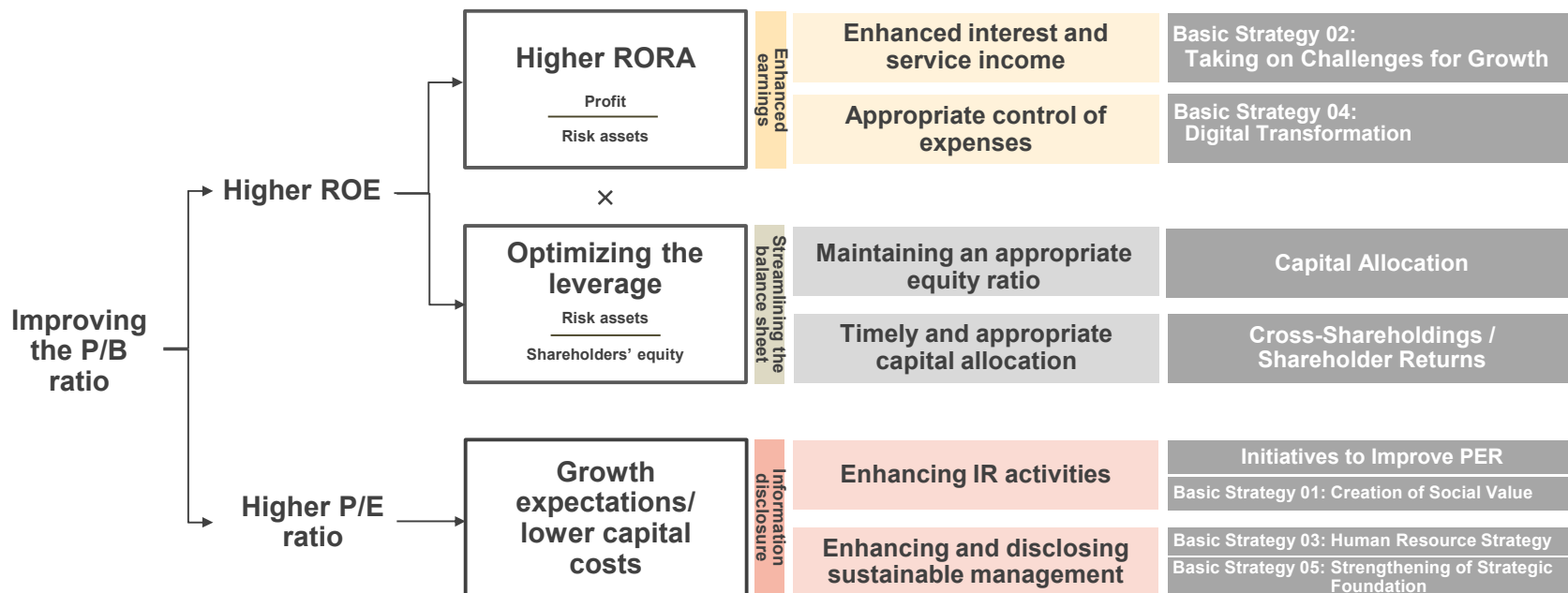


# Initiatives to Improve P/B Ratio

**Aim to enhance corporate value through the implementation of various initiatives set in the Medium-term Management Plan “Taking on Challenges for the Future”**

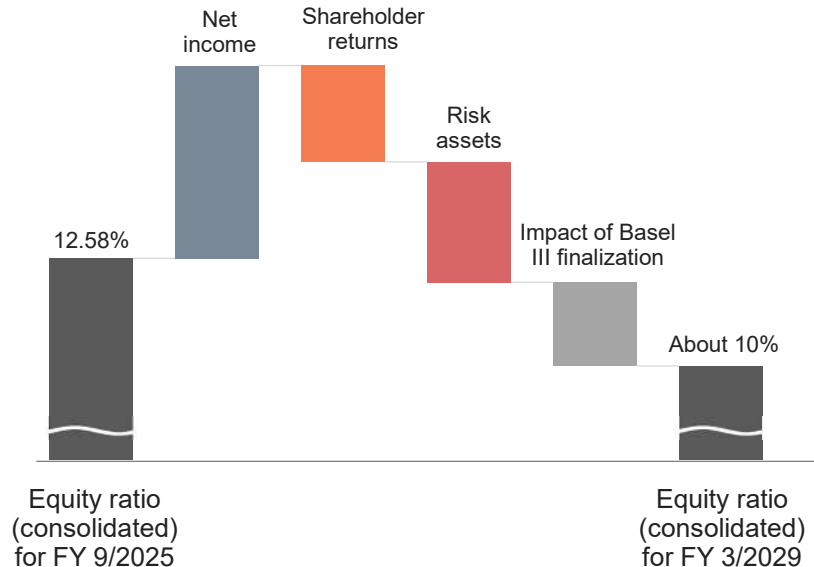
## Logic Tree for P/B ratio Improvement



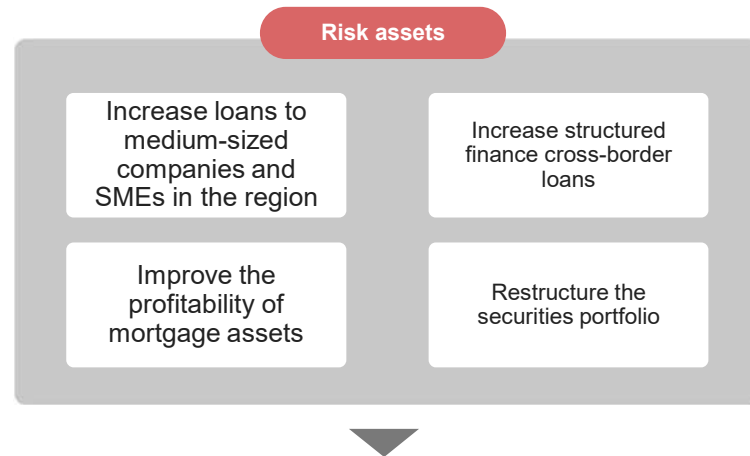
\* Number of IR/SR sessions held as of September 30, 2025: 17 (+8 YoY)

- Achieve “efficient asset allocation” in terms of both funding and capital to enhance profitability while maintaining soundness and making effective use of management resources

## Capital Allocation



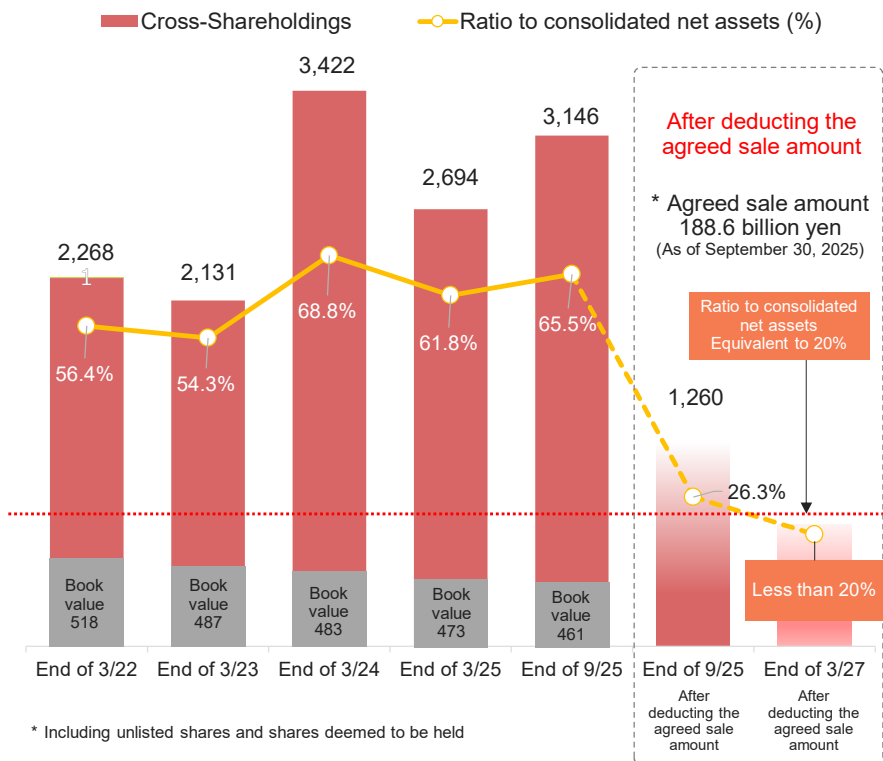
## <Maintaining an appropriate equity ratio>



**Achieve efficient asset allocation**

## Trends in the balance (market value) of cross-shareholdings and their ratio to net assets

(100 million yen)



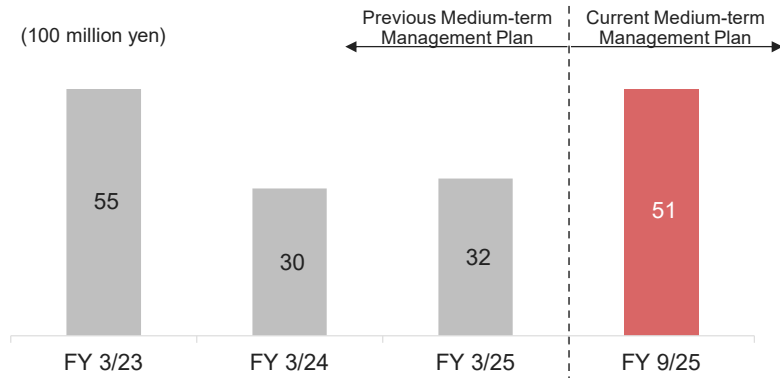
## Verification of the significance of ownership and economic rationality

- We verify the significance of ownership, including contributions to local development, business relationships, and economic rationality, for each listed and unlisted company (with a book value above a certain level) through individual dialogues with them.
- We review individual cross-shareholdings based on medium- to long-term economic rationality, including returns, risks, and capital cost criteria. The Board of Directors regularly assesses this rationality, considering the status of business relationships. For holdings deemed insignificant, we consider reviewing or divesting them.

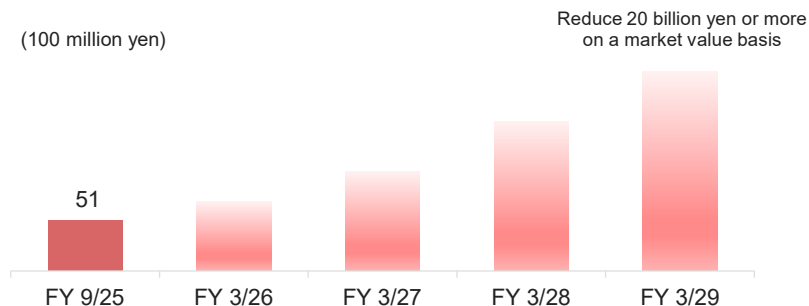
## Concept of reducing policy shareholdings

- If a sale agreement is in place, but banking transactions and other relationships continue with the counterparty, the shares will still be managed as cross-shareholdings.
- Having a sale agreement in place refers to a state in which the shares can be sold on the market at any time without requiring the issuer's consent for the sale.
- We aim to reduce cross-shareholdings (after deducting shares with agreed sales) to less than 20% of consolidated net assets by the end of the FY 3/2027.

## ■ Trends in the amount of cross-shareholdings sold since FY2022



## ■ Cumulative amount of cross-shareholdings sold since FY2025



## Status of Cross-shareholdings Reduction

- As announced in the Medium-term Management Plan, the Bank plans to reduce its cross-shareholdings by more than 20.0 billion yen on a market value basis over the four years through FY 3/2029.
- In 1H of FY2025, cross-shareholdings totaling 5.1 billion yen were sold.

- Allocate funds from share sales to strategic investments, aimed at enhancing corporate value.

[Strategic investment plans for the Medium-term Management Plan period]

DX investment: 7 billion yen

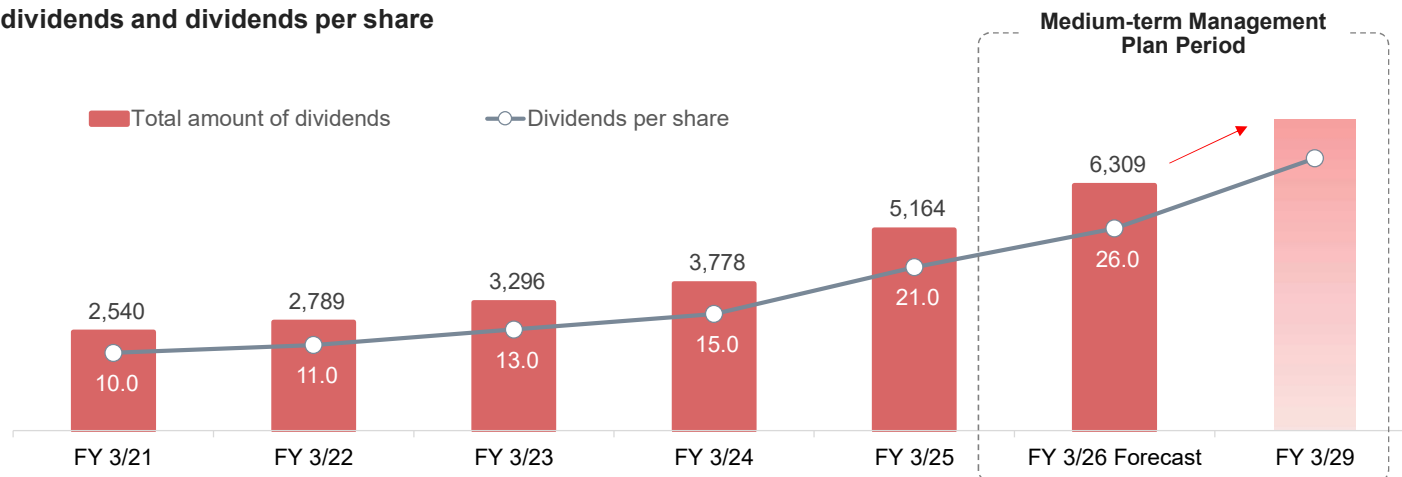
Human capital investments: 13 billion yen

- The sales gains of 4 billion yen for the first half of FY2025 will be strategically used to replace low-yielding bonds. By reinvesting in higher-yielding bonds, we expect to contribute to the improvement of interest income.

# Shareholder returns

While shareholder returns are based on long-term stable dividends, consider flexible treasury share repurchases targeting a dividend payout ratio of 40%

Trends in total dividends and dividends per share



Fiscal Period	FY 3/21	FY 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26 Forecast	FY 3/29 Plan (Final year of the Medium-term Management Plan)
Dividend payout ratio	19.6%	20.8%	22.7%	26.6%	28.8%	30.7%	40% or more
Total payout ratio	19.6%	22.0%	22.7%	43.0%	41.2%	42.8%	-
Total amount of treasury stock repurchased	-	160 million yen	-	2,365 million yen	2,260 million yen	2,499 million yen	-