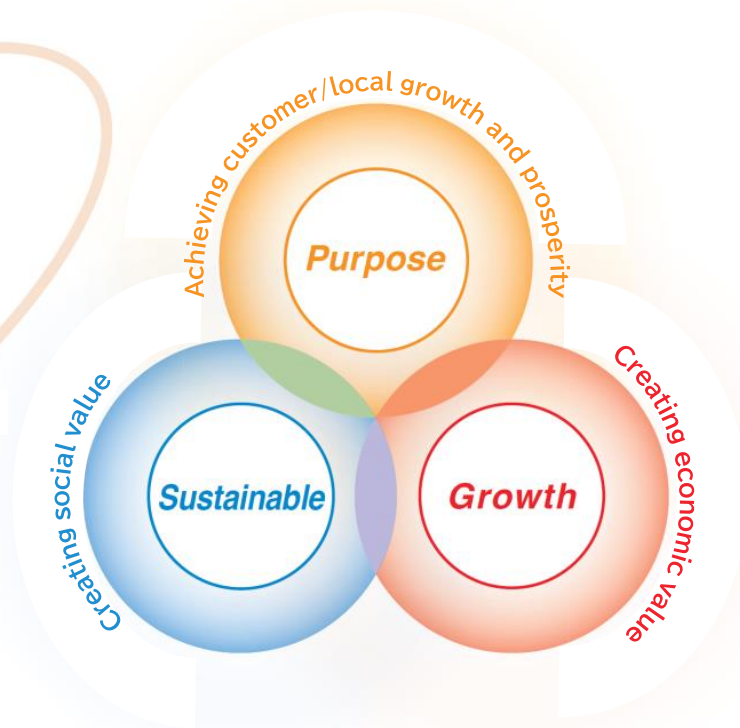


# FY2022 Financial Results

*16 Group* **Energy**

Staying Ahead of the Curve to Always Serve the Region



**JUROKU Financial Group**

June 1, 2023

TSE Prime Market and  
NSE Premier Market (7380)

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※ The Juroku Financial Group was established on October 1, 2021. Consolidated figures prior to the March 2021 term are associated with the Juroku Bank Group, the parent company of which is the Juroku Bank.

※ Descriptions of business projections and other future developments provided in this document are based on information currently available to the Juroku Financial Group and some assumptions considered as rational. The actual business performance and other factors could differ significantly due to a variety of factors.

## Section I: Financial Results for FY2022

- ◆ The consolidated core net operating profit reached the 30 billion yen level again this term, based on such factors as an increase in fees and commissions. The ordinary profit and net income attributable to owners of the parent **both increased for the fifth consecutive fiscal term.**
- ◆ With efficient group management executed through the transition to a holding company, the consolidated adjusted OHR marked **58.90%, achieving the “no more than 65%” target of the 1st Management Plan.**

## Section II: Initiatives for Sustainability

- ◆ All Sustainability KPIs set in May 2022 have made steady progress based on the coordinated efforts of Group companies.
- ◆ To vitalize the local economy, which is presented as an initiative for key challenges (materiality), **the Group signed a “Basic Agreement Concerning Consideration of Joint Venture Business” with Nihon M&A Center Holdings Inc.**
- ◆ **The CDP’s climate change questionnaire for 2022 provided the Group a “B” rating in December 2022. In March 2023, the Group joined the Partnership for Carbon Accounting Financials (PCAF).**

## Section III: Review of the 1st Management Plan

- ◆ **Around the time the transition was made to a holding company,** the Group launched new companies and created new businesses to change the Group.
- ◆ Under an enhanced management system, the Group rolled out its customer-first marketing strategy, DX strategy, and local commitment strategy, and thereby **achieved all numerical targets.**

## Section IV: Development of the Long-Term Vision and the 2nd Medium-Term Management Plan

- ◆ The Group developed both its Long-Term Vision **“16Vision-10” to guide the Group’s management from here on, and also developed the 2nd Medium-Term Management Plan “Staying Ahead of the Curve to Always Serve the Region: First Stage,” the period of which covers the first 5 years the Vision.**
- ◆ By setting the theme for the Vision--a blueprint of where the Group wants to be in a decade from now--as “Staying Ahead of the Curve to Always Serve the Region,” **the Group will aim to contribute to the local community by achieving sustainability and growth, harnessing purpose as a driving force.**
- ◆ With the 2nd Medium-Term Management Plan, the Group aims to achieve the Long-Term Vision **by promoting 4 basic strategies (“Transformation Strategy,” “Human Innovation Strategy,” “Customer-First Marketing Strategy,” and “Region-Producing Strategy”) as Group-wide efforts.**
- ◆ **The Group has acquired treasury stocks** to enhance shareholder returns and both achieve the Group’s sustainable growth and rise in corporate value on the medium- to long-term through contribution to the local community. **Said stocks are to be partially applied to a third-party-allocation-based disposal of treasury stock, aimed at supporting the social service offered by the Juroku Foundation for Local Promotion.**

## **Section I: Financial Results for FY2022**

## **Section II: Initiatives for Sustainability**

## **Section III: Review of the 1st Management Plan**

## **Section IV: Development of the Long-Term Vision and the 2nd Medium-Term Management Plan**

# Summary of Consolidated Results

Juroku FG  
consolidated results



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- ✓ The consolidated core net operating profit reached the 30 billion yen level again this term, recording 30.6 billion yen. This resulted from such factors as an increase in fees and commissions, and a decrease in expenses.
- ✓ [Consolidated results] The ordinary profit and net income attributable to owners of the parent increased for the fifth consecutive term.

(Unit: 0.1 billion yen)

Juroku FG consolidated results	2021/3	2022/3 A	2023/3 B	YoY B-A
Consolidated core gross operating profit	712	782	745	1 Δ 37
Net interest income	505	543	511	Δ 32
Fees and commissions	155	171	187	16
Other operating profit (Excluding profit/loss on JBGs and other debt securities)	51	67	47	Δ 20
Expenses	474	460	439	2 Δ 21
Personnel expenses	255	247	235	Δ 12
Non-personnel expenses	188	183	174	Δ 9
Consolidated core net operating profit	238	321	306	3 Δ 15
Profit on JBGs and other debt securities	0	Δ 108	Δ 77	31
Consolidated net business profit	239	213	229	16
Credit costs	42	28	16	Δ 12
Profit on equities	45	65	36	Δ 29
Ordinary profit	246	267	272	4 5
Net income attributable to owners of the parent	147	171	186	5 15

## 1 Consolidated core gross operating profit

Dropped 3.7 billion yen from the preceding term. This was a result of a rise in the Juroku Bank's foreign currency funding costs reducing net interest income and other operating profits (excluding profit/loss on JBGs and other debt securities).

## 2 Expenses

Dropped 2.1 billion yen from the preceding term, based on a reduction in both personnel and non-personnel expenses.

## 3 Consolidated core net operating profit

Marked 30.6 billion yen, down 1.5 billion yen from the preceding term but reaching the 30 billion yen level again. This was a result of offsetting the drop in the consolidated core gross operating profit with reduced expenses.

## 4 [Consolidated results] Ordinary profit

## 5 Net income attributable to owners of the parent

Based on such factors as a drop in credit costs, the [consolidated] ordinary profit increased by 0.5 billion yen from the preceding term and the net income attributable to owners of the parent went up by 1.5 billion yen from the preceding term, both rising for the fifth consecutive term.

\* The Juroku Financial Group was established on October 1, 2021. Consolidated figures prior to the March 2021 term are associated with the Juroku Bank Group, the parent company of which is the Juroku Bank.

## [Reference]

### Summary of Non-Consolidated Results of the Juroku Bank

Juroku Bank non-  
consolidated results



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- ✓ The core net operating profit reached 28.5 billion yen, coming in second after the record-high preceding term. This was a result of such factors as an increase in fees and commissions and a decrease in expenses.
- ✓ Both the ordinary profit and net income increased for the 6th consecutive term.

(Unit: 0.1 billion yen)

Juroku Bank non-consolidated results	2021/3	2022/3 A	2023/3 B	YoY B-A
Core gross operating profit	622	684	657	① △ 27
Net interest income	508	545	518	△ 27
Fees and commissions	98	111	126	15
Other operating profit (Excluding profit/loss on JBGs and other debt securities)	15	26	11	△ 15
Expenses	407	394	371	② △ 23
Personnel expenses	209	195	181	△ 14
Non-personnel expenses	170	171	163	△ 8
Core operating profit	215	289	285	③ △ 4
Profit on JBGs and other debt securities	0	△108	△ 77	31
Net operating profit	215	180	208	28
Credit costs	41	25	14	△ 11
Profit on equities	45	67	36	△ 31
Ordinary profit	225	245	255	④ 10
Net income	141	173	179	⑤ 6

#### ① Core gross operating profit

Dropped 2.7 billion yen from the preceding term as a result of the foreign currency funding cost rising and thereby causing the net interest income and other operating profits to decrease (excluding profit/loss on JBGs and other debt securities).

#### ② Expenses

Dropped 2.3 billion yen from the preceding term, based on a reduction in both personnel and non-personnel expenses.

#### ③ Core net operating profit

Marked 28.5 billion yen, down 0.4 billion yen from but coming after the record-high preceding term. This was as a result of offsetting the drop in the core gross operating profit with reduced expenses.

#### ④ Ordinary profit

#### ⑤ Net income

Based on such factors as a drop in credit costs, the ordinary profit increased by 1 billion yen and the net income went up by 0.6 billion yen compared with the preceding term, both rising for the 6th consecutive term.

# Consolidated core net operating profit

Juroku FG  
consolidated results



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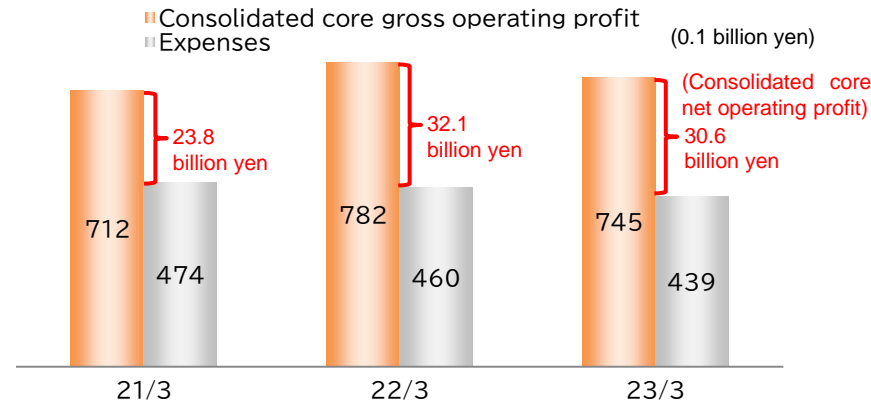
- ✓ The consolidated core net operating profit reached the 30 billion yen level again this term, recording 30.6 billion yen. This was a result of such factors as an increase in fees and commissions, and a decrease in expenses.

## Transition of core gross operating profit and expenses

(Unit: 0.1 billion yen)

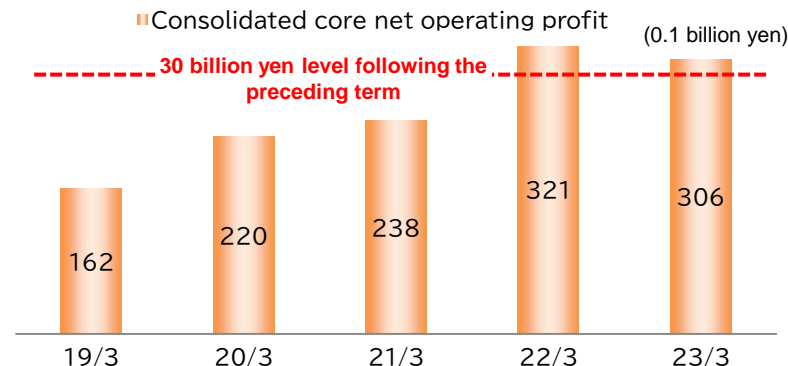
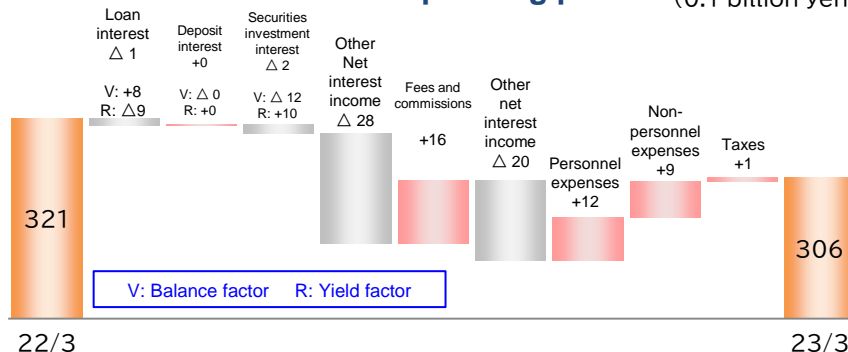
	21/3	22/3 (A)	23/3 (B)	YoY (B-A)
Consolidated core gross operating profit	712	782	745	△37
Net interest income	505	543	511	△32
Fees and commissions	155	171	187	16
Other operating profit*	51	67	47	△20
Expenses	474	460	439	△21
Consolidated core net operating profit	238	321	306	△15

\*Excluding profit/loss on JBGs and other debt securities



## Fluctuation factors and transition of the consolidated core net operating profit

(0.1 billion yen)



# Expenses and Adjusted OHR

Juroku FG  
consolidated results

Juroku Bank non-  
consolidated results



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- ✓ The adjusted OHR marked 58.90% in Juroku FG consolidated results and 56.52% in the Juroku Bank non-consolidated results, maintaining 50% levels: optimal level for local banks.

## Expenses

(Unit: 0.1 billion yen)

		21/3	22/3 (A)	23/3 (B)	YoY (B-A)
Juroku FG consolidated results	Expenses	474	460	439	△21
	Personnel expenses	255	247	235	△12
	Non-personnel expenses	188	183	174	△9
	Taxes	30	29	28	△1
Juroku Bank non- consolidated results	Expenses	407	394	371	△23
	Personnel expenses	209	195	181	△14
	Non-personnel expenses	170	171	163	△8
	Taxes	27	27	26	△1

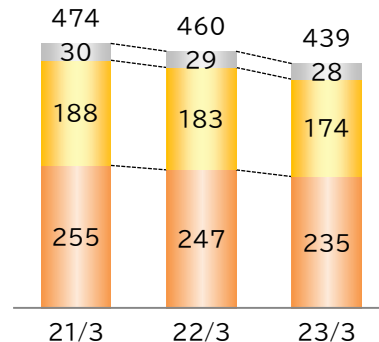
## Adjusted OHR

(Unit: 0.1 billion yen, %)

		21/3	22/3 (A)	23/3 (B)	YoY (B-A)
Juroku FG consolidated results	Core gross operating profit	712	782	745	△37
	Expenses	474	460	439	△21
	Adjusted OHR	66.51	58.87	58.90	0.03
Juroku Bank non- consolidated results	Core gross operating profit	622	684	657	△27
	Expenses	407	394	371	△23
	Adjusted OHR	65.38	57.70	56.52	△1.18

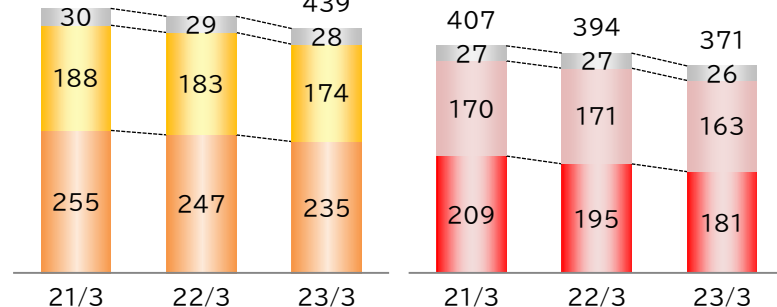
## Juroku FG consolidated results

■ Taxes  
■ Non-personnel expenses  
■ Personnel expenses



## Juroku Bank non- consolidated results

■ Taxes  
■ Non-personnel expenses  
■ Personnel expenses



— Adjusted OHR (Juroku FG consolidated results) (%)

— Adjusted OHR (Juroku Bank non-consolidated results)



# Net Interest Income and Loans

Juroku Bank non-consolidated results



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- ✓ The net interest income dropped by 2.7 billion yen from the preceding term to 51.8 billion yen. This resulted from an increase in foreign currency funding costs, which was caused by a rise in the overseas interest rate.
- ✓ The average balance of JPY loans showed a solid result of 4,587.0 billion yen, up 97.4 billion yen from the preceding term.

## Breakdown of net interest income

(Unit: 0.1 billion yen)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Net interest income	508	545	518	△27
Interest income in JPY	465	494	490	△4
JPY loans and deposits	379	378	375	△3
JPY loan interest (1Q)	94	96	93	△3
Same as above (2Q)	96	95	94	△1
Same as above (3Q)	96	94	94	△0
Same as above (4Q)	95	93	94	1
JPY securities investment	82	95	98	3
JPY deposit interest	3	20	15	△5
Interest income in foreign currencies	42	50	28	△22

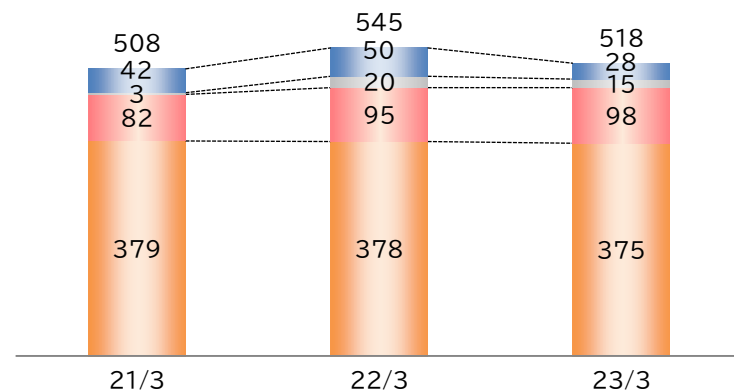
Interest income in foreign currencies

(0.1 billion yen)

JPY deposit interest

JPY securities investment

JPY loans and deposits



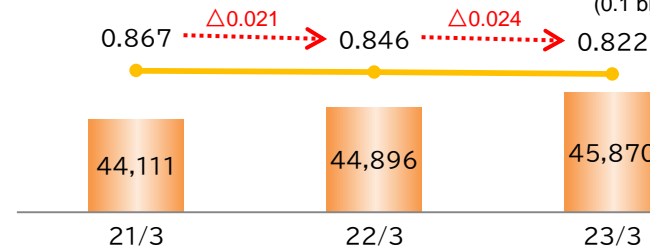
## Average balance and yield of JPY loans

(Unit: 0.1 billion yen, %)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Average balance of JPY loans	44,111	44,896	45,870	974
Average yield of JPY loans	0.867	0.846	0.822	△0.024

Average balance of JPY loans

Average yield of JPY loans  
(0.1 billion yen, %)



# Fees and Commissions

Juroku Bank non-  
consolidated results



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- ✓ Fees and commissions grew by 1.5 billion yen from the preceding term to an all-time high of 12.6 billion yen. This resulted from an increase in such areas as individual-related and corporate solution-related income.

## Breakdown of fees and commissions

(Unit: 0.1 billion yen)

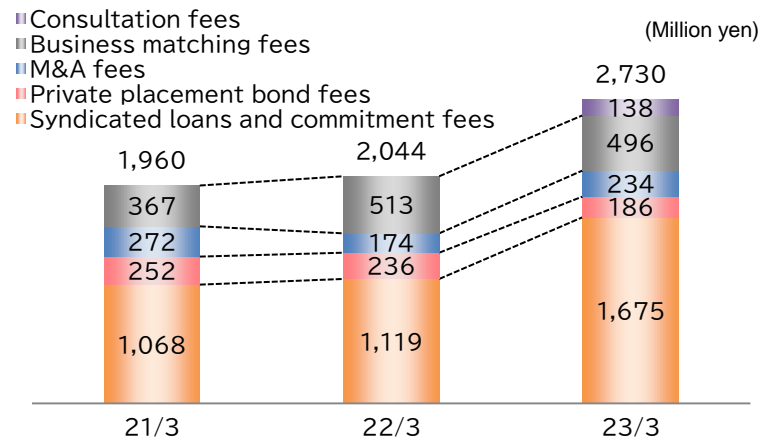
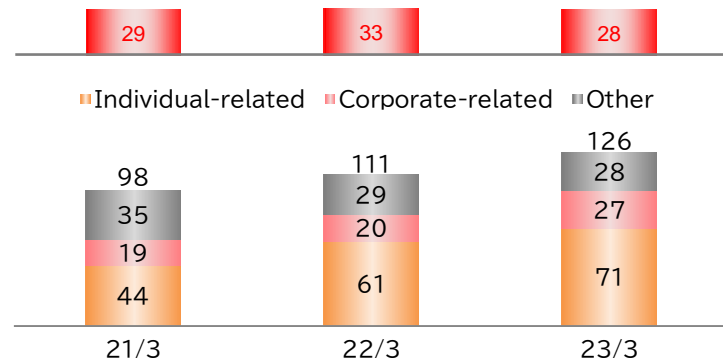
	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Juroku Bank	98	111	126	15
Individual-related	44	61	71	10
Corporate-related	19	20	27	7
Other	35	29	28	△1
Juroku TT Securities	29	33	28	△5
<b>Juroku Bank + Juroku TT Securities</b>	<b>128</b>	<b>145</b>	<b>155</b>	<b>10</b>

## Corporate solution-related income

(Unit: Million yen)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Corporate solution-related revenues	1,960	2,044	2,730	686
Syndicated loans and commitment fees	1,068	1,119	1,675	556
Private placement bond fees	252	236	186	△50
M&A fees	272	174	234	60
Business matching fees	367	513	496	△17
Consultation fees	—	—	138	138

<Juroku TT Securities> Individual-related income (0.1 billion yen)



# Securities Investment

Juroku Bank non-consolidated results



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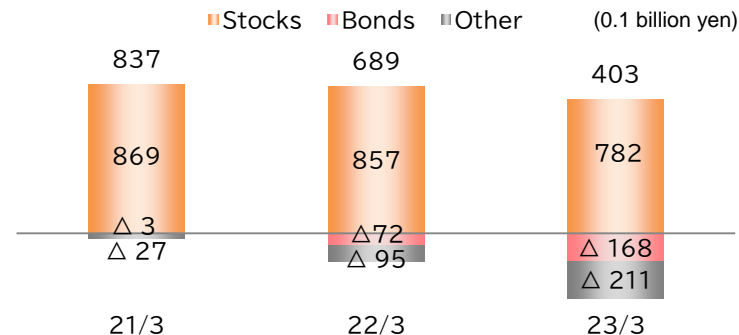
十六フィナンシャルグループ

- ✓ Valuation gains and losses of securities reached 40.3 billion yen overall.
- ✓ Cross-shareholdings dropped by 3 billion yen from the preceding term to 44.8 billion yen as a result of continuous reduction efforts.

## Valuation gains and losses of securities

(Unit: 0.1 billion yen)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Stocks	869	857	782	△75
Bonds	△3	△72	△168	△96
Other	△27	△95	△211	△116
Foreign bonds	△28	△64	△103	△39
Investment trusts	0	△31	△107	△76
Total	837	689	403	△286

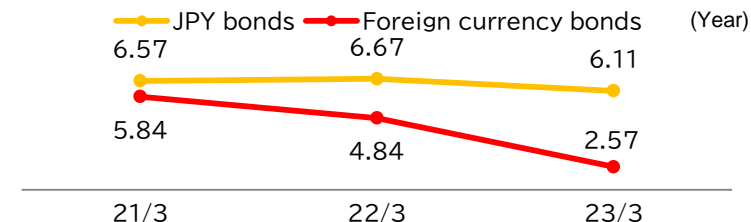


## Bond duration

(Unit: Year)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
JPY bonds	6.57	6.67	6.11	△0.56
Foreign currency bonds	5.84	4.84	2.57	△2.27

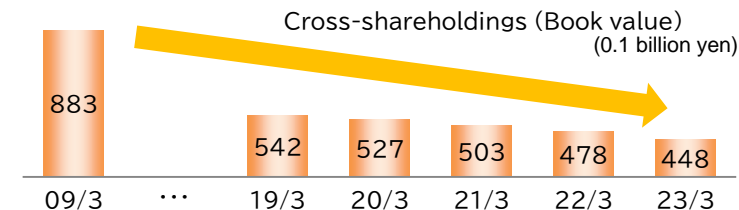
\*The numbers reflect derivatives. The JPY bonds include held-to-maturity and other purposes.



## Cross-shareholdings

(Unit: 0.1 billion yen)

	19/3	20/3	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Cross-shareholdings (Book value)	542	527	503	478	448	△30



# Credit Costs and Outstanding Non-Performing Loans

Juroku Bank non-consolidated results



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- ✓ Credit costs decreased by 1.1 billion yen from the preceding term to 1.4 billion yen, as a result of bankruptcies and other factors remaining at low levels.
- ✓ The ratio of non-performing loans improved by 0.13 percentage points from the preceding term to 1.35%.

## Credit costs

(Unit: 0.1 billion yen)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
① Net transfer to general allowance for loan losses	8	9	△6	△15
② Disposal of non-performing loans	33	15	21	6
Transfer to individual allowance for loan losses	30	14	19	5
③ Reversal of allowance for loan losses	-	-	-	-
④ Recoveries of written-off claims	0	-	-	-
Credit costs ①+②-③-④	41	25	14	△11

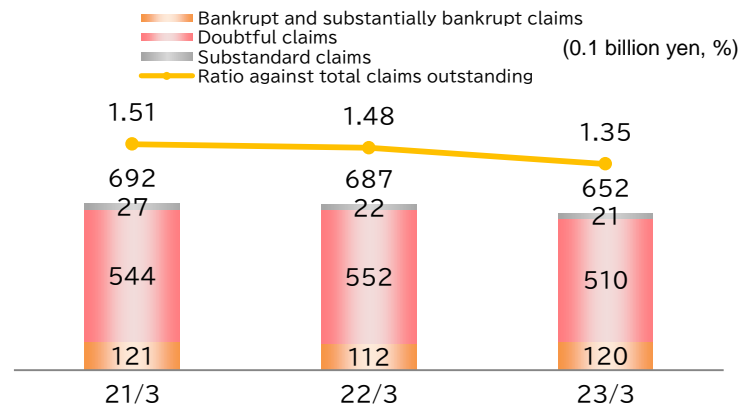
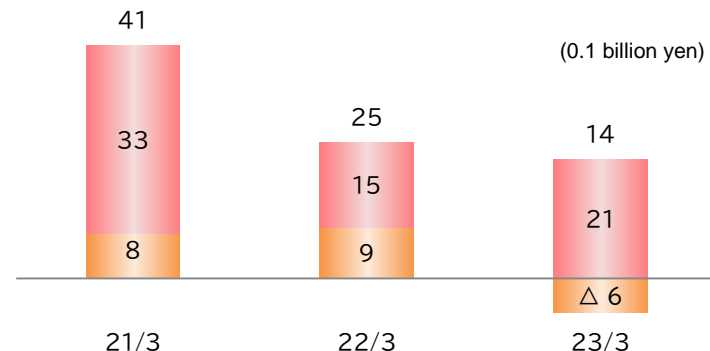
\*The March 2022 term saw a 1.36 billion yen increase in the net transfer to general allowance for loan losses, resulting from a change in the standards for calculating the allowance for loan losses.

## Outstanding non-performing loans

(Unit: 0.1 billion yen, %)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Bankrupt and substantially bankrupt claims	121	112	120	8
Doubtful claims	544	552	510	△42
Substandard claims	27	22	21	△1
Total	692	687	652	△35
Ratio against total claims outstanding	1.51	1.48	1.35	△0.13

- Disposal of non-performing loans
- Net transfer to general allowance for loan losses



# Non-Interest Income Ratio and Profit from Customer Services

Juroku FG  
consolidated results

Juroku Bank non-  
consolidated results



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- ✓ The consolidated non-interest profit ratio rose by 0.91 percentage points from the preceding term to 31.44%, exceeding the 30% numerical target set in the 1st Management Plan.
- ✓ The profit from customer services significantly grew by 3.9 billion yen from the preceding term to 15.3 billion yen.

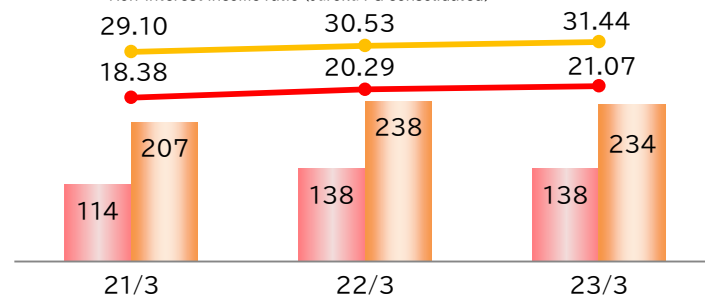
## Non-interest profit ratio\*

(Unit: 0.1 billion yen, %)

		21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Juroku FG consolidated results	Non-interest profit	207	238	234	△4
	Non-interest profit ratio	29.10	30.53	31.44	0.91
Juroku Bank non-consolidated results	Non-interest profit	114	138	138	0
	Non-interest profit ratio	18.38	20.29	21.07	0.78

\*The ratio of “fees and commissions” and “other operating profit excluding profit/loss on JBGs and other debt securities” to the core gross operating profit.

■ Non-interest income (The Juroku Bank non-consolidated) (0.1 billion yen, %)  
■ Non-interest income (Juroku FG consolidated)  
● Non-interest income ratio (The Juroku Bank non-consolidated)  
● Non-interest income ratio (Juroku FG consolidated)



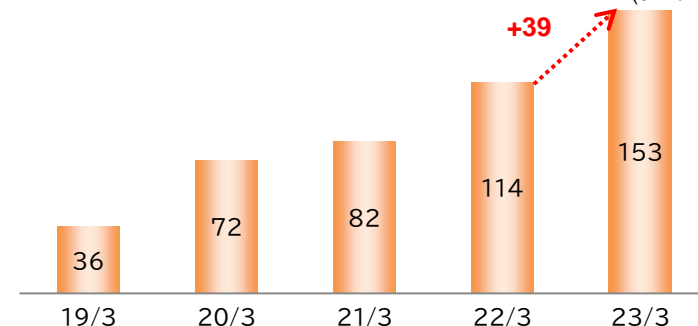
## Income from customer services

(Unit: 0.1 billion yen, %)

Juroku Bank non-consolidated results	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Income from customer services	82	114	153	39
Average loan balance × Deposit-loan interest rate difference	384	381	379	△2
Deposit-loan interest rate difference	0.864	0.844	0.825	△0.019
Fees and Commissions	98	111	126	15
Operating expenses	400	378	353	△25

Profit from customer services = Average loan balance x Deposit-loan interest rate difference + Fees & commissions – Operating expenses

(0.1 billion yen)



# Capital Adequacy Ratio and Shareholder Returns

Juroku FG  
consolidated results

Juroku Bank non-  
consolidated results



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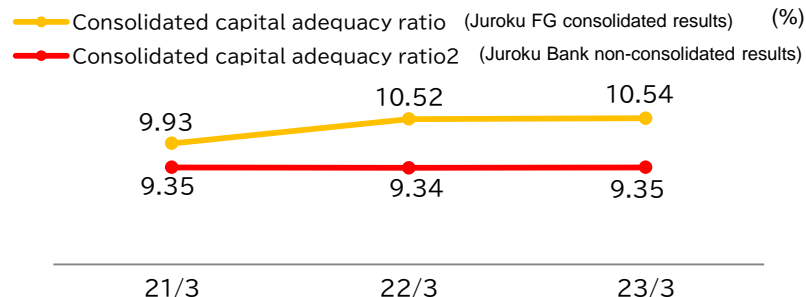
十六フィナンシャルグループ

- ✓ The consolidated capital adequacy ratio marked 10.54%, while the non-consolidated capital adequacy ratio stood at 9.35%.
- ✓ The total payout ratio reached 31.6% with the dividends per share set at 130, up 10 yen from the preceding term.

## Consolidated capital adequacy ratio

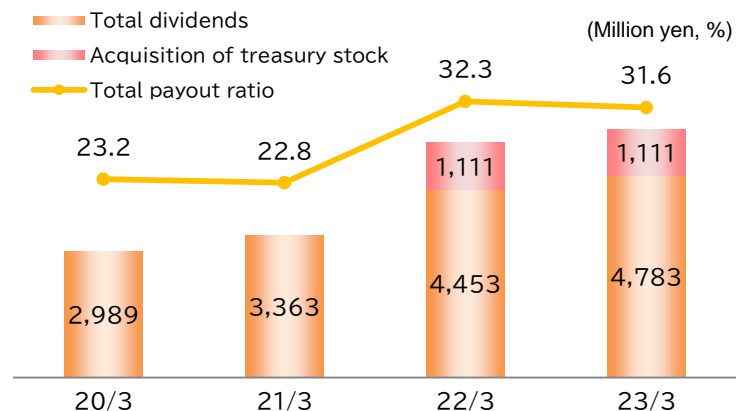
(Unit: %)

	21/3	22/3 (A)	23/3 (B)	Difference (B-A)
Juroku FG consolidated results	9.93	10.52	10.54	0.02
Juroku Bank non-consolidated results	9.35	9.34	9.35	0.01



## Shareholder returns

	20/3	21/3	22/3	23/3
Dividends per share	80 yen	90 yen	120 yen	130 yen
Total dividends	2,989 million yen	3,363 million yen	4,453 million yen	4,783 million yen
Acquisition of treasury stock	-	-	1,111 million yen	1,111 million yen
Total payout ratio	23.2%	22.8%	32.3%	31.6%



\*Issued by the Juroku Bank before the interim dividends of the March 2022 term

### ◆Juroku Financial Group's shareholder returns policy

The Juroku Financial Group's basic policy is to pay stable dividends continuously while striving to further enhance the Group's fiscal robustness. Comprehensively considering such factors as business management conditions and income levels, the Group will determine details of returns aiming to achieve a total payout ratio of 25% or more.

# Business Projection and Dividend Forecast

Juroku FG  
consolidated results

Juroku Bank non-  
consolidated results



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- ✓ The net income attributable to owners of the parent company for the March 2024 term is expected to reach 17 billion yen, down 1.6 billion yen from the preceding term. This is because a decrease in stock-related profit/loss and an increase in credit costs are expected.
- ✓ Shareholders are expected to receive 130 yen as to annual dividends, consisting of 60 yen as interim dividends and 70 yen as year-end dividends.

## Business projection

(Unit: 0.1 billion yen)

Juroku FG consolidated results	2023/3 (Results)	2024/3 (Projected)	Compared with preceding term
Consolidated core gross operating profit	745	710	△ 35
Net interest income	511	500	△ 11
Fees and commissions	187	184	△ 3
Other operating profit (excluding profit on JBGs and other debt securities)	47	26	△ 21
Expenses	439	440	1
Consolidated core net operating profit	306	270	△ 36
Ordinary profit	272	245	△ 27
Net income attributable to owners of the parent	186	170	△ 16

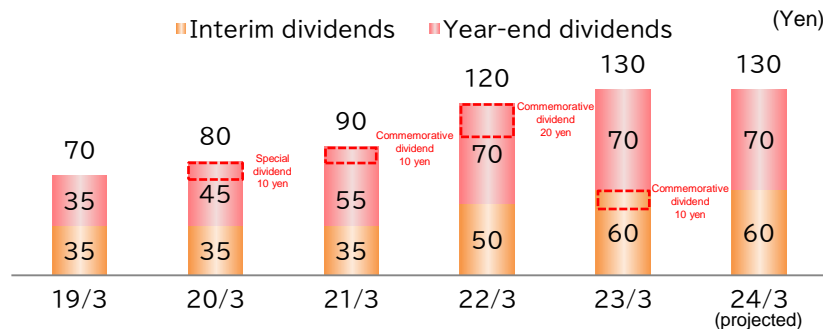
## Dividend forecast

	19/3	20/3	21/3	22/3	23/3	24/3 (Projected)
Annual dividend	70 yen	80 yen	90 yen	120 yen	130 yen	130 yen
Interim	35 yen	35 yen	35 yen	50 yen	60 yen	60 yen
Year-end	35 yen	45 yen	55 yen	70 yen	70 yen	70 yen

\*Issued by the Juroku Bank before the interim dividends of the March 2022 term

(0.1 billion yen)

Juroku Bank non-consolidated results	2023/3 (Results)	2024/3 (Projected)	Compared with preceding term
Core net operating profit	285	240	△ 45
Net operating profit results	208	225	17
Credit costs	14	29	15
Ordinary profit	255	220	△ 35
Net income	179	155	△ 24



**Section I: Financial Results for FY2022**

**Section II: Initiatives for Sustainability**

**Section III: Review of the 1st Management Plan**

**Section IV: Development of the Long-Term Vision and  
the 2nd Medium-Term Management Plan**

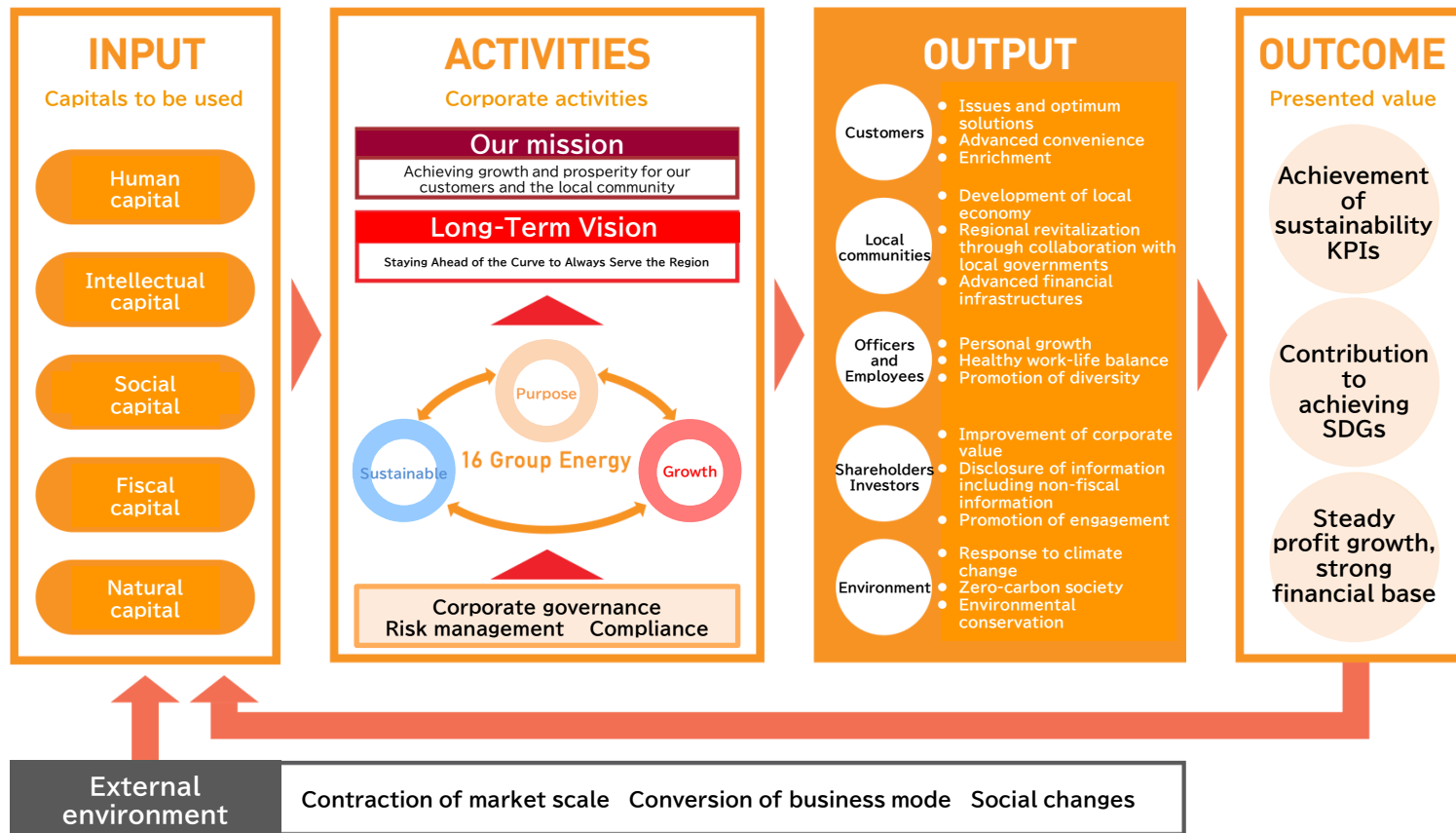
# Value-Creation Process



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- ✓ Delivering value to all stakeholders through corporate activities and aiming to achieve sustainability.



# Initiatives for Key challenges (Materiality)

- ✓ The Juroku Financial Group is promoting various initiatives in line with the SDGs Declaration to address five key challenges (Materiality).

		Key challenges (materiality)	Initiatives
Business		Revitalization of the local economy	<ul style="list-style-type: none"> <li>Supporting business foundation and new business operations to foster future leaders of local economy</li> <li>Supporting local companies' main business operations and management succession to contribute to their growth</li> <li>Supporting asset formation to achieve enriched living</li> </ul>  
		Sustainable development of the local community	<ul style="list-style-type: none"> <li>Creating comfortable and appealing communities</li> <li>Using local resources to create value that will benefit future generations</li> <li>Promoting digital transformation of local companies and local governments</li> </ul>    
		Environmental conservation and climate change actions	<ul style="list-style-type: none"> <li>Supporting local companies' carbon neutral business management</li> <li>Implementing initiatives for environmental conservation and environmental impact mitigation</li> <li>Responding to climate change and disclosing information in line with TCFD</li> </ul>    
Management		Empowerment of diverse human resources	<ul style="list-style-type: none"> <li>Building a corporate culture that boasts diversity as strength</li> <li>Implementing work style reform to provide a good work-life balance</li> <li>Creating workplaces that facilitate growth of diverse human resources and empower them</li> </ul>  
		Advanced governance	<ul style="list-style-type: none"> <li>Advancing corporate governance</li> <li>Strengthening risk management and compliance</li> <li>Achieving stakeholder engagement</li> </ul> 

# Progress in Sustainability KPIs

- ✓ To reinforce initiatives for sustainability, the Group has set (Materiality) Sustainability KPIs in its 5 key challenges, All items are progressing smoothly.

## Targets by FY2030

Key challenges	Item	Quantitative target	March 2023 results (progress rate)	
Revitalization of the local economy	Sustainable finances provided (including environment-related finances)	2 trillion yen (800 billion yen)	(※) 234.8 billion yen (85.9 billion yen)	11.7% (10.7%)
	Balance of Group assets on deposit	550 billion yen	363.9 billion yen	66.1%
Sustainable development of the local community	Social impact investments	2 billion yen	(※) 270 million yen	13.7%
	DX-support consultation cases	3,000 cases	(※) 126 cases	4.2%
Environmental conservation and climate change actions	CO2 emissions (vs. FY2013 level)	50% reduction	43.6% reduction	87.2%
	Paper use (vs. FY2019 level)	50% reduction	17.3% reduction	34.6%
Empowerment of diverse human resources	Ratio of female managers	20%	7.7%	38.8%
	Ratio of paid leave claimed	80%	54.0%	67.6%

(※) Cumulative total from April 2022

## On-going targets

Advanced governance	Initial response training for emergency preparedness	No less than twice a year	6 times	300.0%
	Dialog with investors	No less than 10 times a year	15 times	150.0%

## Revitalization of the local economy

### Vision

Providing a wide range of financial services to grow local companies and contribute to the revitalization of local economy

### Action

Supporting business foundation and new business operations to foster future leaders of local economy

- NOBUNAGA21(※) ※ Venture support network led by the private sector
- Open innovation
- Startup and venture investments
  - ⇒ Establishing the NOBUNAGA Capital Village

Expanding business range

Supporting local companies' main business operations and management succession to contribute to their growth

- Arranging business meetings and business matching to help local companies expand sales channels
- Supporting initiatives for solving social and environmental issues
- Management succession, M&A support
- Human resource referencing, HR system consultation

Supporting asset formation to achieve enriched living

- Supporting asset formation in line with major life events
- Offering asset management consultation with extensive service lineup
- Supporting inheritance and asset succession, using trust products
- Providing financial and economic education

### Key items

- Local VC・CVC investment
- Sustainable finance
- Management succession consultation
- Human resource reference
- Asset formation support
- Balance of Group assets on deposit

### Sustainability KPIs

#### ■ Targets by FY2030

Sustainable finances provided (including environment-related finances)

2 trillion yen  
(800 billion yen)

Balance of Group assets on deposit

550 billion yen

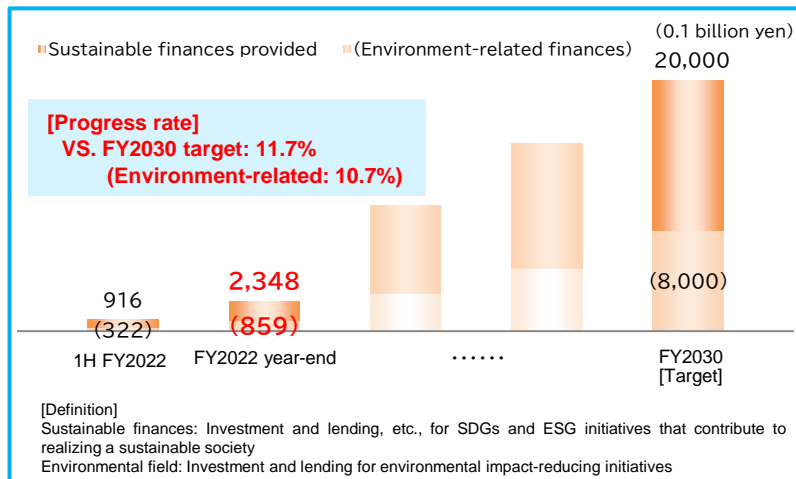
# Materiality ~Revitalization of the local economy~

- ✓ Sustainable finances totaled 234.8 billion yen as of the year-end of FY2022, achieving 11.7% of the FY2030 target.
- ✓ The balance of Group assets in custody as of the year-end of FY2022 reached 363.9 billion yen, achieving 66.1% of the FY2030 target.

## Sustainable finances provided

KPI

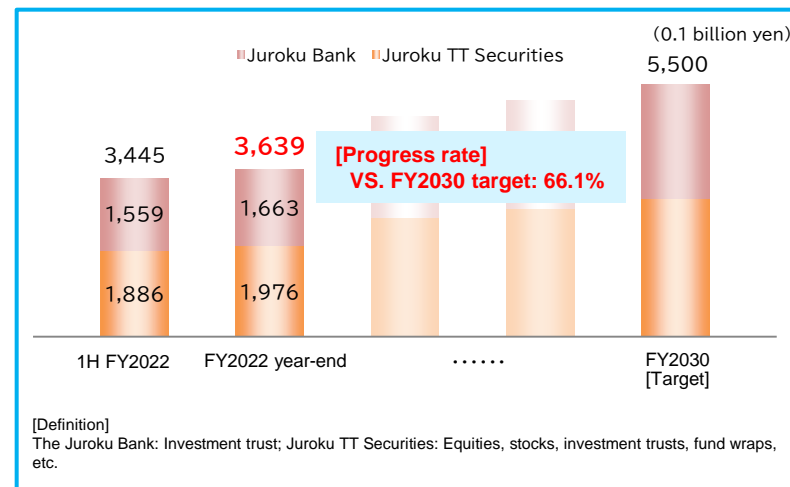
- Sustainable finances totaled 234.8 billion yen (including 85.9 billion yen of environment-related finances) as of the year-end of FY2022, achieving 11.7% (environment-related: 10.7%) of the FY2030 target.
- The FY2022 results of "Positive Impact Finance (PIF)," the offerings of which started in March 2022, stood at 41 cases/4.8 billion yen.
- Efforts will be made to aim for further growth by enhancing the product lineup (e.g., the Juroku Bank adding a "private placement bond course" to SDGs Challenge Assist, which supports customers in SDGs management, and starting to offer "earthquake damage risk management loans," which allows for releasing debtors from their responsibility as to debt principal payments in the event of a large-scale earthquake).



## Balance of Group assets in custody

KPI

- The balance of Group assets in custody reached 363.9 billion yen at the year-end of FY2022, achieving 66.1% of the FY2030 target.
- The Juroku Bank accounted for 166.3 billion yen (approximately 45%) and Juroku TT Securities 197.6 billion yen (approximately 55%).
- For stable asset formation, the Juroku Bank has focused efforts on expanding regular investment trusts optimized for long-term, regular, and diversified investments.

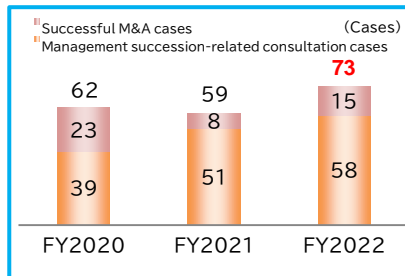


# Materiality ~Revitalization of the local economy~

- ✓ For local companies to smoothly have their management succeeded, the Group signed a “Basic Agreement Concerning Consideration of Joint Venture Business” with Nihon M&A Center Holdings Inc.
- ✓ The Group is focused on expanding regular investment trusts to stably form customer assets. The amount of monthly contribution and the number of contracts continued to show solid increase.

## Management succession consultation

- Well experienced and specialized staff members provide the best solutions to solve issues on various management succession needs by engaging in dialogue with corporate managers.
- Needs are raised through various seminars and individual company consultations.



## Signing of “Basic Agreement Concerning Consideration of Joint Venture Business” with Nihon M&A Center Holdings

- The lack of successors and other factors is causing the number of companies to drop in Gifu and Aichi prefectures, where the Group’s business is based. Management succession is accordingly a social issue that must be solved to realize growth and prosperity in this region.
- Amid this situation, the Juroku Bank established the “Management Succession Support Office” in March 2019. To smoothly succeed the management of as many local companies as possible, considerations have recently started on launching a joint venture with Nihon M&A Center Holdings Inc., which has had over 7,000 successful M&A brokerage cases that involved small- and medium-sized companies.

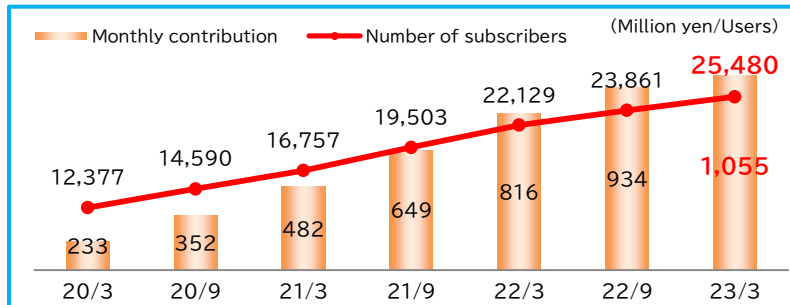


▲Signed “Basic Agreement Concerning Consideration of Joint Venture Business” on April 6, 2023.

## Asset formation support

### [The Juroku Bank] Expansion of regular investment trusts for customers’ stable asset formation

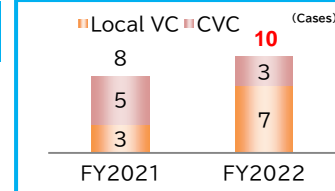
- For customers to stably build up assets, the Juroku Bank has focused efforts on expanding regular investment trusts optimized to long-term, regular, and diversified investments. The amount of monthly contribution and the number of contracts as to regular investment trusts continued to show solid increase.



## Local VC/CVC investment

### [NOBUNAGA Capital Village] State of investment

- Investment company “NOBUNAGA Capital Village” is actively rolling out local VC/CVC investments.





## Sustainable development of the local community

### Vision

Using local resources to create comfortable and appealing communities, and promote digital transformation of local communities

### Action

#### Creating comfortable and appealing communities

- Community development fund / PFI initiatives
- Renovation / redevelopment support
- Area design management for tourism destinations, shopping malls, etc.  
⇒ Establishing Kanda Machiokoshi Co., Ltd.

Expanding business range

#### Using local resources to create value that will benefit future generations

- Industrial – Bureaucratic – Academic partnership using extensive networks
- Branding local resources
- Supporting tourism marketing
- Social impact investment

#### Promoting digital transformation of local companies and local governments

- Offering solutions based on IT consultation
- Supporting cashless transactions with new payment-clearing services
- Supporting digital transformation of local governments  
⇒ Establishing Juroku Densan Digital Service Co., Ltd.

Expanding business range

### Key items

- Local revitalization initiatives
- Sustainable tourism development
- Social impact investments
- DX-support consultation
- Payment-clearing solutions
- Cashless transactions

### Sustainability KPIs

#### ■ Targets by FY2030

Social impact investments	2 billion yen
DX-support consultation cases	3,000 cases

# Materiality ~Sustainable development of the local community~



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- ✓ “OCOS,” a local crowdfunding program that launched in September 2022, has seen a steady increase in both its projects and membership.
- ✓ Juroku Densan Digital Service, which started operating in March 2022, saw an increase in its number of orders into the second half of FY2022.

## Social impact investments

KPI

- In addition to purchases through “OCOS,” a local crowdfunding program that launched in September 2022, achievements include investments made by subsidies for the tourism DMO support operation and donations based on the business for supporting the hometown tax payment service.

Target to achieve by FY2030

2 billion yen

FY2022 results

0.27 billion yen  
(Progress rate: 13.7%)

### [Kanda Machiokoshi] Local crowdfunding “OCOS”

- In September 2022, community developer Kanda Machiokoshi started its local crowdfunding program “OCOS,” the first initiative of its kind as a financial institution in the Tokai region.
- In addition to purchase- and donation-type crowdfunding, the firm started offering investment-type crowdfunding in December 2022.

Cumulative total (as of late Mar. 2023)

No. of posts started 16 cases

No. of purchased applications 1,357 cases

Amount of purchased applications 20,564 thousand yen

Membership 1,182 people

### [Kanda Machiokoshi] Launch of “CoLoRs,” a corporate version of the hometown tax payment service

- Kanda Machiokoshi started “CoLoRs” in February 2023, a matching service for the corporate version of hometown tax payments.
- Eligible municipalities are being gradually expanded by touting the service as a donation program that supports the sustainable development and issue-solving of both companies and local regions alike, by using said payments and building relationships between the companies and regions.

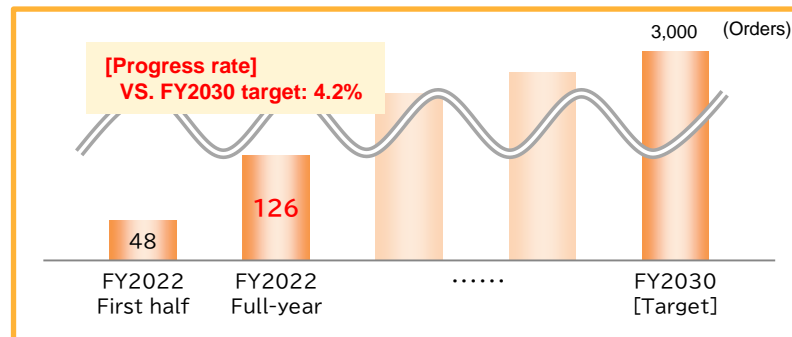


## DX-support consultation cases

KPI

### [Juroku Densan Digital Service] DX-support consultation

- Juroku Densan Digital Service, which started operating in March 2022, provides IT consulting services that closely support customers, particularly those introduced by Group companies, and in turn proposes optimal solutions.
- In FY2022, Juroku Densan Digital Service received 48 orders in the first half and 78 in the second half.
- The content of the successful orders vary widely. Juroku Densan Digital Service will continue the approach of its activities--providing optimal solutions for customers' consultations--and also disseminate information through hosting DX seminars.



# Materiality ~Sustainable development of the local community~



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- ✓ For the development of sustainable tourism, the Group became involved in supporting 5 local communities by, among other means, contracting public services and providing consulting services for governmental subsidies.
- ✓ Juroku Card is actively working to support the region transition to cashless transactions.

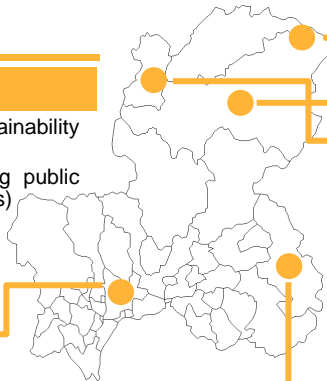
## Sustainable tourism development

### [Kanda Machiokoshi] Tourism marketing DMO support

- Provision of solutions considered necessary in advancing the sustainability of Gifu's tourist destinations and commerce districts
- Involvement in supporting 5 local communities (e.g., contracting public services, providing consultation services for governmental subsidies)

#### Gifu City

- Nagaragawa hot springs and Gifu's castle town: JTA's subsidy on united local community initiatives  
Developing a local plan (partnering with ORGAN, a non-profit)
- Gifu City: Supporting renovation project of old private houses
- Gifu City: Serving as a member of a working group on strategies for Japan's heritage



#### Okuhida

- Joined Chubusangaku National Park Partnership

#### Shirakawa Village

- Japan Tourism Agency's (JTA) project to demonstrate sustainable tourism  
Study on earning structure for the region  
(Collaboration with Juroku Research Institute)

#### Takayama City

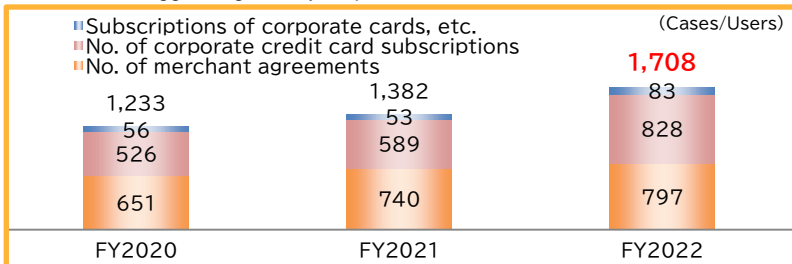
- Commissioning of study on introduction of local discretionary tax (accommodation tax)  
(Collaboration with Juroku Research Institute)
- Appointment as economic policy advisor

#### Nakatsugawa City

- Contracting of work as CFO of Nakatsugawa Tourism Bureau
- JTA's project on sustainable tourist destination model  
-> Demonstration experiment for charging parking lot use in Naegi Castle

## Transitioning to cashless transactions

- Streamlining expenses-related tasks and informing customers of responses to the Law Concerning Preservation of National Tax Records in Electronic Form to suggest legal entity/corporate cards



### [Juroku Card] Introduction of cashless payment in Gifu Prefecture's high school baseball tournament

- Juroku Card has signed a merchant agreement involving credit cards and other services with the Gifu High School Baseball Federation. This has become the first endeavor in the Tokai region to introduce cashless payments for high school baseball tournament admission fees.
- This endeavor is not only intended to provide spectators with enhanced convenience at admission and lower the administrative burden by reducing the amount of cash used, but also to educate high schoolers on financial literacy by having them operate payment devices and experience credit card and other cashless transactions.

# Environmental conservation and climate change actions

## Vision

Working on reducing the environmental impact and helping local companies achieve carbon neutrality in order to build a decarbonized society

## Action

### Supporting local companies' carbon neutral business management

- Offering decarbonization consultation services
- Providing environment-related finances (investments, loans, leasing)
- Supporting renewable energy business
- Providing a wide range of solutions involving external business partners

### Implementing initiatives for environmental conservation and environmental impact mitigation

- Updating air conditioners and introducing LEDs to stores to reduce power consumption
- Expanding areas for introducing CO2-free electricity
- Promoting paperless operations to reduce the use of paper
- Adopting HVs / EVs for sales fleet

### Responding to climate change and disclosing information in line with TCFD

- Building a governance structure for climate change
- Advancing scenario analysis
- Measuring SCOPE3 and setting reduction targets
- Enhancing the quality and quantity of information disclosure

## Key items

- Decarbonization support for local companies
- CO2 emission reduction
- Paper use reduction
- Use of HVs and EVs for sales fleet

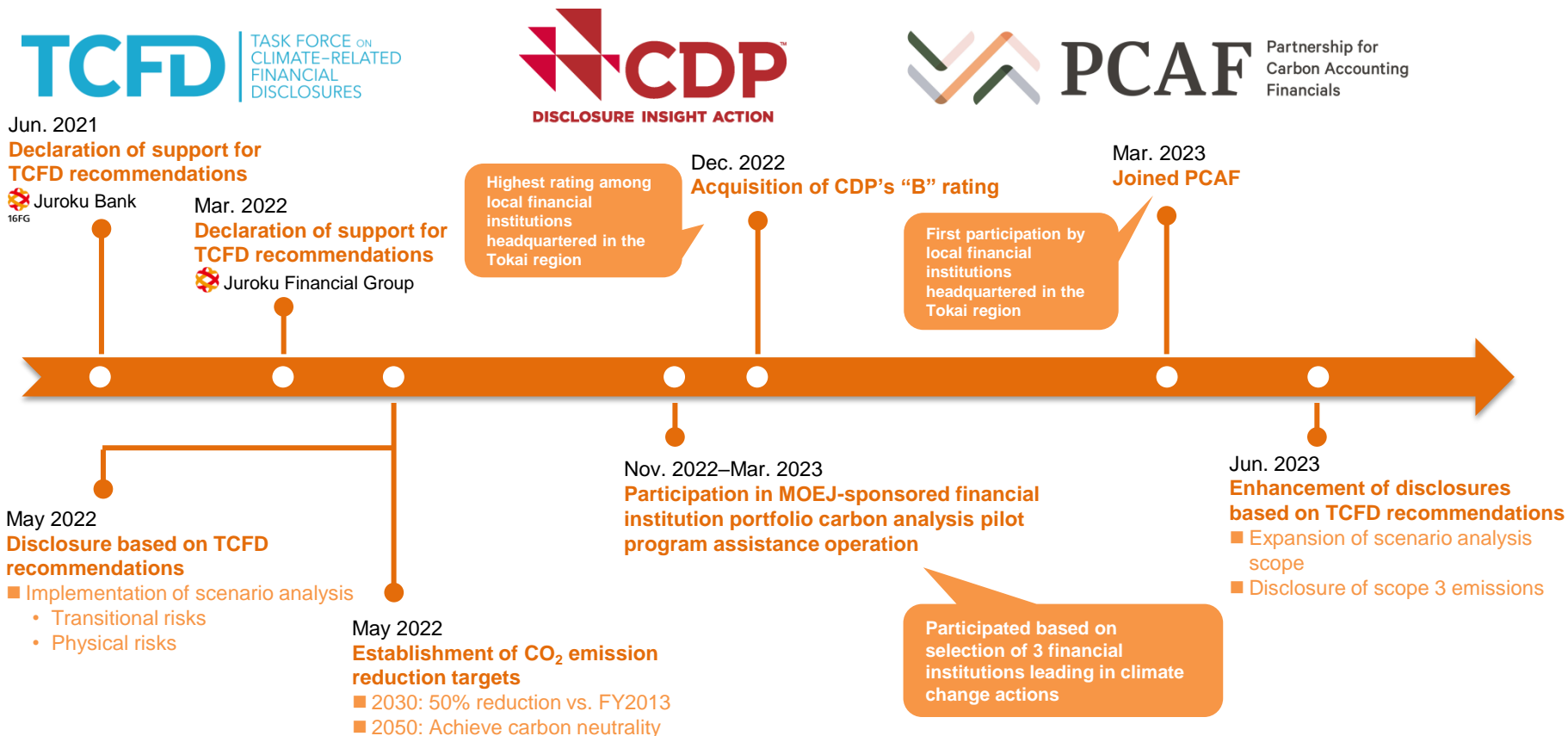
## Sustainability KPIs

### ■ Targets by FY2030

CO2 emission (vs. FY2013 level)	50% reduction
Paper use (vs. FY2019 level)	50% reduction

# Materiality ~Environmental conservation and climate change actions~

- ✓ Efforts are underway to respond to climate change and disclose information based on TCFD recommendations.



- ✓ CO<sub>2</sub> emissions generated from energy use (scope 1 and 2) stood at 43.6% versus the goal to halve them by FY2030 from FY2013 levels.
- ✓ Paper use saw a reduction by 17.3% versus the goal to halve it by FY2030 from FY2019 levels.

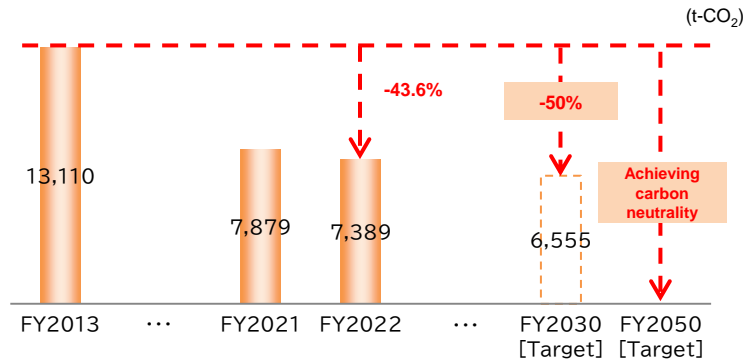
## CO<sub>2</sub> emissions (vs. FY2013)

KPI

- CO<sub>2</sub> emissions in FY2022 (scope 1 and 2) was reduced by 43.6% versus the FY2013 base year. This was a result of installing LED lighting in stores and other locations, replacing air conditioning (AC) equipment in a phased manner, and introducing "Gifu Prefecture-generated CO<sub>2</sub>-free electricity" at the Juroku Bank head office building in November 2021.
- Efforts will be maintained to install LED lighting at stores and replace AC equipment, as well as educate all employees on electricity conservation.

Caring for the Earth and  
illuminating the future

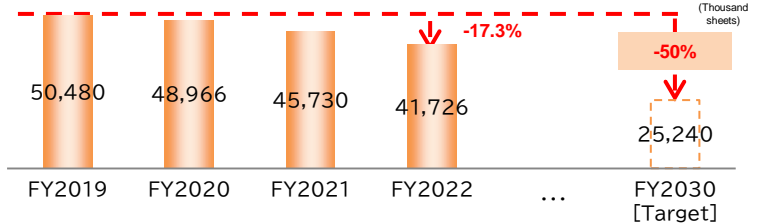
ぎふ清流  
Greenでんき



## Paper use (vs. FY2019)

KPI

- Paper use was reduced by 17.3% in FY2022 versus the FY2019 base year. This was a result of changing the layout of the head office building, introducing monitors and abolishing trash cans, and reducing storage space/copy machines/printers.



## Conversion of company vehicles to hybrid vehicles (HVs) and electric vehicles (EVs)

- Gradual transitions have been made over to clean-energy vehicles (e.g., replacing the approximately 1,000 vehicles owned across the group with HVs and EVs).

### [Juroku Lease] Introduction of EVs and charging facilities

- Juroku Lease introduced 2 EVs and 4 recharging facilities (that accommodates max. 8 vehicles) as company vehicles in March 2023.
- The replacement with conventional vehicles reduced annual CO<sub>2</sub> emissions by approximately 3.8 tons.
- Taking the introduction of the facilities as an opportunity, Juroku Lease will not only reduce its own CO<sub>2</sub> emissions but also support customers' decarbonization efforts by arranging a system through which customers can be offered a one-stop package of EVs and charging facilities.



- ✓ There has been a significant increase in the number of “Carbon Neutral Navigator” consultant services offered to support local companies in their carbon management.
- ✓ A “B” rating was provided by CDP. This was the highest assessment offered to a financial institution headquartered in the Tokai region.

## Decarbonization support for local companies

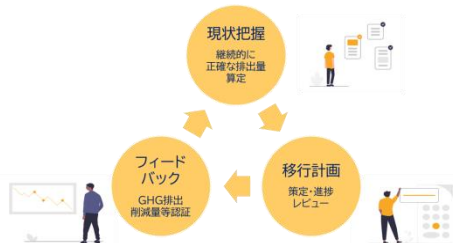
- The Juroku Bank has started to collaborate with WasteBox Co., Ltd., and provides extensive solutions by working with external business partners.

### [Juroku Bank] Carbon Neutral Navigator (Aug. 2021) Decarbonization Management Transition Plan Review (Feb. 2023)

- From August 2021, the Juroku Bank started offering “Carbon Neutral Navigator Supported by WasteBox,” which is a consulting service for such matters as the visualization, reduction target, and other matters related to customers’ greenhouse gas emissions, and has thereby been supporting the carbon management of customers.

Offering	FY2021	FY2022
Carbon Neutral Navigator	47 cases	91 cases
SBT certification support	2 cases	43 cases

- In February 2023, the Carbon Neutral Navigator service was scaled up and offerings started for “Decarbonization Management Transition Plan Reviews,” which support the development of said plans.
- Efforts will be made to contribute to realizing a decarbonized society in the region by supporting the development/execution of specific transition plans for clients to decarbonize their operations.



## Participation in the “financial institution portfolio carbon analysis pilot program assistance operation” sponsored by MOEJ

- The Group has been selected for the MOEJ-sponsored “financial institution portfolio carbon analysis pilot program assistance operation.”
- By participating in this operation, the Group will accumulate portfolio and carbon analysis know-how for identifying and calculating customers’ greenhouse gas emissions, and utilize the obtained insight and analysis results in supporting the decarbonization efforts of customers from here on.

## Support for environmental initiatives

- Support for TCFD recommendations was declared by the Juroku Bank in June 2021 and by the Juroku Financial Group in March 2022.
- The CDP’s climate change questionnaire for 2022 provided the Group a “B” rating, the third best evaluation out of 8 levels.
- In March 2023, the Group joined PCAF.



## Empowerment of diverse human resources

### Vision

Promoting diversity and work style reform to create a workplace that empowers diverse human resources

### Action

#### Building a corporate culture that boasts diversity as strength

- Offering re-skilling training for work conversion and work scope expansion
- Actively appointing women to managerial positions
- Abolishing uniforms and insignias for mentality reform
- Employing seniors, the disabled and those making a career change

#### Implementing work style reform to provide a good work-life balance

- Obtaining healthy management certification
- Encouraging workers to claim paid leave
- Encouraging male employees to claim parental leave / spouse maternal leave
- Promoting diverse work styles involving remote work and staggered commuting

#### Creating workplaces that facilitate growth of diverse human resources and empower them

- Expanding investment in human capital by increasing opportunities to participate in trainings
- Developing specialized human resources and helping them attain qualifications
- Developing human resources capable of building trusting relations with customers
- Utilizing a career-challenge system

### Key items

- Development of female managers
- Encouragement to claim paid leave
- Promotion of parenting leave for men
- Development of IT / DX human resources

### Sustainability KPIs

#### ■ Targets by FY2030

Ratio of female managers	20%
Ratio of paid leave claimed	80%

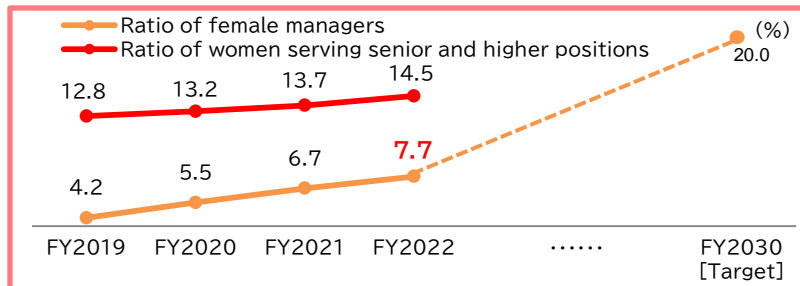
# Materiality ~Empowerment of diverse human resources~

- ✓ The ratio of female managers at the year-end of FY2022 rose 1.0 percentage point from the preceding term, reaching 7.7%. A female executive officer will be appointed from among full-time employees as well, a first-ever achievement in both the Group and the Bank.
- ✓ The rate of paid leave claimed in FY2022 reached 54.0%, up 6.3% from the preceding term. This was a result of such efforts as promoting the utilization of paid leaves from a work-life balance perspective.

## Ratio of female managers

KPI

- To build a corporate culture that has strength in its diversity, the Group appointed 6 women to managerial positions during FY2022, in turn boosting the ratio of female managers to 7.7%.
- To further appoint female managers, the Group also enhanced the rate of women serving senior positions. The Group has focused efforts on enhancing a support structure by, for instance, drawing up a plan to train and empower female personnel and starting to provide training.



## Development of IT / DX human resources

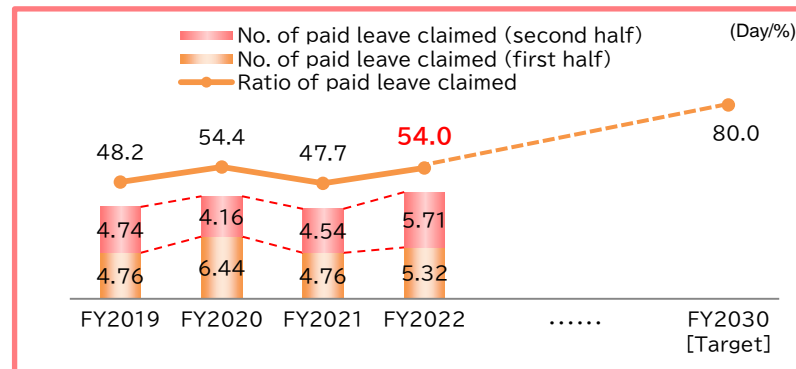
- The Group recommends all employees to take the IT Passport Examination to acquire basic IT knowledge, and successful examinees to obtain advanced digital-related qualifications.

Number of successful examinees (Total)	Cumulative total	During FY2022
IT Passport Exam	726	611
Advanced digital-related qualifications	94	27

## Ratio of paid leave claimed

KPI

- As part of a work style reform initiative to achieve a good work-life balance, the Group aims to reach an 80% rate of paid leave claimed.
- Said rate was 54.0% in FY2022, up 6.3% from the preceding term. This was a result of efforts such as promoting the utilization of paid leaves.



## Promotion of utilization of parenting leave for men

- April 2017 saw the introduction of a "spouse parental leave system" to encourage male employees to participate in childcare. The utilization rate of this system since its introduction has remained at 90% or above.
- HR systems underwent a partial change in response to the enforcement of the amended Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members on October 1, 2022

## Advanced governance

### Vision

Advancing governance and disclosing information appropriately to establish a transparent management structure

### Action

#### Advancing corporate governance

- Assessing the effectiveness of the Board of Directors
- Advancing the internal auditing structure
- Building a sustainability management structure
- Introducing sustainability elements to directors' remunerations

#### Strengthening risk management and compliance

- Risk management stance
- Compliance stance
- Preventing money laundering
- Information security

#### Achieving stakeholder engagement

- Engagement with customers
- Engagement with managers
- Engagement with local communities
- Engagement with shareholders and investors

### Key items

- Third-party involvement in assessing the effectiveness of the board
- Third-party involvement in assessing the advancement of the internal auditing system
- Initial response training for emergency preparedness
- Dialog with investors

### Sustainability KPIs

#### ■ Targets by FY2030

Initial response training for emergency preparedness	No less than twice a year
Dialog with investors	No less than 10 times a year

# Materiality ~Advanced governance~

- ✓ As on-going targets, FY2022 saw 6 sessions of “initial response training for emergency preparedness” (progress rate: 300%) and 15 “dialog sessions with investors” (progress rate: 150%).

## Initial response training for emergency preparedness

KPI

- FY2022 saw 6 initial response training sessions versus the ongoing target to implement at least 2 sessions a year.
- ✓ BCP training simulating wind and flood damage
- ✓ BCP training simulating earthquake
- ✓ Initial response training for ATM malfunction
- ✓ Initial response training for emergency preparedness
- ✓ Cyberattack exercise
- ✓ In-BCP activation critical operation response training

On-going targets	At least twice a year
FY2022 results	6 sessions (Progress rate: 300%)

## Dialog sessions with investors

KPI

- FY2022 saw 15 dialog sessions versus the ongoing target to implement at least 10 sessions a year.
- The Group will continue to reinforce initiatives aimed at achieving proactive dialog and enhancing dialog content.

On-going targets	At least 10 times a year
FY2022 results	15 sessions (Progress rate: 150%)

## Third-party involvement in assessing the effectiveness of the Board

- Selection processes are underway for an assessment organization in response to propositions from several outside organizations
- The Group will continue preparing to conduct an assessment in or after the next fiscal year.

## Third-party involvement in assessing the advancement of the internal auditing system

- Implementation of third-party-involved assessment to enhance the internal auditing system
- Development of FY2023 internal auditing plan

### [Reference] Skills matrix of the Group's Directors

	Name	Current position, etc. at the Group	Main skills, experience, etc. of the Director						
			Business management	Finance	Financial affairs / Accounting	Legal affairs / management	HR	Visualization of local regions	ESG / Sustainability
Directors who are not Audit & Supervisory Board members	Yukio Murase	Representative Director and Chairman	●	●	●	●	●	●	
	Naoki Ikeda	Representative Director and President	●	●	●	●	●		●
	Akihide Ishiguro	Director and Deputy President	●	●	●		●		
	Yukiyasu Shiraki	Director	●	●				●	●
	Yoshiaki Bito	Director	●	●		●			
	Hirofumi Ota	Director	●	●	●		●		
	Satoko Ito	Outside Director						●	●
	Yasushi Ueda	— (Outside member)	●	●		●			
Directors who are Audit and Supervisory Board members	Naohiko Ishikawa	Director	●	●					
	Shinji Ishihara	Outside Director				●	●		
	Satoo Tsuge	Outside Director			●				●

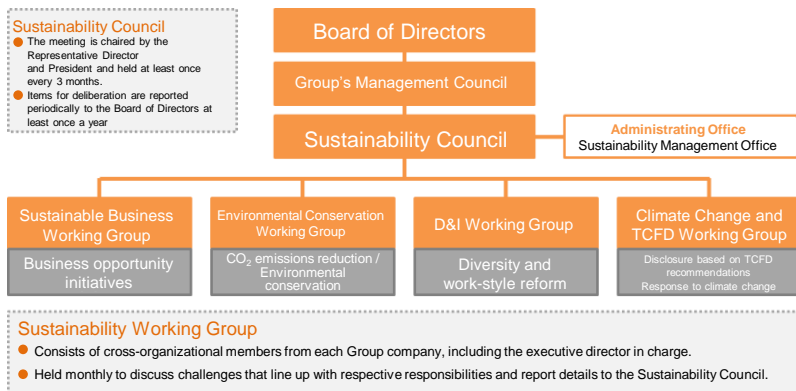
(\*) This is a list of areas where the internal Directors have experience in and where the Group has particular expectations for outside Directors in the event that proposals 1 and 2 from the Group's 2nd annual meeting of shareholders, hosted on June 16, 2023, are approved as presented.  
Note that the list does not represent all the knowledge and experience of each individual.

# Disclosure Based on TCFD Recommendations

## Governance

### Sustainability management structure

As stated in the Sustainability Policy, the Juroku Financial Group recognizes sustainability initiatives (e.g. on climate change) as an important management challenge. "The Juroku Financial Group SDGs Declaration" lists "environmental conservation and climate change response" as one of the key challenges. In order to address this challenge appropriately, the Group has set up the Sustainability Council, which is chaired by the Representative Director and President and consists of Group Management Council members, Division General Managers and the head of the Sustainability Management Office. The Council generally meets at least once every 3 months to deliberate key challenges (e.g., drawing up a policy for implementing initiatives on climate change and other sustainability issues, setting targets and checking progress), and reflects the results to management strategies and risk management. There also is a system in place to have items deliberated at this Council to be reported periodically to the Board of Directors at least once a year for appropriate supervision.



## Strategy

### Opportunities and risks associated with climate change

The Juroku Financial Group analyses risks and opportunities associated with climate change in the timeframes of "short term," "mid term" and "long term."

\*Short-term = Around 5 years; Medium-term = Around 10 years; Long-term = Around 30 years

Assessment item			Main opportunities and risks	Timeframe
Opportunity	Products and services		<ul style="list-style-type: none"><li>● Increase in business opportunities (e.g. offering investments, loans and consultation services to help customers' transition to a decarbonized society)</li><li>● Increase in public works projects for disaster management the demand for customers' capital investment fund.</li></ul>	Short- to long-term Mid- to long-term
	Resource efficiency		<ul style="list-style-type: none"><li>● Reduction in business costs through resource-saving, energy-saving, and new technology utilization.</li></ul>	Short- to long-term
	Energy sources			
	Resilience		<ul style="list-style-type: none"><li>● Increase in collaborative system development efforts with local governments and other organizations on disaster preparedness/mitigation to strengthen local resilience.</li><li>● Enhancement in corporate value by appropriately implementing and disclosing climate change initiatives.</li></ul>	Short- to long-term
Risks	Physical risks	Acute risks	<ul style="list-style-type: none"><li>● Deterioration in customers' business performance associated with an increase and intensification in the severity of abnormal weather, and degradation in loan asset value resulting from damage to collateral value.</li><li>● Work suspension occurring as a result of emergencies affecting the Group's sites or directors and employees.</li></ul>	Short- to long-term  Short- to long-term
		Chronic risks	<ul style="list-style-type: none"><li>● Degradation in loan asset value resulting from damage to collateral value; deterioration in customers' business performance resulting from such factors as changes in precipitation and weather patterns, as well as higher average temperatures and sea levels.</li></ul>	Mid- to long-term
	Transitional risks	Policy / Law	<ul style="list-style-type: none"><li>● Degradation in loan asset value resulting from decline in customers' business performance, associated with such factors as climate change policies and regulatory reinforcements.</li></ul>	Mid- to long-term
		Techno logies	<ul style="list-style-type: none"><li>● Degradation in loan asset value resulting from decline in customer's business performance, associated with failure to invest in and the transition costs for low-carbon technologies.</li></ul>	Mid- to long-term
		Market	<ul style="list-style-type: none"><li>● Degradation in loan asset value resulting from deteriorating business performance of customers associated with such factors as changes in consumer behavior and rising raw material costs.</li></ul>	Mid- to long-term
		Repu- tation	<ul style="list-style-type: none"><li>● Degradation in corporate value resulting from slow implementation and disclosure of appropriate climate-related initiatives.</li></ul>	Short- to long-term

# Disclosure Based on TCFD Recommendations

## Scenario analysis

The Juroku Financial Group conducts scenario analysis on physical risks and transitional risks in order to identify how climate-related risks would affect the Group.

	Physical risks	Transitional risks
Scenario	IPCC/RCP8.5 scenario (4°C scenario)	IPCC/RCP2.6 scenario (2°C scenario) IEA/NZE scenario (1.5°C scenario)
Risk event	Large-scale flooding	Transition to a decarbonized society
Analysis target	Borrowers in Gifu/Aichi Prefectures Collateral of real estate (buildings) in Gifu/Aichi Prefectures (Excluding secured home loans)	Electric power sector Automotive sector
Analysis content	Deterioration of business performance due to customers' business suspension / stagnation Damage to the Group's real estate (buildings) collateral	Deterioration of customers' business performance due to cost increase and sales decline
Analysis period	Up to 2050	Up to 2050
Analysis results	Increase of credit costs: Up to approx. 7 billion yen at maximum	Increase of credit costs: Cumulative total of approx. 2.5 billion yen

\*IPCC: Intergovernmental Panel on Climate Change

\*IEA: International Energy Agency

## Risk management

### Management of climate change risks

An integrated risk management framework is in place at the Group, categorizing into and managing the Group's overall financial risks as "credit risk," "market risk," "liquidity risk" and "operational risk." Climate change risk is recognized as one of the top risks and a driver of financial risk, and is managed with the framework for managing risks such as credit risks and operational risks. Upon introducing a risk appetite framework (RAF), the Group has set forth in its Risk Appetite Policy about enhancing efforts and promoting engagement, thereby endeavoring to appropriately manage said risks.

## Metrics and targets

### CO<sub>2</sub> emissions

The Juroku Financial Group calculates its supply chain emissions (scope 3) in addition its own CO<sub>2</sub> emissions (scope 1 and 2).

Measured items			CO <sub>2</sub> emissions (t-CO <sub>2</sub> )
Scope 1		Direct emissions	1,369
Scope 2		Indirect emissions	6,020
Scope 3	Category 1	Purchased goods and services	12,940
	Category 2	Capital goods	3,615
	Category 3	Fuel- and energy-related activities not included in scope 1 and 2	1,507
	Category 4	Upstream transportation and distribution	1,672
	Category 5	Waste generated in operations	53
	Category 6	Business travel	174
	Category 7	Employee commuting	2,908
	Category 13	Downstream leased assets	426
	Category 15	Investments	8,984,277

For the emissions of the investee/borrower (scope 3 category 15), calculations are made on loans to domestic corporate clients, utilizing the PCAF standard measurement method.

Emissions calculation method	CO <sub>2</sub> emissions = $\Sigma$ (Emissions of each borrower x Contribution of the Group's loans)		
	<p>*Factors such as company-disclosed data and CDP data are used for each borrower's emissions. When the data is unobtainable, estimations are made based on the PCAF database emissions coefficient.</p> <p>*Contribution level = The Group's balance of loans/The borrower's total funding</p>		
Data quality score	3.6	Coverage	98.0%

**Section I: Financial Results for FY2022**

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**Section IV: Development of the Long-Term Vision and  
the 2nd Medium-Term Management Plan**

# Overview of the 1st Management Plan

- ✓ We have worked on three management strategies with the aim of becoming a comprehensive financial group that creates the future of the community together and achieves sustainable growth together.

## First Management Plan

Period: October 2021–March 2023

### Numerical targets for FY2022

Consolidated net income:	16 billion yen and above
Consolidated capital adequacy ratio:	10% and above
Consolidated adjusted OHR:	65% and above
Consolidated non-interest income ratio:	30% and above

### Long-term indicator

Consolidated ROE	5% and above
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### Our vision

To become a comprehensive financial group that creates the future of the community together and achieves sustainable growth together

October 2021–March 2022

Period to put the Group structure on track

April 2022–March 2023

Period to convert the business model and build a foundation for sustainable growth

April 2023–

Second Medium-Term Management Plan

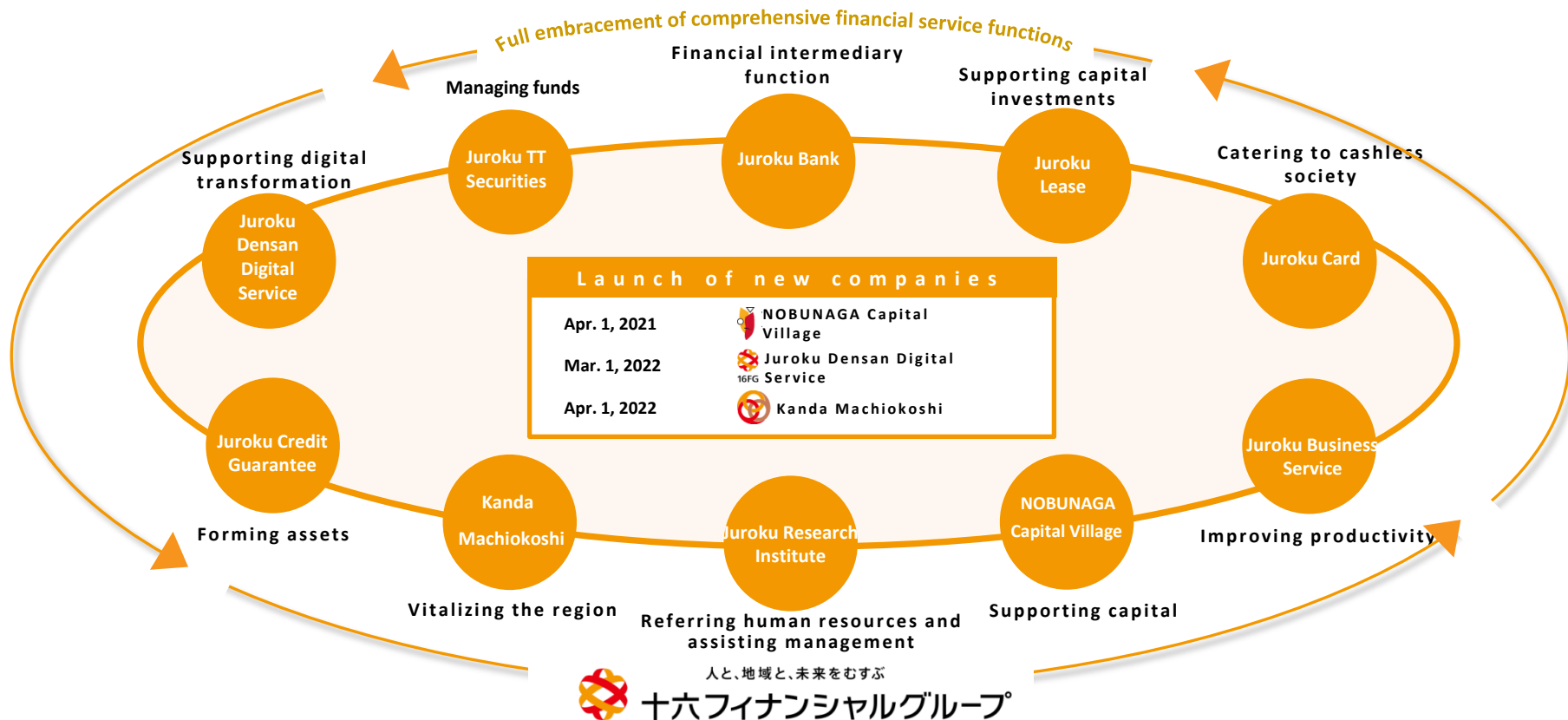
# Summary of the 1st Management Plan: Full Introduction of Comprehensive Financial Service Functions



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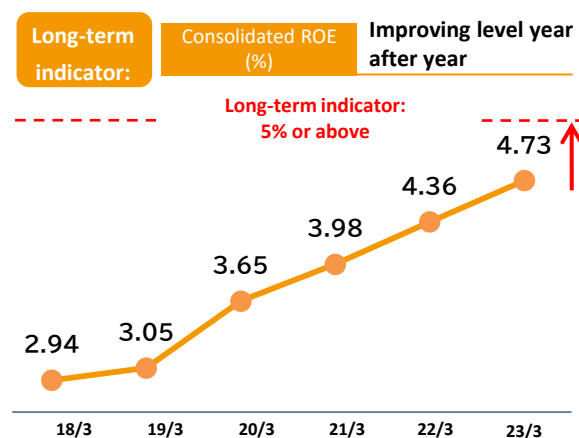
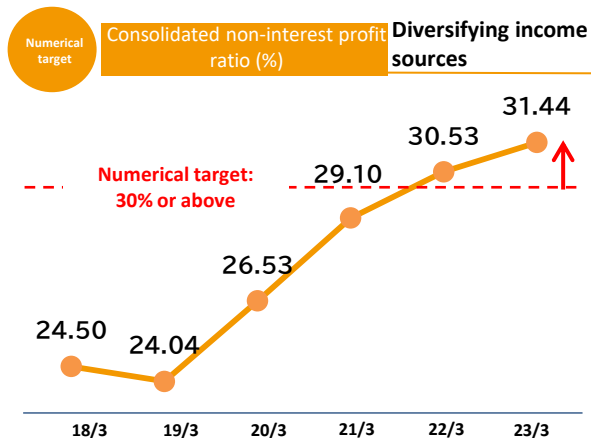
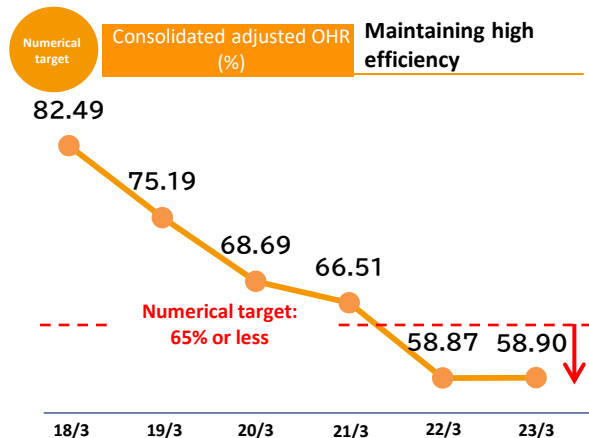
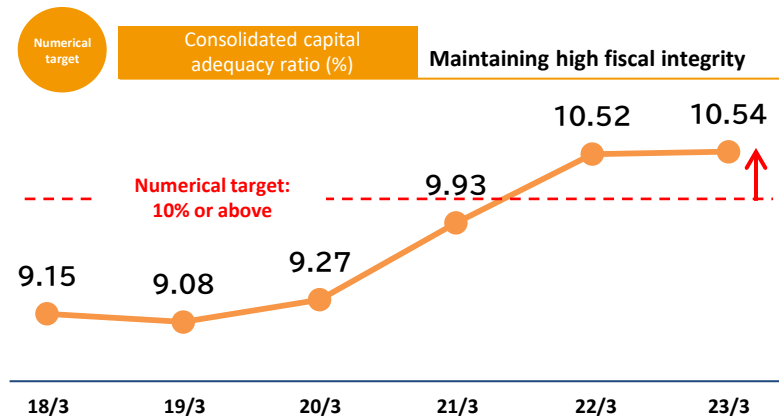
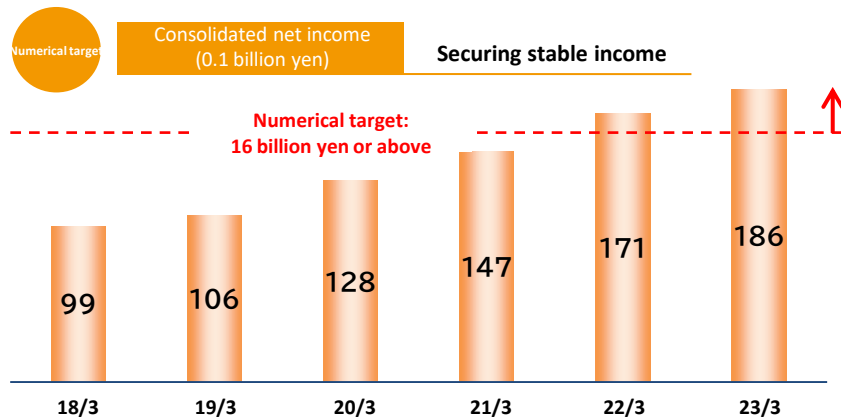
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- ✓ The Group created new businesses to change itself around the time it transitioned over to a holding company system.



# Summary of the 1st Management Plan: Numerical Targets Versus Results

- ✓ Under an enhanced management system, the Group rolled out its customer-first marketing strategy, DX strategy, and local commitment strategy, and achieved all numerical targets.



# Customer-First Marketing Strategy

- ✓ Under a customer-first marketing approach, the Group aimed to create shared value with customers and the region by mustering the Group's management resources to fulfil consulting functions and provide diverse solutions to solve challenges.



Fulfilling consulting functions  
by mustering the Group's  
management resources

Providing diverse solutions to  
solve challenges

Customer-First Marketing Strategy:  
Further demonstrating challenge-solving  
capacity

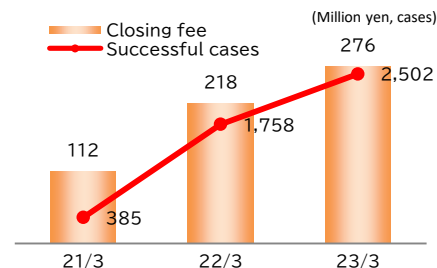
## The Juroku Bank's foray into trust service

- To meet the diversifying needs for inheritance and asset succession amid Japan becoming a super-aging society, the Juroku Bank obtained a license to operate as a universal banking entity on September 27, 2022, and accordingly started to offer trust services.
- The Bank started offering "Juroku Ohitorisama Trust <Mirai Yoroshintaku>," the first-ever product in Japan to cover affairs subsequent to a customer's death and money trust concerning relevant costs in a single package.



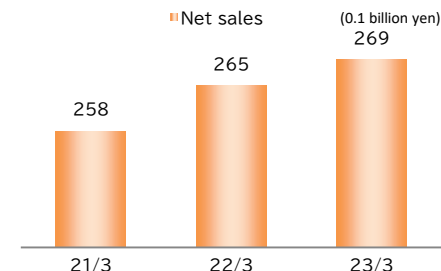
## Business matching

- Successful cases showed a solid increase through repeated dialogue with customers and the provision of appropriate solutions for needs and challenges



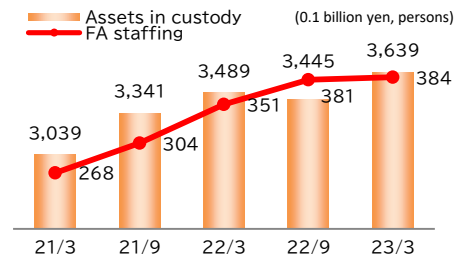
## Lease sales

- Sales increased steadily as a result of a stronger collaboration between the Juroku Bank and Juroku Lease



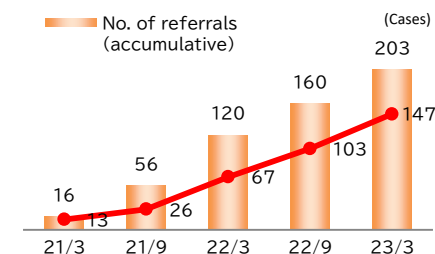
## FA staffing and balance of assets in custody

- Long-term proposals that align with customers' life plans have been made while increasing FA staffing



## Referral of private trust experts

- The number of consultation cases rose as a way of smooth asset succession and property management for older-age periods



[Definition] The Juroku Bank: Investment trusts + Juroku TT Securities: Equities, stocks, investment trusts, fund wraps, etc.

# DX strategy

- ✓ The Group approached customers by utilizing digital technology and data through internal and external alliances, and propelled the digital transformation of work to make time for activities, thereby achieving the Group Directors' and employees' high value-added activities.



DX strategy:  
Enhancement of  
comfort/productivity

Utilizing digital technology and data  
to approach customers

Making more time for activities and  
enhancing value by propelling the  
digital transformation of work

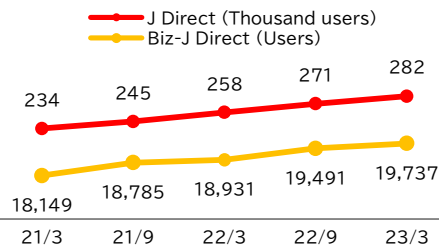
## Juroku Densan Digital Service's business launch

- On March 1, 2022, "Juroku Densan Digital Service" launched its business as a joint venture between the Group and Densan System Holdings Co., Ltd.
- To launch the joint venture, the Group became the first entity to be licensed as a non-bank banking-service enhancement company following the November 2021 enforcement of the amendment of the Banking Act.
- To meet the diverse DX needs in the region, Juroku Densan Digital Service provides IT consulting services attuned to operators--particularly those introduced by Group companies--and thereby proposes optimal solutions in addition to coordinating with various IT vendors to expand the range of solutions.



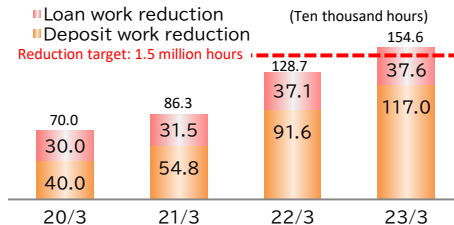
## J Direct / Biz-J Direct

- Non-face-to-face channels were enhanced, which led to growth in J Direct (personal customers) and Biz-J Direct (business customers).



## Work volume reduction

- Efforts were made to promote the elimination of back-office administration at the Juroku Bank's sales offices. Achieved the target of reducing office job hours by 1.5 million hours in the March 2023 term versus the March 2017 term.



## Start of cooperation with SoftBank

- In May 2022, the Group decided to collaborate with SoftBank Corp. to promote DX endeavors, and accordingly accepted human resources.
- The Group is working to support the DX efforts of customers and the region, enhance the comfort and convenience of products and services, and both streamline the Group's work operations and boost productivity as priority measures. Amid these efforts, the Group aims to harness the collaboration with Softbank to effectively utilize the technologies, assets, and know-how held by the 2 companies and thereby vitalize the region and contribute to local communities.



[Cross-industry  
collaboration]

SoftBank

## Acquisition of license as "DX-certified operator"

- As an operator that has developed a management vision, strategies, and systems, and is ready to promote its digital transformation, the Group acquired a license as a "DX-certified operator" in March 2023 under the DX certification system established by the Ministry of Economy, Trade and Industry.



# Local Commitment Strategy

- ✓ To realize a sustainable society, all Group Directors and employees enhanced their SDGs and local vitalization efforts and played a central role for the local vitalization of Gifu and Aichi prefectures--where the Group's business is based--by expanding business domains.



Local Commitment Strategy:  
Comprehensive local design

Playing a central role in vitalizing the region through business domain expansions

All Group Directors and employees enhancing their SDGs and local vitalization efforts

## Launch of Kanda Machiokoshi

- On April 1, 2022, the Group launched community developer “Kanda Machiokoshi” to fulfill the Group’s responsibility as to sustainable local growth and to contribute local vitalization.
- Under its mission to “develop a locally sustaining economy,” Kanda Machiokoshi started “OCOS” in September 2022, a local crowdfunding program--the first endeavor of its kind by Tokai region’s financial institution--thereby creating a new money flow in the region.



## Utilization of local resources/Support of local governments

- The Juroku Bank started to collaborate with Stroly, a company that supports the digitization of illustrated maps.
- By providing the Stroly digital map service, Juroku Bank has supported municipalities and local businesses in their digital transformation and promoted tourism by boosting the appeal of the region (e.g., promoting paperless transactions, digitizing visitor data, enhancing user convenience).
- This initiative was commended as “FY2022’s ‘distinctive endeavor’ contributing to vitalizing the region, undertaken by a financial institution or other entities.”



## Juroku Research Institute: Publication of recommendations

- The Juroku Research Institute regularly publishes recommendations for local revitalization.
- Setting major gender gaps in rural Japan as a core issue for local vitalization, in April 2022 the Juroku Research Institute published “Regions Popular among Women”: recommendations that present analysis results, good practices, and solutions.
- In April 2023, the Institute also published the recommendation “The Future of Local Public Transportation,” setting the decline of public transportation in rural Japan as an issue that could dampen the vitality of local communities.



## Release of “Juroku MONEY COLLEGE”

- Japan has lowered its legal age of adulthood and the country’s high schools have started to offer asset-building classes, showing a growing interest in financial education. Amid this trend, the Group has released “Juroku MONEY COLLEGE” in January 2023, which offers a systematic education menu on financial literacy.
- This endeavor will utilize the knowledge of Group companies to a maximum extent to systematically offer seminars on such matters as asset-building, entrepreneurship, cashless transactions, and loans for a wide range of generations--from elementary schoolers to older citizens--and thereby contribute to enhancing the financial knowledge of the region.



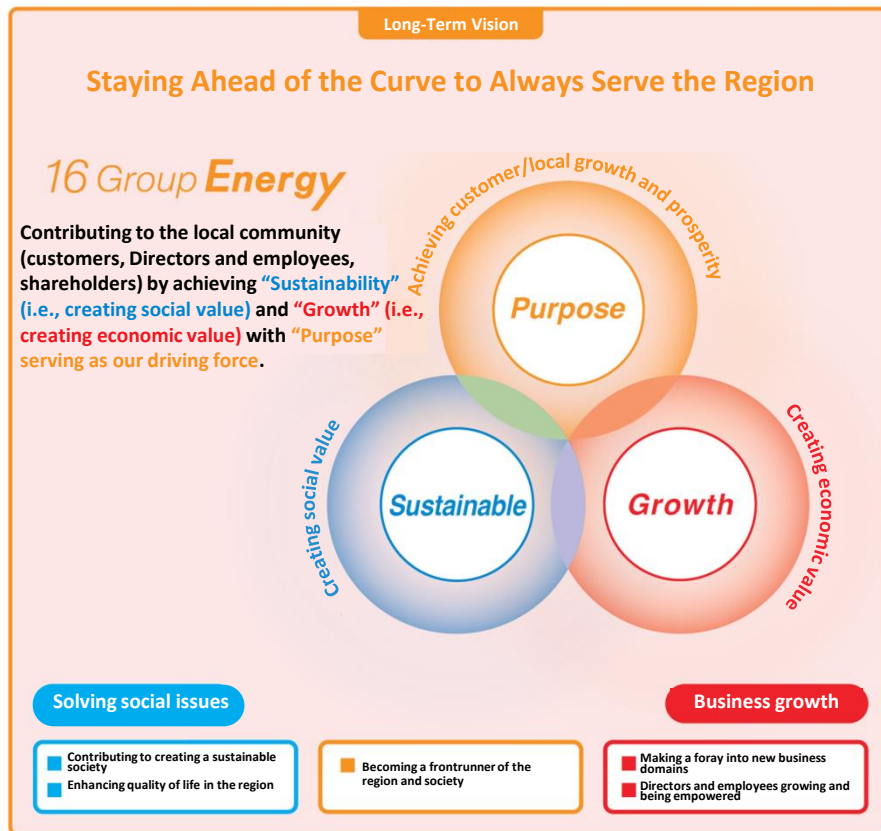
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## <Long-Term Vision “16Vision-10” (Overview of April 2023–March 2023)>



### Values Considered Important in the Long-Term Vision

#### Customers



The Juroku Financial Group will move forward alongside people who live and undertake activities in the region.

The Group will understand customers well and identify with them to solve challenges together.

#### Directors and employees



We Directors and employees share our aspiration to contribute to the region in which we grew up.

The Group will develop an environment where all Directors and employees can bear this aspiration in mind and perform at their full potential.

**We want to develop people and companies thriving in this region where we grew up!**

### Targets of the Long-Term Vision

#### FY2032 target level

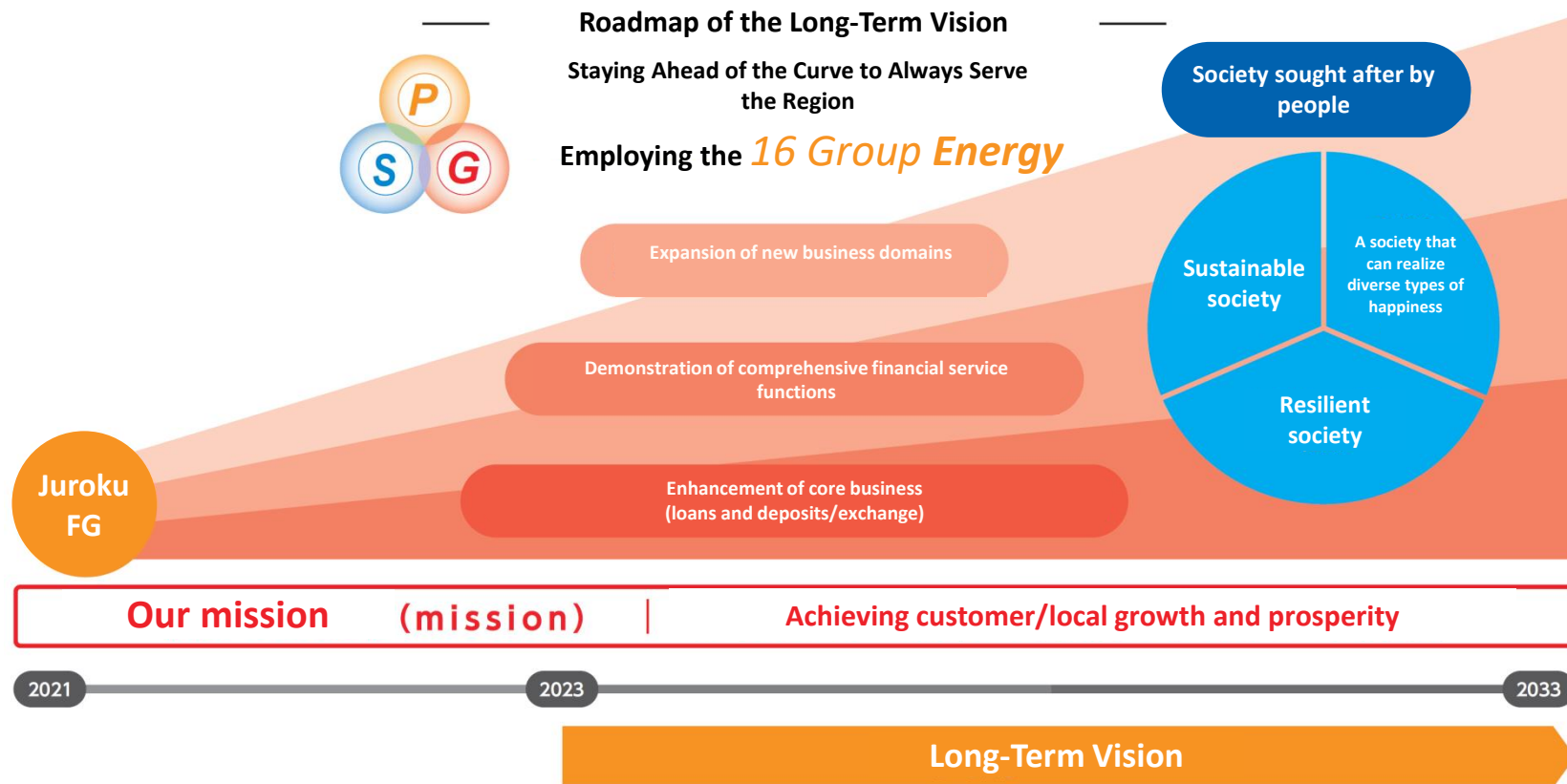
- Consolidated net income: 30 billion yen or above
- Consolidated capital adequacy ratio: 12% or more

#### Solving various social issues

Achievement of sustainability KPIs (FY2030 target)

# Roadmap of the Long-Term Vision

- ✓ Amid making efforts to fully employ the “16 Group Energy,” the Group will work to demonstrate its comprehensive financial service functions and expand into new business domains in addition to enhancing the Group’s core business, thereby realizing the society for which people are seeking.



# Values Considered Important in the Long-Term Vision

- ✓ In employing the “16 Group Energy,” the Group aims to contribute to its customers, Directors and employees, and shareholders.
- ✓ The Group cannot contribute to its shareholders without the process of serving customers, Directors, and employees. As a first step, the Group will reconsider how it deals with customers and what an ideal Director/employee looks like.

## How the Group should deal with customers and Directors/employees

### (1) Our “core customers”:

#### People who live and undertake activities in the region

- People who actively take on challenges in the region for the growth of both their business and themselves
- People who show leadership in the region
- People who both rely on and seek to be relied upon by the Juroku Financial Group
- People who can do business with the Juroku Financial Group repeatedly

### (2) How to deal (interact) with customers:

#### Understand our customers well and identify with them

- The Group will value the following three points:
  - (1) Giving attention: The Group will face many customers and become an organization with which they seek to consult
  - (2) Connecting: The Group will connect with many customers
  - (3) Closely supporting: The Group will closely support customers and thereby thoroughly learn about them

### (3) The shared hope and thought of us Group Directors and employees is:

#### A feeling of “being rooted in the region”

<Feelings that all Group Directors and employees had across the board when they joined the company/bank>

- Aspiration to liven up the region
- Aspiration to give back to the region
- Love for their hometown

} A feeling of “being rooted in the region”

### (4) An ideal Group Director/employee:

#### Can perform at their full potential for the region

- Each Group Director and employee thoroughly performs at their full potential and voluntarily takes on challenges
- Directors and employees act voluntarily for the region by embracing what they wish and hope for the region
- Directors and employees demonstrate diversity and realize a productive life as a person living in the region while experiencing their growth first-hand

# Targets of the Long-Term Vision



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- ✓ The Group will sustainably grow and enhance corporate value as an enterprise while solving social issues.
- ✓ The Group will aim to expand its income in growth areas. This will be achieved by expanding business domains and working on new businesses to fully utilize the Group's comprehensive financial service functions, while demonstrating the true value of the Group's core businesses (e.g., loans and deposits/exchange) by promoting efforts to both enhance added value and streamline operations.

## Targets of the Long-Term Vision

**FY2032 target  
level**

**Consolidated net income: 30 billion yen or above**

**Consolidated capital adequacy ratio: 12% or more**

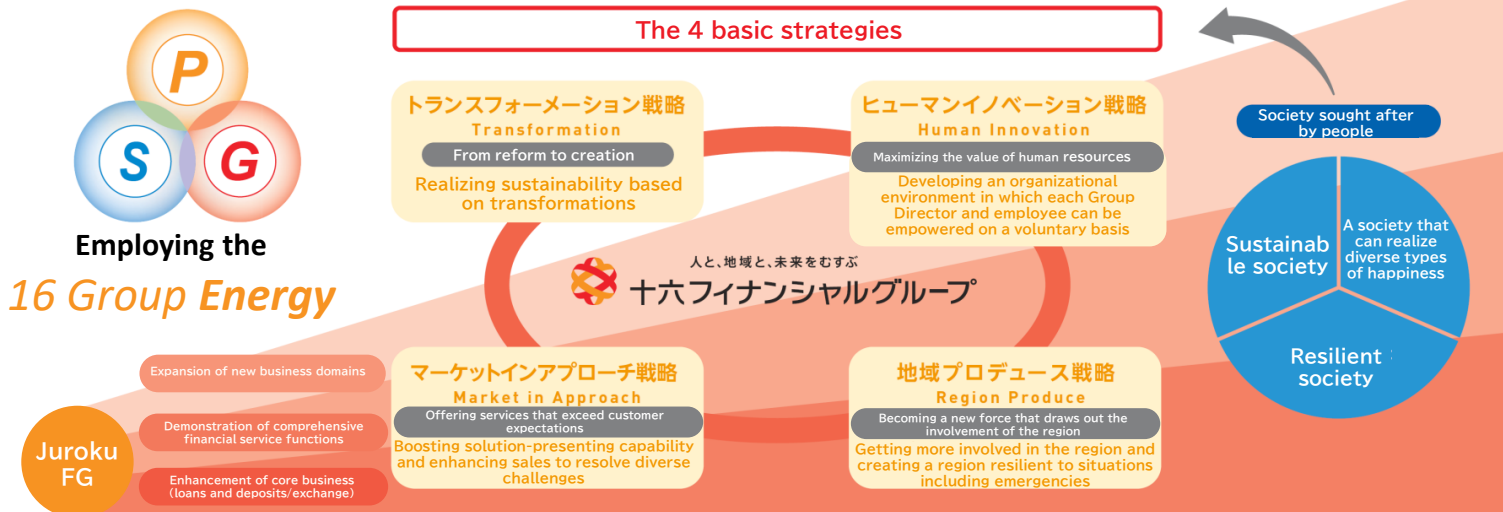
**Solving various  
social issues**

**Achievement of sustainability KPIs (FY2030 target)**

2nd Medium-Term  
Management Plan  
(April 2023–March 2028)

## Staying Ahead of the Curve to Always Serve the Region: 1st stage

Creating new value by taking on fast-paced reform initiatives  
during the Plan's 5-year period



**Our mission (mission)**

**Achieving customer/local growth and prosperity**



**Numerical targets  
for FY2027**

**Profitability**

Consolidated net income: 20 billion yen or above  
Consolidated ROE: 5% or more

**Efficiency**

Consolidated adjusted OHR: 50% level

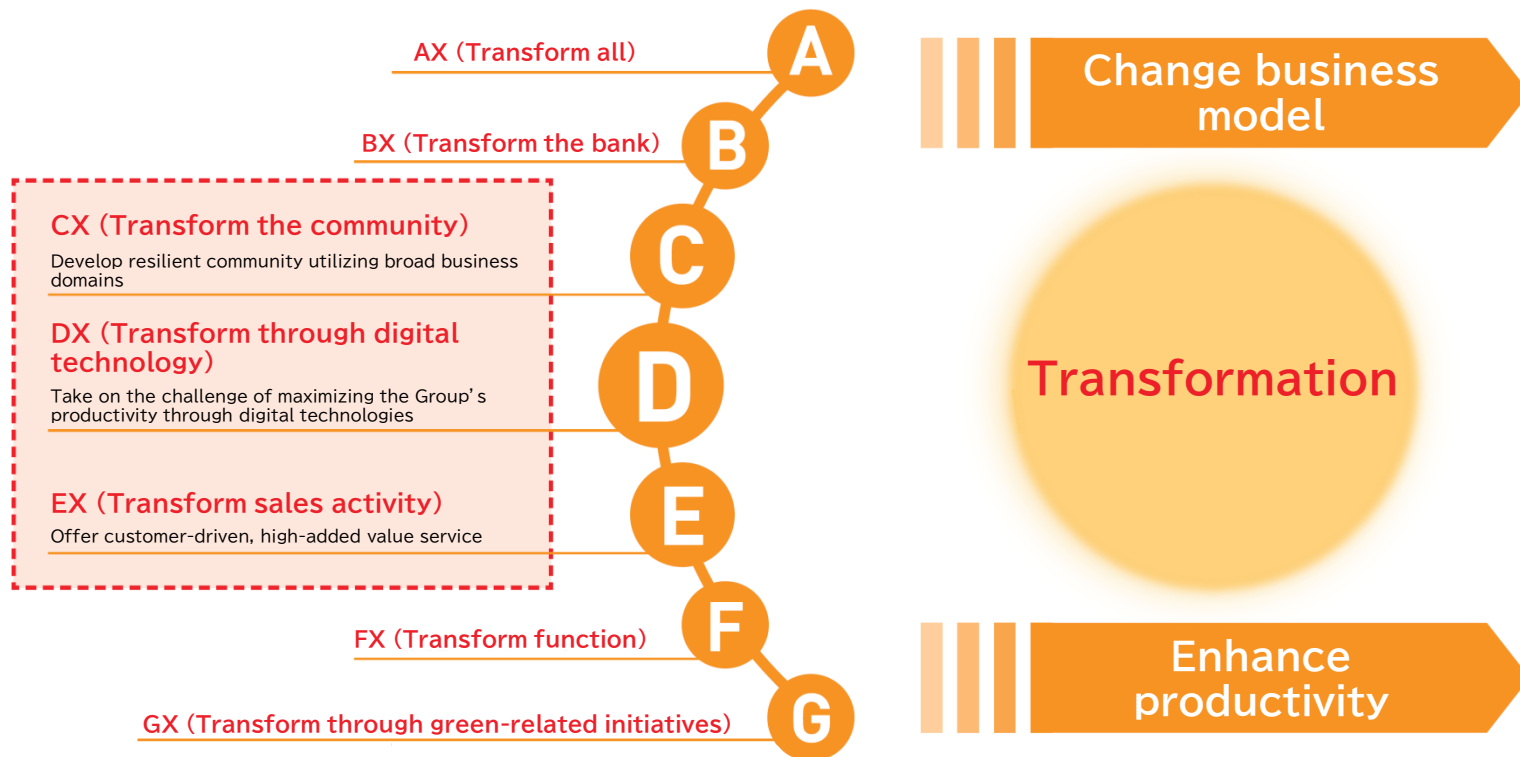
**Fiscal integrity**

Consolidated capital adequacy ratio: 11% or more

# Transformation Strategy (1)

- ✓ The Group will achieve sustainability by transforming its business model and enhancing productivity, starting from digital and other transformations.

— Seven transformations based on transformations C to E —



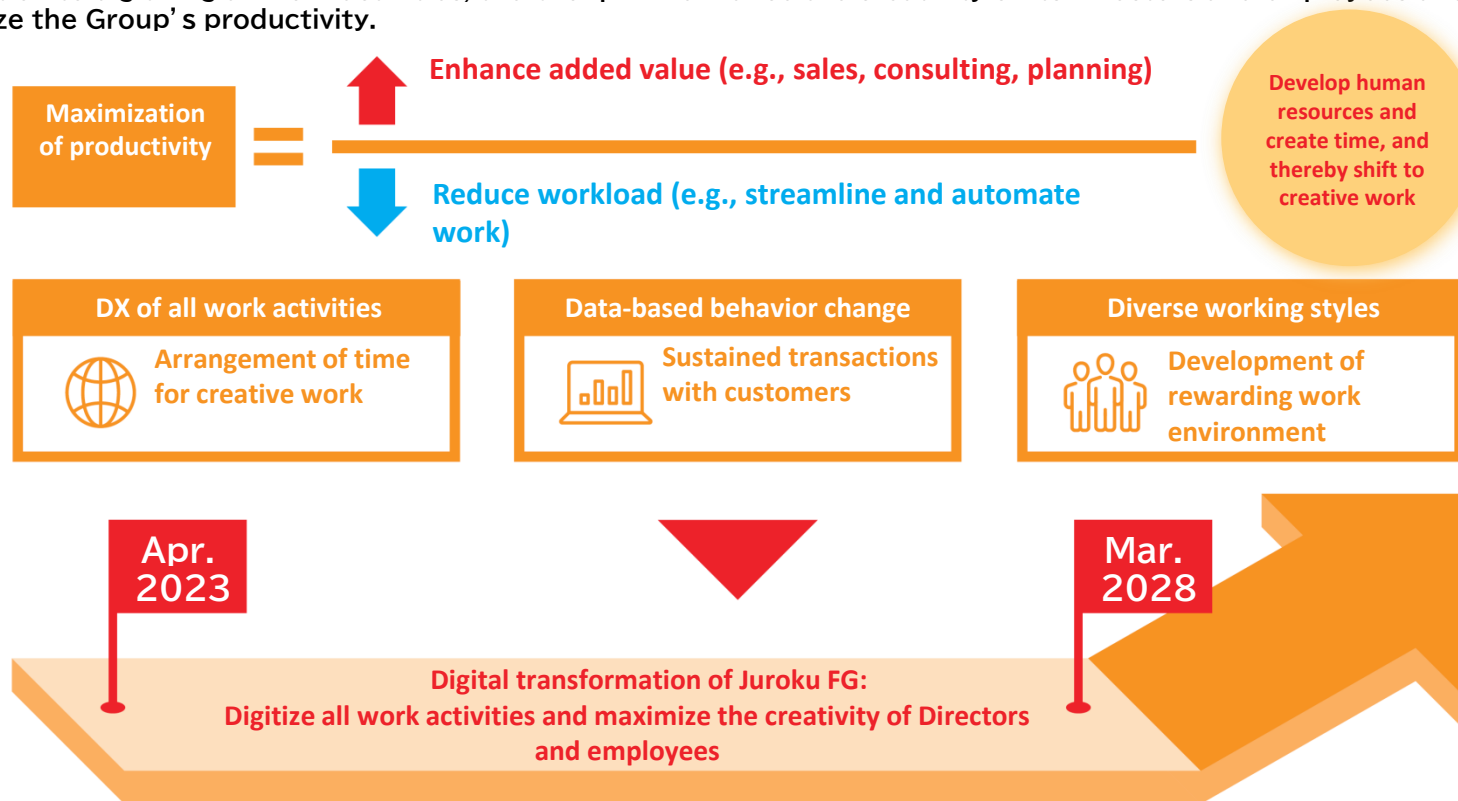
# Transformation Strategy (2)



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- ✓ In addition to digitizing all work activities, the Group will enhance the creativity of its Directors and employees and thereby maximize the Group's productivity.



[Cross-industry  
collaboration]



SoftBank

# Human Innovation Strategy (1)



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- ✓ To realize growth, prosperity, and sustainability for customers and the region alike, the Group will endeavor to develop human resources who can perform at their full potential, build relationships of trust with customers, and actively work on the Group's various strategies.

## Human Resource Development Policy

01

To realize growth and prosperity for the region, the Group will develop human resources who can base themselves in, care for, and **perform at their full potential** for the region.



02

For the growth and prosperity of customers, the Group will develop human resources who can “give attention to,” “connect with,” and “closely support” customers and **build relationships of trust** with them.



03

To achieve sustainability, the Group will **develop human resources who can actively work on various strategies** on the premise of shared values (i.e., “trust and ethics,” “creativity and innovation,” “diversity and acceptance”).



Combine management and HR strategies

Develop an organizational culture that takes on challenges

Invest appropriately in human capital

Ensure diversity in human resources and working styles

# Human Innovation Strategy (2)

- ✓ In addition to reforming the HR system in April 2023 for the first time in 22 years, the Group reassigned all Juroku Bank-posted employees to the holding company.

## Introducing a new HR system

Concept

1

### Revitalizing the organization and developing active human resources

- Each employee expressing what they aim to be
- Growing as human resources that the local community needs

Concept

2

### Clarifying the mission and reforming behavior

- Promoting behavioral reform by clarifying the mission
- Encouraging growth of employees who are enthusiastic and willing to take on challenges

Concept

3

### Developing a corporate culture that draws on individuality and diversity

- Developing an organization that fosters individuality and diversity, and one in which individuals respect one another
- Channeling the capability of diverse human resources into the Group's momentum

### 1. Newly establishing "My Vision" and "Commitment"

- Employees expressing their "My Vision" (what they aim to be)
- Setting commitments (targets) of what employees want to achieve and endeavors they want to take on through repeated efforts toward realizing the Group Management Philosophy



Committing to the organization's purpose while valuing personal purposes

### 2. Developing new assessment and compensation systems

- New HR review system to develop individuality and diversity to encourage growth
- Compensating enthusiasm and attitude to take on challenges instead of seniority



Abolishing minimum promotion age, allowing for employees to serve as General Managers at the age of 35

### 3. Empowerment of diverse human resources

- Newly establishing a retention system (enhancing childcare system)
- Newly establishing expert system (developing specialists)
- Newly establishing a return-to-work system (re-hiring former employees)

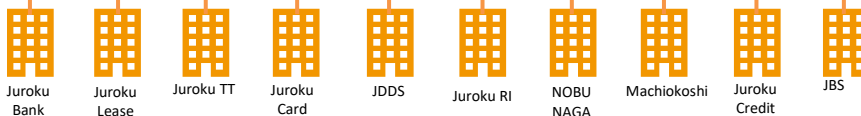


Maximizing the value of diverse human resources

## Reassigning to the holding company

### Juroku Financial Group

#### Employees (on loan to Group companies)



All former Juroku Bank employees agreed to the reassignment, and are thriving at each company as an employee on loan from the Juroku Financial Group

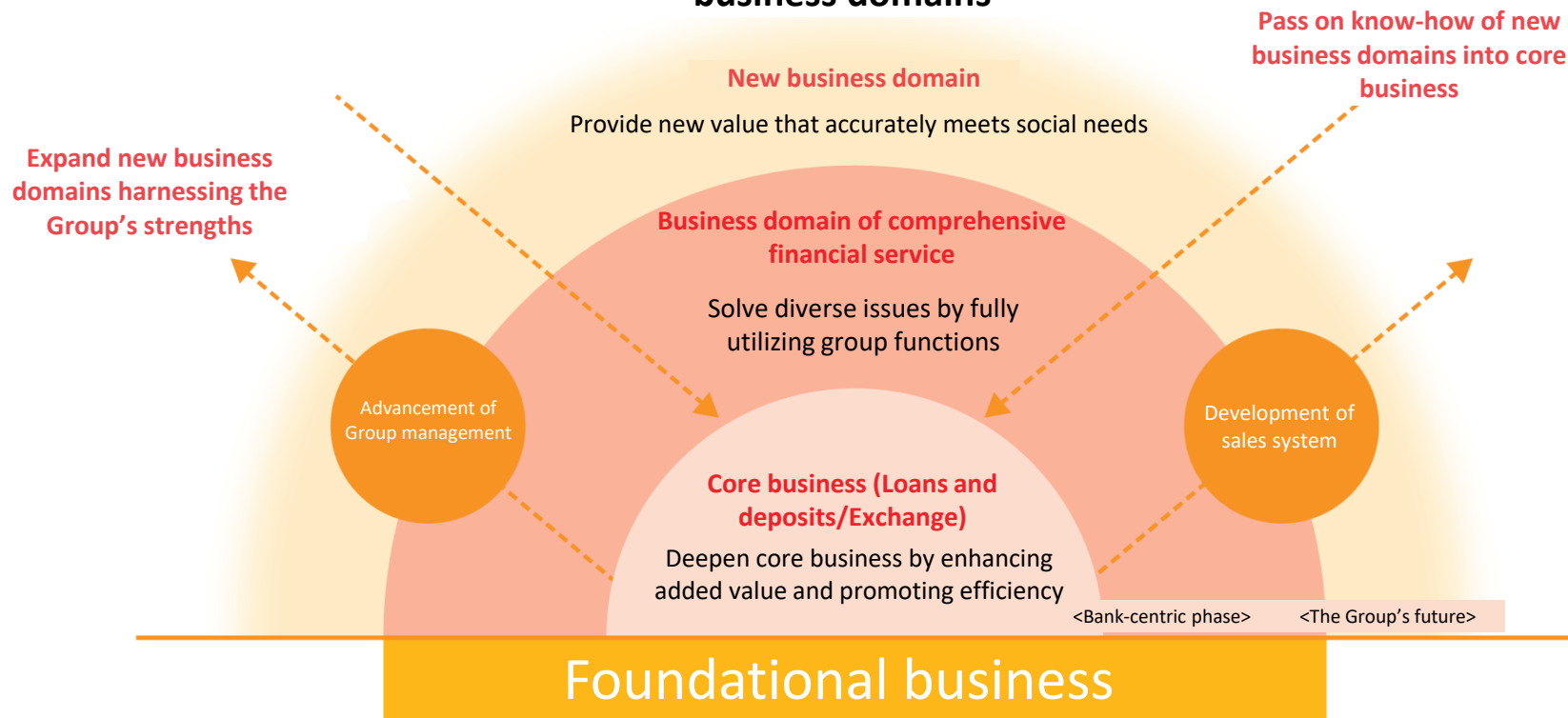


Juroku TT: Juroku TT Securities; JDDS: Juroku Densan Digital Service; Juroku RI: Juroku Research Institute; NOBUNAGA: NOBUNAGA Capital Village; Machiokoshi: Kanda Machiokoshi; Juroku Credit: Juroku Credit Guarantee; JBS: Juroku Business Service

# Customer-First Marketing Strategy (1)

- ✓ In addition to deepening the core business, Group-based efforts will be made to expand the Group's business domain and explore new businesses to solve diverse issues and meet the needs of customers and the region.

## From deepening core business to expanding new business domains



# Customer-First Marketing Strategy (2)

- ✓ The Group aims to establish a solid business foundation and further boost its presence in the region while developing an optimal sales system that matches customer needs and market characteristics.

## Building an sales system optimally tailored to each region

### Gifu Prefecture

#### Lead the region

Establish solid business  
foundation



#### <Major upcoming events>

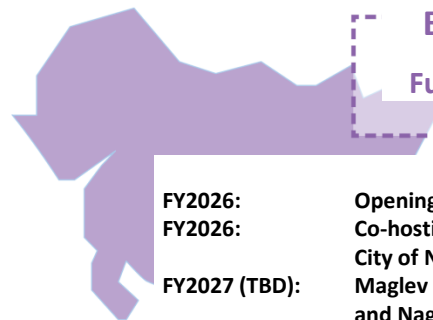
FY2028  
TBD: Two high rises to be completed north of Gifu Station  
Utilization of the main and south buildings of Gifu City Hall

TBD: Installation of Maglev Shinkansen "Gifu Station"

### Aichi Prefecture

#### Expand the region

Further boost presence



#### <Major upcoming events>

FY2026:  
FY2026: Opening of Tokai-Kanjo Expressway (Westbound)  
Co-hosting of Asian Games between Aichi Pref. and City of Nagoya

FY2027 (TBD): Maglev Shinkansen to start operating between Tokyo and Nagoya

FY2037 (TBD): Maglev Shinkansen to start operating across entire route

Restructure the bank branch network based on such factors as changes in population

Further enhance transactions through integrated Group sales

Activities to vitalize the local economy in cooperation with public services and other entities

Allocate human resources based on expansion of local market share

Expand new transactions by harnessing the growth potential of the market

Promote core transactions and transactions that make Juroku the customer's primary lender

Develop human resources who have both thorough communication skills and advanced knowledge

Advance marketing by utilizing data

Expand solution menu

# Region-Producing Strategy (1)

- ✓ For local sustainability, resilience, and other issues, the Group will make the best use of its extensive business domains and restructure the public image of the region.

## 〈 Issues in the region 〉

### Sustainability of the region

- Actions against declining population
- Development of commerce/downtown areas
- Creation of region-related brands
- Vitalization of local community
- Resolution of labor shortage caused by declining birthrate



### Resilience of the region

- Reinforcement of disaster preparedness
- Development of disaster response sites
- Promotion of decarbonization
- Development of energy supply and other functions
- Ensuring of natural environment preservation



### Provide solutions to local issues

Work out standout features of the region and in-region firms

Enhance quality of public services and income of in-region firms

Increase local customers' financial assets

Produce  
region harnessing  
extensive business  
domains

### Reinforce emergency response capabilities

Raise all Directors' and employees' awareness of disaster preparedness

Review facilities and equipment to minimize damage

Develop disaster-resilient infrastructure

Develop a resilient community with the region while having the Juroku Financial Group  
serve a central role

Develop local platform

Foster innovation in region

Reinforce local resilience

# Region-Producing Strategy (2)

- ✓ The Juroku Financial Group will play a central part in efforts to build a platform, foster innovation, and reinforce resilience, and thereby develop a resilient community by combining the endeavors of the region.

Developing a resilient community by combining efforts with the region

## Develop platform

- Enhance financial literacy in the region through such steps as holding seminars
- Promote digital transformation in the region, with Juroku Densan Digital Service serving a key role
- Promote local vitalization, with Kanda Machiokoshi serving a key role

## Foster innovation

- Support start-ups in the region
- Contribute to local economic development by supporting management succession
- Introduce the Group's human resources to in-region firms

## Reinforce local resilience

- Develop a business continuity system
- Sign agreements on disaster preparedness/mitigation with local governments and other organizations
- Have the Juroku Research Institute roll out BCP consulting



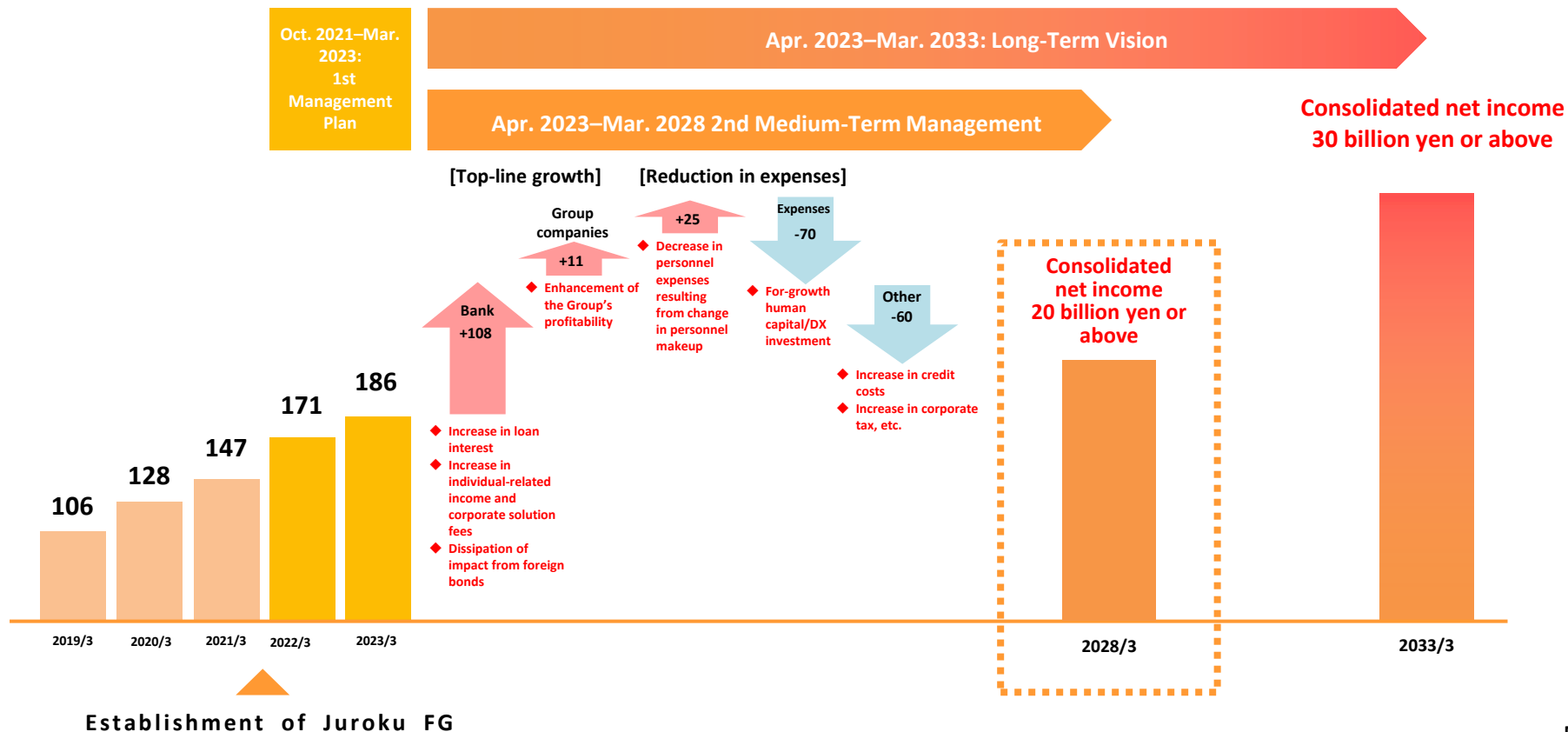
# Where the 2nd Medium-Term Management Plan Stands



人と、地域と、未来をむすぶ

十六フィナンシャルグループ

- ✓ To achieve the Long-Term Vision for the next decade, the Group has set the 5-year of April 2023 to March 2028 as a period subject to the 2nd Medium-Term Management Plan and, accordingly, as a milestone, aims to achieve a consolidated net income of 20 billion yen or above.



# Numerical Target for FY2027



人と、地域と、未来をむすぶ

十六フィナンシャルグループ

- ✓ As a provider of comprehensive financial services, the Group will endeavor to enhance its profitability, efficiency, and fiscal integrity, and thereby aim for achieving both a steady growth in the Group's income and a solid financial foundation while exerting the Group's synergy to the maximum extent.

## —— Numerical targets for FY2027 ——

### Profitability

**Consolidated net income: 20 billion yen or above**

**Consolidated ROE: 5% or more**

### Efficiency

**Consolidated adjusted OHR: 50% level**

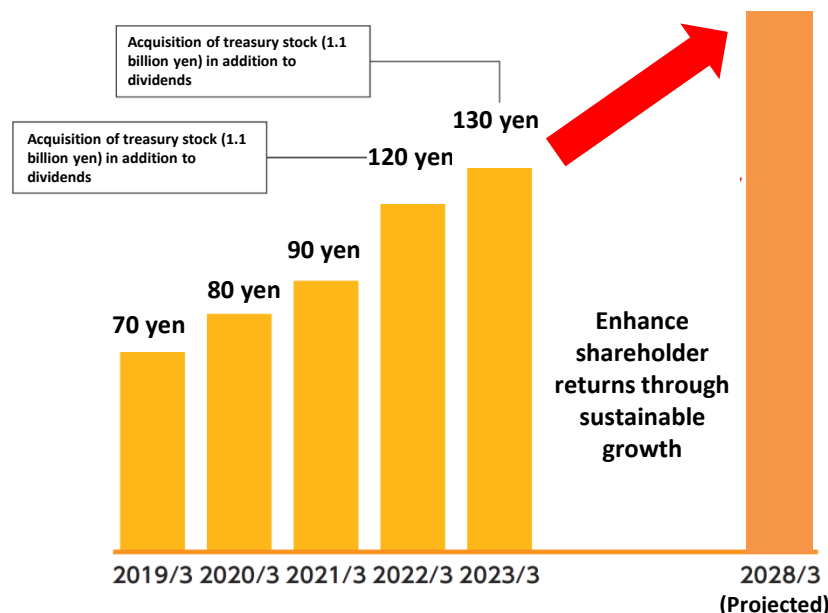
### Fiscal integrity

**Consolidated capital adequacy ratio: 11%  
or more**

# Capitalization Strategy

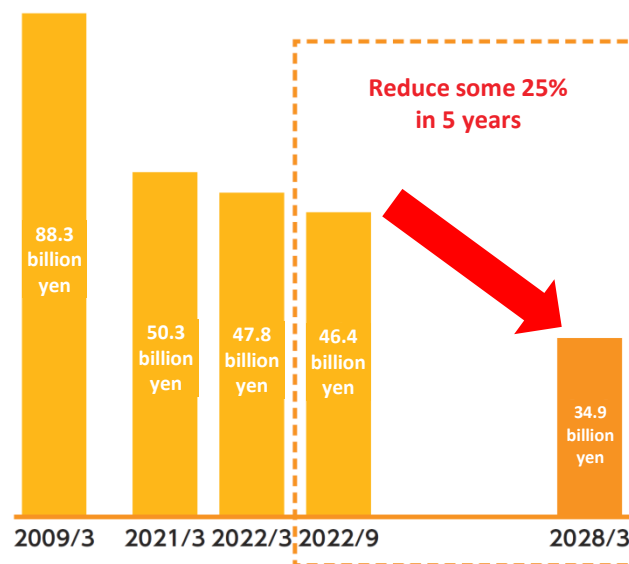
- ✓ The Group will strive to continuously boost shareholder returns through sustainable growth, with a total payout ratio of 25% or more as a baseline.
- ✓ The Group will also further reinforce its governance by reducing the book value of cross-shareholdings by some 25% from the baseline level at late September 2022.

Example of change in dividends per share



Total payout ratio	24.5%	23.2%	22.8%	32.3%	31.6%	25% or more
Owners of the parent Net income	10.6 billion yen	12.8 billion yen	14.7 billion yen	17.1 billion yen	18.6 billion yen	20 billion yen

Change in cross-shareholdings book value balance



Continuous reduction will be made by promoting dialogue with all customers who own listed firm cross-shareholdings, and considering such factors as the environment surrounding each party.

# Enhancement of Shareholder Returns and Contribution to local Communities



人と、地域と、未来をむすぶ

十六フィナンシャルグループ

- ✓ The Board of Directors meeting held on May 11, 2023 adopted a resolution deciding on matters concerning the acquisition of treasury stock and the disposal of treasury stock through third-party allotment for supporting the Juroku Foundation for local Promotion's social contribution activities.

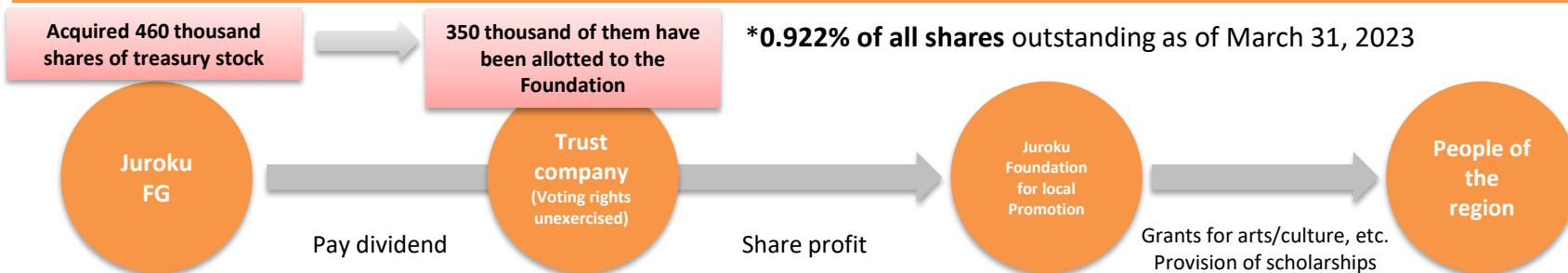
## ● Reason for treasury stock acquisition

- **Enhance shareholder returns** and both achieve the Group's sustainable growth and rise in corporate value on the medium- to long-term by **contributing to the local community**.
- With its Long-Term Vision "16Vision-10" themed under "Staying ahead of the curve to always serve the region," the Group intends to contribute to the sustainable development of the local community by way of the Juroku Foundation for local Promotion.

長期ビジョン「16Vision-10」(2023年4月～2033年3月)



- Treasury stock acquisition: Figure showing scheme of treasury stock disposal through third-party allotment to the Juroku Foundation for local Promotion



- ① The Juroku Financial Group **acquires 460 thousand shares of treasury stock (scheduled)** from the market.
- ② This is followed by **allotting 350 thousand of said (scheduled) acquisition to the trust company**.
- ③ Dividends resulting from the allocated 350 thousand shares of treasury stock will be **allocated the Juroku Foundation for local Promotion** every year.
- ④ Income shared with the Foundation will be **allotted to aids for local events and payments for scholarships of students from the region**.

# New Endeavors

- ✓ The Group will launch a joint venture with Nihon M&A Center Holdings Inc. on July 3, 2023 to contribute to solving management succession issues faced by local companies and to support the sustainable growth of the local economy.

## ■ Overview of joint venture

Trade name	NOBUNAGA Succession Inc.	
Address	7-12 Kanda-machi, Gifu-shi	
Representative	Motoyasu Fukui, President and Representative Director	
Description of business	Management succession (M&A) advisory service	
Capital	200 million yen (including 100 million yen [capital])	
Date of establishment	July 3, 2023	
Settlement term	March 31	
Owners' equity ratios	Juroku Financial Group Nihon M&A Center Holdings Inc.	60% (Investment: 120 million yen) 40% (Investment: 80 million yen)

## ■ Corporate symbol/Logo



(Reference) Origin of company name

The name "Nobunaga"--borrowed from Oda Nobunaga, a Japanese warlord active during the Warring States period (1467-1568) who had close ties to Gifu--reflects the company's hope to succeed the aspirations of corporate managers and shape the future as a leading M&A-supporting company of the region.

## ■ Business overview of joint venture

- ◆ The joint venture will plan, mediate, broker, and provide relative consulting services for corporate acquisitions, mergers, split-ups, share exchanges/transfers, business transfers, capital tie-ups, and business tie-ups.
- ◆ The joint venture will also support management succession endeavors to suggest more optimal solutions for the various issues (e.g., lack of successors) experienced by operators in and around Gifu and Aichi regions.

## ■ Overview of business model

