7	32.8	Kishu District	30.7	27.1	30.0	12.2

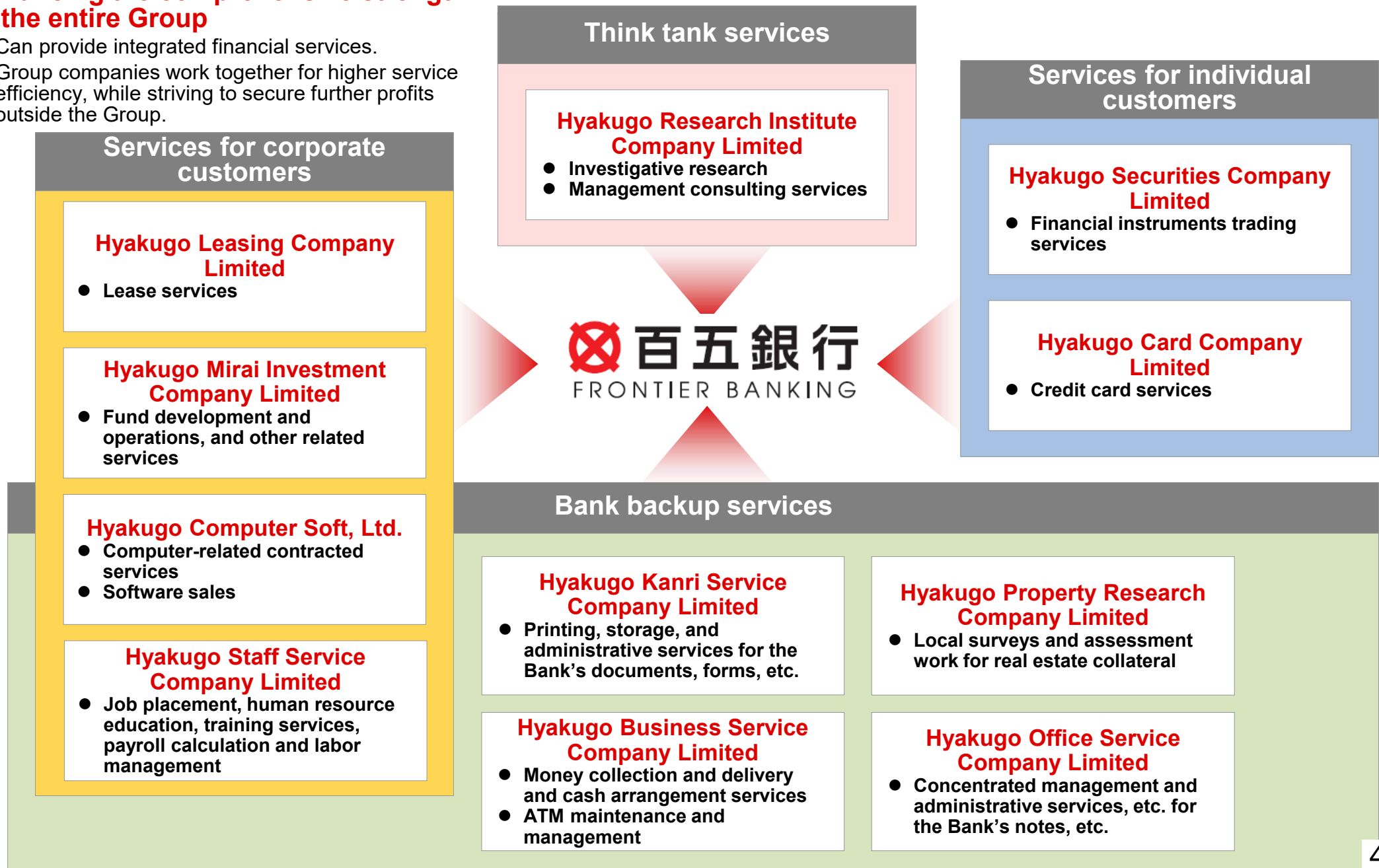
* Excludes megabanks, Agricultural Cooperative, Fisheries Cooperative, JP Bank, and Hyakugo Bank's Shingu Branch.

(%) (as of end of March 2024) 45

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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