

# Transformation to a Holding Company Structure

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# 1

## Background and Objectives of Transition to Holding Company Structure

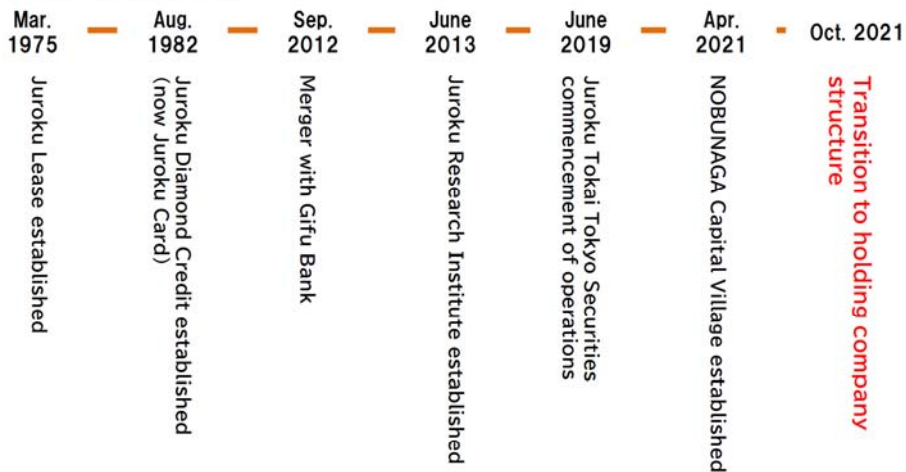
As a financial institution with its operating base in Gifu and Aichi prefectures, the Bank's aim has been to become a comprehensive financial group that builds a future with its local communities and achieves sustainable growth with local economies by creating common value through engagement in dialogue with local communities.

At the same time, there have been major changes in the business environment surrounding regional financial institutions, such as the ongoing low-interest policy and intensifying competition across industries and business categories. In order to contribute to a sustainable society, regional financial institutions must transform their business models to adapt to deregulation.

For these reasons, the Group has decided to transition to a holding company structure in order to expand our business domain such as by establishing new businesses, strengthen collaboration and optimize the allocation of resources within the Group by reforming the thinking and behavior of our officers and employees, enhance auditing and supervisory functions, and accelerate business execution.

Under the holding company structure, the Group will work to enhance corporate value by creating a business structure that can respond flexibly to changes in the business environment in order to support our customers' businesses, in which the Group's management resources are concentrated, and fulfil our obligations toward sustainable regional growth.

### Our history



## Objectives of Transition to Holding Company Structure

1. Expand business domain

2. Optimize allocation of Group management resources

3. Enhance auditing and supervisory functions and accelerate business execution

- Change in market scale
- Transformation of business model
- Change in society

Respond flexibly to  
change in environment



Creation of  
common value

Resolving challenges for  
customers and local  
communities

Enhancing corporate  
value

Sustainable regional  
growth

# 2

## Outline of the Holding Company

Trade name	Juroku Financial Group, Inc.	
Head office location	8-26 Kandamachi, Gifu-shi, Gifu	
Representatives and board members (subject to change)	Representative Director and Chairman Yukio Murase	(currently President and CEO of The Juroku Bank)
	Representative Director and President Naoki Ikeda	(currently Deputy President of The Juroku Bank)
	Director and Deputy President Akihide Ishiguro	(currently Director and Managing Executive Officer of The Juroku Bank)
	Director Yukiyasu Shiraki	(currently Director and Managing Executive Officer of The Juroku Bank)
	Director Shin Mishima	(currently Director and Managing Executive Officer of The Juroku Bank)
	Director Hiroyuki Ota	(currently Director and President of Juroku Tokai Tokyo Securities)
	Director Kikuo Asano	(currently Outside Director of The Juroku Bank)
	Director Satoko Ito	(currently Outside Director of The Juroku Bank)
	Director (Audit & Supervisory Committee Member) Naohiko Ishikawa	(currently Standing Audit & Supervisory Board Member of The Juroku Bank)
	Director (Audit & Supervisory Committee Member) Shinji Ishihara	(currently Outside Audit & Supervisory Board Member of The Juroku Bank)
Director (Audit & Supervisory Committee Member) Satoe Tsuge		
Description of business	<ul style="list-style-type: none"> <li>Banking business and management of companies that can be held as subsidiaries pursuant to the Banking Act, and all other business incidental or related thereto;</li> <li>Other business that can be conducted by the holding company of a bank pursuant to the Banking Act</li> </ul>	
Stated capital	JPY 36,000 million	
Date of establishment	October 1, 2021	
Fiscal year end	March 31	
Securities exchanges on which shares are listed	Tokyo Stock Exchange and Nagoya Stock Exchange	
Number of shares per unit	100	
Accounting auditor	Deloitte Touche Tohmatsu LLC	
Shareholder register administrator	Mitsubishi UFJ Trust and Banking Corporation	

# 3

## Group Management Philosophy

Our group management philosophy is inherited from the basic philosophy of The Juroku Bank, and represents the fundamental spirit of Juroku Financial Group and the foundation for all of our officers' and employees' activities. It consists of three parts: Mission, Vision, and Values. When putting our philosophy into practice, the specific conduct of our staff is governed by the Code of Conduct.



Juroku Financial Group: Creating the future of the region together

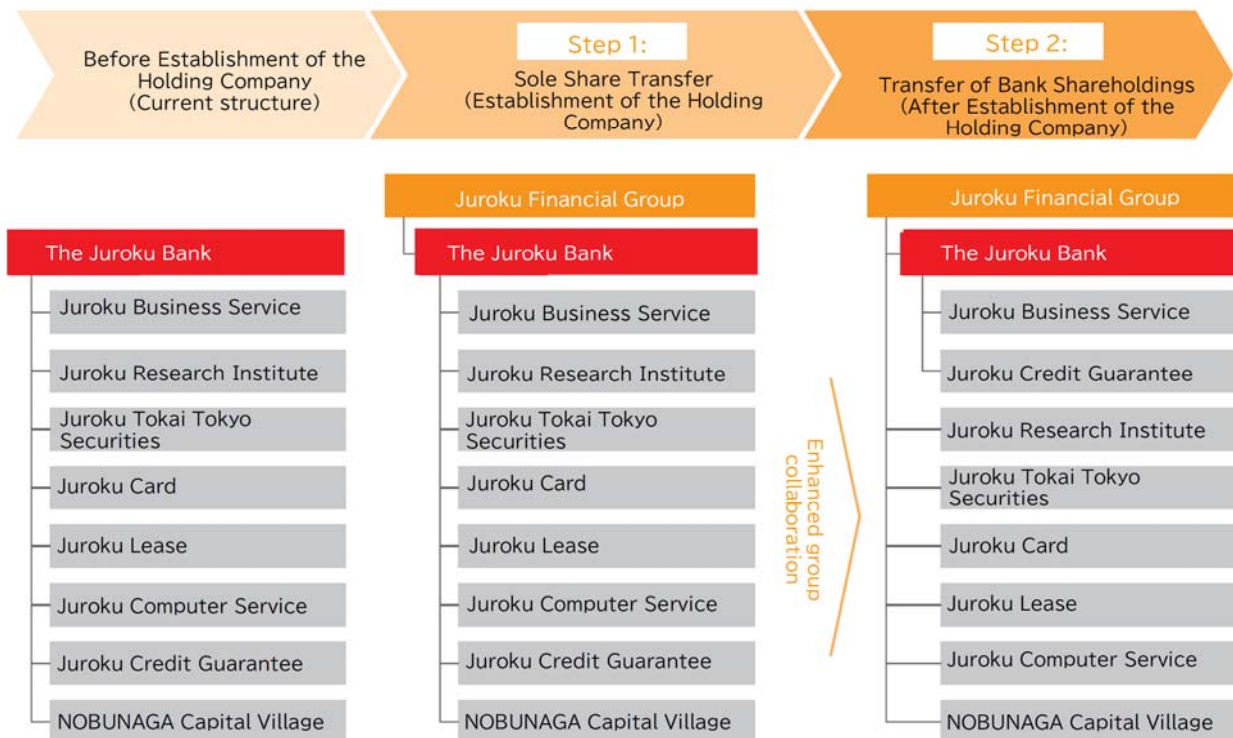
# 4 Group Structure

## Step 1:

The Holding Company will be established through a sole share transfer effective October 1, 2021, pursuant to which the Bank will become a wholly owned subsidiary company of the Holding Company.

## Step 2:

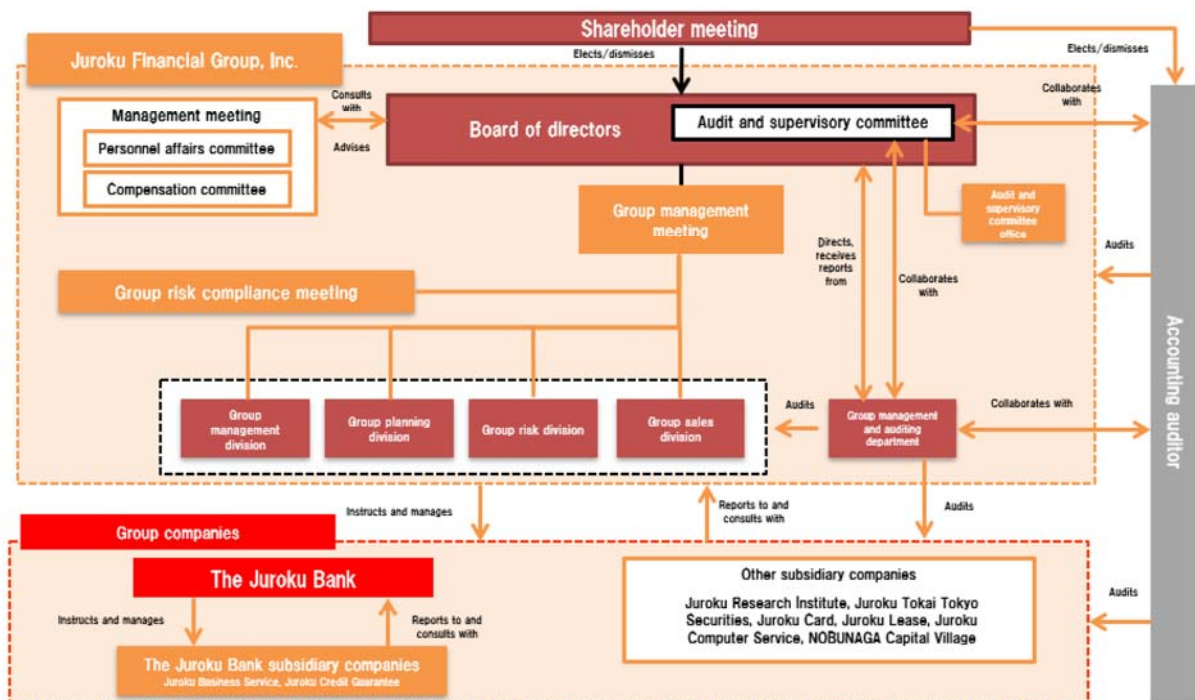
Six consolidated subsidiary companies of the Bank (i.e., Juroku Research Institute Co., Ltd., Juroku Tokai Tokyo Securities Co., Ltd., Juroku Card Co., Ltd., Juroku Lease Co., Ltd., Juroku Computer Service Co., Ltd., and NOBUNAGA Capital Village Co., Ltd.) are expected to be reorganized with the Holding Company as the direct investing company, with the aim of enhancing collaboration within the group.



# 5 Holding Company's Governance System

- The Holding Company will be a company with an audit and supervisory committee, strengthening not only the decision-making function, but also the auditing and supervisory function of the board of directors. We will also further enhance our corporate governance by working to monitor the execution of business, risk management, and compliance of group companies and to construct a group-wide management system.
- Each group company will propose a business plan based on the group-wide management policy established by the Holding Company, and work to carry out its business efficiently through swift business decision-making and faster business execution.

## Corporate Governance Under the Holding Company Structure



# 6

## Management Plan (Outline)

Juroku Financial Group seeks to maximize synergies through its three group strategies, with “expand business domain” and “respond to diversifying needs” as its growth drivers, “to become a comprehensive financial group that builds a future with local communities and achieves sustainable growth.”





# 7

## Transition Schedule

Juroku Financial Group is scheduled to be listed on the First Sections of the Tokyo Stock Exchange and Nagoya Stock Exchange on October 1, 2021, pursuant to the following schedule.



# 8

## Q&A Concerning the Transition

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### What is a transfer of shares?

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A transfer of shares is when one or more stock companies cause all of its issued shares to be acquired by a newly incorporated stock company. In our case, this means that all of The Juroku Bank shares will be acquired by Juroku Financial Group and our shareholders will be issued Juroku Financial Group shares instead.

### What will happen to The Juroku Bank shares that I own?

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If you continue holding your shares, each Juroku Bank share you have will automatically be allocated to you as one Juroku Financial Group share on October 1, 2021 (Friday).

### For how long can I still trade The Juroku Bank shares on the stock exchange? Will there be a day I can't trade due to the transfer of shares?

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You can trade The Juroku Bank shares up to September 28, 2021 (Tuesday). Please keep in mind you will not be able to trade on September 29 (Wednesday) or 30 (Thursday).

### When will I be able to start trading Juroku Financial Group shares?

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Juroku Financial Group shares will be available to trade from October 1, 2021 (Friday).

### **What will happen to the interim dividend at the end of September 2021?**

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We plan on paying interim dividends from The Juroku Bank this December to those who are currently registered or documented in The Juroku Bank shareholder register as of the end of September 2021.

### **Are there any required procedures for the transfer of shares?**

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You are not required to follow any special procedures if you continue holding your shares, since Juroku Financial Group shares will be automatically allocated on October 1, 2021 (Friday).

### **What will happen to shareholder benefits?**

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We are considering the implementation of shareholder benefits with the same details as before for the holding company, based on a holding company structure created by share transfer. We will inform you of the details at a future date.

We also plan to implement the Winter Special Shareholder Benefits for shareholders who hold over 500 shares with The Juroku Bank at the end of September 2021 as usual.

### **What will happen to the deposits and loans I currently have with The Juroku Bank?**

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The Juroku Bank will be a 100 percent subsidiary of Juroku Financial Group as a result of the transition to a holding company structure, but it will have no impact on our customers' deposits or loans.

You can continue making transactions as you have been doing with The Juroku Bank.

### **What will happen to the securities code?**

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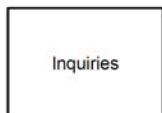
When the holding company gets listed, it will change from the current Juroku Bank securities code of 8356. We will provide more details at a future date.

The transformation to a holding company structure described in this document involves securities of a Japanese company. The offer is subject to disclosure requirements of Japan that are different from those of the United States. Financial statements included in this document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the issuer is located in Japan and some or all of its officers and directors reside outside of the United States. You may not be able to sue a Japanese company or its officers or directors in a Japanese court for violations of the U.S. securities laws. It may be difficult to compel a Japanese company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that the issuer may purchase securities otherwise than in connection with the transformation to a holding company structure, such as in the open market or through privately negotiated purchases.

This document has been translated from the Japanese-language original for reference purposes only. In the event of any conflict or discrepancy between this document and the Japanese-language original, the Japanese-language original shall prevail in all respects.



Please contact the number below for questions about administration of stock.

**Shareholder Registry Administrator Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department**

 **0120-232-711** (Hours of operation: M-F 9:00-17:00 except for national holidays)

The transition to a holding company structure is subject to approval of the proposals at the general meeting of stockholders and approvals and the like by relevant authorities. This document is not part of the Reference Documents for the General Meeting of Shareholders. Please refer to the Notice of Convocation of the General Meeting of Shareholders for information on how to exercise your right to vote. The information in this document is subject to revision and change without notice.

