Presentation for FY2025 Financial Results
Information meeting

June 2, 2026

百五銀行
FRONTIER BANKING

(Securities Code: 8368)

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百五銀行 FRONTIER BANKING

Summary

百五銀行 FRONTIER BANKING

FY 3/2026 Results / FY 3/2027 Financial Forecasts

- FY 3/2026 Results: Consolidated net income attributable to shareholders of the parent increased 48.8% year-on-year
- FY 3/2027 Forecasts: Both consolidated and non-consolidated profit are expected to increase, with record-high profit projected for the third consecutive fiscal year
- Annual dividend: +8 yen per share scheduled, marking the seventh consecutive year of dividend increases

Progress of the Medium-term Management Plan (Financial/Non-Financial Targets)

[Financial Targets]

- ROE in consolidated net assets was 5.63%, up 1.76 percentage points from 3.87% recorded in FY3/2025, with net income of 26.8 billion yen
  Sustainable finance: 1,226.3 billion yen (including 314.9 billion yen in environmental-related loans)
- Revised the financial targets of the Medium-term Management Plan
  FY3/2029 Targets　ROE in consolidated net assets: 5% or higher ⇒ 6% or higher (aiming for 8% or higher in the long term)
  Net income: 24.0 billion yen or more ⇒ 34.0 billion yen or more

[Non-Financial Targets]

- The cumulative number of customer management issues solved reached 485 cases. By strengthening consulting services, the Bank aims to resolve customer issues and enhance profitability.
- The cumulative number of local issue engagements was eight cases. The Bank actively engages in solving local issues by leveraging its proprietary network.
- Both deposit-related targets and human capital targets are on track.

Initiatives to Improve Corporate Value

- The Bank plans to reduce its cross-shareholdings by more than 20.0 billion yen on a market value basis over the four years of the Medium-term Management Plan period through FY 3/2029.
  In FY2025, cross-shareholdings totaling 18.9 billion were sold.
- Completed the sale of all shares held in the retirement benefit trust (deemed holdings), totaling 41.8 billion yen
- The Bank aims for “a dividend payout ratio of 40%” in the final year of the Medium-term Management Plan, while maintaining a basic policy of stable dividends of surplus over the long term.

Financial Highlights (Consolidated)

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Summary of FY 3/2026 Financial Results

(100 million yen)		FY 3/25	FY 3/26	YoY change
Gross operating income	(1)	672	648	(24)
Interest income		666	778	+112
Fees and commissions		144	134	(10)
Other operating income		(138)	(264)	(126)
Of which, gain and loss from government bonds and other bonds	(2)	(51)	(210)	(158)
Provision of general allowance for loan losses	(3)	3	2	(0)
Expenses	(4)	441	464	+22
Net operating income	(1) − (3) − (4)	227	181	(46)
Core net operating income	(1) − (2) − (4)	283	394	+111
Core net operating income (excluding gain and loss from cancellation of investment trusts)		280	379	+98
Non-recurring gain and loss		29	189	+159
Of which, disposal of bad debts		34	32	(2)
Gain and loss from stocks and other securities		34	208	+173
Ordinary income		257	370	+113
Extraordinary gain and loss		(2)	(1)	+0
Net income before income taxes		254	368	+114
Consolidated net income attributable to shareholders of the parent		180	268	+87

Credit costs	37	35	(2)

(100 million yen)	FY 3/25	FY 3/26	YoY change
Interest and dividend on securities	271	339	+67
Of which, gain and loss from cancellation of investment trusts	2	15	+13
Gain and loss from government bonds and other bonds	(51)	(210)	(158)
Of which, gain on sale and redemption	1	0	(1)
Of which, loss on sale and redemption, and amortization	53	211	+157
Gain and loss from stocks and other securities	34	208	+173
Of which, gain on sale	40	220	+180
Of which, loss on sale and amortization	5	12	+6

Consolidated net income attributable to shareholders of the parent **increased 48.8% year-on-year** due to an increase in interest income and gain and loss from stocks and other securities

[Major Factors Underlying Changes]

- An increase in interest on loans and securities contributed to higher interest income.
- The sale of low-yield bonds to improve the portfolio led to a decrease in gains and losses on government and other bonds.
- Progress in the sale of cross-shareholdings contributed to higher gain and loss from stocks and other securities.
- Consolidated net income attributable to shareholders of the parent reached a record high for the second consecutive fiscal year.

Interest Income (Non-Consolidated)

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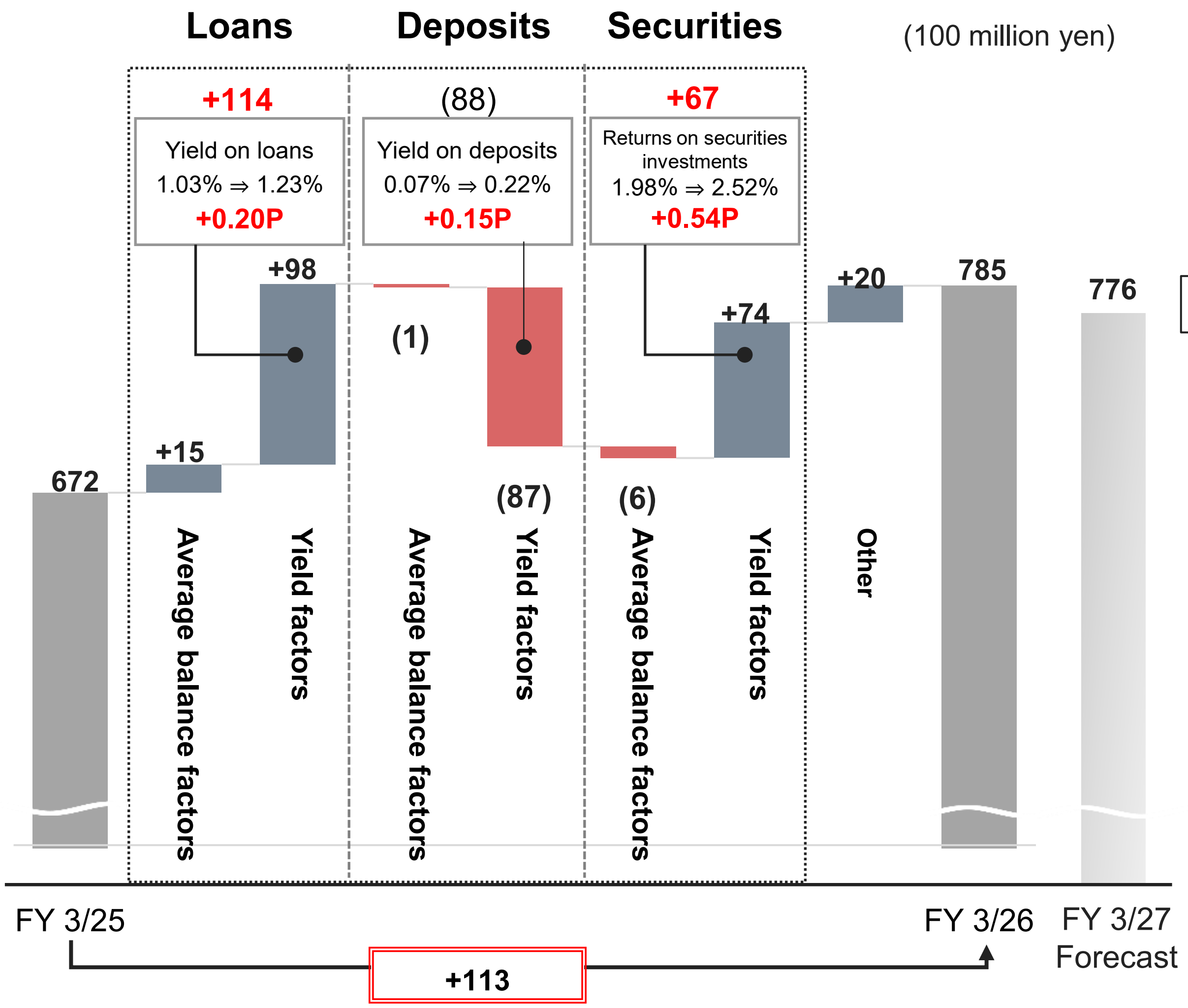
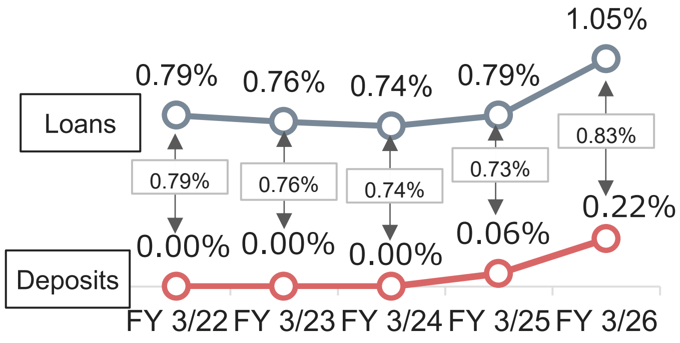
An increase in interest on loans and securities contributed to higher interest income of 16.8% year-on-year

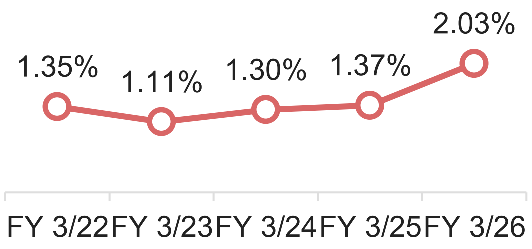
Factors underlying changes in interest income
(head office and all branches)



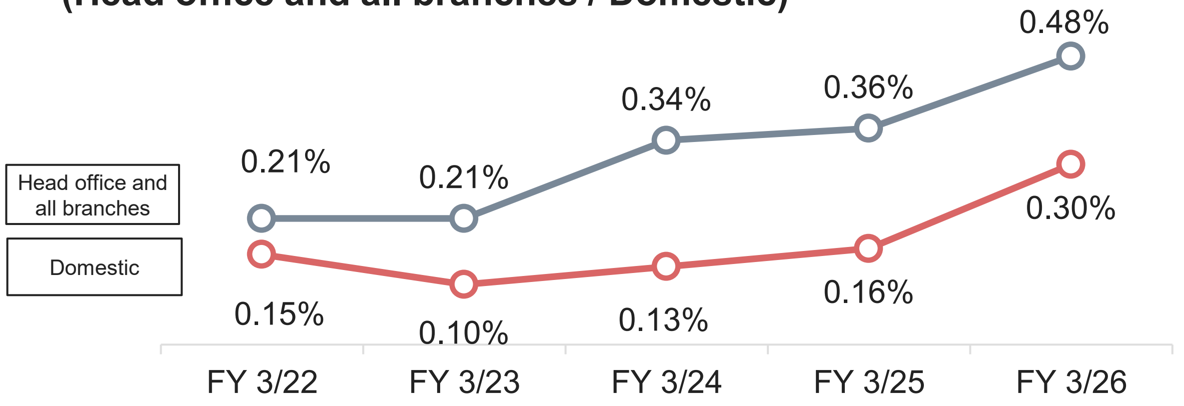
Deposit-loan yields (Domestic)



Returns on securities investments (Domestic)



Overall profit margin
(Head office and all branches / Domestic)



Deposits, Etc. (Non-Consolidated) *Including NCDs

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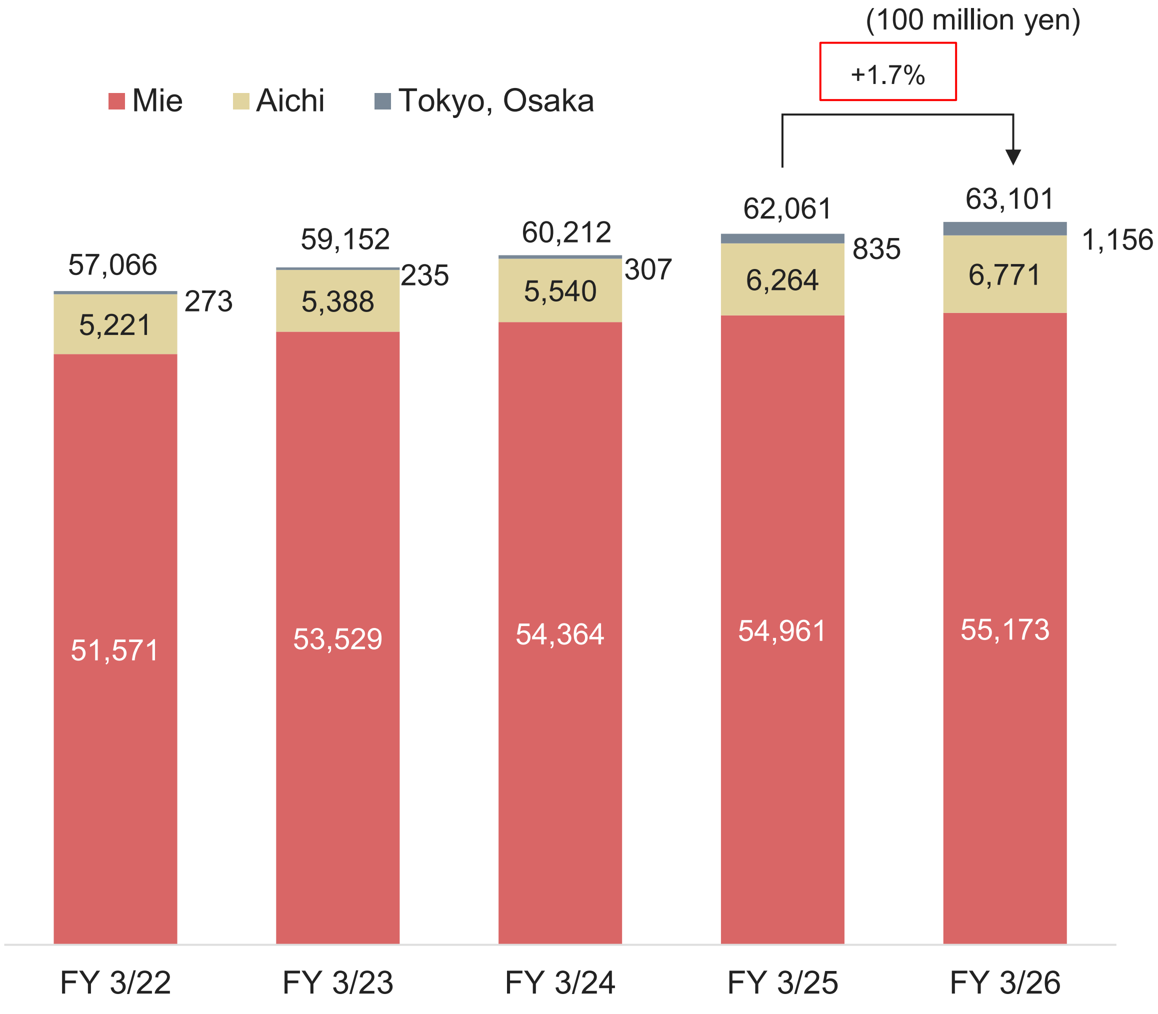
Deposits, etc. increased 1.7% year-on-year due to an increase in corporate deposits

Total deposits (average balance) by area

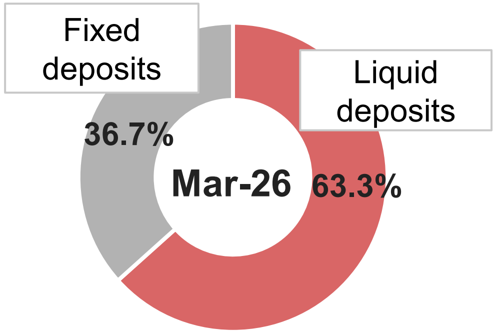


Individual and corporate deposits (average balance)

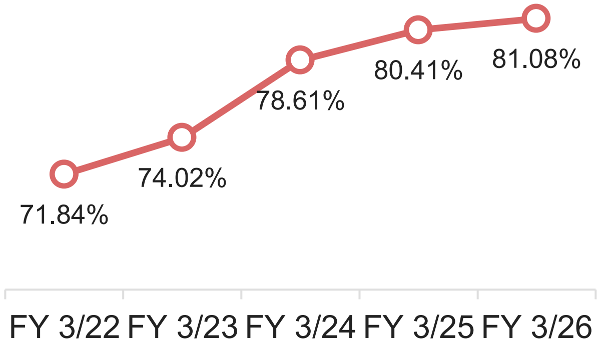
(100 million yen)

	FY 3/25	FY 3/26	YoY change
Individual deposits	43,939	43,980	+41
Mie	40,230	40,259	+29
Aichi	3,674	3,685	+10
Tokyo, Osaka	34	35	+1
Corporate deposits	13,733	14,733	+999
Mie	10,719	11,060	+341
Aichi	2,511	2,974	+462
Tokyo, Osaka	503	699	+195

Ratio by interest rate type (yen-denominated)



Loan-to-deposit ratio



Loans (Non-consolidated)

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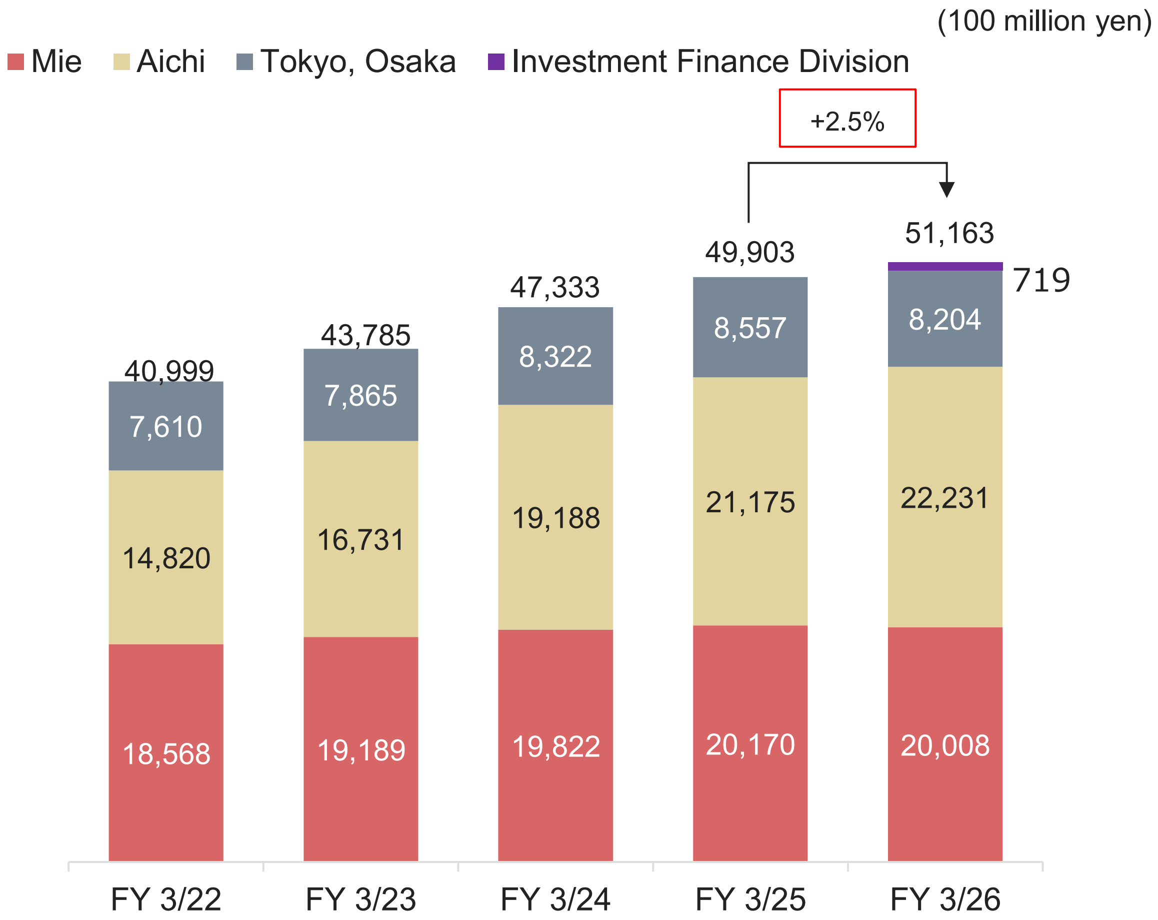
Loans increased 2.5% year-on-year due to growth in housing loans in Aichi Prefecture

Total loan balance (average balance)

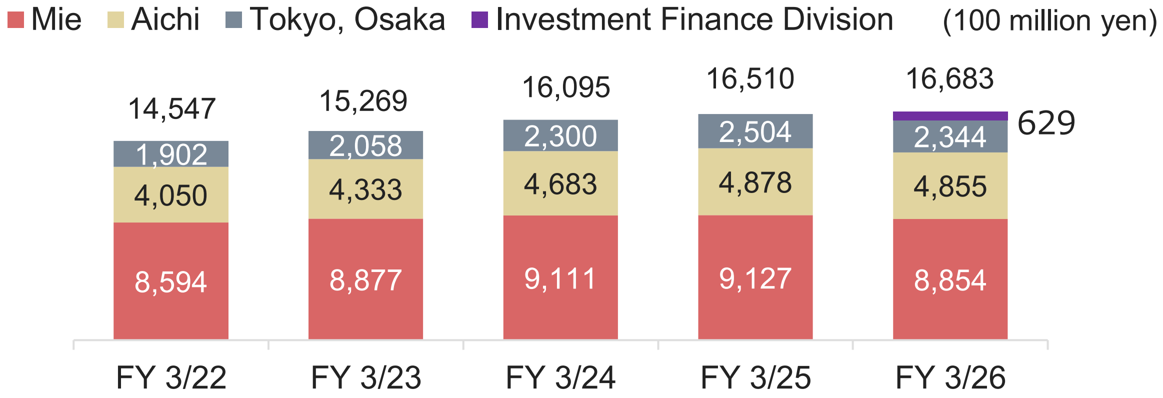


Loan balance by segment (average balance)

(100 million yen)

	FY 3/25	FY 3/26	YoY change
Corporate loans	24,550	24,562	+11
Loans for large companies	8,039	7,878	(160)
Loans to medium-sized companies and SMEs	16,510	16,683	+172
Loans to individuals	23,831	25,209	+1,377
Public sector	1,521	1,392	(129)

Balance of loans to medium-sized companies and SMEs by area (average balance)



* Of loans, a portion of investment finance loans was transferred to the Investment Finance Division. Please refer to page 25 for the investment finance sector.

Interest Rate Pass-Through Status (Non-Consolidated)

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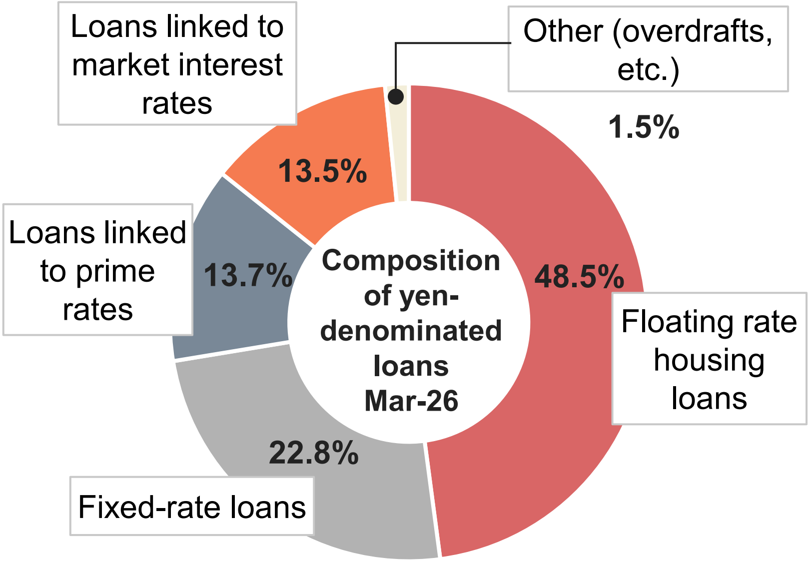
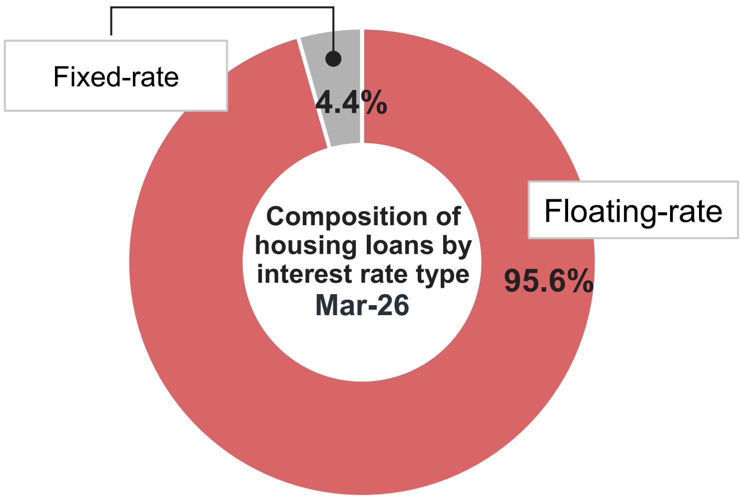
Composition of yen-denominated loans



Composition of housing loans by interest rate type

* Executed loans only

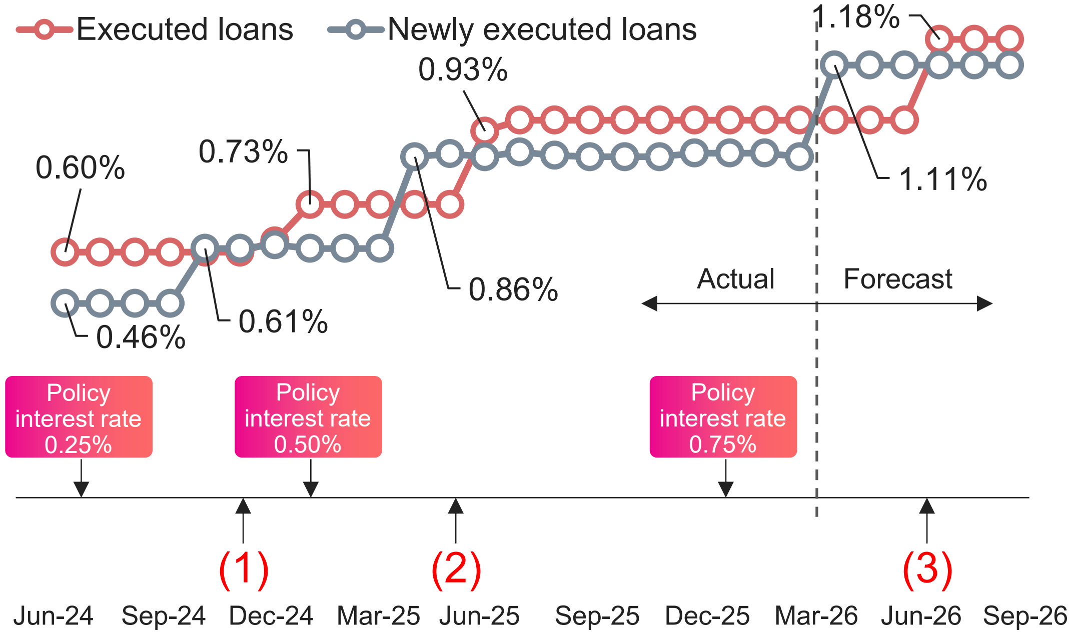


Interest rate pass-through status for business loans

	FY 3/24	FY 3/25	FY 3/26
Policy interest rate	0.100%	0.500%	0.750%
Short-term prime rate	1.975%	2.375%	2.625%

	FY 3/24	FY 3/25	FY 3/26
Loans linked to prime rates (average interest rate)	1.218%	1.358%	1.690%
Fixed-rate loans	0.625%	0.695%	0.827%
Market-linked loans	0.511%	1.025%	1.380%

Interest rate pass-through status for housing loans



(1) October 1, 2024
Housing loan base rate increased by 0.15%
Applied to executed loans from repayments due in January 2025

(2) April 1, 2025
Housing loan base rate increased by 0.25%
Applied to executed loans from repayments due in July 2025

(3) April 1, 2026
Housing loan base rate increased by 0.25%
Scheduled to apply to executed loans from repayments due in July 2026

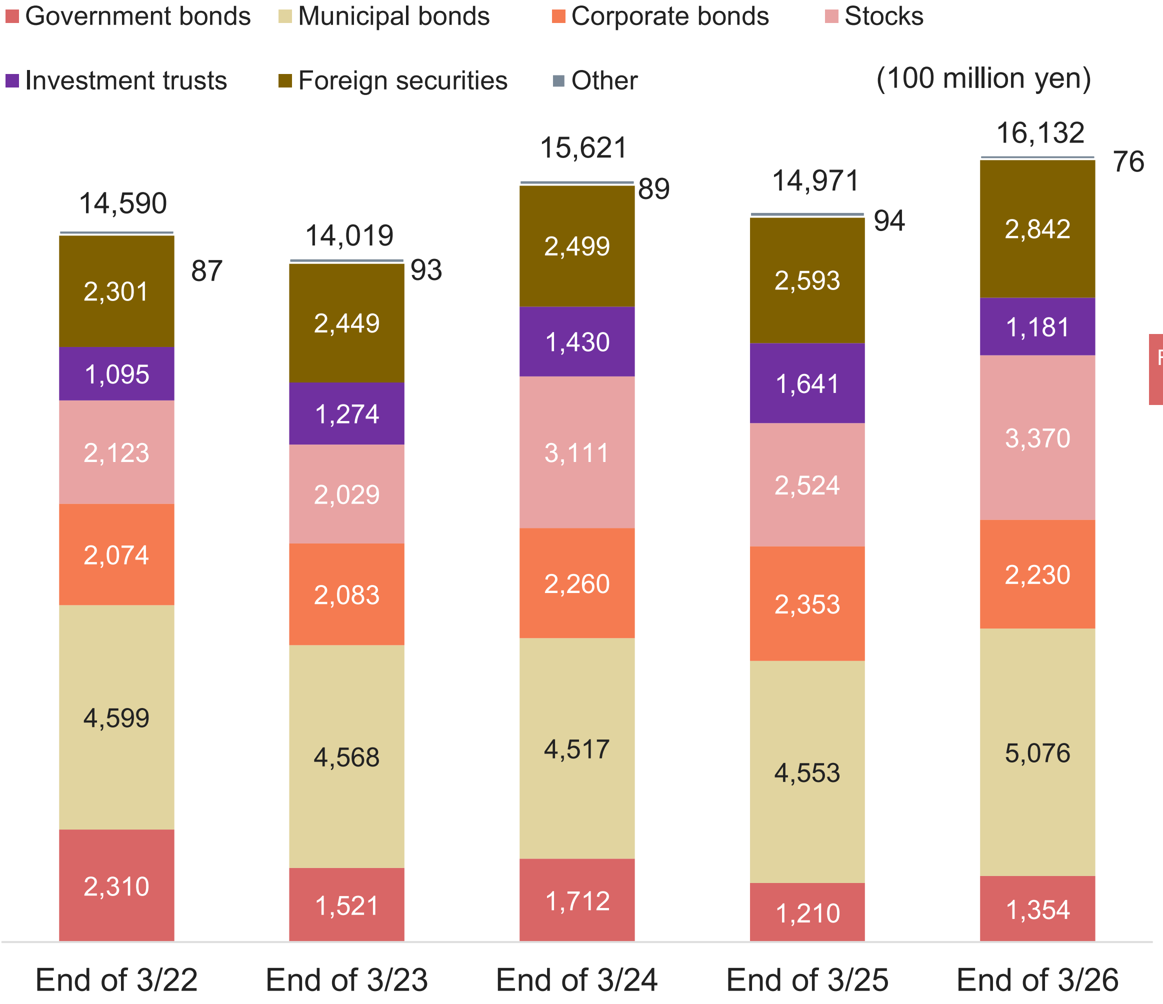
* Applicable interest rates are reviewed on April 1 and October 1 each year, and the new rates apply to repayments starting from July and January, respectively

* Assuming the policy interest rate remains unchanged at 0.75%

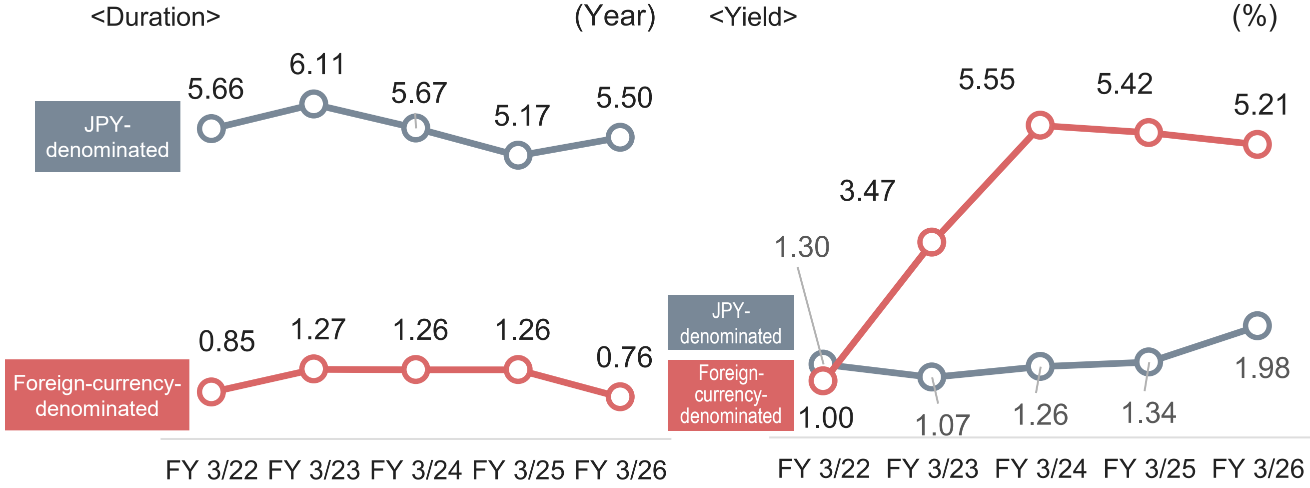
Securities (Non-Consolidated)

Secured 210.8 billion yen of unrealized gains on securities through portfolio management focused on asset allocation

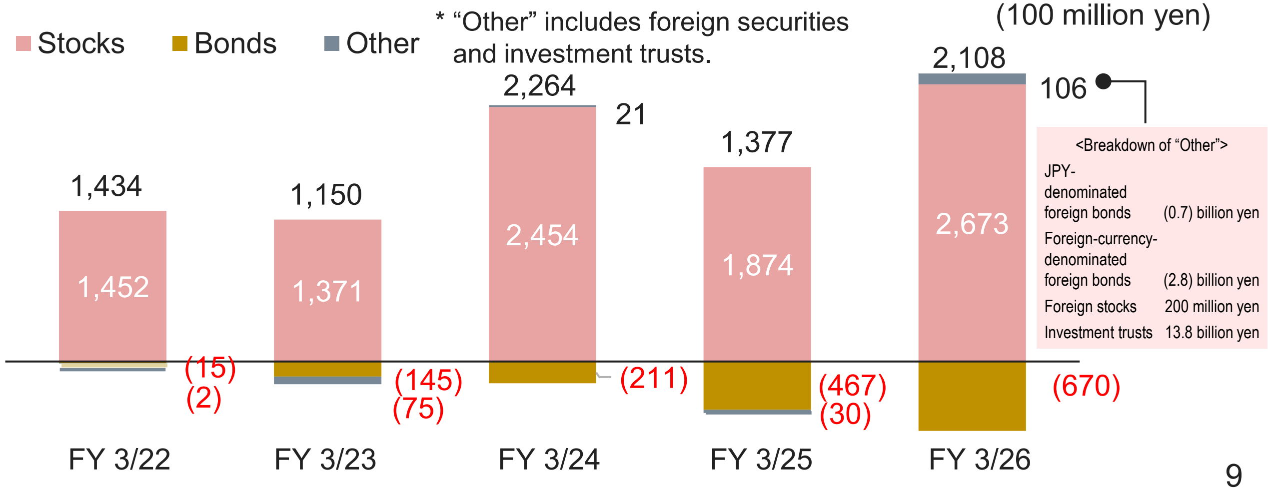
Securities balance



Durations and yields



Valuation gains (losses) on securities



Fees and Commissions (Non-consolidated)

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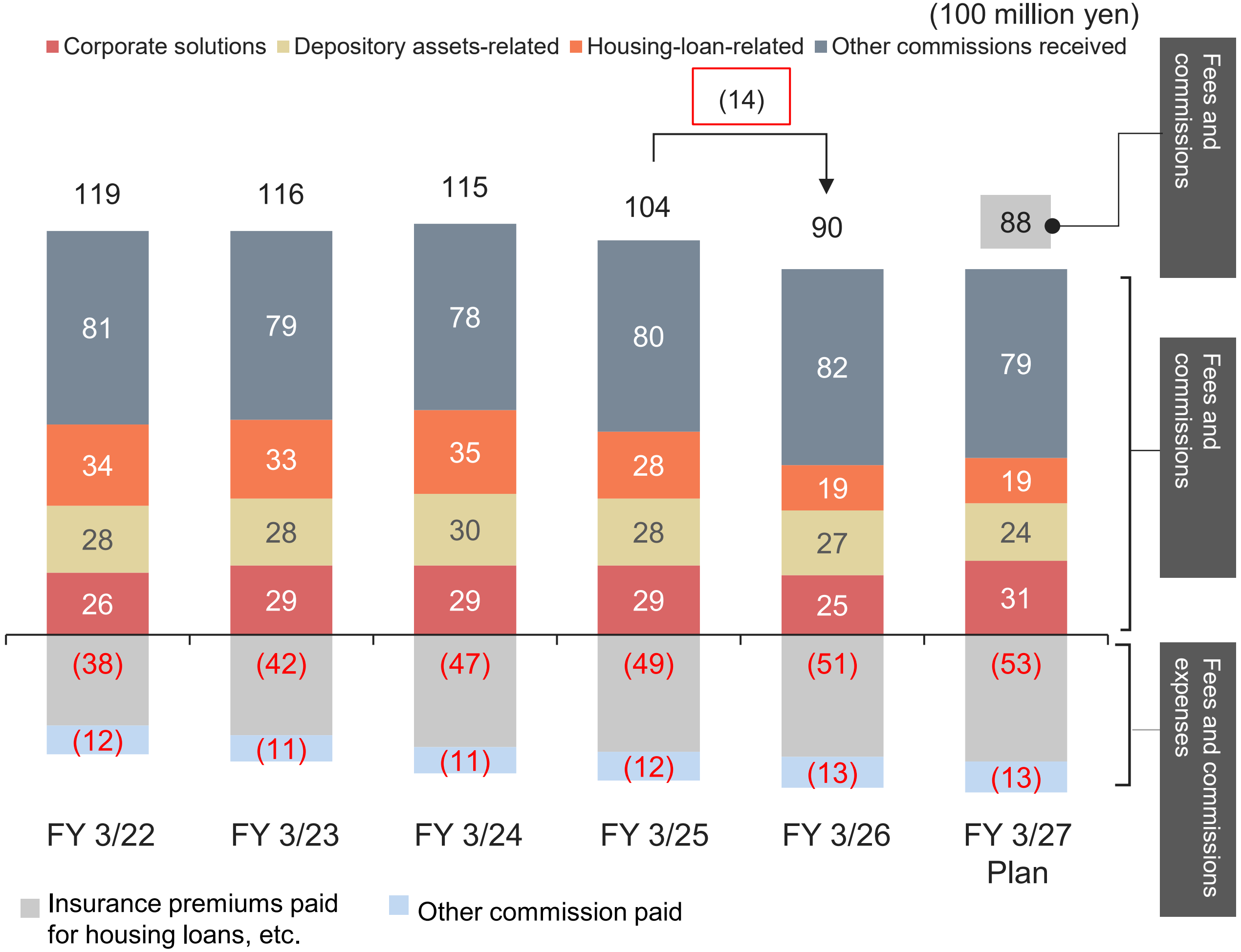
Fees and commissions decreased 13.4% year-on-year due to a decrease in housing-loan-related fees resulting from a revision of housing loan acquisition targets

Fees and commissions



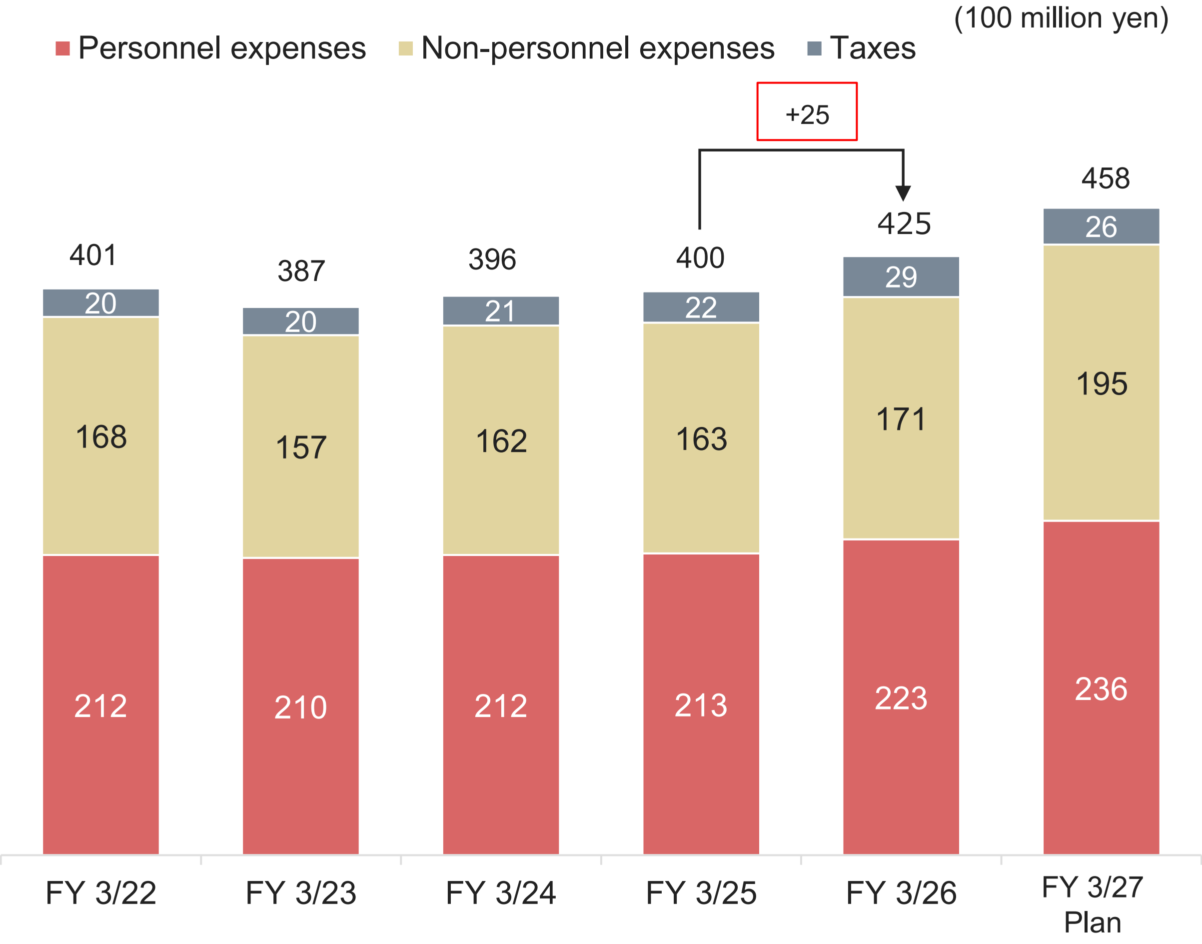
Major factors underlying changes (FY 3/25 → FY3/26)

Other commissions received +0.1 billion yen	Increase in domestic exchange fees
Housing-loan-related (0.8) billion yen	Decrease in the number of housing loan originations
Depository assets-related (0.1) billion yen	Decrease in insurance sales commissions
Corporate solutions (0.3) billion yen	Decrease in syndicated loan fees
Insurance premiums paid for housing loans, etc. +0.1 billion yen	Increase in housing loan balances

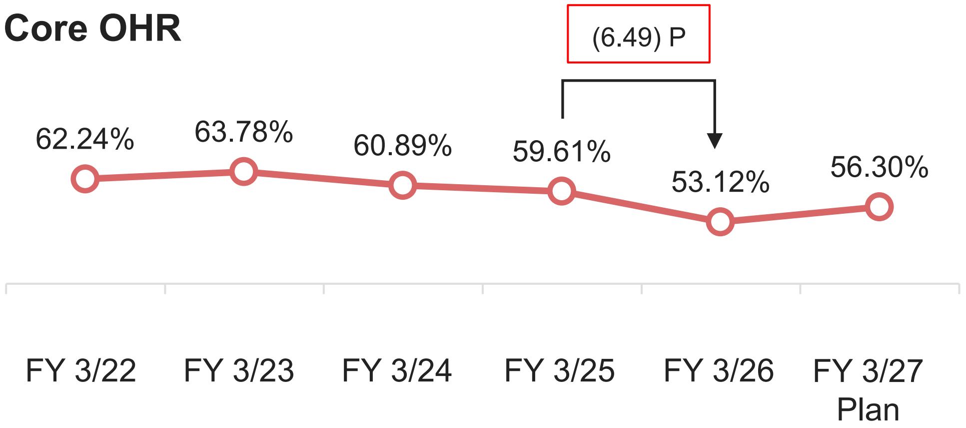
Expenses (Non-Consolidated)

Expenses grew 6.3% year-on-year due to the implementation of base salary increases and DX investments

Expenses



Core OHR



Major Factors Underlying Changes (FY3/25 → FY3/26)

Taxes +0.7 billion yen	Business tax increased due to higher taxable income
Non-personnel expenses +0.7 billion yen	Depreciation and outsourcing expenses increased due to DX investments
Personnel expenses +0.9 billion yen	Salaries and bonuses increased due to base salary increases

Credit Costs (Non-consolidated)

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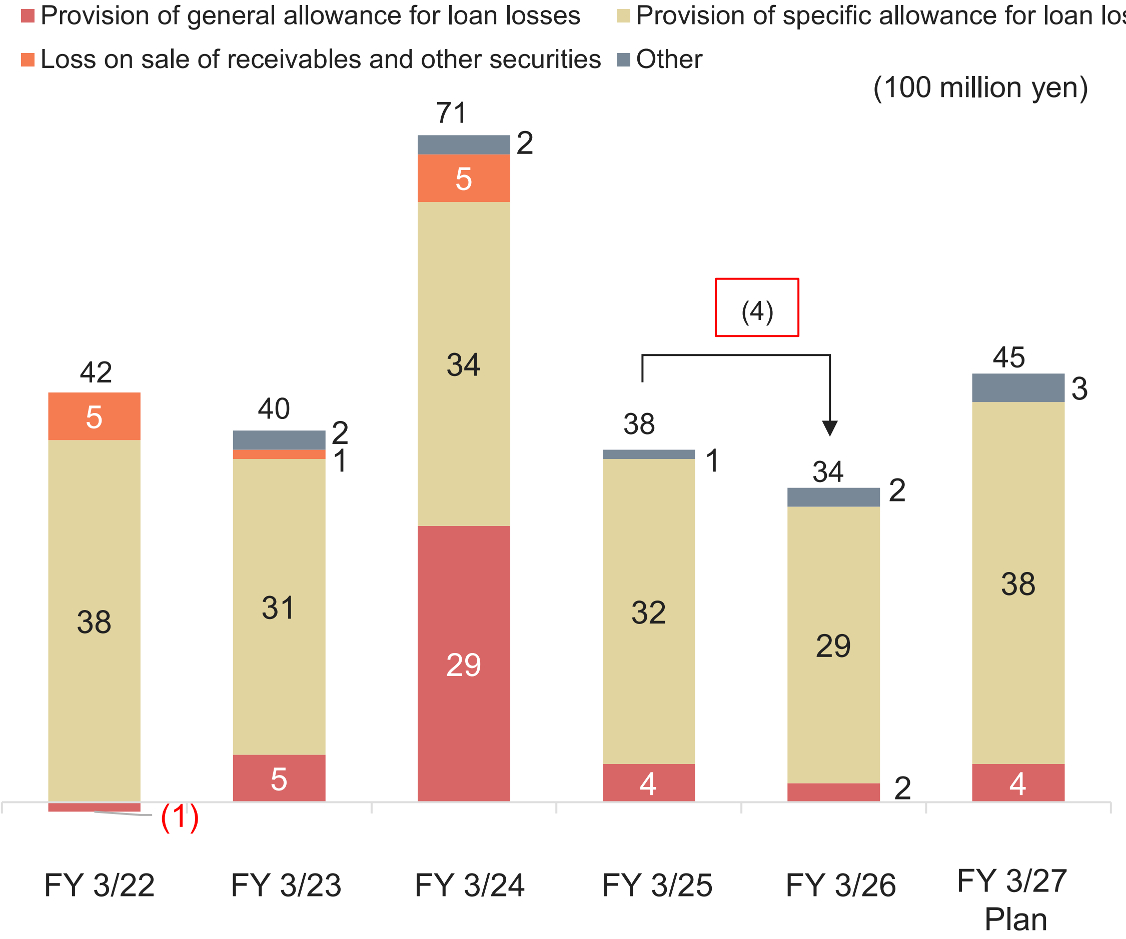
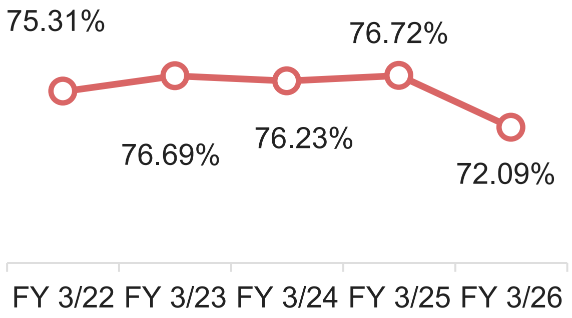
Decrease in the provision of specific allowance for loan losses caused a 9.9% year-on-year decrease in credit costs

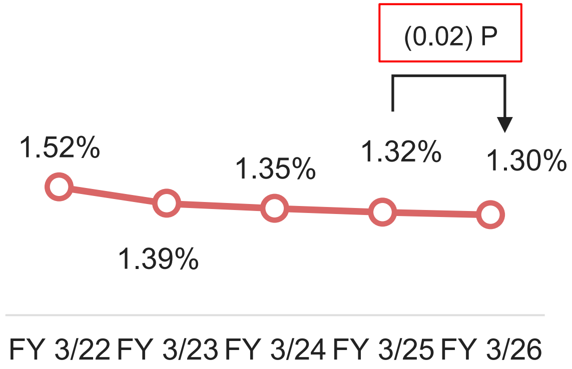
Credit costs



Non-performing loans coverage ratio

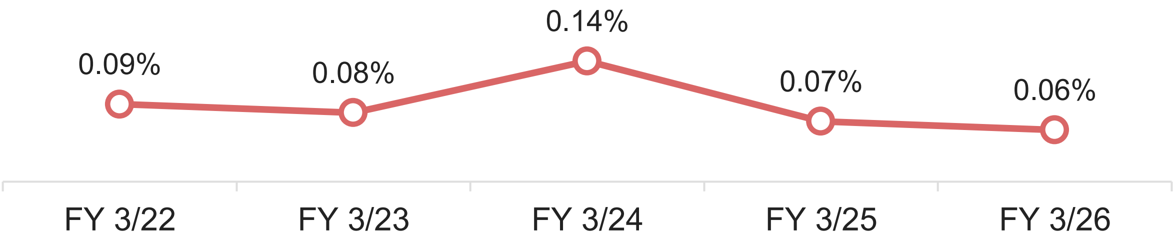


Non-performing loans ratio



Credit cost ratio

* Credit cost ratio = Credit costs ÷ Year-end loan balance



* For FY 3/24, provision expenses temporarily increased due to a change in the calculation method for the general allowance for loan losses
* The FY 3/27 forecast was calculated conservatively, taking into account the impact of rising prices and other factors on corporate customers

FY 3/2027 Forecasts

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Net income is expected to reach a record high for the third consecutive fiscal year on both a consolidated and non-consolidated basis

Non-consolidated

(100 million yen)		FY 3/26	FY 3/27 (Forecast)	YoY change
Gross operating income		589	672	+82
	Interest income	785	776	(9)
	Fees and commissions	90	88	(2)
	Other operating income	(287)	(193)	+94
Net operating income		161	210	+48
Ordinary income		353	397	+43
Net income		258	277	+18

Credit costs	34	45	+10

Consolidated

(100 million yen)	FY 3/26	FY 3/27 (Forecast)	YoY change
Ordinary income	370	412	+41
Consolidated net income attributable to shareholders of the parent	268	289	+20

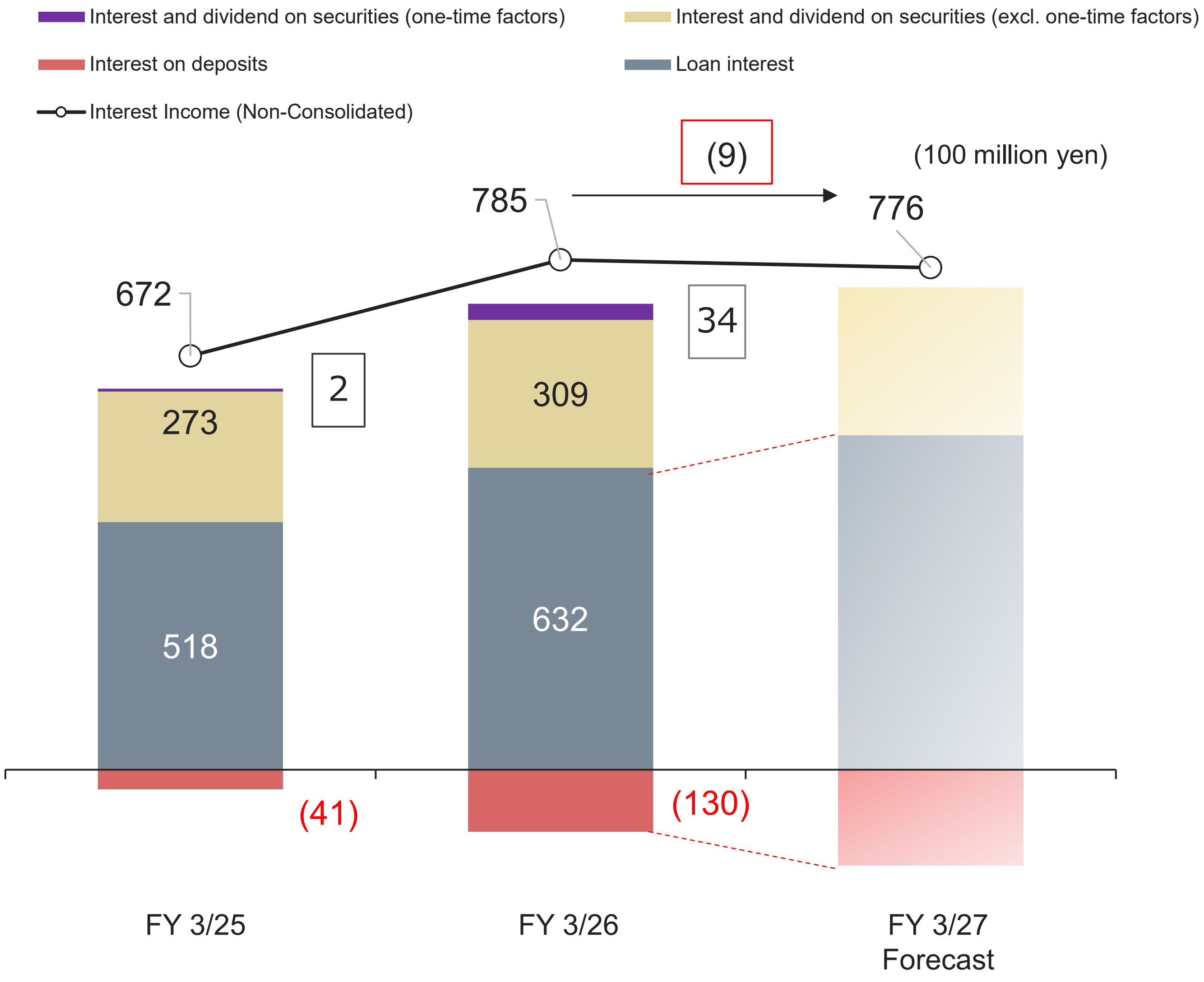
Dividends

	Interim	Year-end	Full year
Results in FY 3/25	9 yen	12 yen	21 yen
Results in FY 3/26	13 yen	21 yen	34 yen
Forecasts for FY 3/27	21 yen	21 yen	42 yen

Although interest income and fees and commissions are expected to decline and expenses and credit costs are expected to increase, the improvement in gain and loss from government bonds and other bonds is expected to result in **higher profit on both a consolidated and non-consolidated basis**
Record-high profit is expected for the third consecutive fiscal year
Annual dividend is scheduled to increase by 8 yen per share, marking the seventh consecutive year of dividend increases

FY 3/2027 Forecasts (Factors Behind Lower Interest Income)

Breakdown of interest income



One-time factors affecting interest and dividends on securities

FY 3/25

Gain from cancellation of investment trusts
200 million yen

FY 3/26

Revenue from investment partnership exits
1.9 billion yen

Gain from cancellation of investment trusts
1.5 billion yen

Interest income for FY 3/27 is forecast to decline due to the inclusion of the aforementioned one-time factors

Performance of Major Group Companies

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Aim to maximize Group earnings by providing integrated and comprehensive financial services across the Group

Performance summary of sales-related group companies

* Figures are presented on a consolidated basis (after elimination of transactions within the group)

Hyakugo Card

(100 million yen)	FY 3/26	Year-on-year
Net sales	21.9	(1.1)
Net income	5.2	+0.4

Hyakugo Leasing

(100 million yen)	FY 3/26	Year-on-year
Net sales	170.4	+4.9
Net income	4.1	+0.0

Hyakugo Research Institute Company Limited

(100 million yen)	FY 3/26	Year-on-year
Net sales	4.0	+0.0
Net income	0.7	+0.3

Hyakugo Digital Solutions

(100 million yen)	FY 3/26	Year-on-year
Net sales	6.5	+0.0
Net income	0.2	(0.0)

Hyakugo Securities Company

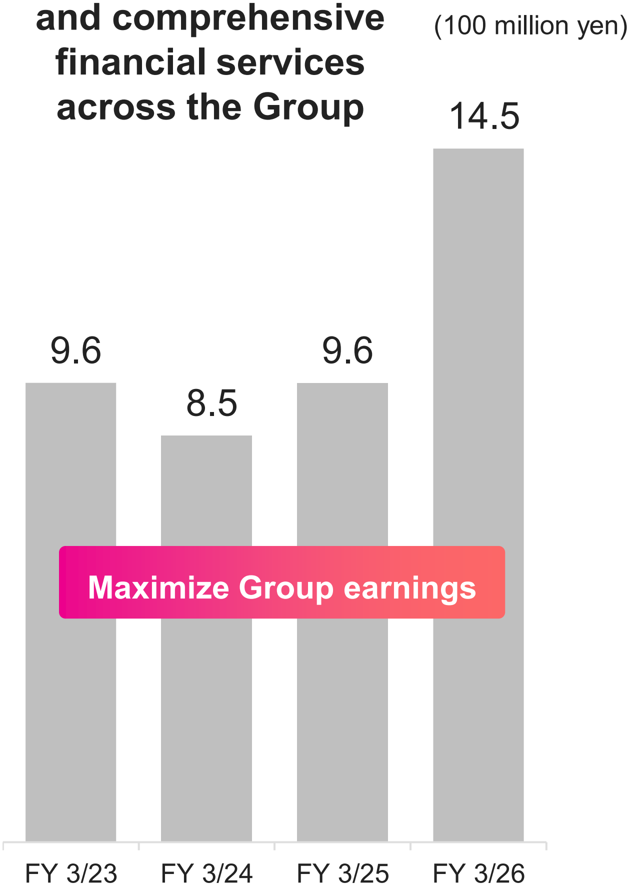
(100 million yen)	FY 3/26	Year-on-year
Net sales	21.0	+4.3
Net income	2.9	+3.2

Hyakugo Mirai Investment

(100 million yen)	FY 3/26	Year-on-year
Net sales	3.5	+2.1
Net income	1.1	+0.8

Net income of six sales-related group companies

Provide integrated and comprehensive financial services across the Group



Overview of the Medium-term Management Plan

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Medium-term Management Plan (April 2025 – March 2029)

未来への挑戦

Medium-term Management Plan KAI-KAKU 150 FINAL STAGE

Goals for Medium-term Management Plan

Aim to become a "bank that can be relied upon" through this Medium-term Management Plan. To this end, bank employees need to become "people who are trusted and relied upon by customers"

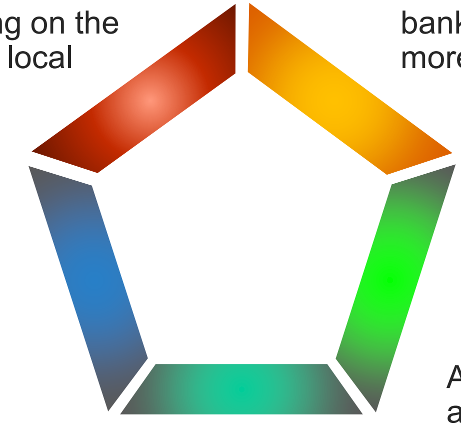
Bank's Goal

A bank that can be relied upon

Bank Employees' Goal

Bank employees whose faces are the first to come to mind when customers imagine their dreams and futures

Medium-term Management Plan: Basic Strategies



01 Creation of Social Value

Aim to create economic and social value by taking on the challenge of solving local issues

02 Taking on Challenges for Growth

Aim to thoroughly streamline banking operations and provide more value to customers

03 Human Resource Strategy

Aim to be a "group of professionals who take on challenges" through proactive career development

04 Digital Transformation

Aim to transform operations and mindsets by leveraging digitalization and data

05 Strengthening of Strategic Foundation

Aim to strengthen governance and integrate sustainability and management

Materiality

Society

Creating vibrant communities
Contributing to secure and prosperous lives
Creating a society where every individual can thrive

Environment

Coexistence with nature

Governance

Responsible management

Revision of Financial Targets of Medium-term Management Plan

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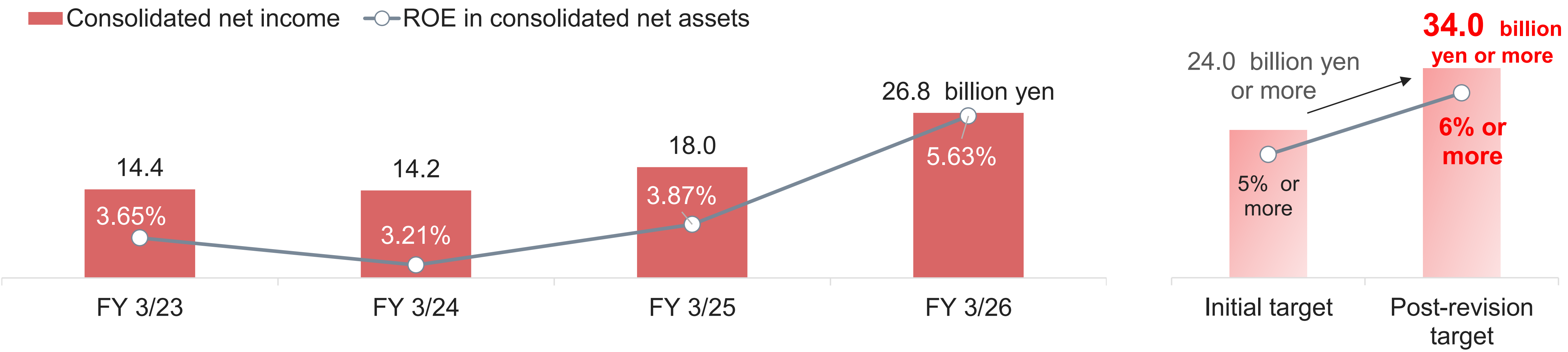
Revised the financial targets of the Medium-term Management Plan in response to changes in the external environment

Financial Targets	Results in FY 3/26 (Actual)	FY 3/29 Targets (before revision) * Assumed policy interest rate: 0.50% (Actual)	FY 3/29 Targets (after revision) * Assumed policy interest rate: 0.75% (FY 3/29 Target)
ROE in consolidated net assets	5.63%	5% or more	6% or more (Aiming for 8% in the long term)
Consolidated net income	26.8 billion yen	24.0 billion yen or more	34.0 billion yen or more
Sustainable finance	1.2263 trillion yen (Of which, 314.9 billion yen is environment-related loans)	Target for FY2030 1.0 trillion yen (Of which, more than 500 billion yen is environment-related loans)	Target for FY2030 2.0 trillion yen (Of which, more than 500 billion yen is environment-related loans)



Progress on Non-Financial Targets

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Non-Financial Targets

	Overview of initiatives	Results in FY 3/26	FY 3/29 Final Targets	Progress Rate Against Medium-term Management Plan Targets
Number of customer management issues solved	Support clients in addressing structural challenges such as business succession, digital transformation, and labor shortages through consulting services based on business assessments	Cumulative total of 485 cases	Cumulative total of 1,000 cases	48%
Number of local issue engagements	Engage in addressing challenges that contribute to the sustainable development of regional industries in coordination with local governments, community organizations, and startups	Cumulative total of 8 cases	Cumulative total of 30 cases	26%
Increase in balance of depository assets *Increase in the consolidated balance of bank and securities investment trusts compared with March 31, 2025	Promote proposals tailored to customers' asset-building needs by strengthening collaboration between banking and securities operations	31.4 billion yen (excluding market value fluctuations)	50.0 billion yen	62%
Number of financial and economic education sessions held	Contribute to improving financial literacy of the next generation through collaboration with schools and community organizations	Cumulative total of 238 times	Cumulative total of 500 times	47%
Employee engagement index	Promote bank employees' proactive engagement in challenges and enhance their job satisfaction through personnel system revisions and provision of growth opportunities	85.0%	85% or higher	100%
Ratio of female executives (posts equivalent to or higher than supervisors)	Advance systematic development and promotion of employees and build a framework that reflects diverse perspectives in management and sales operations	23.0%	25% or higher	92%
GHG emissions (Scope 1, 2)	Steadily advance initiatives aimed at realizing a decarbonized society through energy-saving measures and credit utilization	2,998t-CO_2	Net zero	-

Regional Economy Topics (Semiconductor Industry in Mie Prefecture)

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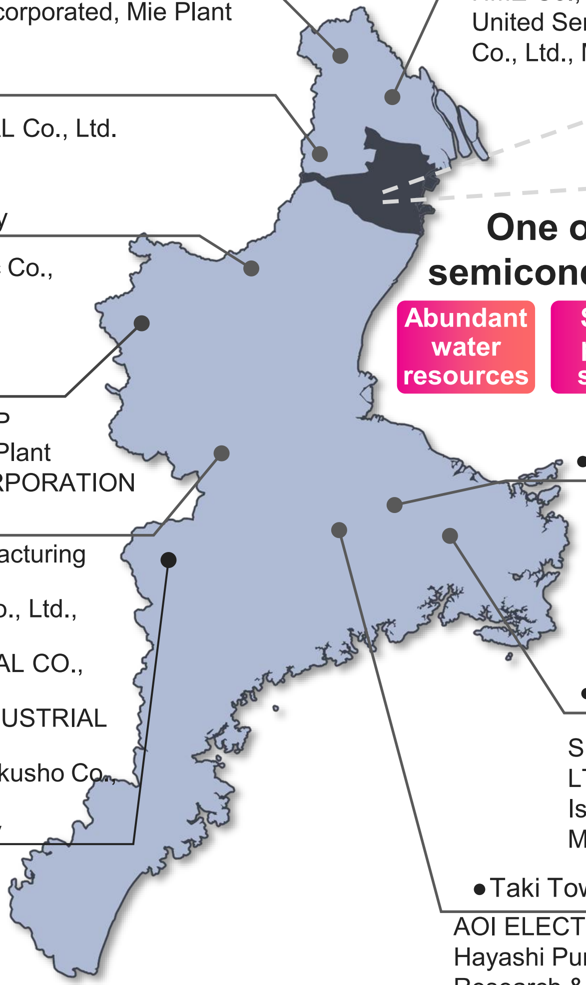
Semiconductor industry in Mie



●Inabe City

Kobe Steel, Ltd., Daian Works
NITTA DuPont Incorporated, Mie Plant

●Komono Town

JAPAN MATERIAL Co., Ltd.

●Kameyama City

Furukawa Electric Co., Ltd., Mie Works

●Iga City

Nippon Sanso JFP Corporation, Mie Plant
YASUNAGA CORPORATION

●Tsu City

Ise Murata Manufacturing Co., Ltd.
Entegris Japan Co., Ltd., Geino Plant
KANTO CHEMICAL CO., INC., Mie Factory
SATO LIGHT INDUSTRIAL Co., LTD.
Hikari Kikai Seisakusho Co., Ltd.

●Matsusaka City

Power Supply Technology Co., Ltd.

●Kuwana City

HME Co., Ltd.
United Semiconductor Japan Co., Ltd., Mie Plant

●Tamaki Town

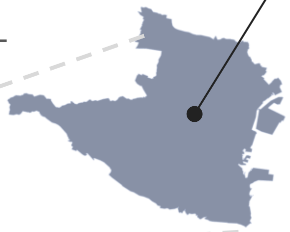
KOYO ELECTRIC CO., LTD.

●Ise City

SINFONIA TECHNOLOGY CO., LTD., Ise Plant
Murata Machinery, Ltd., Ise Plant

●Taki Town

AOI ELECTRONICS CO., LTD., Taki Plant
Hayashi Pure Chemical Ind., Ltd., Mie Plant / Research & Development Center



●Yokkaichi City

Applied Materials Japan, Inc.
KIOXIA Corporation, Yokkaichi Plant
KINTETSU LOGISTICS SYSTEMS, INC.
KH Neochem Co., Ltd., Yokkaichi Plant
High-Purity Silicon Corporation, Yokkaichi Plant
Goto Chemical Co., Ltd.
SanDisk LLC
Sunrex Industry Co., Ltd.
SUN-WA TECHNOS CORPORATION
JSR Corporation, Yokkaichi Plant
SUZUKI CO., LTD.
TAMA CHEMICALS CO., LTD., Yokkaichi Factory
Toho Steel Works Co., Ltd.
NAKAMURA-TECH CO., LTD.
NIPPON AEROSIL CO., LTD., Yokkaichi Plant
Panasonic Industry Co., Ltd., Yokkaichi Factory
Lam Research Corporation

One of Japan's leading semiconductor industry hubs

- Abundant water resources
- Stable power supply
- Access to Nagoya and Osaka

Ranked No. 1 in the nation for 20 consecutive years

Rank	Prefecture Name	Shipment Value (Million yen)
1	**Mie Prefecture**	**1,784,755**
2	Aichi Prefecture	1,100,598
3	Nagano Prefecture	917,113

* Shipments of industries manufacturing electronic components including semiconductors, devices, and electronic circuits (2023)

Large semiconductor manufacturing workforce

Rank	Prefecture Name	Number of employees in related industries
1	**Mie Prefecture**	**10,530 persons**
2	Kumamoto Prefecture	5,818 persons
3	Kanagawa Prefecture	4,946 persons

* Number of employees in the integrated circuit manufacturing industry

Expand the Bank's lending and earnings opportunities through capital investment demand

Source: Understanding Mie's Semiconductor Industry (Mie Prefecture) / 2024 Survey on Economic Structure: Manufacturing Establishment Survey (Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

New Business Creation Project “HYAKUGO INNOVATION LAB.”

Basic Strategy 01: Creation of Social Value

百五銀行 FRONTIER BANKING

Solicit employees’ ideas broadly and create businesses that contribute to solving local issues and creating social value

Project Summary

“HYAKUGO INNOVATION LAB.”

New project aimed at creating new businesses by broadly soliciting innovative ideas from employees

First Project

Total number of ideas submitted	Total number of participants
180 ideas	**225** persons

<Examples of idea categories>

- Agriculture, Food, and Energy
- Technology and Apps
- Daily Life and Childcare Support
- Seniors, Later-Life Planning, and Community Development
- Human Resources and Work Styles
- Real Estate, Food Services, and Mobility

Currently considering commercialization

Project Objectives

- ☑ **Solve local issues through new businesses and products**
- ☑ **Foster an innovation culture that embraces new challenges**
- ☑ **Develop employees’ ability to identify issues, solve issues, and formulate plans**

Address local issues

Virtuous cycle of value creation through taking on challenges and achieving growth

Solving Local Issues

Actively contribute to solving local issues through Hyakugo Bank's unique network

Establish an organizational framework to solve local issues

Sustainability Business Development Division

- Regional Revitalization Section
- International Business Support Section
- Representative offices (Shanghai and Bangkok)

Public Institutions Division

Hyakugo Bank
Head office and branches

Local issue interviews

Number of interviews held in FY2025
60

Identification of priority issues
10 projects

Coordination

Local stakeholders
Customers
Chamber of commerce and industry
Local governments
Tourism associations, etc.

Actively engage in resolving local issues by leveraging Hyakugo Bank's unique network, including external organizations, startups, and overseas networks

Examples of major initiatives

- Awareness campaigns to prevent fraud
  Held the "STOP Fraud! Stay Safe with Your Smartphone" seminar in collaboration with SoftBank
- Utilization of foreign talent to address labor shortages
  Held a "foreign talent utilization seminar" jointly with the Owase Chamber of Commerce and Industry and the Toba Chamber of Commerce and Industry, and provided support for "JOB FAIR," a joint recruitment event held in Indonesia and Vietnam by Mie Prefecture
- Support for the procurement of petalite, an essential raw material for Banko ware, a traditional local industry
  Developed a new procurement channel through a partnership with Banco do Brasil
- Introduced business matching related to the corporate hometown tax program as part of customer support offerings
- Signed a "partnership agreement with Kameyama City to promote community development aimed at realizing a nature-positive community"
- Support for primary industries in collaboration with startups and group companies
  Supported the introduction of AI-powered feeders to address challenges at aquaculture sites in Mie Prefecture

Solving Local Issues

Initiative Framework Example

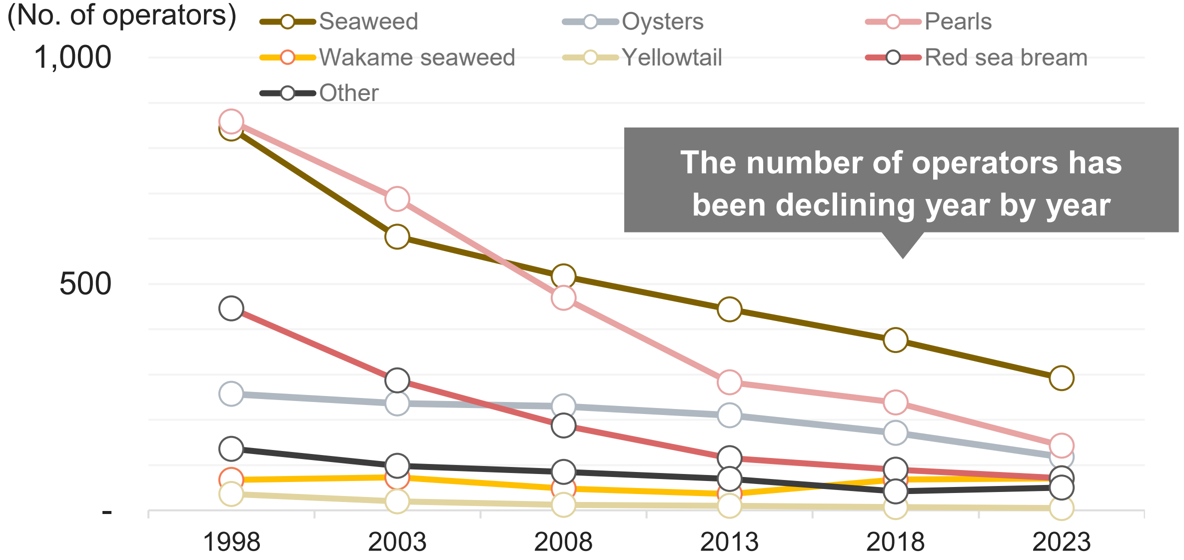
Support for primary industries in collaboration with startups and group companies

Challenges facing aquaculture operations in Mie Prefecture

Challenges

Low productivity, delays in labor-saving initiatives, and insufficient advancement of corporate and business management

Trends in aquaculture operators in Mie Prefecture



Source: Summary of the 2023 Mie Prefecture Fisheries Census Results (Final Report); Marine Fisheries Survey (Fishery Operators Survey)

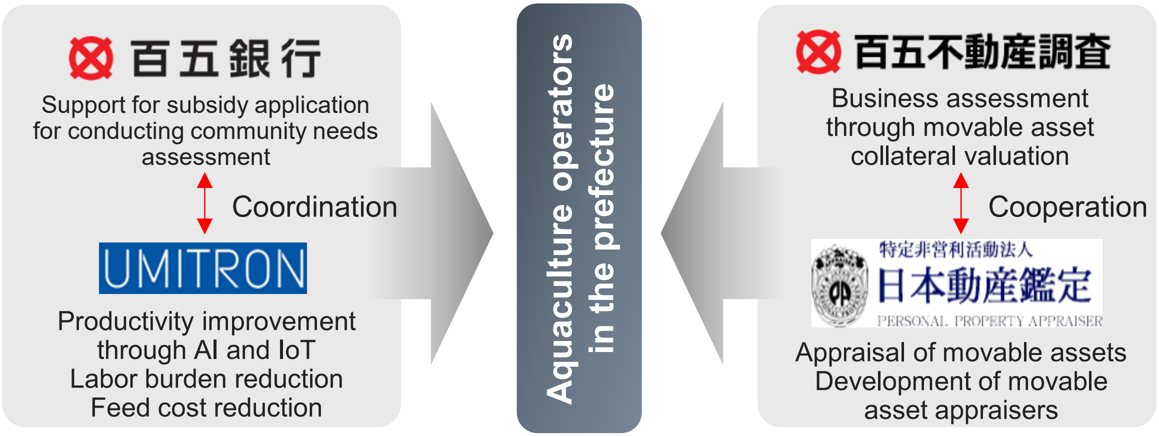
Framework for addressing the challenges

Collaboration with UMITRON K.K., a startup leveraging AI and IoT technologies

Provide smart aquaculture solutions that optimize feeding and improve the efficiency of aquaculture management

Expected effects of this business	
"Reduction of feed waste" through AI-equipped cameras	10% to 20% reduction
Labor savings through remote feeding	20% to 30% reduction
Expansion of the lineup of live fish transport vehicles	Strengthened supply capabilities to respond flexibly to orders

Business framework diagram



Increasing Deposits

Acquire sticky deposits by approaching customers based on life events and promoting non-face-to-face channels

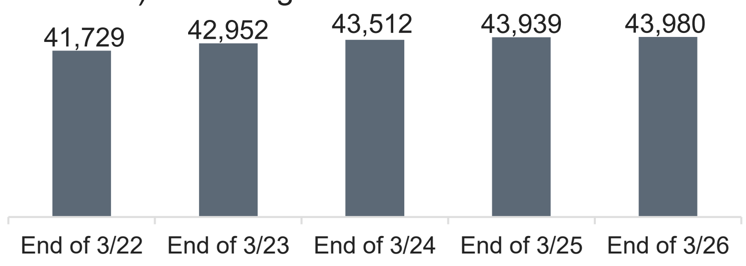
Individual deposits

- **Becoming the main bank for household transactions**
  Promote the shift toward becoming the primary bank for customer households by offering products and services tailored to life events
- **Expansion of sticky transactions**
  Focus on acquiring salary transfer and pension accounts through generation-specific and channel-specific strategies, thereby increasing sticky deposits
- **Functionality expansion of non-face-to-face channels**
  Enhance convenience by expanding the functionality of the Hyakugo Smartphone Banking App
- **Implementation of various time deposit campaigns**
  Offer not only interest rate premiums but also value-added products, including donation-type products, while taking deposit funding costs into account

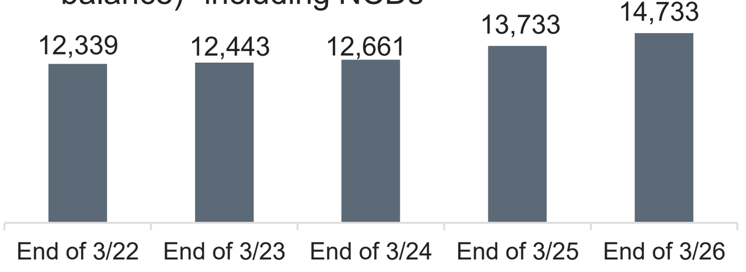
Corporate deposits

- **Expansion of sticky transactions**
  Promote the acquisition of primary account contracts for sales deposits and general payroll deposits
- **Acquisition of a deposit share in line with a loan share**
  Approach customers with a large loan-to-deposit gap
- **Expansion of non-face-to-face channel tools**
  In addition to corporate internet banking, began development of a new corporate banking app (see page 36 for details)
  Aim to become the main transaction bank through convenience enhancement

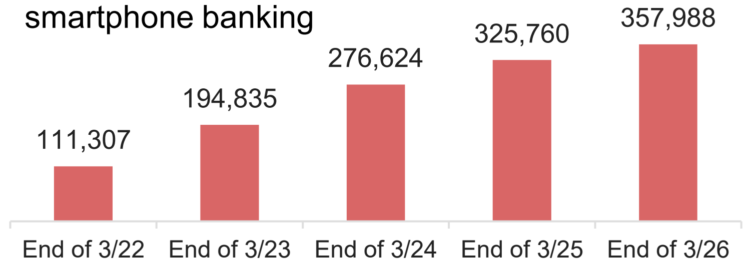
■ Individual deposits (average balance) *including NCDs (100 million yen)



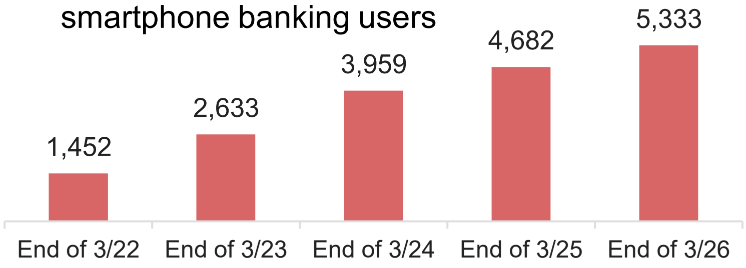
■ Corporate deposits (average balance) *including NCDs (100 million yen)



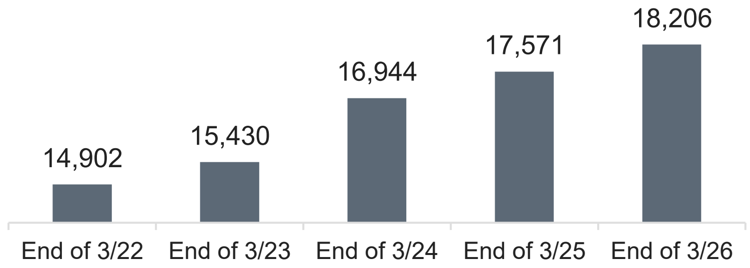
■ Number of accounts using smartphone banking (accounts)



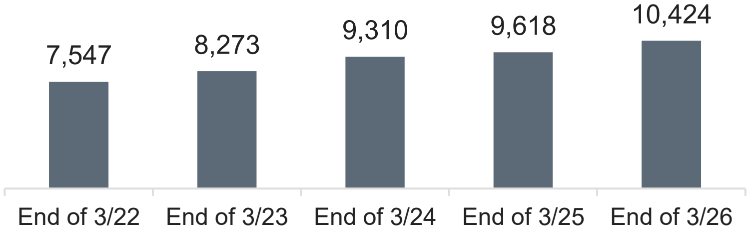
■ Deposit balances of smartphone banking users (100 million yen)



■ Number of corporate IB contracts (account holders)



■ Deposit balances of corporate IB users (100 million yen)



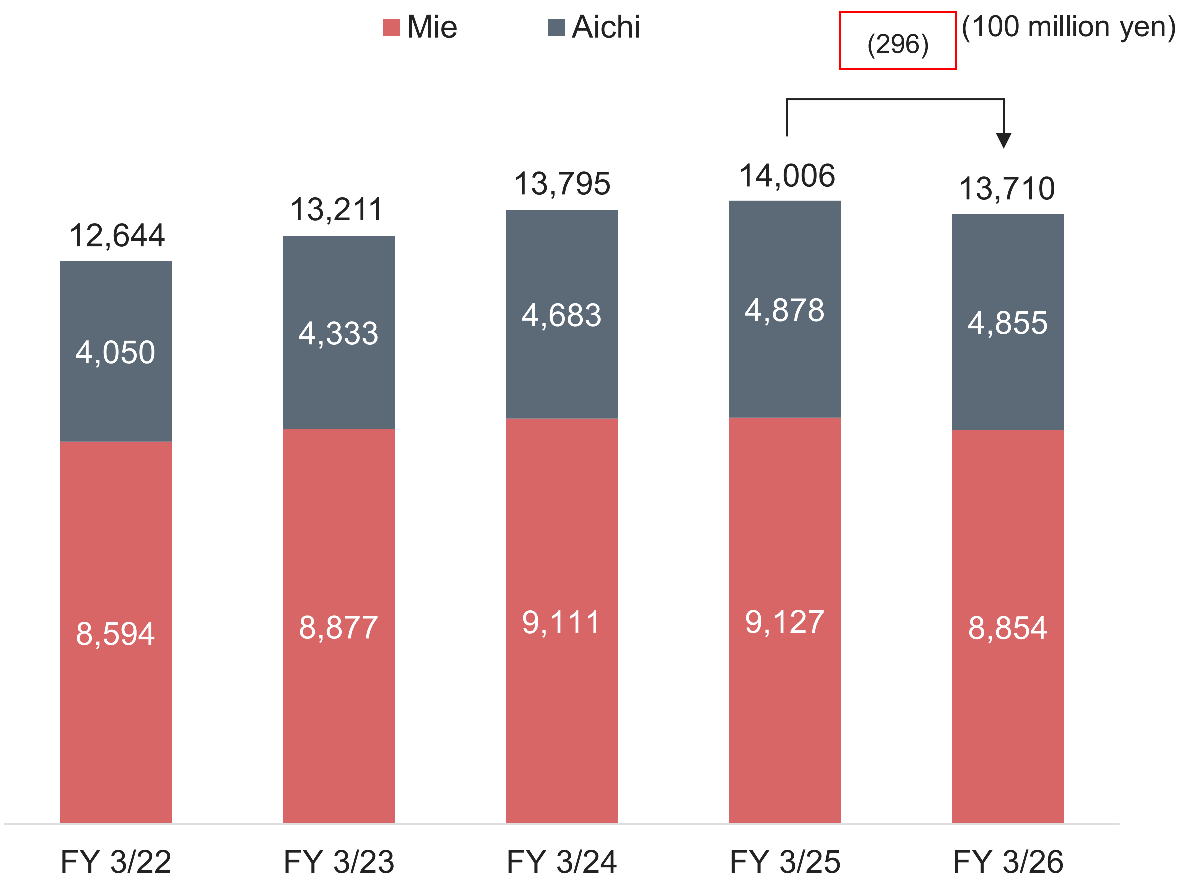
(Note) Corporate IB: Corporate Internet banking

Increase loans to medium-sized companies and SMEs in the region

百五銀行 FRONTIER BANKING

Strengthen the loan business based on business assessments, with a focus on labor-saving and growth investments, thereby supporting the sustainable growth of medium-sized companies and SMEs in the region

Loans to medium-sized companies and SMEs in the region (average balance)



Future measures

Strengthening loan proposals based on business assessments

Strengthen loan proposals based on business assessments by accurately identifying financing needs based on customers' business plans and growth strategies through dialogue with customers

Provision of growth investment funds

Actively support investments that contribute to medium- to long-term growth, including labor-saving initiatives, DX investments, equipment renewal, business succession, and M&A

Deepening of business relationships centered around consulting services

Leverage the consulting function and group collaboration to deepen medium- to long-term business relationships centered on lending

Offering of a diverse range of loan products

Offer a diverse range of loan products tailored to customers' growth stages and financing needs

* Of loans, a portion of investment finance loans was transferred to the Investment Finance Division.
Please refer to page 25 for the investment finance sector.

Investment Finance Sector

Cross-border loan (XB) / Structured finance (SF)

Organizational structure

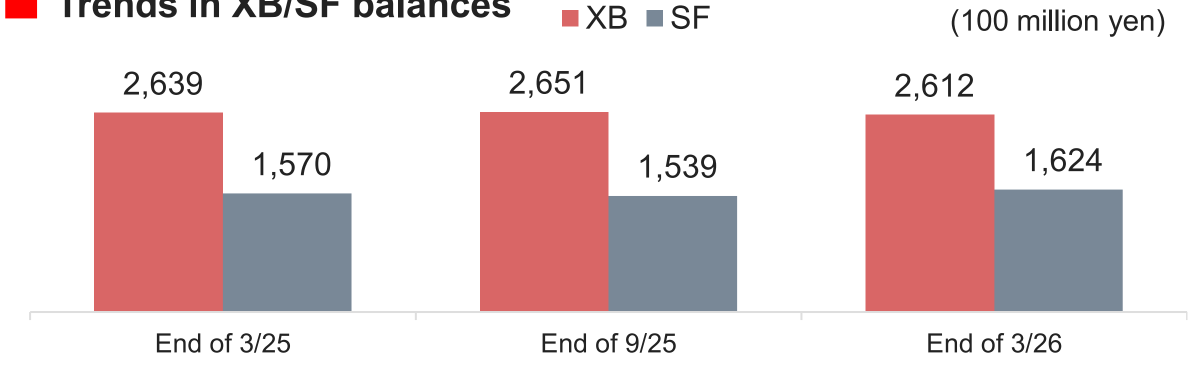
Investment Finance Division — Established in April 2025 as a dedicated division to strengthen XB and SF

Investment Finance Division
- Cross-Border Section
- Agent Section
- Structured Finance Section

Purpose of establishment

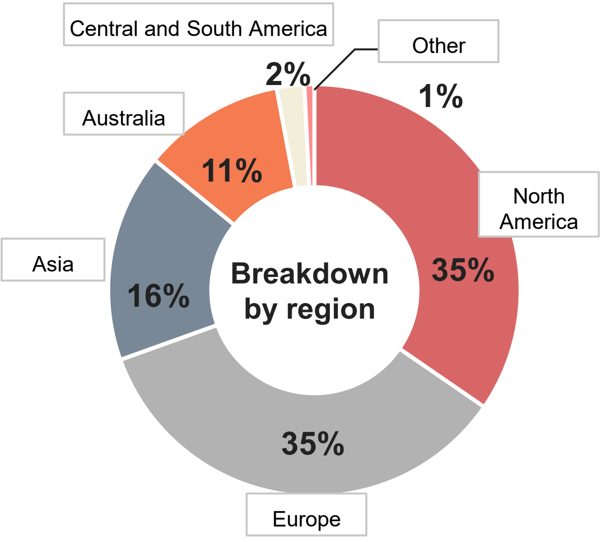
- **Consolidation of expertise and know-how**
  Integrate contact points for arrangement and lending operations that have previously been handled separately
  Consolidate expertise and know-how
- **Sophistication of asset management**
  Establish a system that enables more sophisticated risk management and the continuous development of employees with specialized expertise

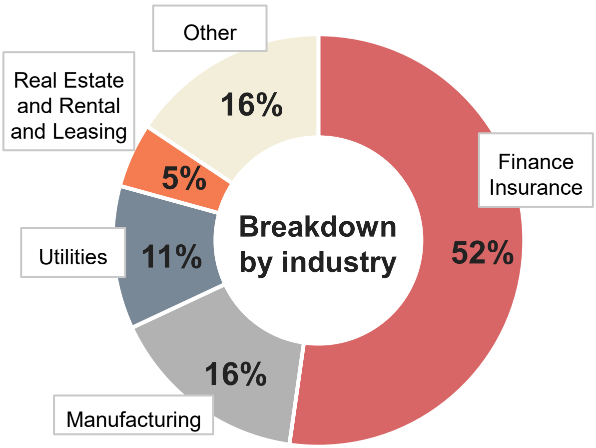
Trends in XB/SF balances



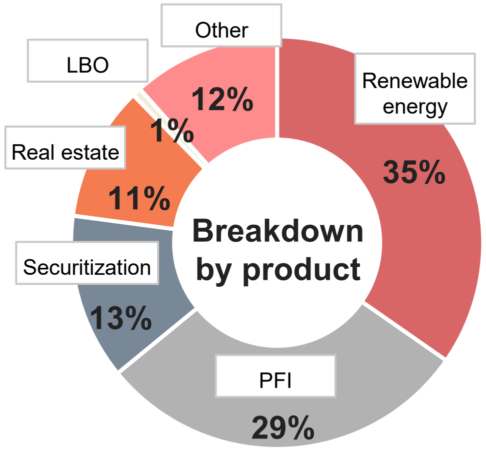
* Of loans, a portion of investment finance loans was transferred to the Investment Finance Division.

XB: Breakdown by region and industry





SF: Breakdown by product



[PFI: breakdown by region and project]
*(FY2025 results)

Prefecture	No. of projects
Aichi	23 cases
Osaka	9 cases
Tokyo	9 cases
Mie	9 cases
Kanagawa	5 cases
Other	15 cases

Sector	No. of projects
Accommodations, government buildings, housing	19 cases
Educational and cultural facilities	15 cases
School meal service centers	14 cases
Sports and health facilities	8 cases
Resource utilization and water treatment plants	7 cases
Other	7 cases

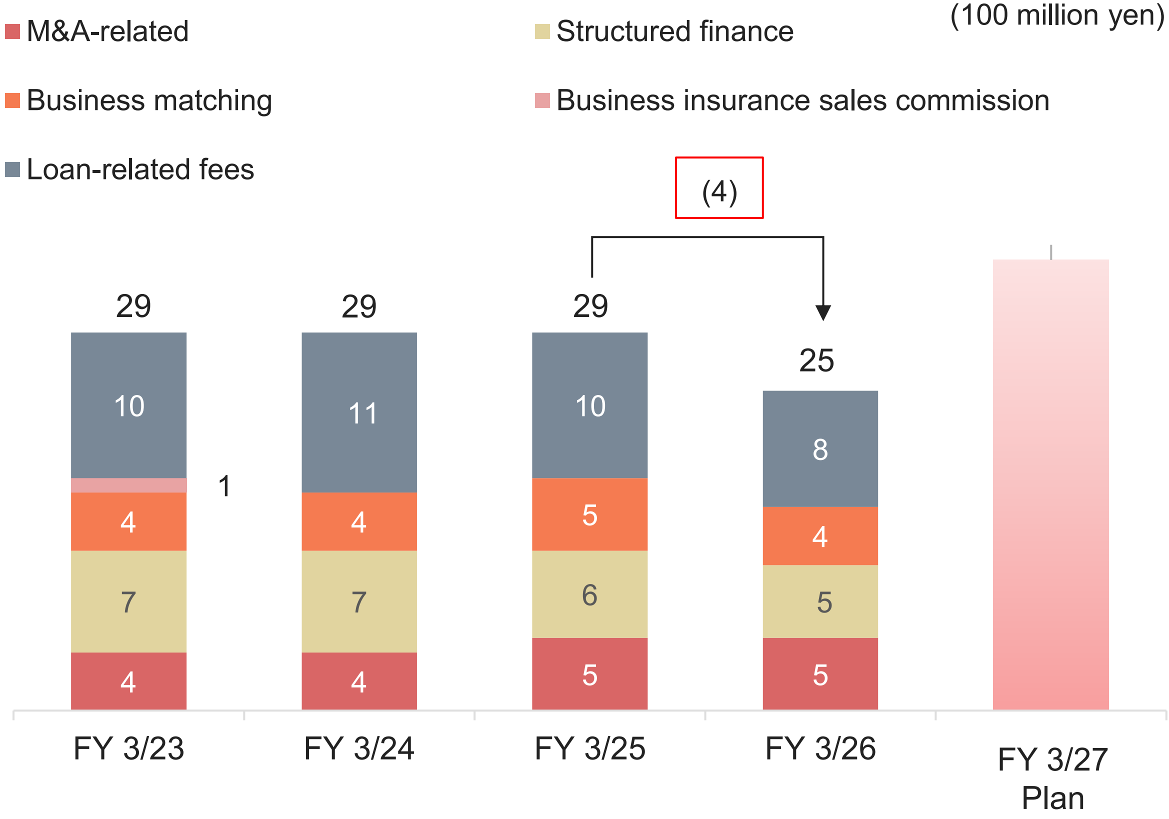
Strengthening of Consulting

Address customers' challenges and enhance earnings through solution-oriented sales activities

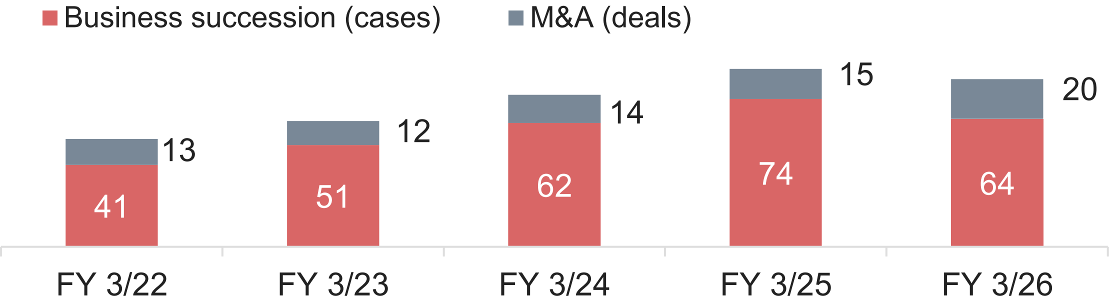
Number of customer management issues solved

As of March 31, 2026: Cumulative total of 485 cases *Target for the final year of the Medium-term Management Plan: Cumulative total of 1,000 cases

Changes in corporate solutions fees



Trends in number of business succession consultations* and number of M&A engagements



* Total number of paid consulting engagements and business matching engagements

TOPIC Cumulative total of 200 graduates from the successor development program

<For reference> Ratio of companies without successors and average age of presidents

	2022 Ratio of companies without successors	2025 Ratio of companies without successors	2025 Average Age of Presidents
Mie Prefecture	29.4%	33.9%	59.7 years old
Nationwide	57.2%	50.1%	60.8 years old

Mie Prefecture ranks among the lowest nationwide in both ratio of companies without successors and average age of presidents

Successor development program held annually since 2019
Cumulative total of 200 graduates

Source: Teikoku Databank Nationwide Survey on Ratio of Companies Without Successors (2025)
Mie Prefecture Survey on Ratio of Companies Without Successors (2025)
Mie Prefecture Survey on Average Age of Presidents (2025)

Strengthening of Consulting (Support for Automotive Industry)

Basic Strategy 02: Taking on Challenges for Growth

百五銀行 FRONTIER BANKING

On-site operational improvement consulting by the automotive industry support team

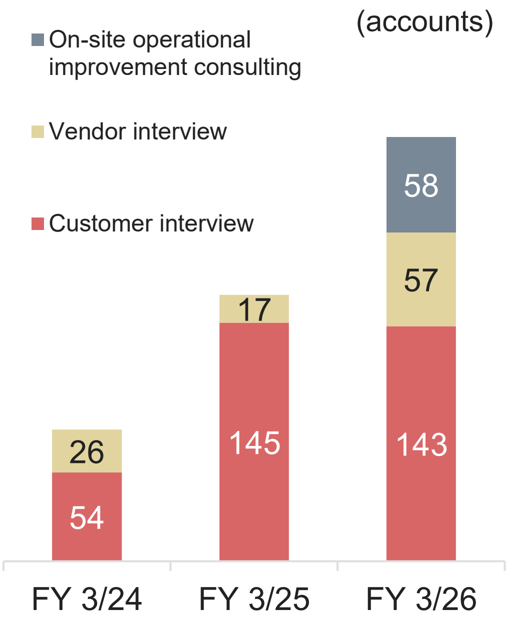
Overview of the automotive industry support team

An industry-specialized team within the Corporate Consulting Division that provides **hands-on support through a wide range of measures** to address the **challenges faced by SMEs**, primarily automotive parts suppliers, **at their manufacturing sites**

Support services provided by the automotive industry support team

Support provided by manufacturing advisors with extensive on-site experience at automobile manufacturers

<Achievements>



External coordination

Holding seminars and other events

Examples of seminars

- Seminar on fair transaction practices and price pass-through
- Web seminar on capital investment and subsidies

Example of on-site operational improvement consulting

Company I, whose core product is protective materials for automotive wire harnesses

Identified issues

- Deterioration in earnings due to rising labor and energy costs
- Dependence on the automotive sector, which accounts for 90% of sales

Led by **manufacturing advisors**, provided **improvement support involving both management and employees** of client companies

Proposed support services

- Cost reduction through “logistics improvements”
- Cost reduction through measures such as simplification of certain inspection processes
- Support for improving supplier evaluations
- Assessment of in-house molding production
- Proposal and assessment of measures to reduce employees’ workload

Strengthening of Consulting (Subsidy Application Support)

Basic Strategy 02: Taking on Challenges for Growth

百五銀行 FRONTIER BANKING

Support growth of companies and create earnings opportunities through subsidy application support services

Overview of subsidy application support services

Challenges in utilizing subsidies

- Unable to utilize subsidies effectively due to the complexity of subsidy programs
- Unable to prepare highly effective business plans

Provide consulting support focused on **formulating business plans for subsidy applications** through a three-party contract scheme **coordinating with administrative scriveners**

▶ **March 2025: Signed a comprehensive partnership agreement with the Mie Prefecture Association of Administrative Scriveners**

Formulate and refine business plans coordinating with administrative scriveners

Support customers in utilizing subsidy programs

Objectives of subsidy application support services

- Expand non-interest income through consulting-based business

Number of support cases in FY2025	Amount of subsidy applications in FY2025
14 projects	2,180 million yen

- Strengthen support for customers' core business starting with their growth investments

  ⇒ Starting with subsidies, become involved in customers' capital investment from the planning stage, aiming to create a virtuous cycle that leads to the expansion of related loans and business transactions

Examples of subsidy programs eligible for application support

Subsidy programs related to the Ministry of Economy, Trade and Industry

Subsidy applications supported: 2,170 million yen

We generally handle all subsidy programs, including manufacturing and labor-saving investment subsidy programs as well as the large-scale growth investment subsidy, which provides subsidies of up to 5 billion yen

Subsidy programs related to local governments

Subsidy applications supported: 10 million yen

We support subsidy programs related to capital investment offered by prefectural and municipal governments

Housing Loans

Basic Strategy 02: Taking on Challenges for Growth

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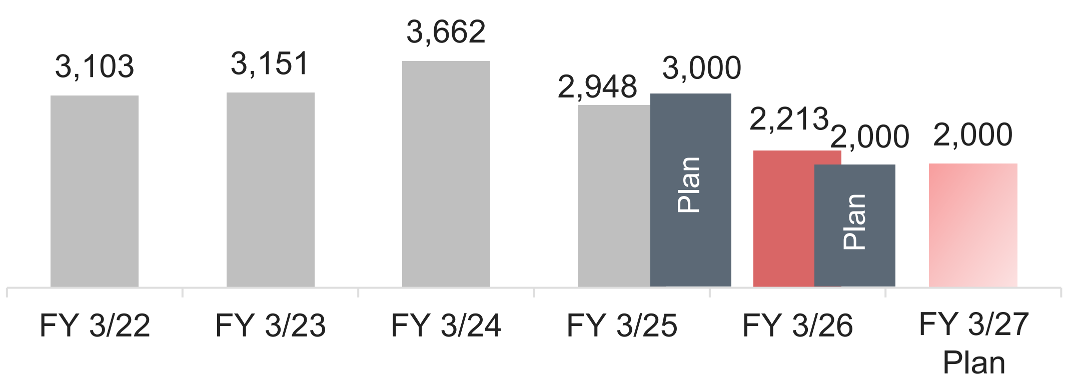
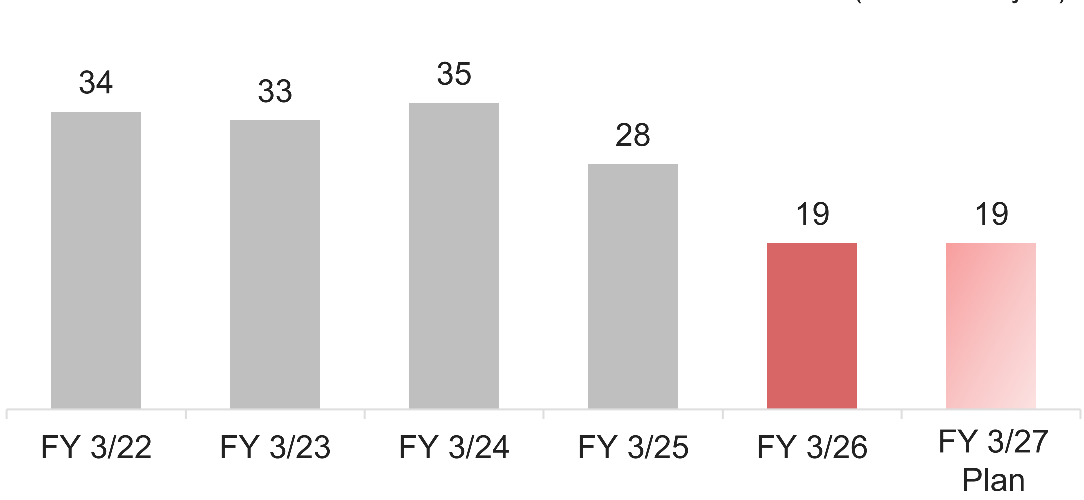
Since FY 3/25, acquisition targets have been strategically revised, and acquisition amounts have remained solid compared to the plan

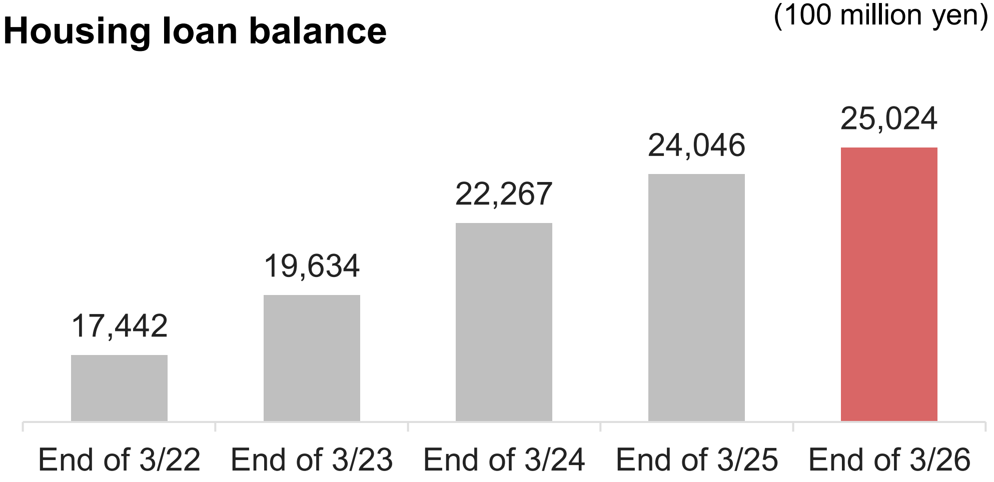
Housing loans originated



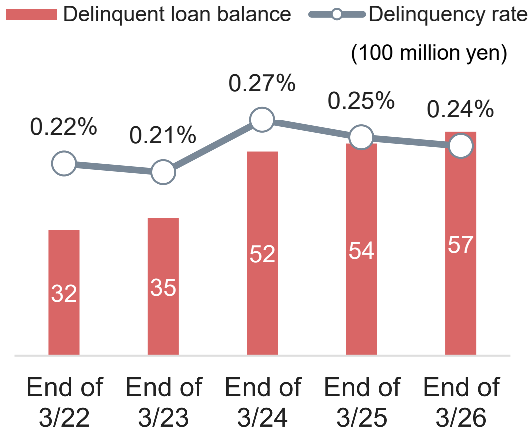
Housing-loan-related fees



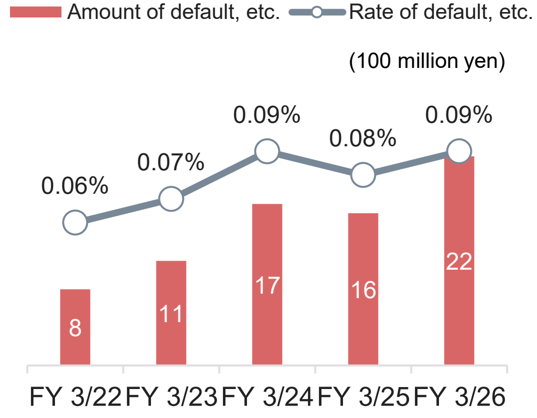
Housing loan balance



Delinquent loan balance and rate



Amount and rate of default, etc.



* Including guaranteed loans (payment under guarantee)

Depository Asset Sales

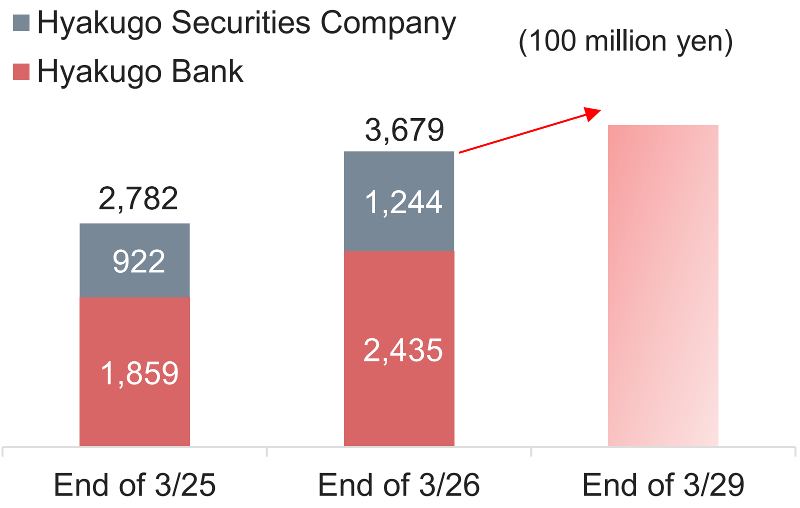
Aim to improve profitability through the strengthening of stock-based business as the increase in consolidated balance of bank and securities investment trusts under the Medium-term Management Plan is progressing steadily

Increase in consolidated balance of bank and securities investment trusts (vs. March 31, 2025)

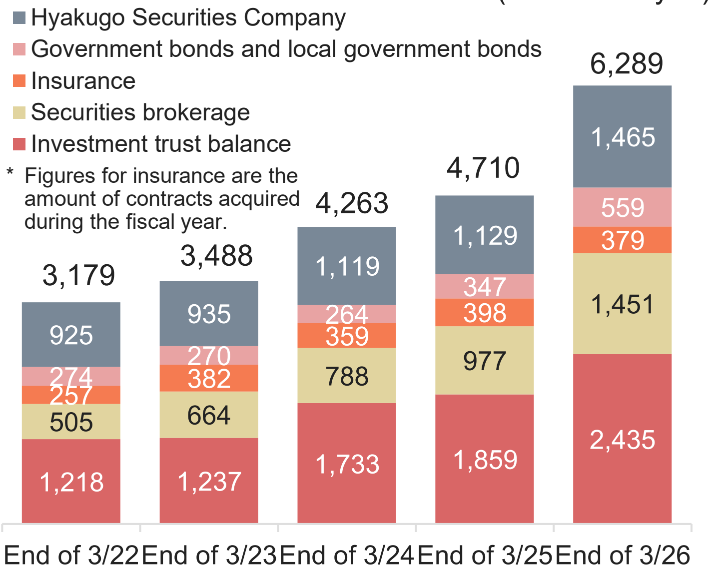
Target for the final year of the Medium-term Management Plan: +50 billion yen

Actual as of March 31, 2026: +31.4 billion yen
(excluding market value fluctuations)
(Breakdown) Hyakugo Bank: +16.2 billion yen;
Hyakugo Securities Company: +15.2 billion yen

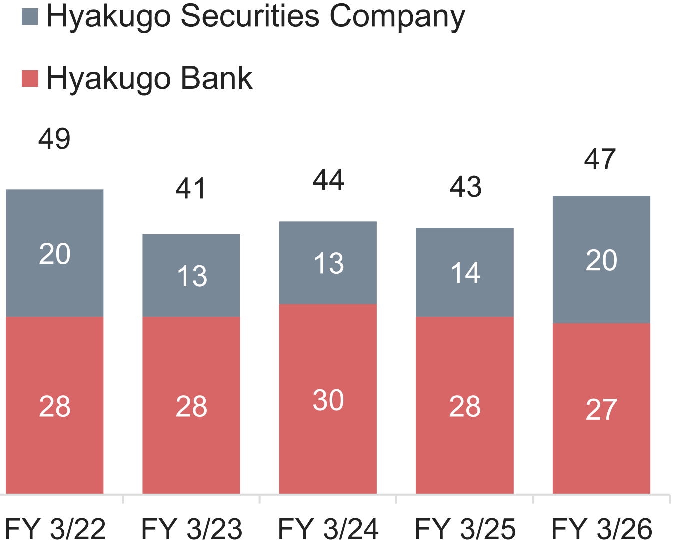
<For Reference> Trend in investment trust balance including market value fluctuations



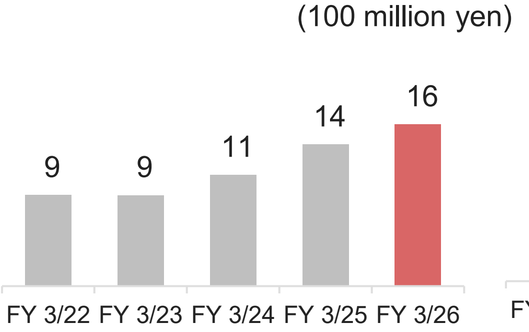
Depository asset-related balances (incl. market value fluctuations)



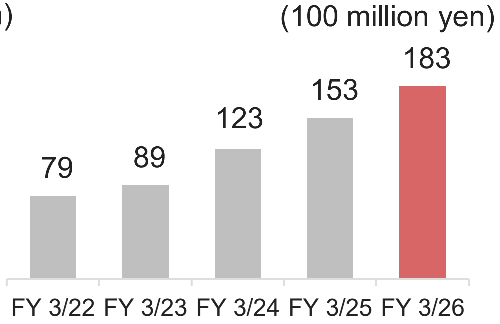
Depository assets-related earnings



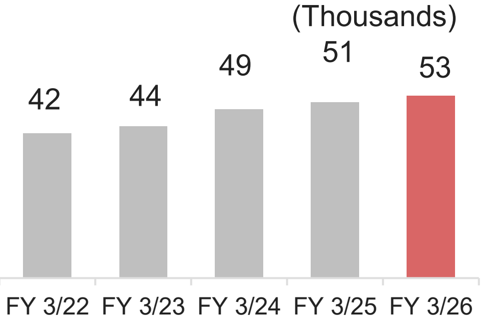
Trust fees for investment trust



Annual investment trust transfer amount



Number of NISA account holders



* All results are presented on a combined banking and securities basis.

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Securities Strategy

Improve returns on securities investments by increasing holdings of securities, primarily yen-denominated bonds, while selling low-yield yen bonds

Status of replacement of low-yield yen bonds

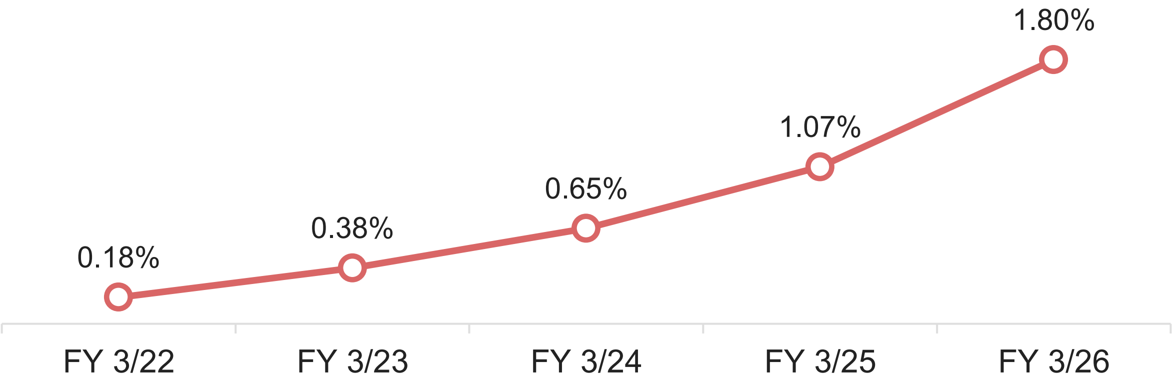
* Low-yield yen bonds: Defined as yen bonds with yields of 0.75% or lower

Replacement of low-yield yen bonds

- Amid rising stock prices, strategically utilized gains from profit-taking on stocks and investment trusts, as well as gains on sales resulting from the reduction of cross shareholdings
- Sold low-yield yen bonds, acquired during the low-interest-rate environment, and underperforming investment trusts

(100 million yen)	FY 3/26	FY 3/27 Plan
Amount invested	3,833	3,240
Of which, new investments	2,055	1,840
Of which, reinvestments	1,778	1,400

Yen-denominated bonds: Trend in average yield on new investments



Securities investment policy

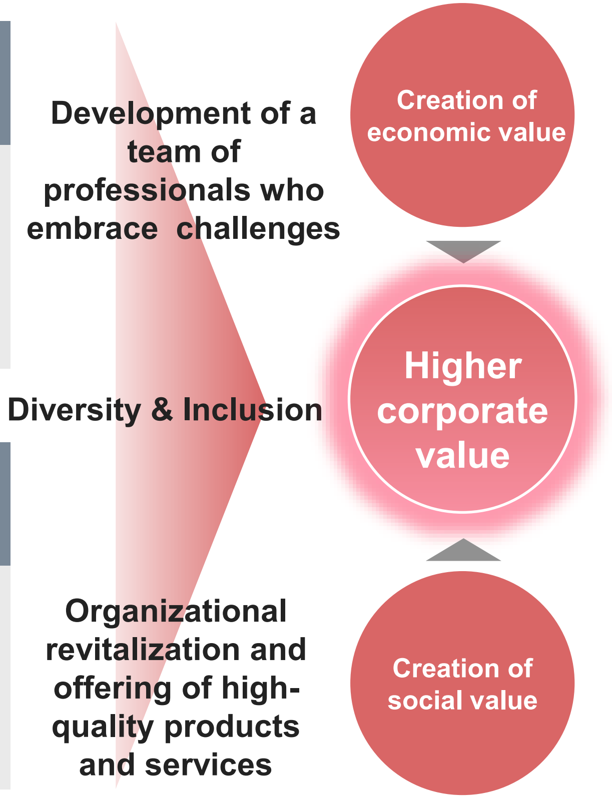
New investments	• Gradually increase holdings of yen-denominated bonds in an environment of positive interest rates • Invest primarily in bonds with maturities of up to 10 years, while managing interest rate risk, as gradual rises in interest rates are expected with financial normalization
Existing portfolio	• Proceed with the sale of low-yield yen bonds and reinvest based on our ALM position

Improve returns on securities investments

Human Capital Indicators

Progress on human capital KPIs (as of March 31, 2026)

KPI	Result	Targets for the final year of the Medium-term Management Plan
Cumulative no. of personnel who have passed the professional qualification examinations*1	487 persons	Over 500 persons
No. of professionals*2	- *Certification is scheduled to begin in FY2026	Over 100 persons
No. of personnel who have acquired the IT Passport	870 persons	Over 1,000 persons
Ratio of female executives (posts equivalent to or higher than supervisors)	23.0%	25% or higher
Ratio of female managers (posts equivalent to branch head)	11.2%	12% or higher
Presenteeism loss ratio *3	15.0% *Survey in FY2025	10% or less
Absenteeism average days *4	4.9 days *Survey in FY2025	5 days or less
Employee engagement index * According to an internal survey	85.0% *Survey in FY2025	85% or higher



*1 Professional qualification examinations : Examinations for FP Level 1, CFP, Small and Medium Enterprise Management Consultant, Certified Public Tax Accountant, Social Insurance Labor Consultant, Securities Analyst, CIA (Certified Internal Auditor), Class 1 Architect, Registered Information Security Specialist, and Project Manager

*2 No. of professionals : The number of personnel who have passed the professional qualification examination and have demonstrated high levels of knowledge and competence

*3 Presenteeism loss ratio : Percentage of work performance reduced due to illness or injury

*4 Average number of absenteeism days : Number of days employees are absent from work due to illness, injury, or other health conditions (including paid leave, and calculated excluding those with no days of absence)

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Personnel System Revisions

Position human capital as the most important management resource and create an environment where diverse employees can take on challenges and grow regardless of age or gender

Overview of personnel system revisions (effective April 1, 2026)

Clearer differentiation in treatment and reduction of perceptions of unfairness

- Increase the proportion of job-based salaries and widen salary differentials
- Revise performance evaluations (bonuses)
- Reduce wage differences between career-track employees and area career-track employees and provide allowances to employees who relocate

Promotion of the active contribution of specialist and senior employees

- Extend retirement age for bank employees: 60 ⇒ 65
- Extend retirement age for senior bank employees (rehired employees): 65 ⇒ 70
- Revise mandatory retirement from managerial positions
  Transition to a job-based personnel system after age 60

Support for career autonomy and taking on challenges

- Introduce a career path system
- Expand the reward system for obtaining public certifications, etc.
- Introduce an expert system* and expand open internal recruitment transfers

* Limit the scope of transfer for bank employees who wish to develop their specialization

Diversified human resources and work styles

- Convert contract employees to limited regular employees, aiming to improve the retention of human resources in the administrative area
- Introduce a flextime system
  Realize flexible working styles, aiming to reduce long working hours

Personnel and organizational impact

Personnel

- Expansion of opportunities for younger and mid-career employees to take on challenges
- Promotion of the active contribution of experienced employees
- Proactive career development

Organizational

- Engagement improvement
- Productivity and expertise enhancement
- Establishment of a culture that embraces challenges
- Improvement in medium- to long-term earning power
- Higher corporate value

Maximized value of human capital

Need to promote the active contribution of experienced employees while expanding opportunities for younger and mid-career employees to take on challenges

Through these system revisions, improve employee growth and job satisfaction and evolve into an organization capable of responding to changes and creating value on a sustainable basis

Development of Professional Human Resources

Aim to strengthen consulting capabilities and earning power on a sustainable basis through the development of professionals

Process for developing professionals

Develop professionals and advance human capital management

Building a foundation of knowledge

Increase the number of employees passing professional qualification examinations and the IT Passport Examination

- Cumulative no. of personnel who have passed the professional qualification examination 487 persons
- No. of personnel who have acquired the IT Passport 870 persons

Enhancement of practical capabilities Practical training programs

Gain cross-functional work experience across branches, head office, and group companies

- Trainee program participants 178 persons (total)
- Job trial training participants 35 persons (total)

Talent certification through multi-faceted evaluation

Evaluate qualification acquisition as a starting point and capabilities demonstrated on the job

- Preliminary judgment at present
  - No. of professionals 68 persons
  - Intermediate level 794 persons

	FY 3/24	FY 3/25	FY 3/26
Total number of training sessions attended	4,744 times	5,381 times	6,011 times

Mid-career hiring efforts

	FY 3/24	FY 3/25	FY 3/26
Number of mid-career hires employed	29 persons	34 persons	37 persons
Posts equivalent to branch head	6 persons	8 persons	6 persons
Deputy Manager / Acting Manager / Supervisor	14 persons	19 persons	21 persons
General	9 persons	7 persons	10 persons

Amid increasing labor mobility, established a system for rehiring former employees who left the Bank

Examples of professional hires: DX professionals, system professionals (cybersecurity), former employees of banks and insurance companies, etc.

Job trial training

[Training examples]

- Structured finance
- Cross-border loan
- Credit risk management
- Business succession fund
- System-related
- DX
- Treasury and securities

DX Promotion (Across the Bank and the Group)

Basic Strategy 04: Digital Transformation

百五銀行 FRONTIER BANKING

Advance operational transformation through the utilization of generative AI

Planning to introduce generative AI into housing loan operations

Application forms, identification documents, property materials, etc.

Previously

Manual data entry

After the introduction of generative AI

Automatic extraction Conversion into data

Final review and judgment by bank employees

In collaboration with Hitachi, Ltd., started **the automation of data transcription and subsequent processes through generative AI and AI agents**

- Verification in housing loan operations showed **a reduction in processing time per case to about one-third or less**
- Transform business processes to enable bank employees to focus on final review and judgment

- Improve productivity through the standardization and streamlining of operation processes
- Shift human resources freed up through these initiatives to higher value-added operations such as proposal development and decision-making

Projected reduction of 7,500 working hours annually

Enhancement of credit assessment and risk management through the use of generative AI

First among financial institutions in Japan

Introduce Moody's Agentic Solutions, a generative AI analytics service provided by Moody's Analytics*, into the investment finance sector

MOODY'S

Credit rating information

Analyst report

Corporate information

Analysis / Learning

Utilization of generative AI

百五銀行

More efficient and sophisticated data analysis and approval request form preparation

* A wholly owned subsidiary of Moody's Corporation in the U.S.

- Automate the analysis of complex financial data and report preparation
- Autonomously perform financial statement review, market environment analysis, and qualitative factor assessment
- First introduced in the Investment Finance Division
- Expected to **reduce** approval request form preparation time **to one-tenth** of the previous level

Introduction of generative AI for searching the Bank's extensive operation manuals

- Introduce a generative AI search function covering internal operations manuals and FAQs
- Realize quick confirmation of operation procedures through natural language search and summary display
- Ensure accuracy through a design that allows simultaneous review of source documents

Projected reduction of 15,000 working hours annually

DX Promotion (Regional DX)

Basic Strategy 04: Digital Transformation

百五銀行 FRONTIER BANKING

Begin corporate banking app development, aiming to expand the reach of non-face-to-face transactions

- Began **corporate banking app development** jointly with BIPROGY

百五銀行 × BIPROGY

Corporate banking app Reasons for in-house development

- **Reflect the needs of local businesses**
  Reflect user-friendly workflows for SMEs and small businesses in the requirements
- **Leverage expertise gained from existing apps**
  Apply operational know-how cultivated through the Hyakugo Smartphone Banking App to the corporate sector
- **Aim to sell the app externally in the future**
  In addition to strengthening customer touchpoints, envision future external sales of the app

Digital platforms provided by the Bank

Corporate internet banking (Corporate)

- Primary device: **PC**
- Key features
  - **Supports advanced functions** such as batch transfers and data transmission services
  - Capable of large-volume data processing and supports integration with accounting software
- Target customers
  - **Relatively large companies** where banking procedures can generally be handled solely by accounting staff

Number of contracted users: **18,000**

Corporate banking app (Corporate)

- Primary device: **PC & Smartphone**
- Key features
  - Focused on day-to-day tasks such as cash management
  - **Accessible without dependence on a specific device**
- Target customers
  - **SMEs and small businesses**
  - Businesses where not only accounting staff but also business owners themselves use smartphones to conduct transactions

Scheduled for launch in the second half of FY2027

Hyakugo Smartphone Banking App (Individual)

- Primary device: **Smartphone**
- Key features
  - **Consolidates services for individual customers**
  - Enables users to review loan contract details and conduct transactions, such as investment trusts
- Target customers
  - All individual customers within the Bank's operating area

Number of accounts used: **350,000**

Provide optimal target-specific solutions and expand the reach of non-face-to-face transactions to SMEs and small businesses

Increase users through service expansion

Smartphone Banking

Basic Strategy 04: Digital Transformation

百五銀行 FRONTIER BANKING

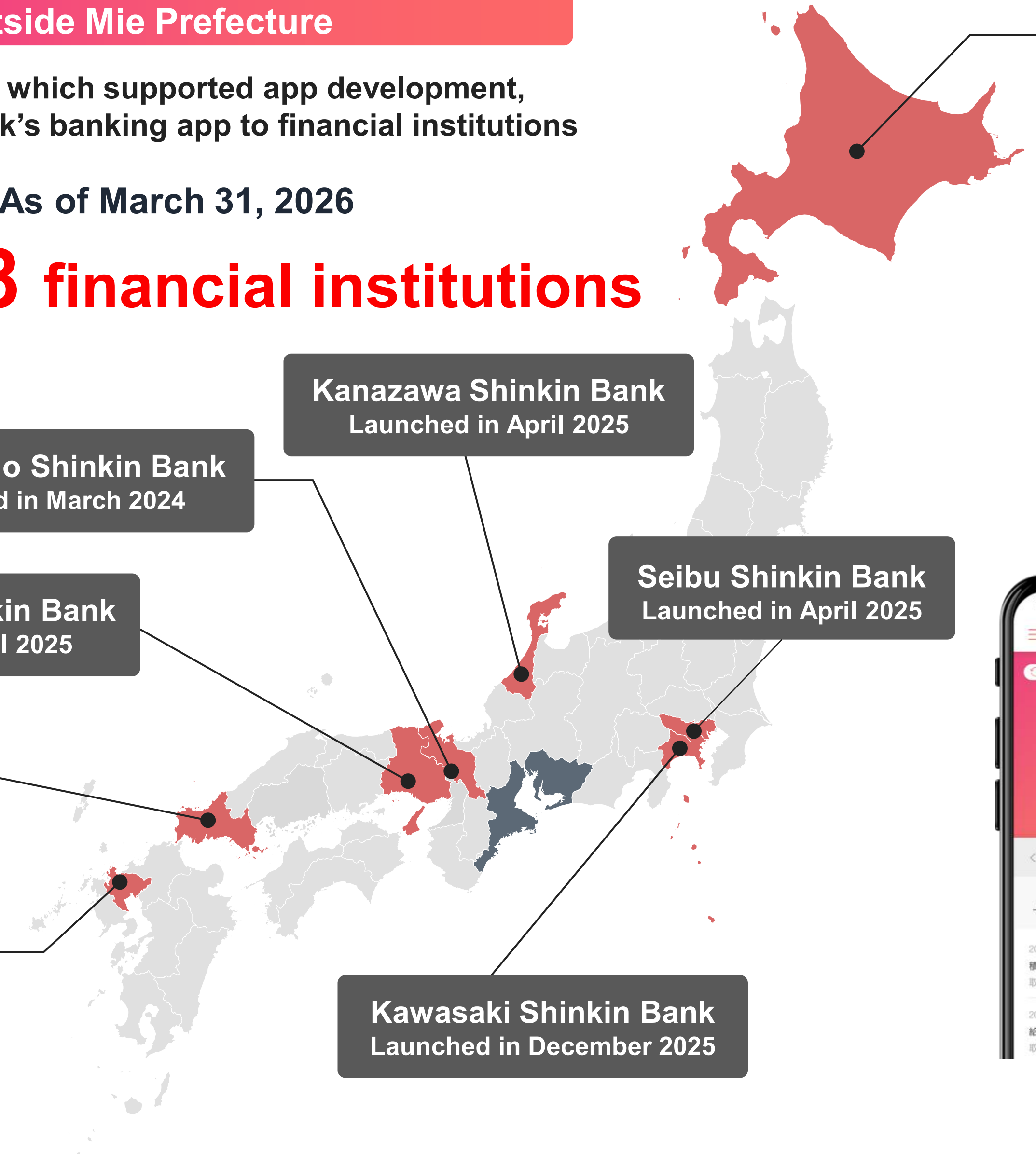
Sales of the Hyakugo Smartphone Banking App to financial institutions outside Mie Prefecture

In collaboration with BIPROGY, which supported app development, provide the platform of the Bank's banking app to financial institutions

Financial institutions to which the app has been sold

As of March 31, 2026

8 financial institutions



Asahikawa Shinkin Bank
Launched in June 2026

Kanazawa Shinkin Bank
Launched in April 2025

Kyoto Chuo Shinkin Bank
Launched in March 2024

Seibu Shinkin Bank
Launched in April 2025

Amagasaki Shinkin Bank
Launched in April 2025

THE SAIKYO BANK, LTD.
Launched in April 2026

THE BANK OF SAGA LTD.
Launched in December 2023

Kawasaki Shinkin Bank
Launched in December 2025

The number of app user accounts, including those from external sales, has exceeded 1 million

Hyakugo Bank smartphone banking

Banking app developed and provided by BIPROGY

Identify key risks that could have a significant impact on the management of the Group

Purpose of top risk management

- Establish a shared understanding of risks that could significantly affect the Bank's management
- Discuss the likelihood, impact, and appropriateness of responses for each risk at the management level
- Allocate management resources to implement necessary measures, thereby enhancing corporate value

List of top risks

Large-scale cyberattacks (including third parties)

Representative scenario
Cyberattacks targeting the Group and third parties

Management direction
Enhance monitoring and training, and strengthen third-party management

Inadequate response to the rapid advancement of digitization, including AI

Representative scenario
Structural changes in industries driven by evolution of AI / Delays in DX implementation

Management direction
Accelerate AI and DX implementation, and strengthen talent and governance

Intensifying competition within the industry and from other industries

Representative scenario
Lower loan-deposit profitability / Decrease in investment funds due to lower deposits

Management direction
Promote differentiation strategies, and diversify earnings sources

Decline of core local industries

Representative scenario
Decline of the automotive and tourism industries

Management direction
Diversify the industry portfolio, and support local industries

Stagnation in talent acquisition and talent development

Representative scenario
Population decline / Aging workforce / Decrease in specialized talent

Management direction
Secure specialized talent, and strengthen reskilling initiatives

Occurrence of large-scale natural disasters

Representative scenario
Large-scale natural disasters, including a Nankai Trough earthquake

Management direction
Enhance BCP measures, and strengthen redundancy of facilities and systems

Sudden changes in financial markets

Representative scenario
Decline in securities prices / Global financial crisis

Management direction
Implement flexible ALM management, and enhance stress testing

Occurrence of incidents resulting in a loss of public trust

Representative scenario
Misconduct / Deficiencies in frameworks for preventing money laundering, etc.

Management direction
Enhance AML/CFT measures, and prevent recurrence

Risk control framework

Develop a framework that incorporates responses to top risks into the formulation process for the management plan

Monitor the occurrence of risks and the effectiveness of management frameworks, and **implement the PDCA cycle based on rigorous assessment**

Identification of top risks	Incorporation of countermeasures into management plans	Annual monitoring	Continuous improvement
Plan	**Do**	**Check**	**Act**

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

PBR and ROE: As of March 31, 2026
Number of IR/SR sessions held: FY2025 Results

PBR
0.70 times (As of March 31, 2025: 0.41 times)

ROE in consolidated net assets
5.63% (As of March 31, 2025: 3.87%)

Number of IR/SR sessions held
38 times (FY2024: 24 times)

Improving the P/B ratio

- **Higher ROE**
  - **Higher RORA** = Profit / Risk assets
  - ×
  - **Optimizing the leverage** = Risk assets / Shareholders’ equity
- **Higher P/E ratio**
  - **Growth expectations/ lower capital costs**

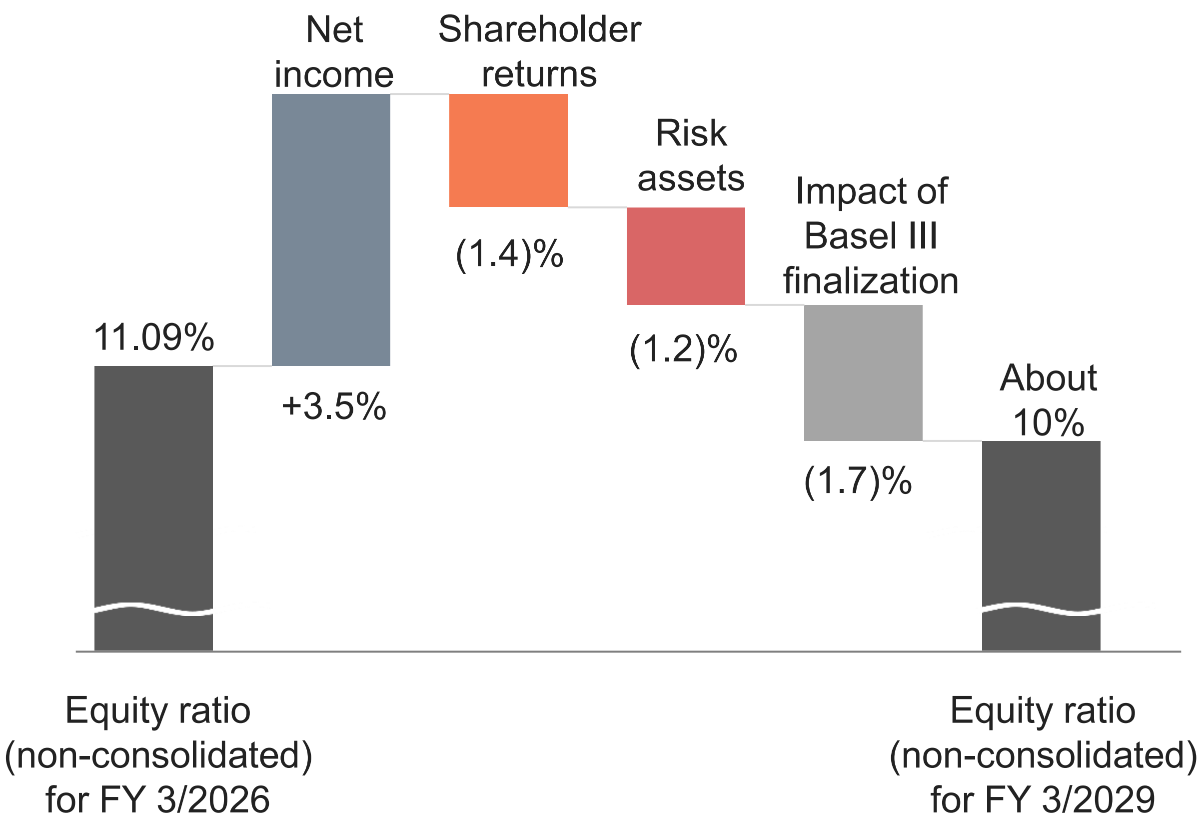
Enhanced earnings	Enhanced interest and service income	Basic Strategy 02: Taking on Challenges for Growth	…p. 23
	Appropriate control of expenses	Basic Strategy 04: Digital Transformation	...p. 35
Streamlining the balance sheet	Maintaining an appropriate equity ratio	Capital Allocation	…p. 40
	Timely and appropriate capital allocation	Cross-Shareholdings / Shareholder Returns	…p. 41
Information disclosure	Enhancing IR activities	Initiatives to Improve PER	
		Basic Strategy 01: Creation of Social Value	...p. 20
	Enhancing and disclosing sustainability management	Basic Strategy 03: Human Resource Strategy	…p. 32
		Basic Strategy 05: Strengthening of Strategic Foundation	...p. 38

Capital Allocation

百五銀行 FRONTIER BANKING

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>

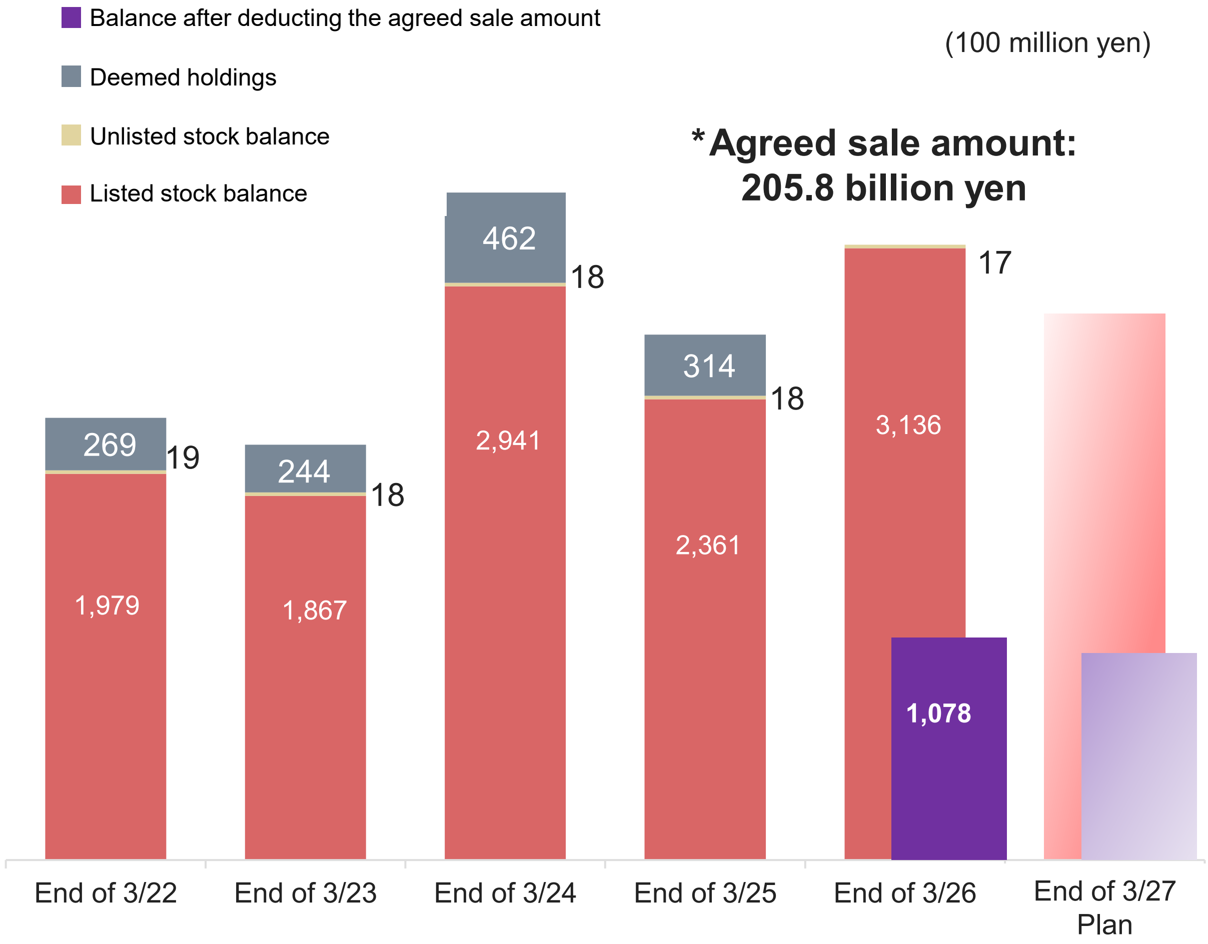
Risk assets

- Increase loans to medium-sized companies and SMEs in the region
- Strengthen the framework for structured finance and cross-border loans
- Improve the profitability of mortgage assets
- Restructure the securities portfolio

Achieve efficient asset allocation

Cross-Shareholdings

Trend in the balance (market value) of cross-shareholdings



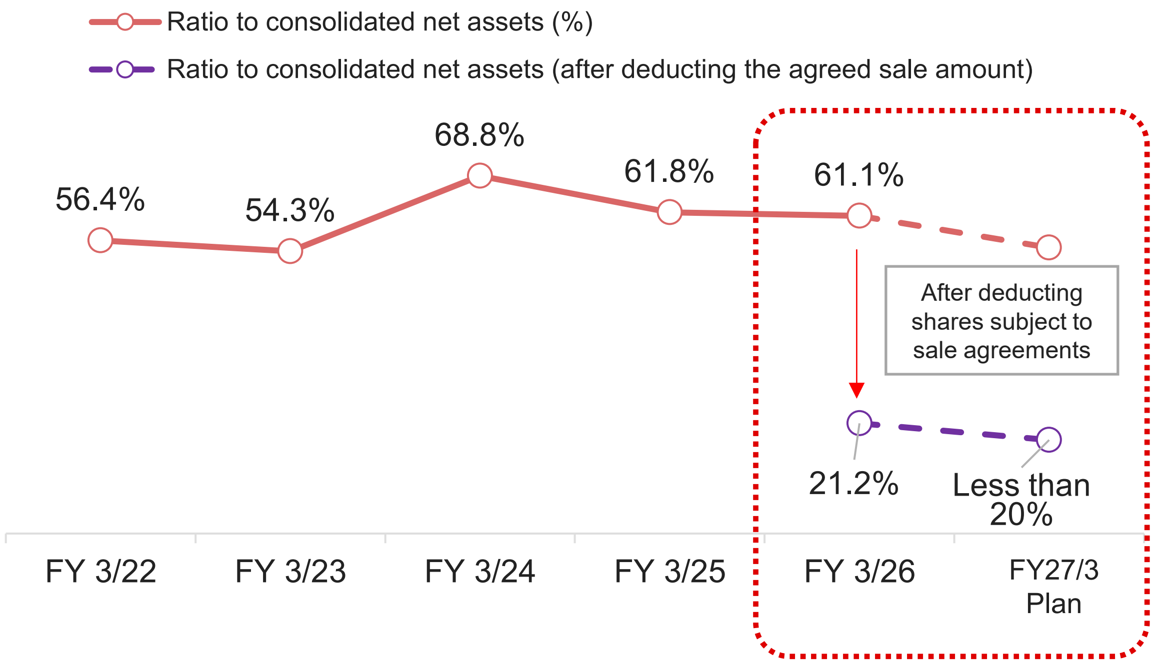
(Nikkei Stock Average: Yen)

27,821	28,041	40,369	35,617	51,063

Concept of reducing cross-shareholdings

- If banking transactions or other relationships with the counterparty continue even after a sale has been agreed, the shares will continue to be managed as cross-shareholdings.
- "Shares for which a sale has been agreed" refers to shares that can be sold on the market at any time without requiring the issuer's consent to their 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 FY 3/2027

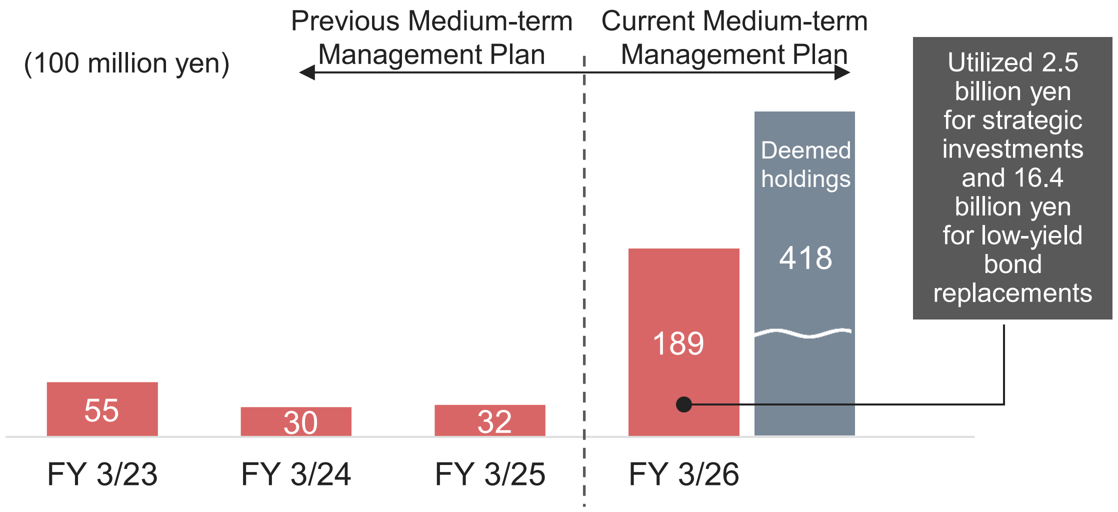
Trend in ratio of cross-shareholdings to consolidated net assets



Cross-Shareholdings

Status of cross-shareholdings reduction

Trend in amount of cross-shareholdings sold since FY 3/2023



- 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
- Sold 18.9 billion yen of cross-shareholdings in FY2025
  Sold all shares held in the retirement benefit trust (deemed holdings), totaling 41.8 billion yen
- Funds from selling shares will be used not only for DX investment and human capital investment, but also strategically for replacing low-yield bonds. By reinvesting in higher-yield bonds, we expect to contribute to the improvement of interest income

Strategic investments financed by proceeds from sales

	Results in FY2025	Plan for Medium-term Management Plan period
DX investment	1.7 billion yen	7.0 billion yen
Human capital investment	0.8 billion yen	13.0 billion yen

Purpose of selling deemed holdings

Reduction of cross-shareholdings
By selling all deemed holdings, steadily advance the policy of reducing cross-shareholdings, aiming to lower the ratio of cross-shareholdings to consolidated net assets

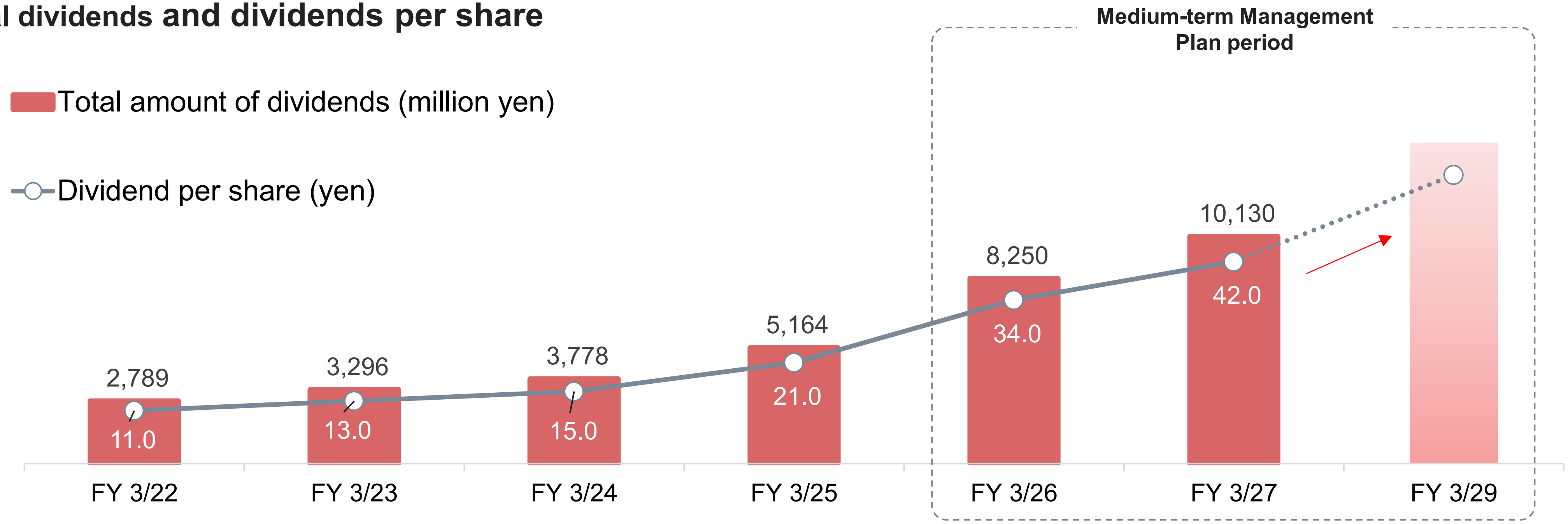
Diversification of concentration risk in specific stocks
Avoid concentration risk in specific stocks by replacing shares contributed to the retirement benefit trust with more stable investment products with relatively low price fluctuation risk

Improvement in the stability of pension asset management
Enhance the stability of pension asset management, mitigate fluctuations in pension assets caused by stock price volatility, and contribute to stabilizing future retirement benefit expenses

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 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26	FY 3/27 Forecast	FY 3/29 Plan (Final year of Medium-term Management Plan)
Dividend payout ratio	20.8%	22.7%	26.6%	28.8%	30.8%	35.3%	40% or more
Total payout ratio	22.0%	22.7%	43.0%	41.2%	40.1%	About 43%	-
Total amount of treasury stock repurchased	160 million yen	-	2,365 million yen	2,260 million yen	2,499 million yen	2,500 million yen	-

Appendix

Strengths of Our Sales Foundation

Key sales foundation data

	Survey year	Mie Prefecture	National ranking	Aichi Prefecture	National ranking
Total population	2024	1,711 thousand people	22nd	7,460 thousand people	4th
Gross prefectural product	2022	8,490.6 billion yen	19th	43,083.1 billion yen	3rd
Percentage of working-age population	2024	57.9%	17th	62.0%	3rd
Per capita income of prefectural residents	2022	3,227 thousand yen	13th	3,819 thousand yen	2nd
Shipments of products, etc.	2023	12,311.4 billion yen	9th	58,021.8 billion yen	1st
Real economic growth rate	2022	1.6%	25th	5.1%	5th

Shipments of products by industry (Mie Prefecture)

Industry subcategories	Composition ratio	National ranking
Transportation equipment manufacturing	25.0%	7th
Electronic components, devices, and electronic circuits manufacturing	14.5%	1st
Chemical industry	11.3%	12th
Electrical machinery and equipment manufacturing	8.3%	6th
Petroleum and coal products manufacturing	5.9%	9th
Food manufacturing	4.7%	21st
Non-ferrous metal manufacturing	3.9%	13th
Plastic products manufacturing (excluding those listed separately)	3.8%	13th
General-purpose machinery manufacturing	3.7%	9th
Metal products manufacturing	3.6%	14th
Industries not classified above	14.6%	

Both Mie and Aichi 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 20 consecutive years
(As of FY2023 survey)

Aichi Prefecture

Shipments of products, etc. Total
Ranked No. 1 in the nation for 47 consecutive years
(As of FY2023 survey)

Strengths of Mie Prefecture

- **Concentration of specialized technologies:** Automotive parts, semiconductor, and electronic component manufacturing facilities are concentrated in the region
- **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 3,088.8 billion yen, ranking 9th nationwide
- **Abundant natural resources:** Rich tourism resources such as Ise-Shima National Park and the UNESCO World Heritage-listed Kumano Kodo pilgrimage routes

Strengths of Aichi Prefecture

- **Overwhelming economic scale:** One of the largest economies in Japan with a gross prefectural product exceeding 40 trillion yen
- **Manufacturing cluster:** Automobile-related industries, centered on Toyota, are spread throughout the prefecture
- **Market size:** A vast consumer market with a population exceeding 7.4 million
- **International logistics hub:** The Port of Nagoya (with a total trade volume of 22.6689 trillion yen in 2023, ranking 1st nationwide) and access to global markets via Chubu Centrair International Airport
- **Innovation:** A cluster of next-generation industries such as 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: “Port Trade Volume Ranking (Top 100 Ports in 2023)”

Group Companies

百五銀行 FRONTIER BANKING

The Hyakugo Bank, Ltd.

Company	Services
Hyakugo Card Company Limited	Credit card and credit guarantee services
Hyakugo Leasing Company Limited	Lease services
Hyakugo Research Institute Company Limited	Regional industrial research and consulting services
Hyakugo Digital Solutions Company Limited	Planning, development and operation of systems, ICT business
Hyakugo Securities Company Limited	Financial instruments trading services
Hyakugo Business Service Company Limited	Verification and organizing services for cash, etc.
Hyakugo Heartful Service Company Limited	Storage, management, and printing-related services for documents and ledgers, etc.
Hyakugo Property Research Company Limited	Investigation and assessment work for real estate collateral
Hyakugo Office Service Company Limited	Back-office operations involving deposits, foreign exchange, etc.
Hyakugo Staff Service Company Limited	Job placement and labor management services
Hyakugo Mirai Investment Company Limited	Formation and management of investment limited partnerships (funds)
Hyakugo Digital Associate Company Limited	System-related services and staffing services

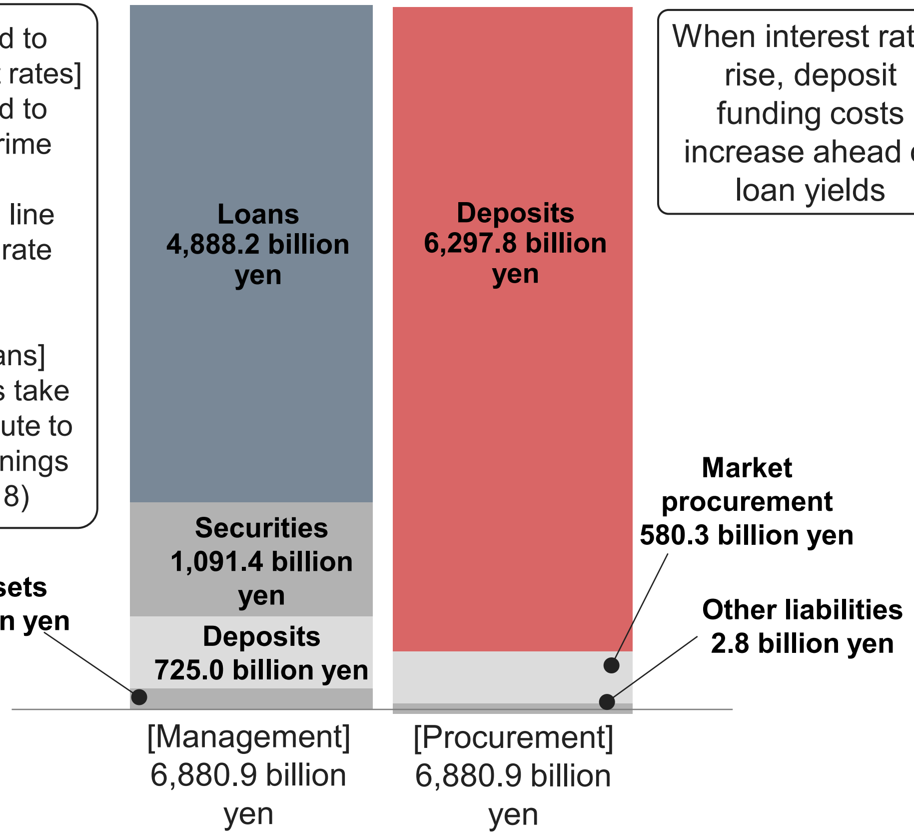
Impact of Rising Yen Interest Rates

Balance Sheet (bank’s non-consolidated basis)

■ Summary of yenbalance sheet
(as of March 31, 2026)

[Loans linked to market interest rates]
[Loans linked to short-term prime rate]
Yields rise in line with interest rate hikes

[Housing loans]
Housing loans take time to contribute to increased earnings
(See page 8)



When interest rates rise, deposit funding costs increase ahead of loan yields

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

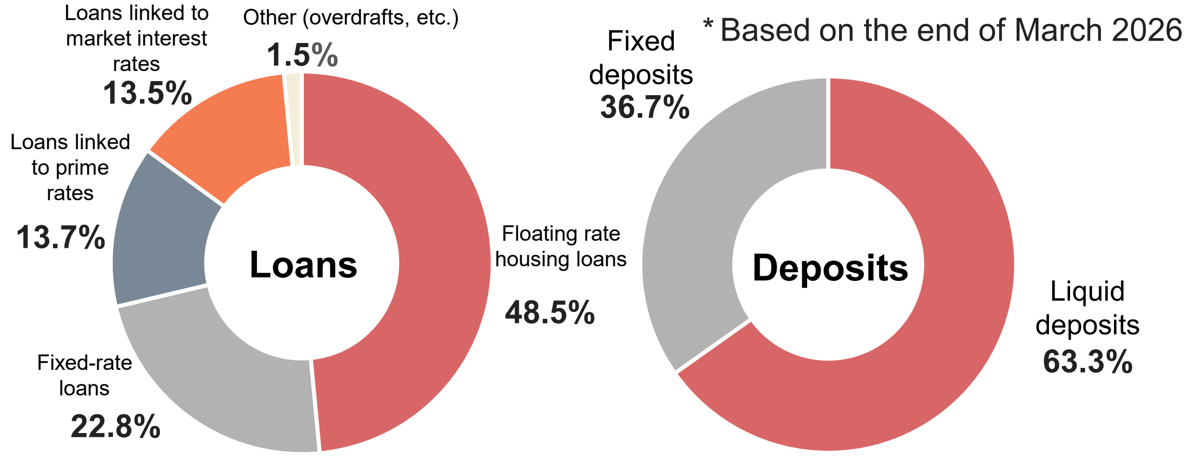
■ Impact simulation

* Policy rate assumption in the Medium-term Management Plan: 0.75% unchanged

June 2026 If the yen interest rate rises by 0.25%		December 2026 If the yen interest rate rises by 0.25%	
FY2026 impact amount	0 billion yen	FY2026 impact amount	+0.1 billion yen
FY2027 impact amount	+3.3 billion yen	FY2027 impact amount	+0.8 billion yen
FY2028 impact amount	+5.0 billion yen	FY2028 impact amount	+5.0 billion yen

Composition of loans and deposits

* Based on the end of March 2026



* Breakdown of loans by interest rate category
Fixed interest rates: approx. 24.3%
Floating interest rates: approx. 75.7%

Corporate Governance Reinforcement

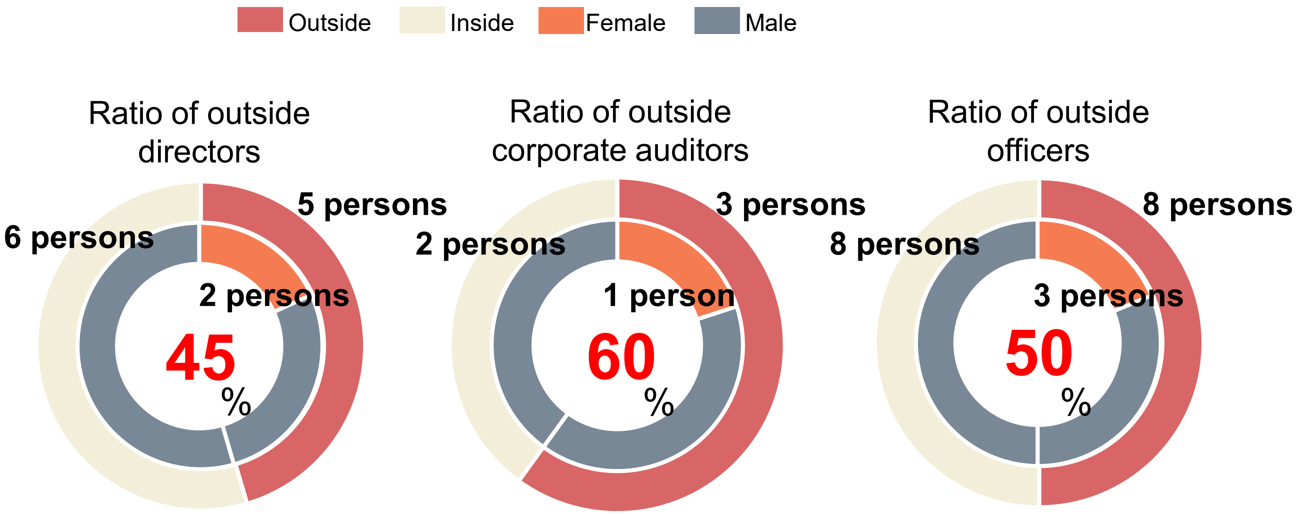
百五銀行 FRONTIER BANKING

Reinforcement of the PDCA cycle in corporate governance

Matters to Be Addressed	Descriptions and Responses
Clarification of responsible departments	Clarify the corporate governance departments (Corporate Planning Section and Secretariat) that were not previously defined, and establish a corporate governance promotion system
Acceleration of information sharing	Share issues raised by management across departments and strengthen the framework for regularly reporting progress to management and implementing additional instructions
Further promotion of active discussions at the Board of Directors meetings	Ensure appropriate discussion time at the Board of Directors meetings based on the importance of agenda items (e.g., by simplifying reporting matters). Review the timing of pre-meeting material disclosure to outside directors, and enrich pre-meeting briefing to secure adequate time for deliberation

Ratio of outside officers

* As of March 31, 2026



*Eight outside officers are all "independent"

Main topics discussed at the Board of Directors meetings in FY2025 (15 meetings held)

- **Matters related to sustainability management**
  FY2026 business plan / Establishment of personnel policies / Scope 1 and 2 reduction plan / DX promotion and generative AI utilization
- **Matters related to corporate governance**
  Assessment of the effectiveness of the Board of Directors / Review of cross-shareholdings and formulation of a disposal policy
- **Matters related to cybersecurity**
  Strategy and action plan on cybersecurity / Results of the third-party assessment of the cybersecurity management framework
- **Matters related to risk and compliance**
  Formulation of FY2026 compliance activity plan / Revision of the Hyakugo Bank Group's risk assessment report related to money laundering and other issues / Formulation of an operation policy on integrated risk management / Determination of the annual audit plan / Identification of top risks / Formulation of a basic policy on customer harassment

Equity Ratio (Consolidated)

百五銀行 FRONTIER BANKING

(100 million yen)

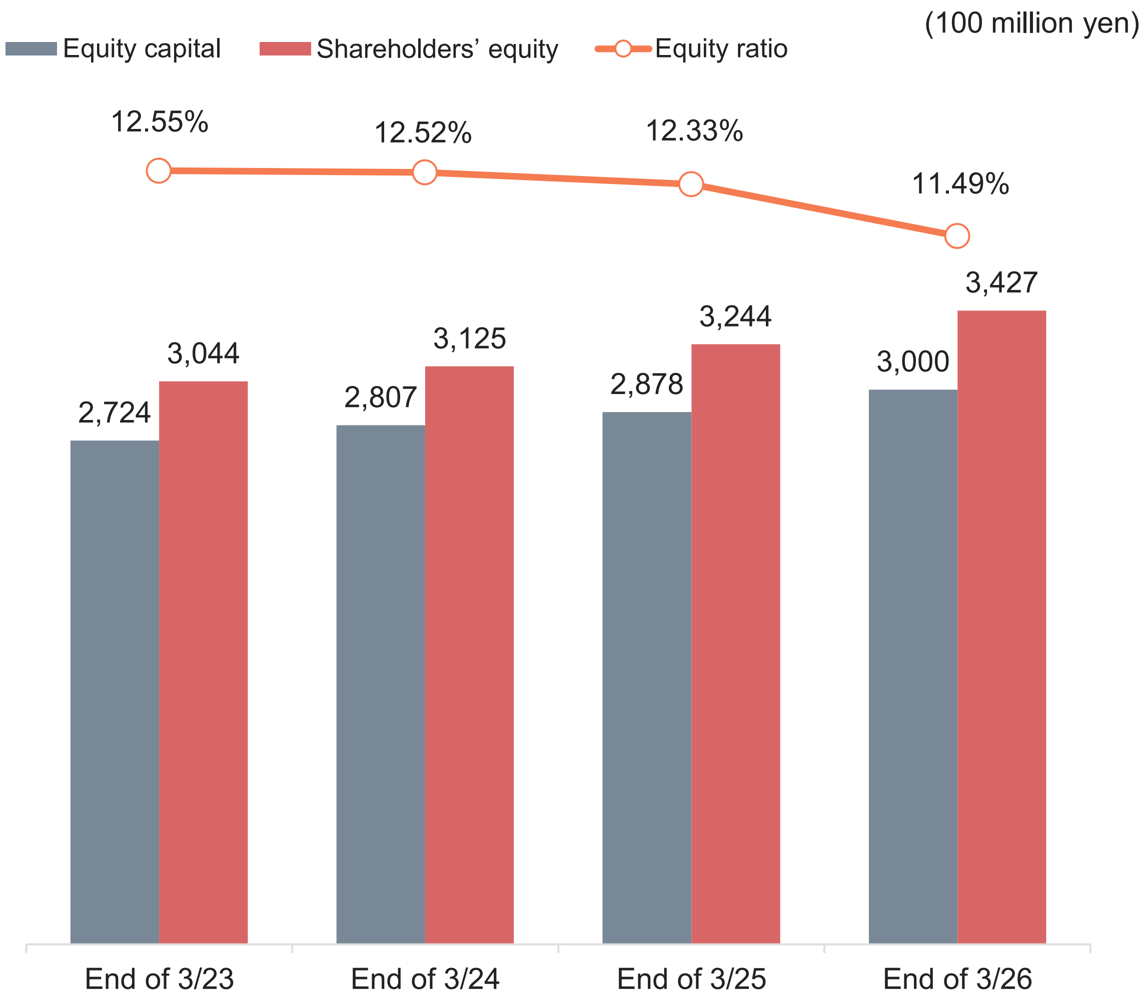
	End of 3/24	End of 3/25	End of 3/26
Equity capital (For equity ratio calculation purposes)	2,807	2,878	3,000
Risk assets	22,414	23,344	26,111
Equity ratio	12.52%	12.33%	11.49%

Shareholders' equity	3,125	3,244	3,427

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

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

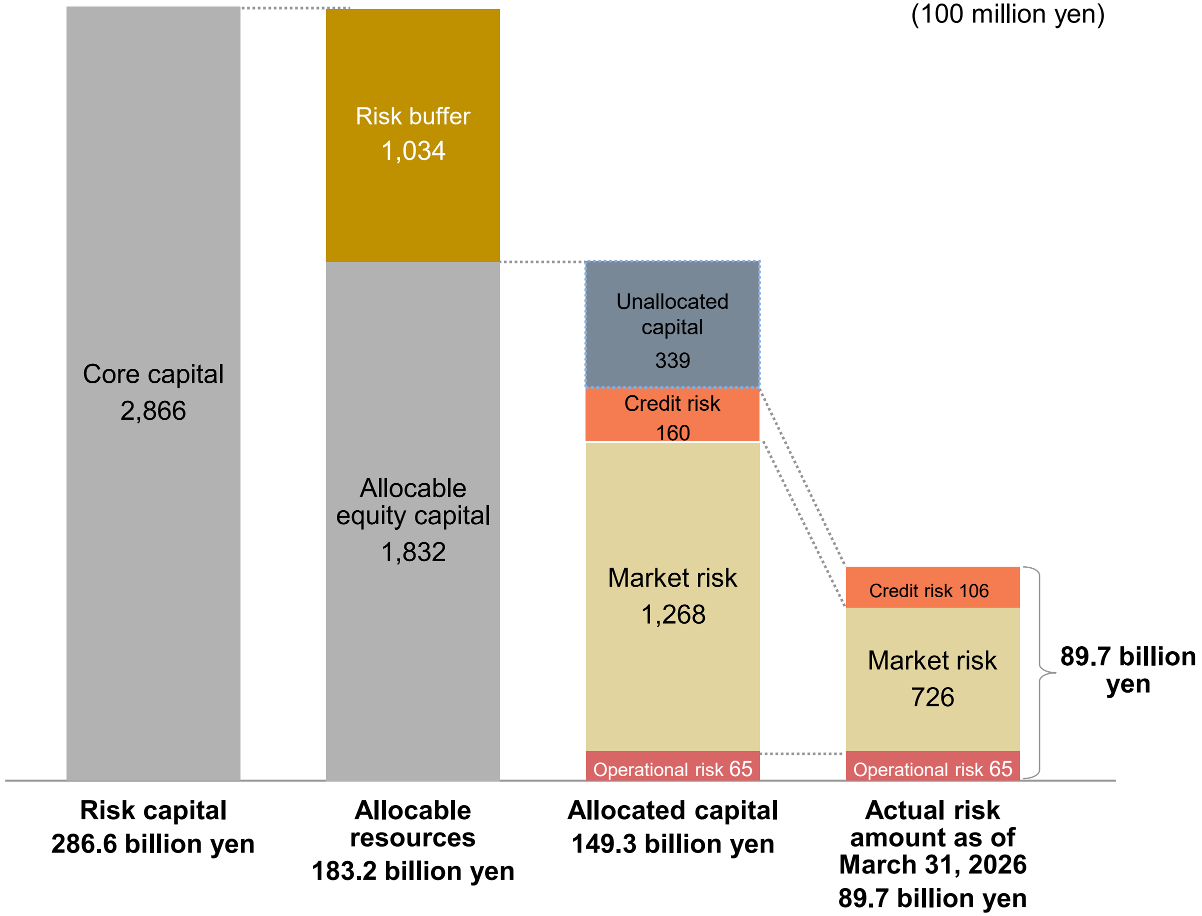
Equity capital, shareholders' equity, and equity ratio



Integrated Risk Management

百五銀行 FRONTIER BANKING

- **Risk is kept within an appropriate range according to the Bank's operating capabilities based on integrated risk management**
- **Compared with core capital of 286.6 billion yen and allocable capital of 183.2 billion yen, actual amount of risk is 89.7 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

百五銀行 FRONTIER BANKING

Non-performing Loans under Internal Assessment Standard (target: total credit exposure)

Classification		Credit outstanding	Category: Non-categorized	Category II	Category III	Category IV
Failure		7 <5>	5	1	- (1)	- (2)
Substantial failure		88 <56>	73	15	- (7)	- (31)
Possible failure		495	291	75	128 (129)	
Watch list	Under control	113	22	91		
	Others	927	366	561		
Normal		50,488	50,488			
Total		52,121 <52,087>	51,247	745	128 (137)	- (34)

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		Amount covered by collateral and guarantee	Reserve for possible loan losses	Coverage ratio
Bankrupt and quasi-bankrupt assets	95 <61>		53	42	100.00%
Doubtful assets	495		238	129	74.14%
Substandard loans	90	Debts past due by three months or more 0 Restructured loans 90	18	9	31.33%
Sub-total	682 <648>		310	181	72.09%
Normal assets	51,439				
Total	52,121 <52,087>				

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: 1.24%

(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 3/22	End of 3/23	End of 3/24	End of 3/25	End of 3/26	Vs. end of 3/2025
Bankrupt and quasi-bankrupt assets	91	73	100	123	95	(27)
Doubtful assets	456	493	493	479	495	16
Substandard loans	103	79	80	77	90	13
Total	651	646	673	680	682	2
Non-performing loans ratio	1.52%	1.39%	1.35%	1.32%	1.30%	(0.02)P

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