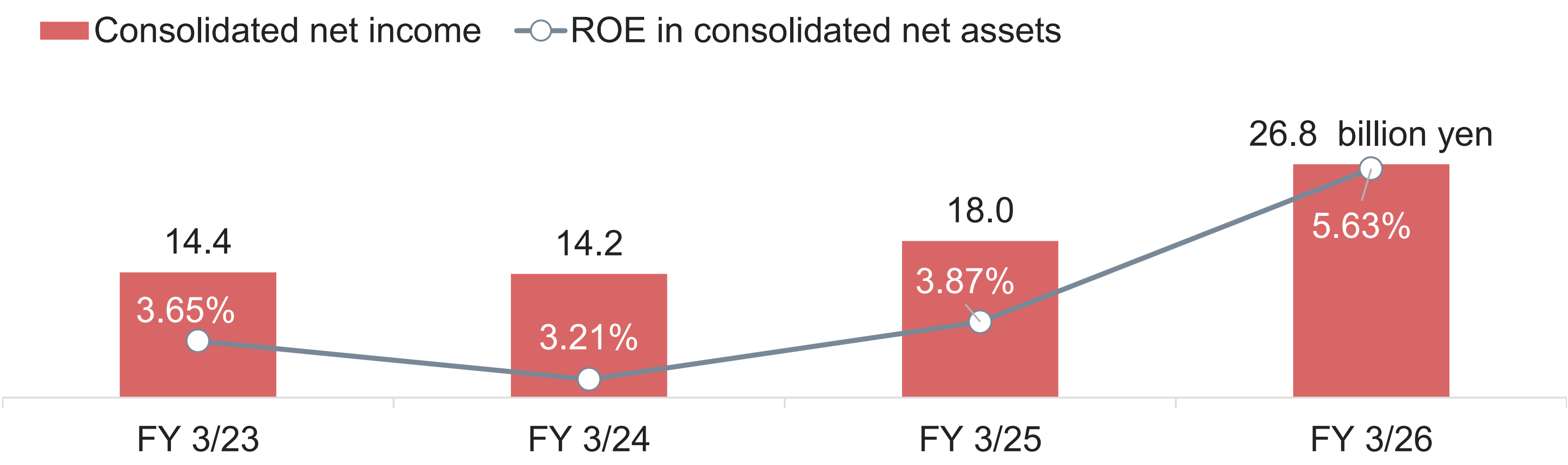
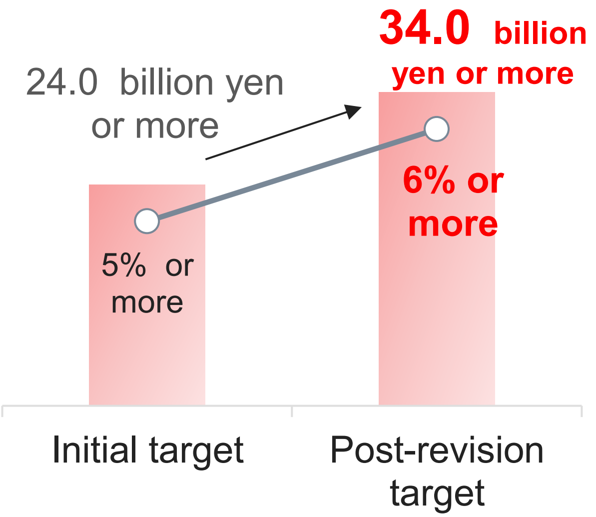
Revision of Financial Targets of Medium-term Management Plan

百五銀行 FRONTIER BANKING

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	FY 3/29 Targets (before revision) * Assumed policy interest rate: 0.50%	FY 3/29 Targets (after revision) * Assumed policy interest rate: 0.75%
	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)
		Actual		FY 3/29 Target





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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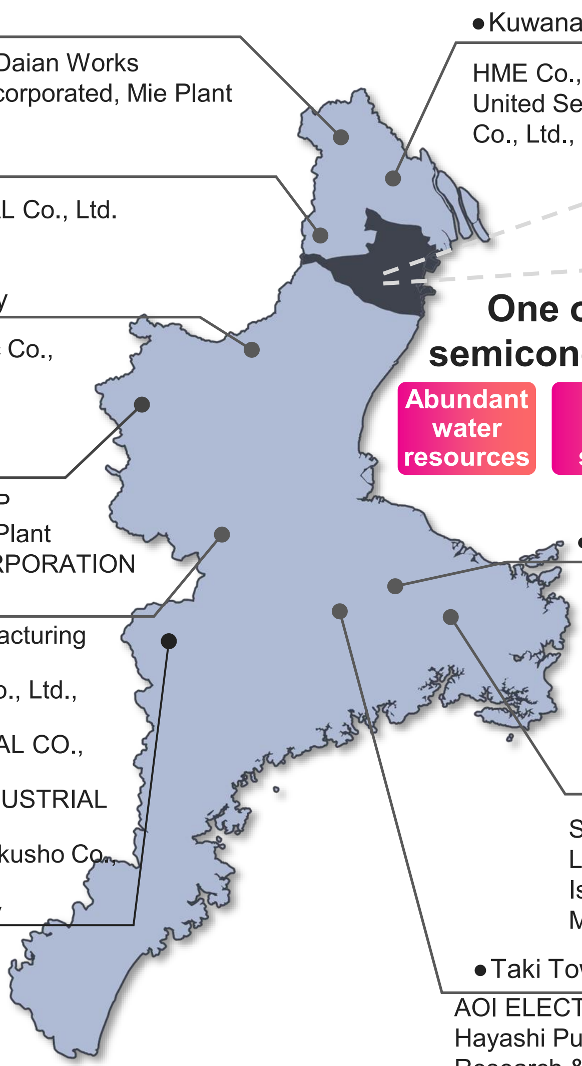
Semiconductor industry in Mie



●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

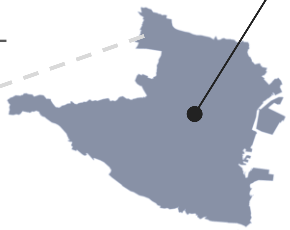
KOYO ELECTRIC CO., LTD.

●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.”

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

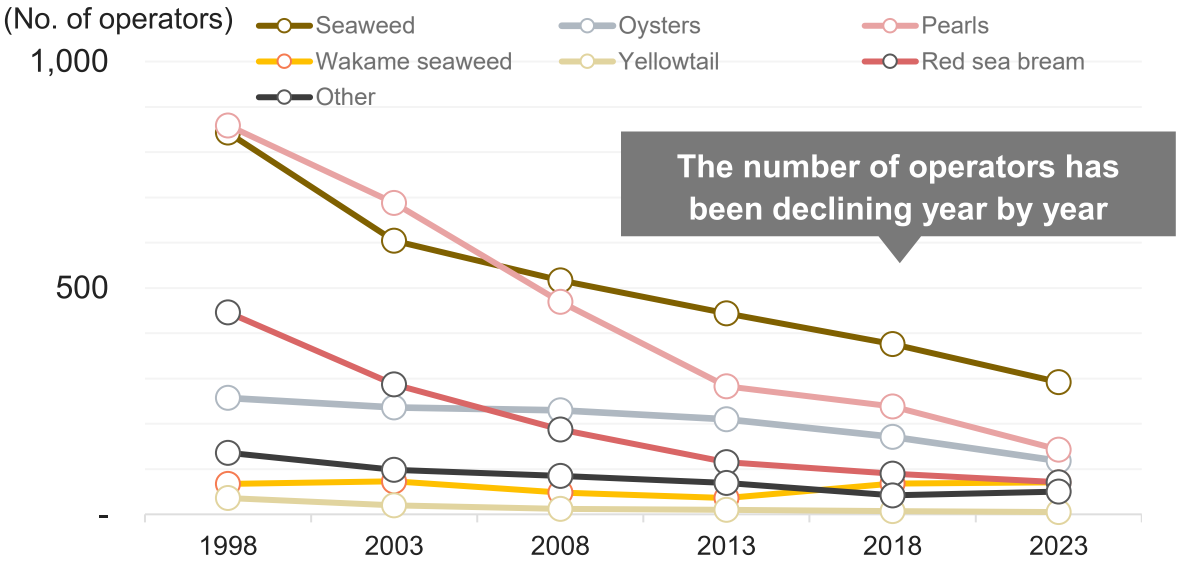
Support for primary industries in collaboration with startups and group companies

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)

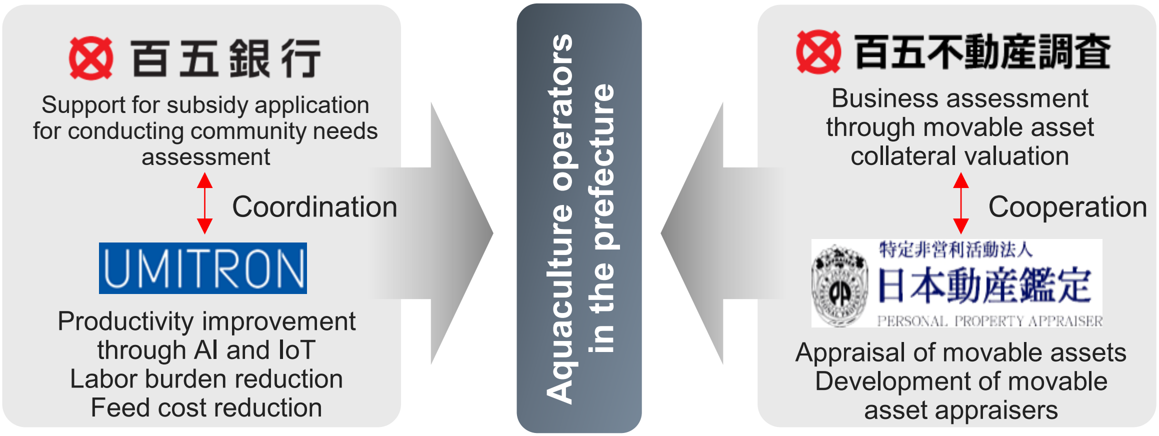
Framework for addressing the challenges

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

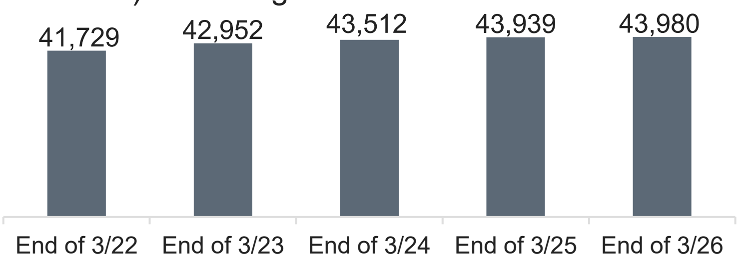
Corporate deposits

Expansion of sticky transactions
Promote the acquisition of primary account contracts for sales deposits and general payroll deposits

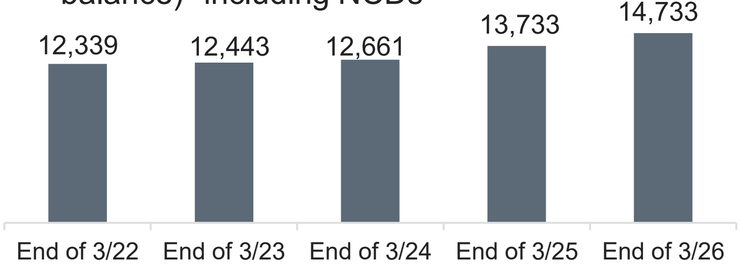
Acquisition of a deposit share in line with a loan share
Approach customers with a large loan-to-deposit gap

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

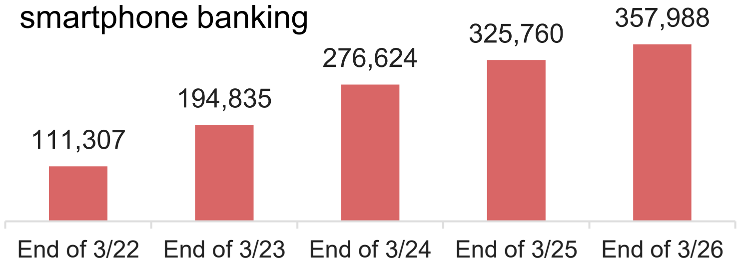
■ Individual deposits (average balance) *including NCDs (100 million yen)



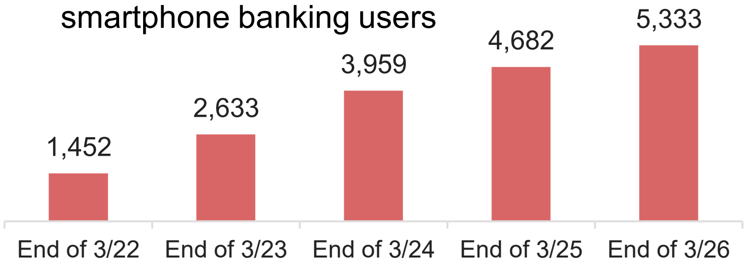
■ Corporate deposits (average balance) *including NCDs (100 million yen)



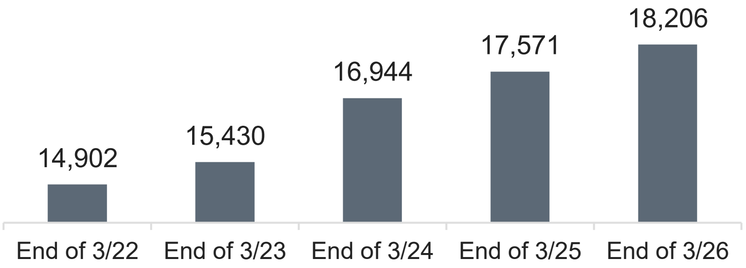
■ Number of accounts using smartphone banking (accounts)



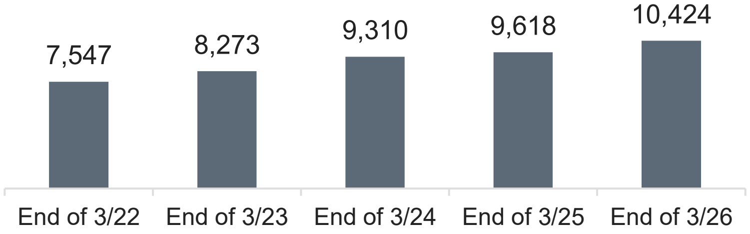
■ Deposit balances of smartphone banking users (100 million yen)



■ Number of corporate IB contracts (account holders)



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



(Note) Corporate IB: Corporate Internet banking

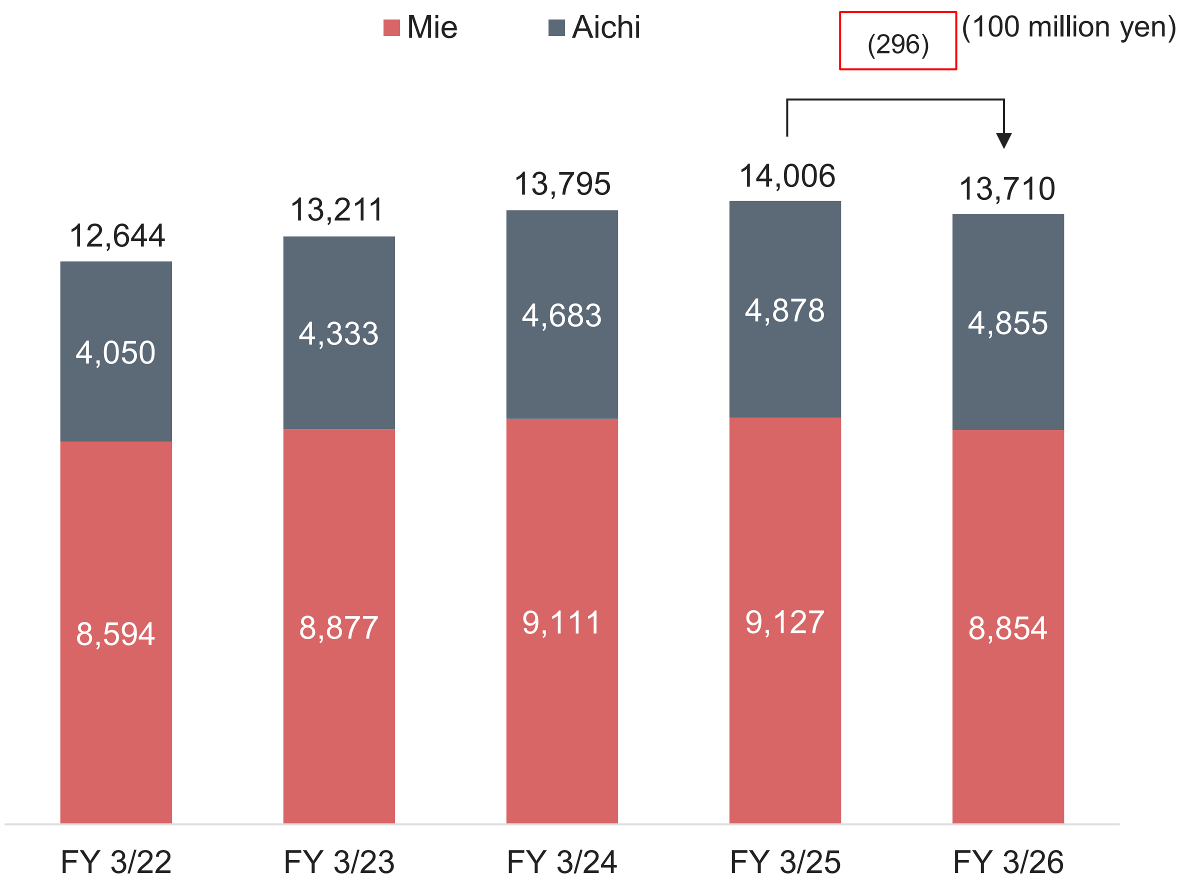
Increase loans to medium-sized companies and SMEs in the region

Basic Strategy 02: Taking on Challenges for Growth

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

FRONTIER BANKING

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

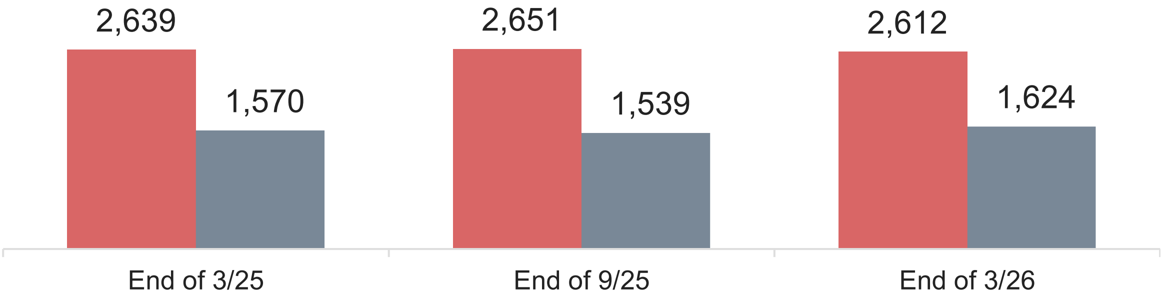
Investment Finance Division
- Cross-Border Section
- Agent Section
- Structured Finance Section

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

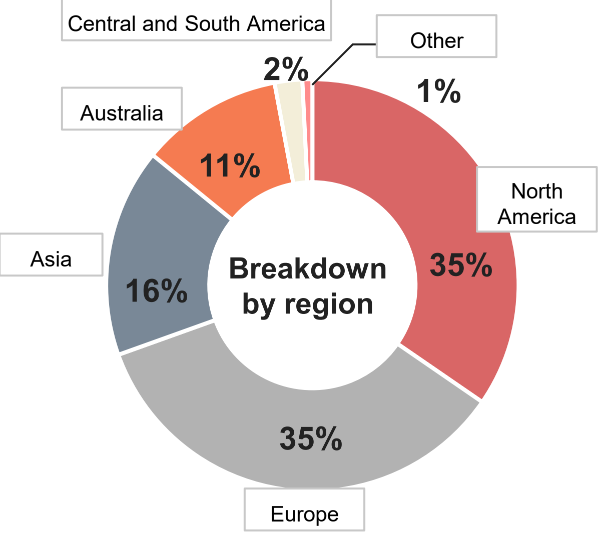
Trends in XB/SF balances

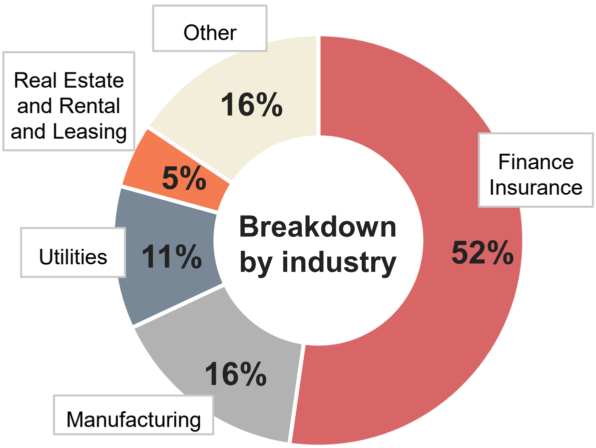
(100 million yen)



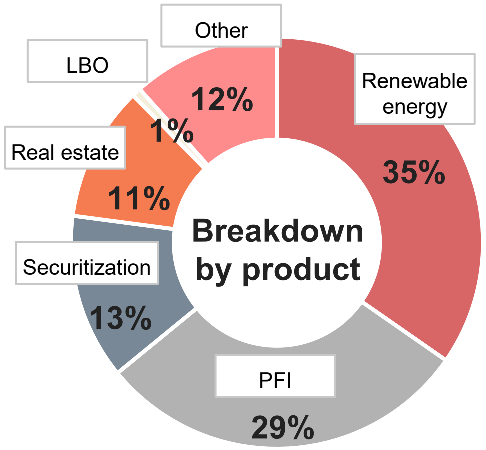
* Of loans, a portion of investment finance loans was transferred to the Investment Finance Division.

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

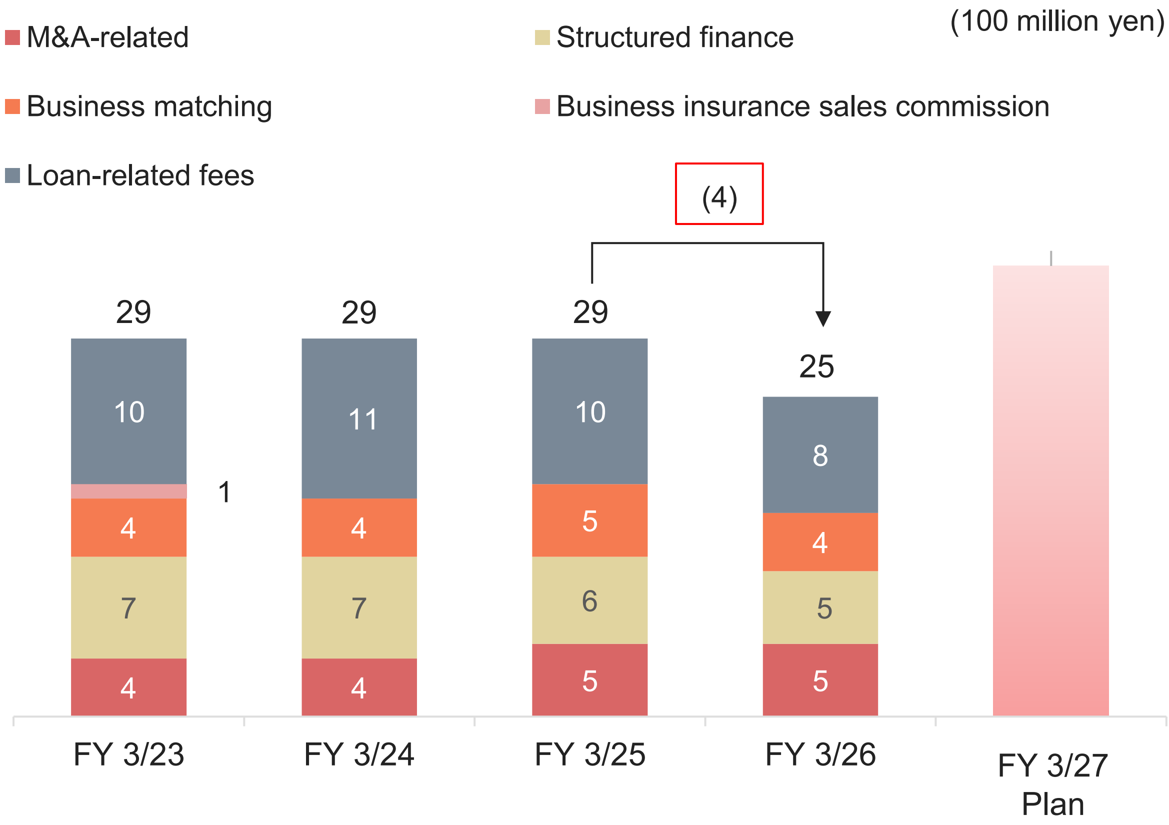
Strengthening of Consulting

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

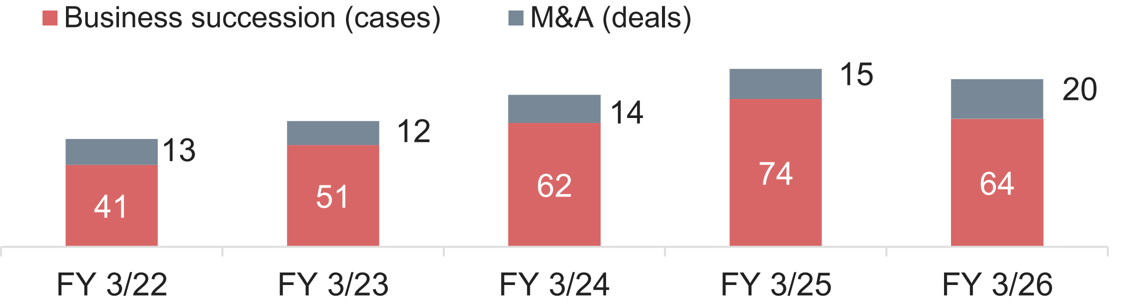
Number of customer management issues solved

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)

FRONTIER BANKING

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

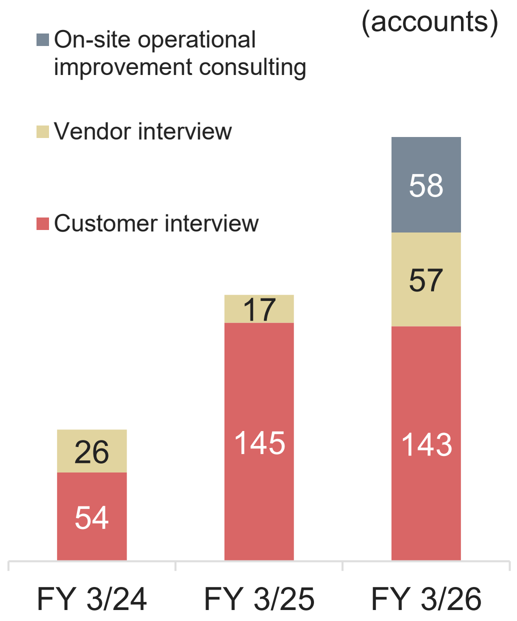
Overview of the automotive industry support team

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)

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

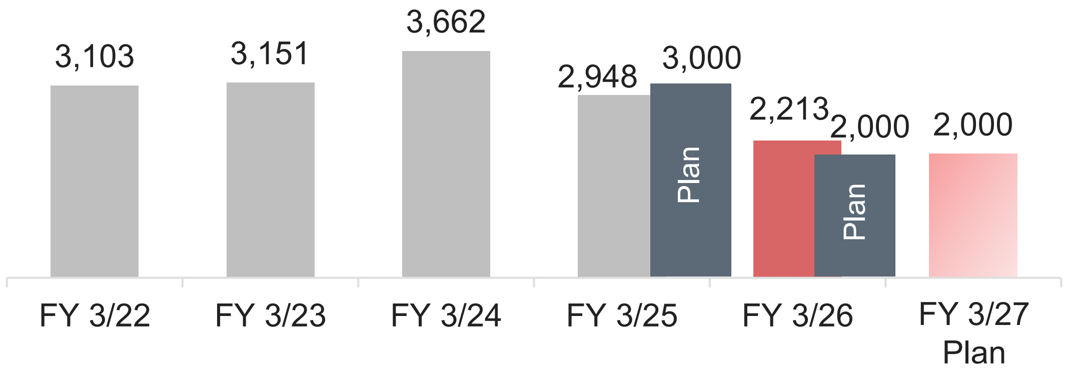
We support subsidy programs related to capital investment offered by prefectural and municipal governments

Housing Loans

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

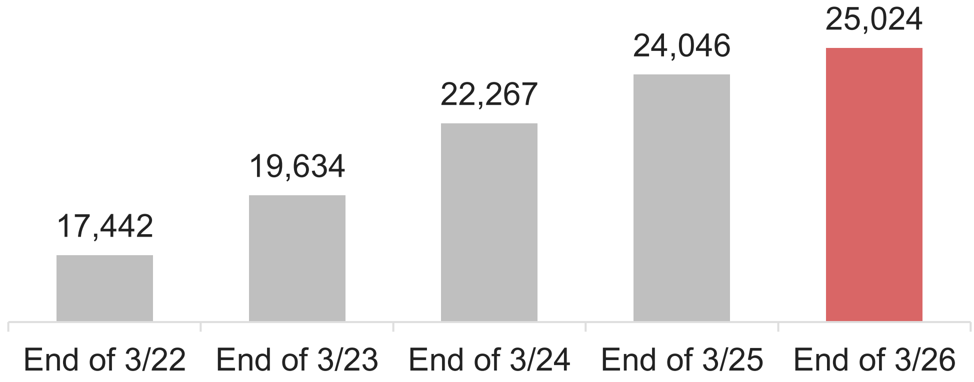
Housing loans originated

(100 million yen)



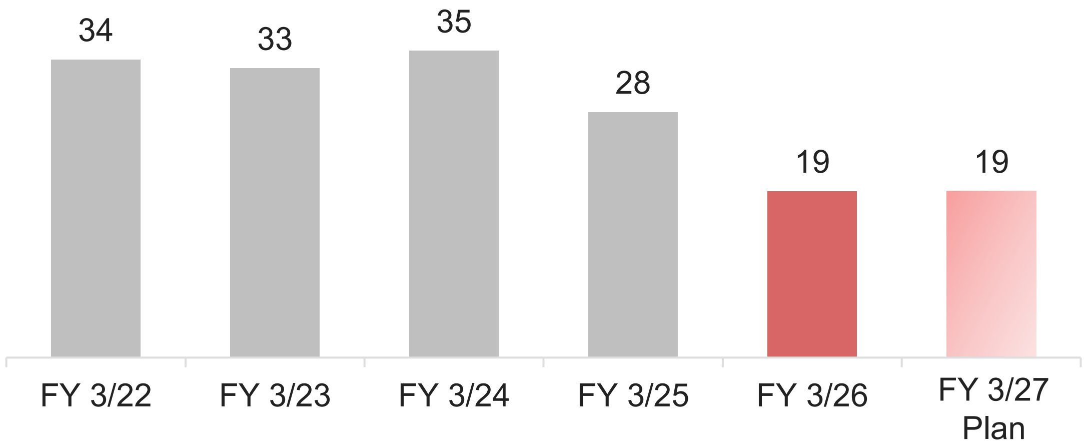
Housing loan balance

(100 million yen)

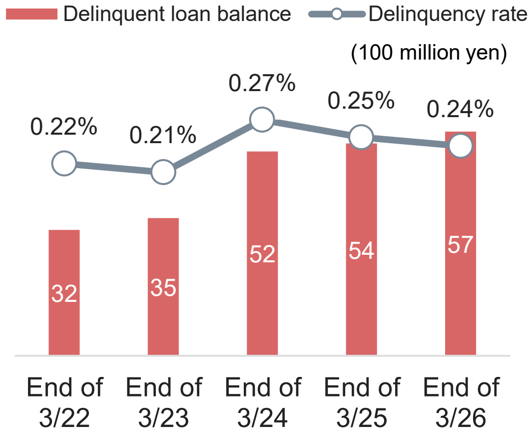


Housing-loan-related fees

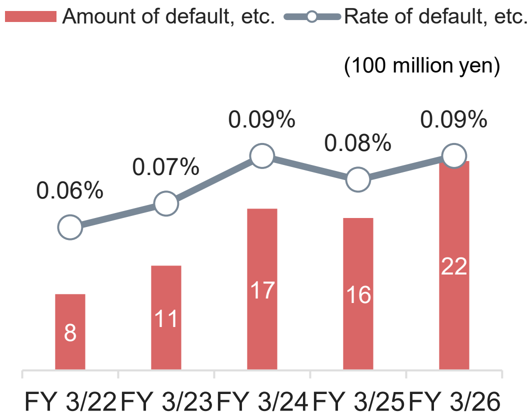
(100 million yen)



Delinquent loan balance and rate



Amount and rate of default, etc.



* Including guaranteed loans (payment under guarantee)

Depository Asset Sales

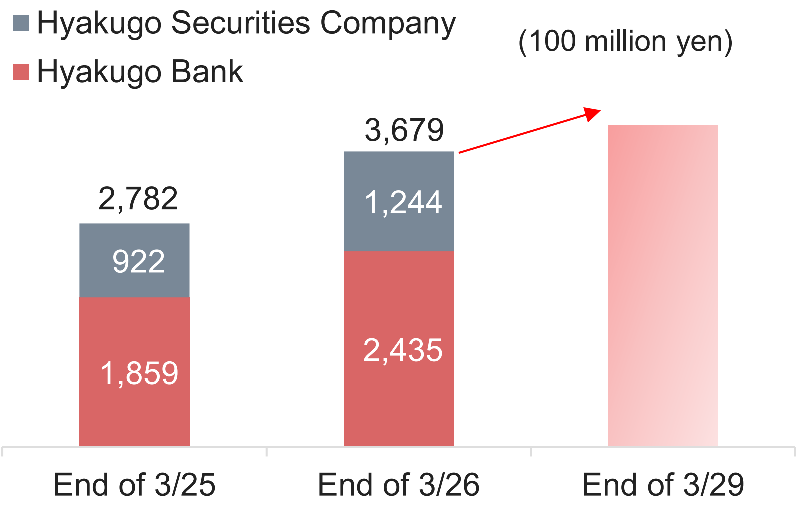
Aim to improve profitability through the strengthening of stock-based business as the increase in consolidated balance of bank and securities investment trusts under the Medium-term Management Plan is progressing steadily

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

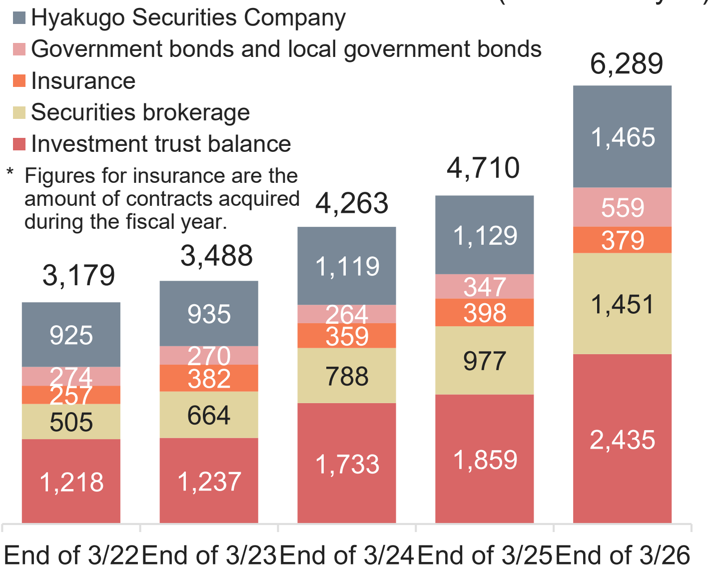
Target for the final year of the Medium-term Management Plan: +50 billion yen

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

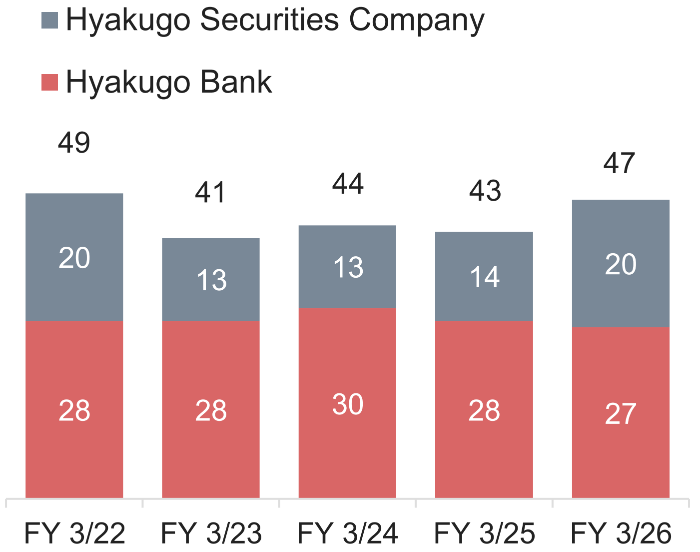
<For Reference> Trend in investment trust balance including market value fluctuations



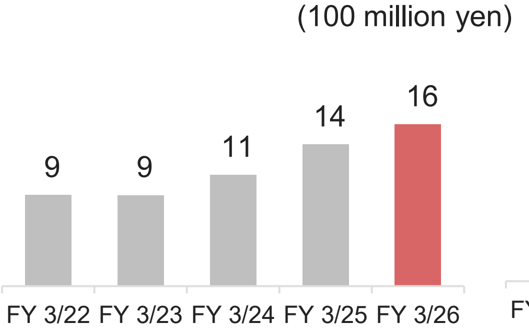
Depository asset-related balances (incl. market value fluctuations)



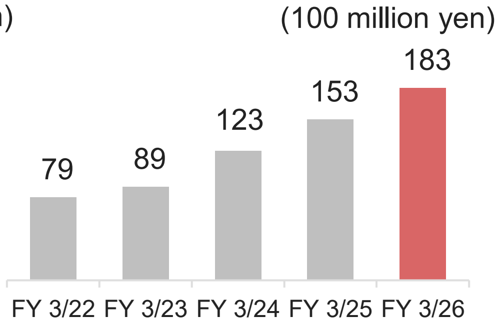
Depository assets-related earnings



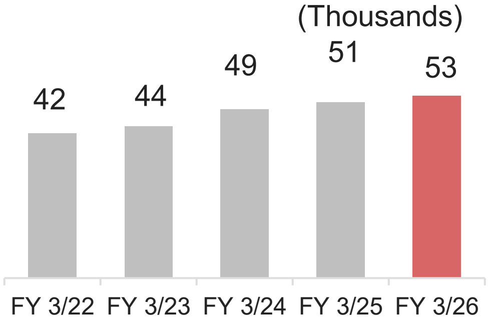
Trust fees for investment trust



Annual investment trust transfer amount



Number of NISA account holders



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

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

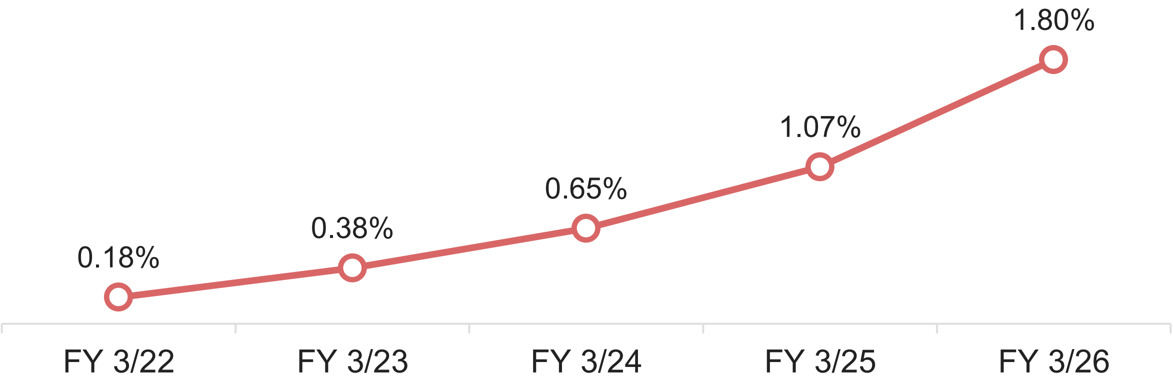
* Low-yield yen bonds: Defined as yen bonds with yields of 0.75% or lower

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

百五銀行 FRONTIER BANKING

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

Cumulative no. of personnel who have passed the professional qualification examinations*1

487 persons

Targets for the final year of the Medium-term Management Plan: Over 500 persons

No. of professionals*2

-

*Certification is scheduled to begin in FY2026

Targets for the final year of the Medium-term Management Plan: Over 100 persons

No. of personnel who have acquired the IT Passport

870 persons

Targets for the final year of the Medium-term Management Plan: Over 1,000 persons

Ratio of female executives (posts equivalent to or higher than supervisors)

23.0%

Targets for the final year of the Medium-term Management Plan: 25% or higher

Ratio of female managers (posts equivalent to branch head)

11.2%

Targets for the final year of the Medium-term Management Plan: 12% or higher

Presenteeism loss ratio *3

15.0%

*Survey in FY2025

Targets for the final year of the Medium-term Management Plan: 10% or less

Absenteeism average days *4

4.9 days

*Survey in FY2025

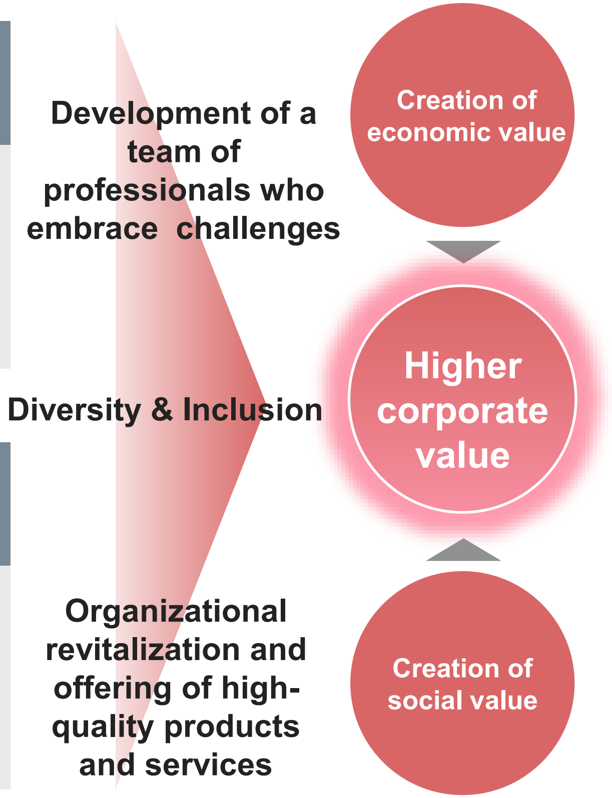
Targets for the final year of the Medium-term Management Plan: 5 days or less

Employee engagement index
*** According to an internal survey**

85.0%

*Survey in FY2025

Targets for the final year of the Medium-term Management Plan: 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)

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

百五銀行 FRONTIER BANKING

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

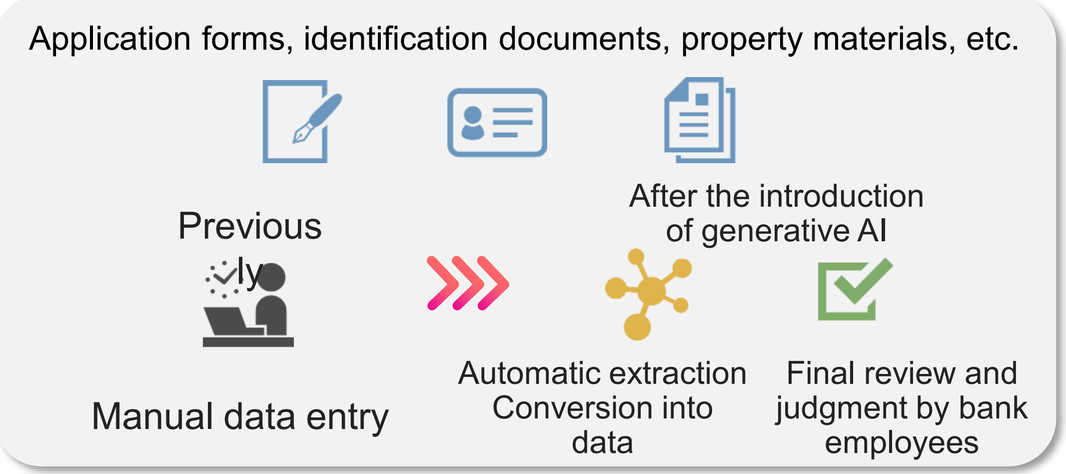
DX Promotion (Across the Bank and the Group)

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



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

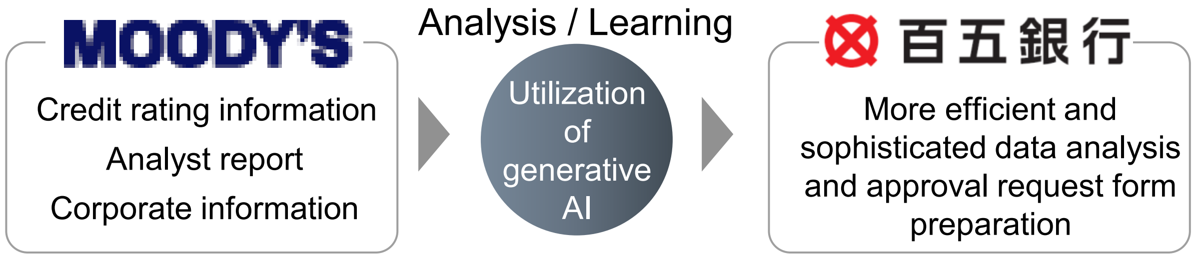
- Improve productivity through the standardization and streamlining of operation processes
- Shift human resources freed up through these initiatives to higher value-added operations such as proposal development and decision-making

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



* 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)

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

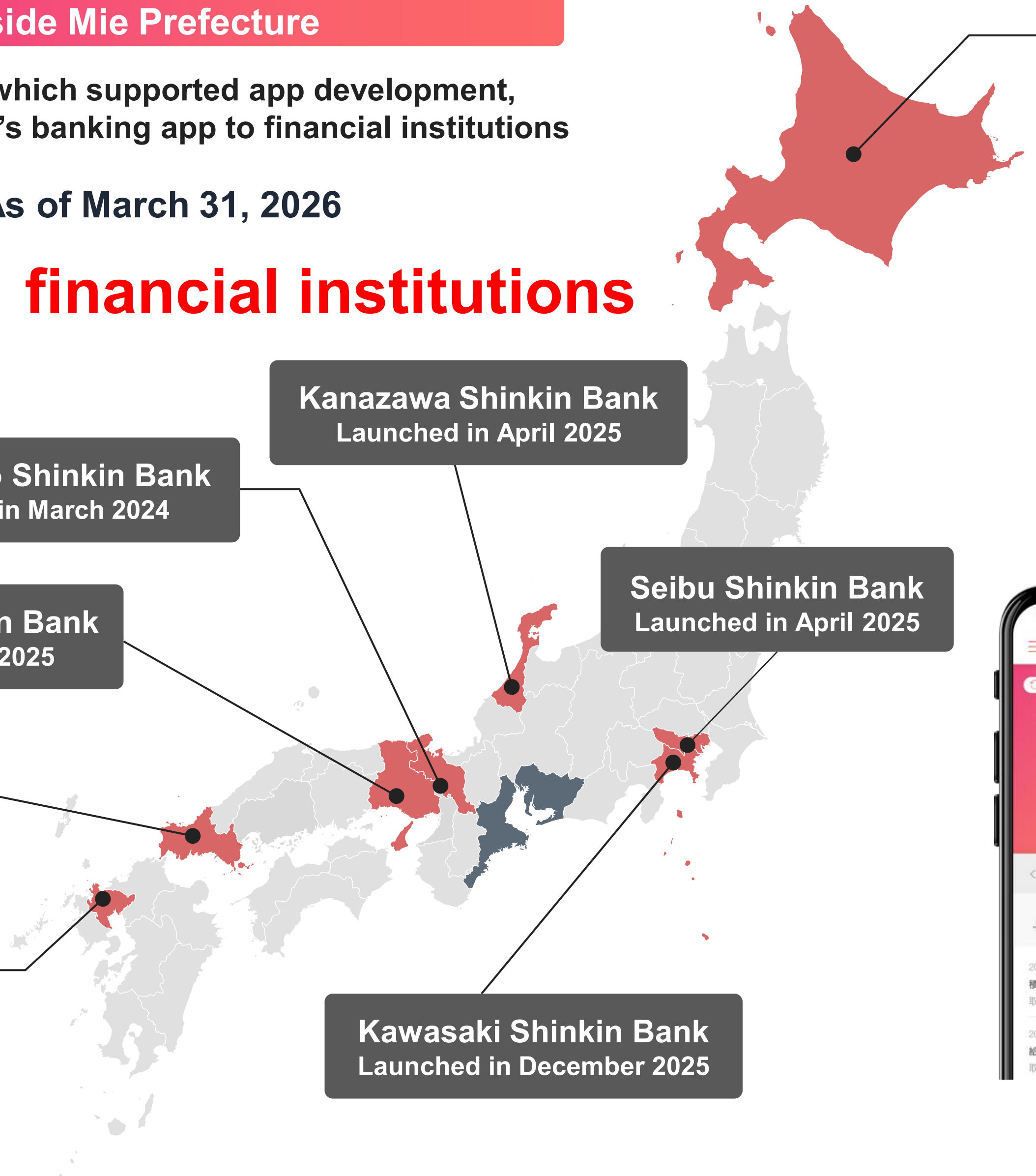
Sales of the Hyakugo Smartphone Banking App to financial institutions outside Mie Prefecture

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

Top Risk Management

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