

# Appendix

# Strengths of Our Sales Foundation

## Key Sales Foundation Data

	Survey Year	Mie Prefecture	National Ranking	Aichi Prefecture	National Ranking
Total population	2023	1,727 thousand people	22nd	7,477 thousand people	4th
Gross prefectoral product	2021	8,505.2 billion yen	19th	405,860	3rd
Percentage of working-age population	2023	57.9%	16th	61.9%	3rd
Per capita income of prefectoral residents	2021	3,111 thousand yen	14th	3,597 thousand yen	2nd
Shipments of products, etc.	2022	11,866.8 billion yen	9th	52,409.8 billion yen	1st
Average savings (households with two or more members)	2023	22.02 million yen	8th	23.41 million yen	5th

## Shipments of products by industry (Mie Prefecture)

Industry Subcategories	Composition Ratio	National Ranking
Transportation equipment manufacturing	23.0%	7th
Electronic components, devices, and electronic circuits manufacturing	16.0%	1st
Chemical industry	12.0%	10th
Electrical machinery and equipment manufacturing	7.5%	8th
Petroleum and coal products manufacturing	6.5%	8th
Non-ferrous metal manufacturing	4.6%	8th
Food manufacturing	4.6%	21st
General-purpose machinery manufacturing	3.8%	9th
Metal product manufacturing	3.7%	15th
Plastic product manufacturing (excluding those listed separately)	3.6%	13th
Industries classified as other than above	14.6%	

Both Mie and Aichi Prefectures are among the leading industrial regions in Japan

### Mie Prefecture

**Shipments of products, etc.**  
Fields of electronic components, devices, and electronic circuits  
**Ranked No. 1 in the nation for 19 consecutive years (As of FY2022 survey)**

### Aichi Prefecture

**Shipments of products, etc. Total**  
**Ranked No. 1 in the nation for 46 consecutive years (As of FY2022 survey)**

### Strengths of Mie Prefecture

- ✓ **Concentration of specialized technologies:** Factories for automotive parts, semiconductors, electronic components, etc., are concentrated
- ✓ **Geographical advantages:** Location with easy access to both the Chukyo and Kansai regions
- ✓ **International logistics hub:** In 2023, the total trade volume at Yokkaichi Port was 3.0888 trillion yen, ranking 9th nationwide
- ✓ **Abundant natural resources:** Rich tourism resources such as Ise-Shima National Park and the World Heritage "Kumano Kodo"
- ✓ **Economic prosperity:** Ranked 1st in the "Economic Prosperity Ranking" (2021, Ministry of Land, Infrastructure, Transport and Tourism)

### Strengths of Aichi Prefecture

- ✓ **Overwhelming economic scale:** A domestic top-class economic scale with a gross prefectoral product exceeding 40 trillion yen
- ✓ **Manufacturing cluster:** Automobile-related industries, centered on Toyota, are spread throughout the entire prefecture
- ✓ **Market size:** A vast consumer market with a population exceeding 7.4 million
- ✓ **International logistics hub:** Access to global markets via Nagoya Port (with a total trade volume of 22.6689 trillion yen in 2023, ranking 1st nationwide) and Chubu Centrair International Airport
- ✓ **Innovation:** Concentration of next-generation industries, including aerospace and robotics

Source: Statistics Bureau of Japan, Ministry of Internal Affairs and Communications: "Population Estimates" and "Family Income and Expenditure Survey" Cabinet Office: "Prefectural Economic Accounts" Ministry of Economy, Trade, and Industry: "Economic Structure Survey" Ministry of Land, Infrastructure, Transport and Tourism: "Economic Prosperity by Prefecture (Disposable Income and Basic Expenditure)" Ministry of Land, Infrastructure, Transport and Tourism: "Port Trade Volume Ranking (Top 100 Ports in 2023)"

# Corporate Governance Reinforcement

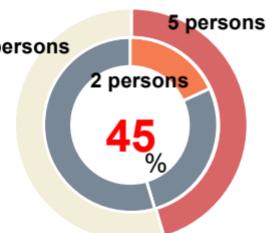
## ■ Reinforcement of the PDCA Cycle in Corporate Governance

Matters to Be Addressed	Descriptions and Responses
Clarification of departments in charge	Clarify the departments in charge of corporate governance (Corporate Planning Section and Secretariat), which have not been clearly identified to date, and establish the system to promote corporate governance.
Prompt information sharing	Strengthen the system which encourages sharing issues and other matters raised by the management with relevant departments and regularly reporting the status of responses to them to the management followed by responses to additional directions.
Further revitalization of discussions at Board of Directors meetings	Appropriately secure the time for deliberations, by securing the time for deliberations in accordance with the importance of matters submitted to Board meetings (simplification of matters reported, etc.), reviewing the timing of advanced disclosure of materials to Outside Directors, and enhancing pre-briefings to them.

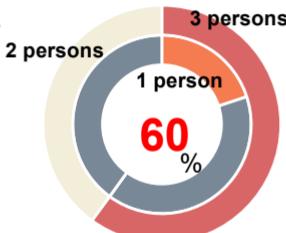
## ■ Ratio of outside officers \* As of September 30, 2025

Outside      Inside      Female      Male

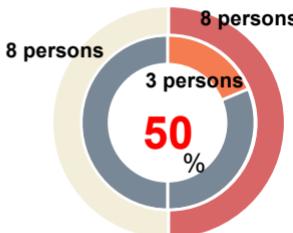
Ratio of outside directors



Ratio of outside corporate auditors



Ratio of outside officers

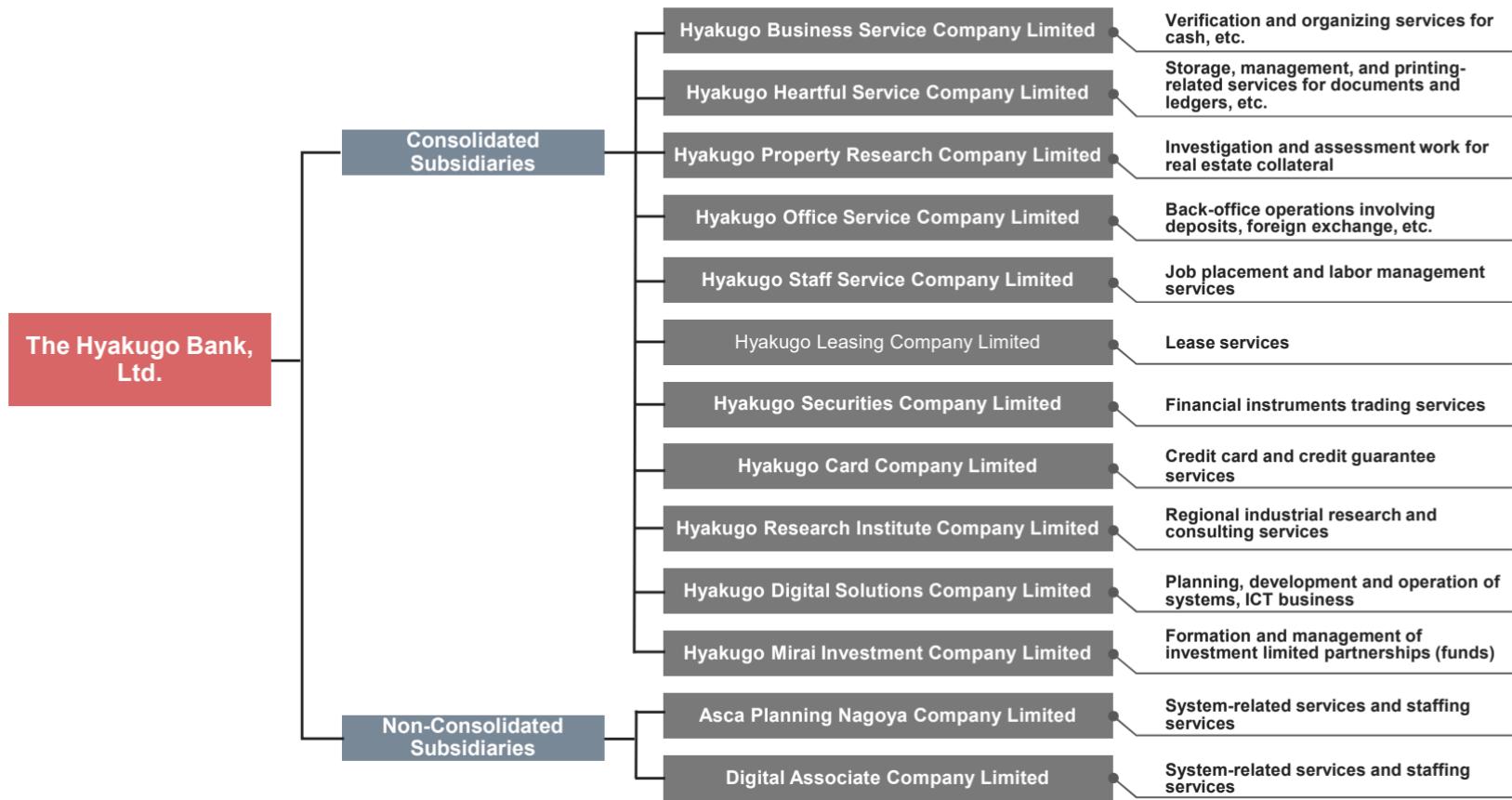


\*Eight outside officers are all “independent”

## Main matters discussed in Board of Directors meetings in FY2024 (16 meetings held)

- ✓ **Management plans**  
Medium-term Management Plan, consideration of new businesses, and FY2025 operational plans
- ✓ **Matters concerning sustainability**  
Sustainability management, Scope 1 & 2 emissions reduction plans
- ✓ **Matters concerning corporate governance**  
Evaluation of the effectiveness of the Board of Directors, review of cross-shareholdings, and formulation of divestment policy
- ✓ **Matters concerning cybersecurity**  
Establishment of Cybersecurity Administration Office and formulation of policy for cybersecurity
- ✓ **Matters concerning risk and compliance**  
Formulation of FY2025 compliance activity plans, amendment of the Hyakugo Bank Group risk assessment report regarding money laundering and other related crimes, formulation of operational policy for integrated risk management, and determination on the annual audit plan

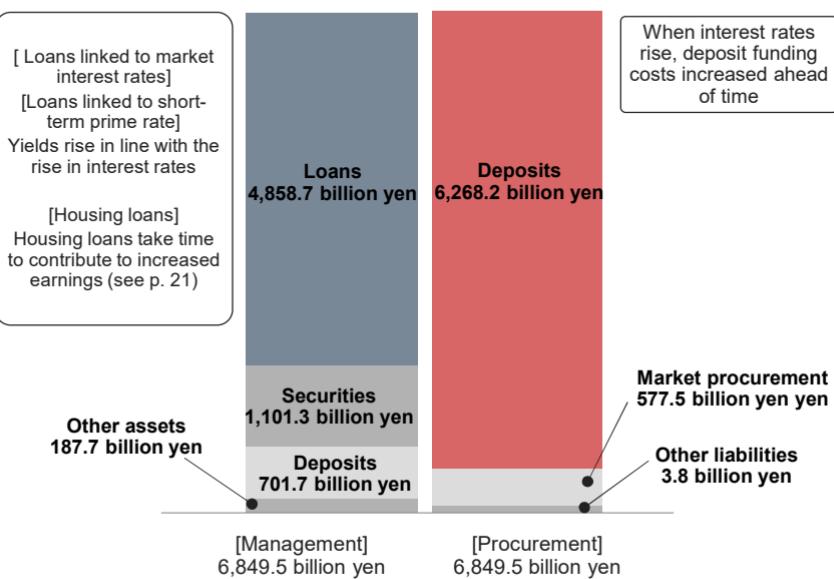
# Group Companies



# Impact of Rising Yen Interest Rates

## Balance Sheet (bank's non-consolidated basis)

### ■Summary of yen balance sheet (as of September 30, 2025)



## Impact of a 0.25% increase in yen interest rates on interest income

### ■Impact simulation

\* Policy rate assumption in the Medium-term Management Plan: 0.50% unchanged

<Reference> In the case of a 0.25% increase in yen interest rate in January 2026

Interest income impact amount for FY2025

**+0.3 billion yen**

Interest income impact amount for FY2026

**+4.8 billion yen**

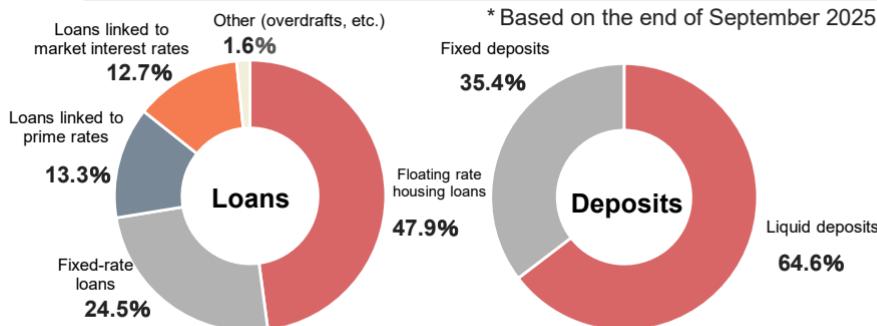
Interest income impact amount for FY2027

**+5.1 billion yen**

[Assumptions for impact amount estimation]

- 0.25% unchanged after yen interest rate rise
- Market interest rates: A uniform increase of 0.25% for both long-term and short-term rates
- Short-term prime rate: +0.25%
- Deposit rates: Increase based on market interest rates
- Deposit rates rise first, with a time lag until loan yields rise

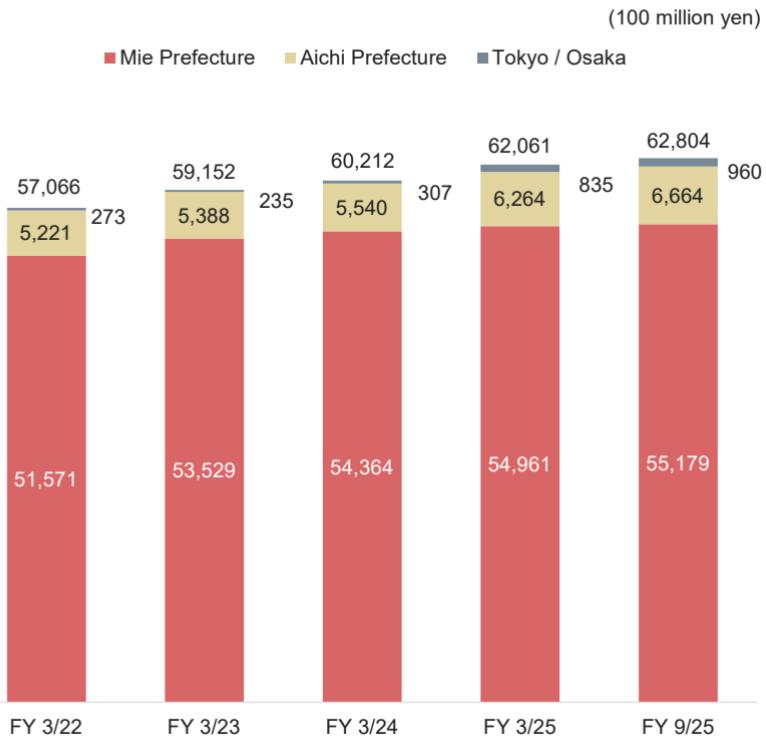
## Composition of loans and deposits



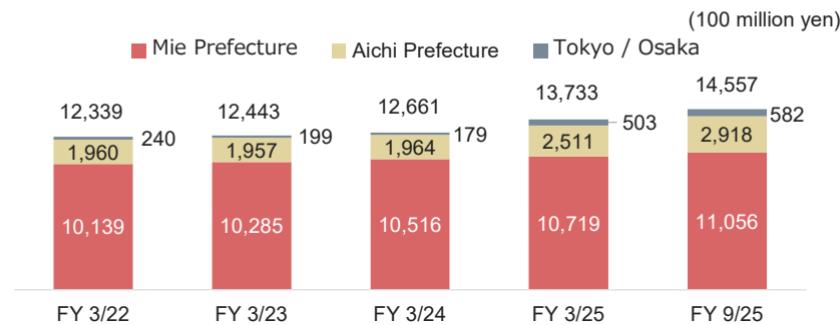
\* Breakdown of loans by interest rate category  
Fixed interest rates: approx. 26.1%  
Floating interest rates: approx. 73.9%

# Deposits (Non-Consolidated) \* Including negotiable certificates of deposit

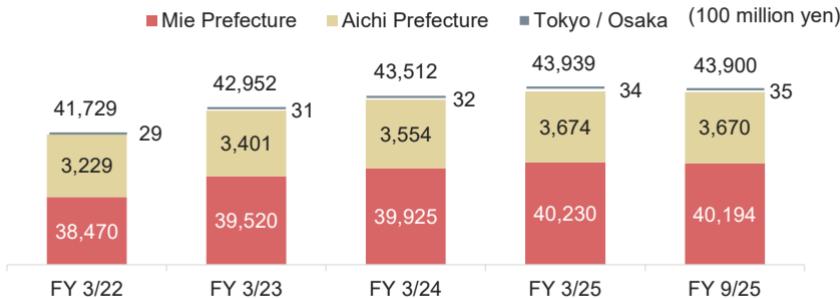
## Total deposits (average balance)



## Corporate deposits (average balance)



## Individual deposits (average balance)



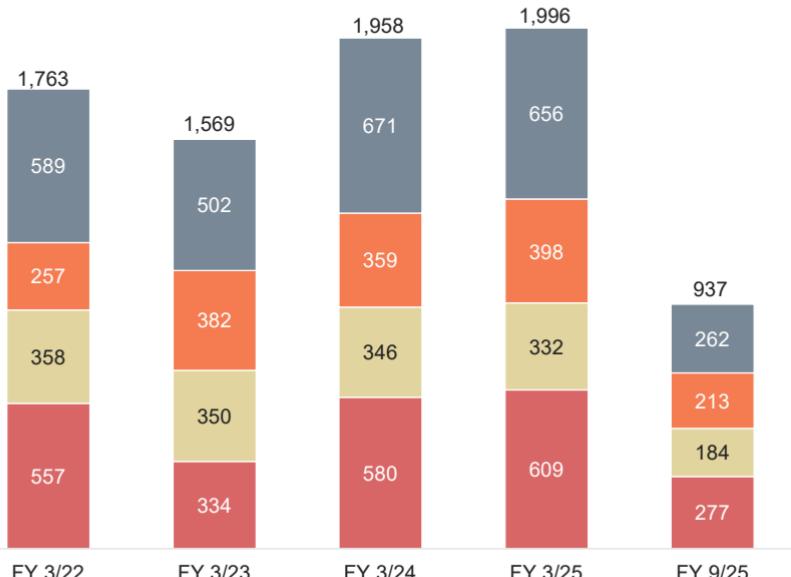
# Depository assets

## Contract amount of acquired depository assets (incl. Hyakugo Securities)

(100 million yen)

■ Investment trusts ■ Financial instrument brokerage ■ Insurance ■ Hyakugo Securities Company

\* Figures for Hyakugo Securities are after excluding the Bank's brokerage.



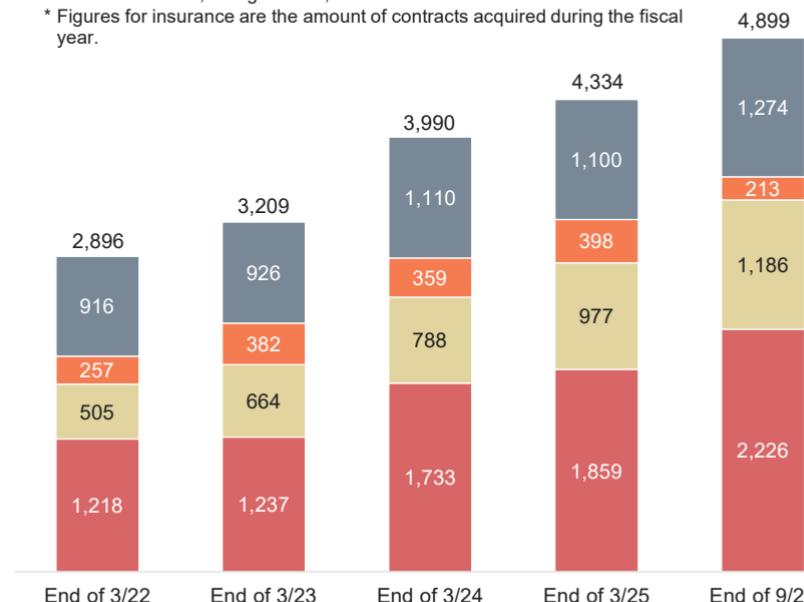
## Depository assets balance (incl. Hyakugo Securities)

(100 million yen)

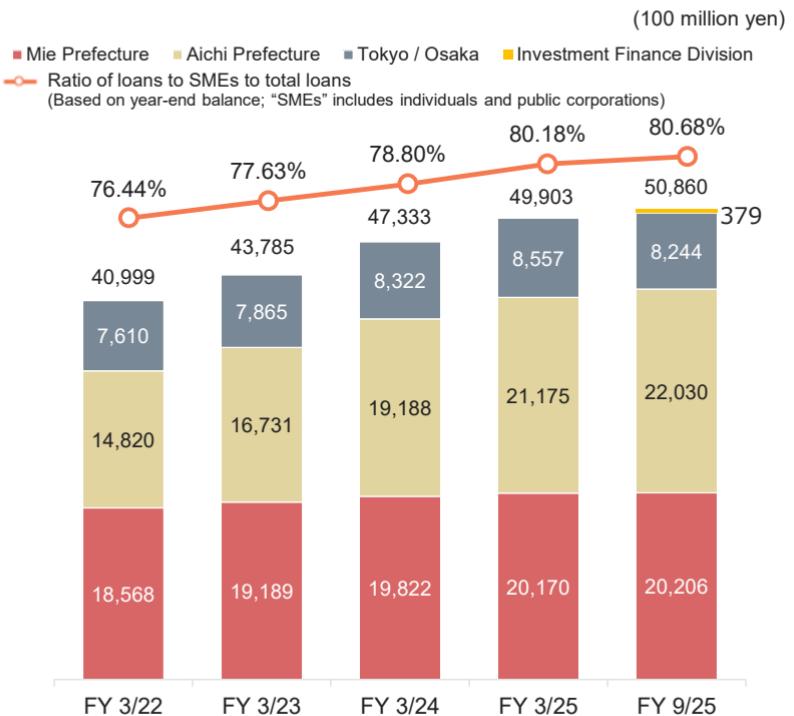
■ Investment trust balance ■ Securities brokerage ■ Insurance ■ Hyakugo Securities Company

\* Figures for Hyakugo Securities are the total of the ending balances of investment trusts, foreign bonds, and stocks.

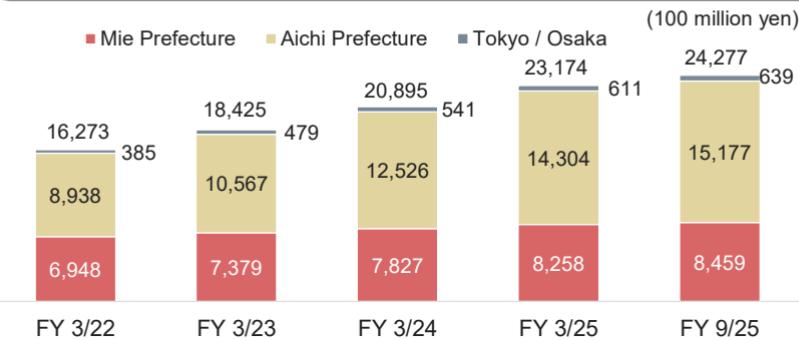
\* Figures for insurance are the amount of contracts acquired during the fiscal year.



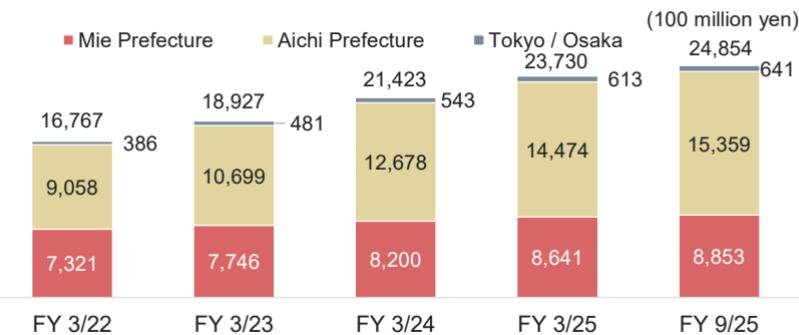
## Total loans (average balance)



## Housing loans (average balance)



## Consumer loans (average balance)

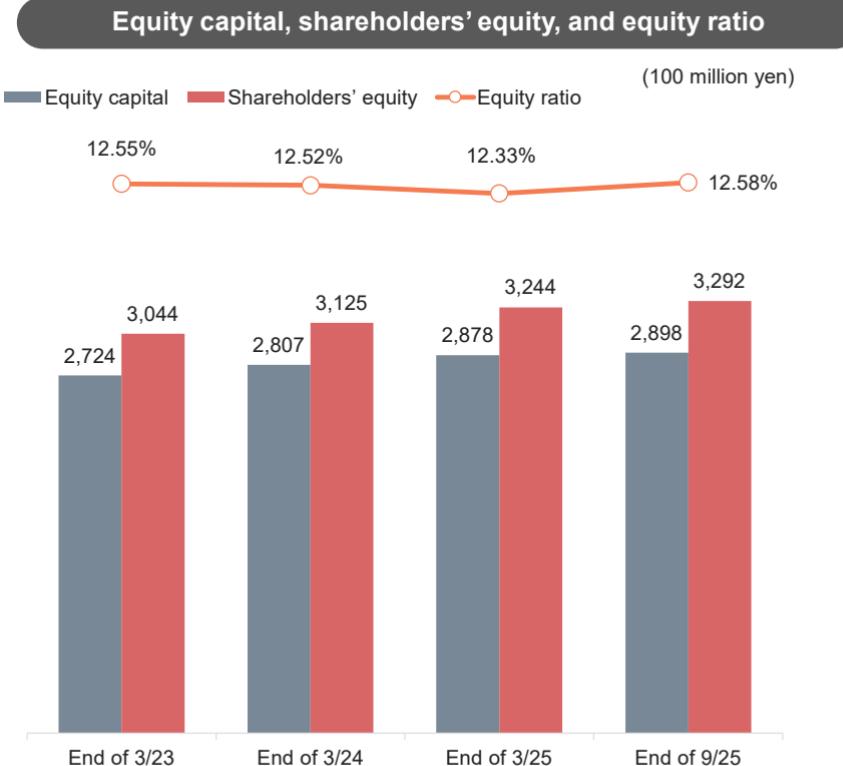


# Equity Ratio (Consolidated)

	(100 million yen)		
	End of 3/24	End of 3/25	End of 9/25
<b>Equity capital (For equity ratio calculation purposes)</b>	<b>2,807</b>	<b>2,878</b>	<b>2,898</b>
<b>Risk assets</b>	<b>22,414</b>	<b>23,344</b>	<b>23,029</b>
<b>Equity ratio</b>	<b>12.52%</b>	<b>12.33%</b>	<b>12.58%</b>
<b>Shareholders' equity</b>	<b>3,125</b>	<b>3,244</b>	<b>3,292</b>

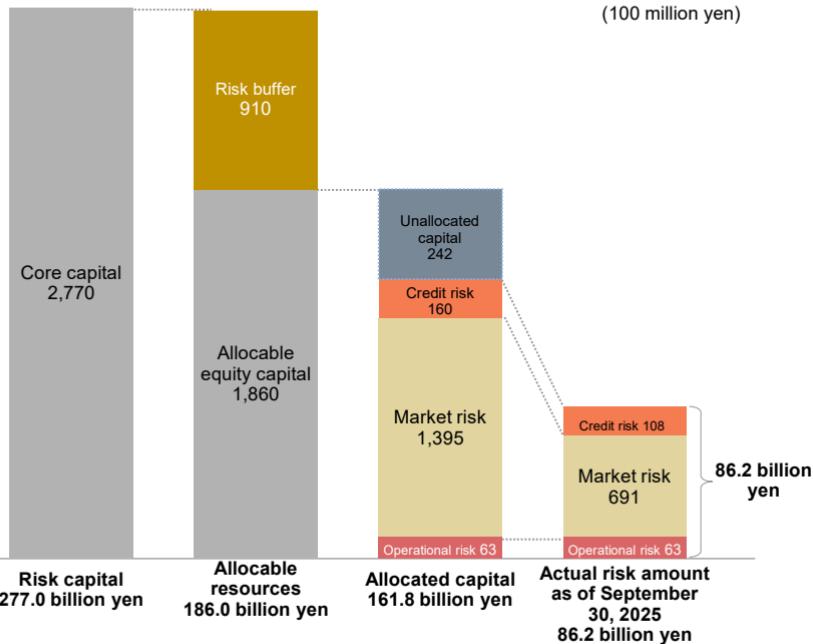
Method of computing value-at-credit-risk asset value: Approach based on fundamental internal ratings

Method of computing value-at-operational risk : Standard approach



# Integrated Risk Management

- Risk is kept within an appropriate range according to the Bank's operating capabilities based on integrated risk management
- Compared with core capital of 277.0 billion yen and allocable capital of 186.0 billion yen, actual amount of risk is 86.2 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)									
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	9 <5>	8	1	(1)	(4)	Bankrupt and quasi-bankrupt assets	103 <62>	53	50	100.00%					
Substantial failure	93 <57>	78	15	(7)	(36)										
Possible failure	468	280	76	111 (113)		Doubtful assets	468	243	113	76.10%					
Watch list	Under control	147	26	120											
Others	930	388	542												
Normal	49,765	49,765				Substandard loans	100 Debts past due by three months or more 0 Restructured loans 100	26	11	37.05%					
Total	51,415 <51,373>	50,547	755	111 (121)	(41)										
(100 million yen) * Amounts less than stated units are rounded down.						Sub-total	673 <631>	323	174	73.92%					
						Normal assets	50,742	Ratio of loans disclosed under the Financial Reconstruction Act (subtotal) over total credit exposure: 1.30%							
								Reference: Ratio of loans disclosed under the Financial Reconstruction Act over total credit exposure if partial direct write-offs were carried out: 1.22%							

\* 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 3/22	End of 3/23	End of 3/24	End of 3/25	End of 9/25	Vs. end of 3/25
Bankrupt and quasi-bankrupt assets	91	73	100	123	103	(19)
Doubtful assets	456	493	493	479	468	(10)
Substandard loans	103	79	80	77	100	23
Total	651	646	673	680	673	(7)
Non-performing loans ratio	1.52%	1.39%	1.35%	1.32%	1.30%	(0.02)P