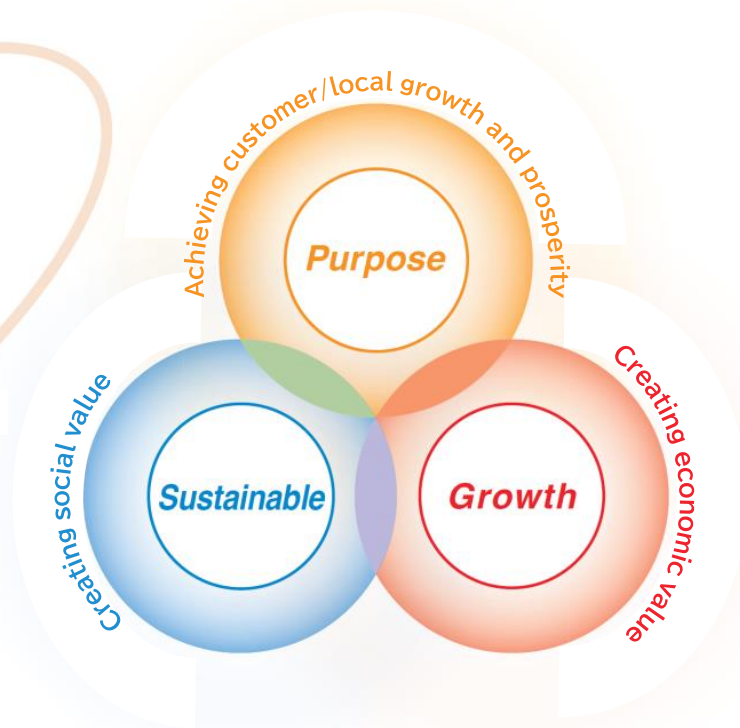


FY2023 Interim Financial Results September 2023

16 Group **Energy**

Staying Ahead of the Curve to Always Serve the Region



JUROKU Financial Group

December 6, 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 September 2021 term are associated with the Juroku Bank Group, the parent company of which is 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: Interim Results for FY2023

- ◆ [Consolidated] Ordinary revenue **increased for the sixth consecutive term**, and [Consolidated] ordinary profit and interim net income attributable to owners of the parent company both **exceeded initial forecasts**.
- ◆ Since we increased the interim dividend by 10 yen to 70 yen, the annual dividend, including the forecast year-end dividend of 70 yen, is expected to be 140 yen, 10 yen higher than in the previous fiscal year, **marking the fifth consecutive year of dividend increase**.

Section II: Initiatives for Sustainability

- ◆ **All Sustainability KPIs** set in May 2022 **have made steady progress** based on the coordinated efforts of Group companies.
- ◆ Since the target of “reducing CO₂ emissions by 50% from the FY2013 level by FY2030” will likely be achieved by the end of FY2023, **the target for achieving carbon neutrality was moved forward from FY2050 to FY2030**.

Section III: Progress in the 2nd Medium-Term Management Plan

- ◆ We **have adopted Google Workspace (GWS) as new groupware** to enhance the creativity of all employees and maximize the Group's productivity.
- ◆ **NOBUNAGA Succession was established as a joint venture between Nihon M&A Center Holdings Inc.** on July 3, 2023, aiming to contribute to solving management succession issues faced by local companies and support the sustainable growth of the regional economy.
- ◆ For the realization of the Group's management philosophy, **a decision was made to relocate to a new head office building in 2027, 50 years after the completion of the existing head office building**. Various functions and facilities are being considered for the planned opening in April 2027.

Section IV: Initiatives for Enhancing Corporate Value

- ◆ We **have implemented initiatives** to improve PBR **that will lead to sustainable profit growth, improvement of ROE and reduction of cost of equity**.

Section I: Interim Results for FY2023

Section II: Initiatives for Sustainability

Section III: Progress in the 2nd
Medium-Term Management Plan

Section IV: Initiatives for
Enhancing Corporate Value

Summary of Consolidated Results

Juroku FG
consolidated
results



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十六フィナンシャルグループ

- ✓ **[Consolidated] Ordinary revenue increased 4.7 billion yen YoY to 63.1 billion yen, rising for the sixth consecutive fiscal term.**
- ✓ **[Consolidated] Ordinary profit and interim net income attributable to owners of the parent company both exceeded initial forecasts (which were revised upward on October 24, 2023).**

(0.1 billion yen)

Juroku FG consolidated results	2021/9	2022/9 (A)	2023/9 (B)	YoY (B - A)
Ordinary revenue	557	584	631	1 47
Consolidated core gross operating profit	378	403	364	2 △ 39
Net interest income	266	266	264	△ 2
Fees and commissions	84	92	93	1
Other operating profit (excluding profit/loss on JBGs and other debt securities)	26	45	7	△ 38
Expenses	231	220	222	3 2
Personnel expenses	124	120	118	△ 2
Non-personnel expenses	90	85	88	3
Consolidated core net operating profit	146	182	141	4 △ 41
Profit/loss on JBGs and other debt securities	3	△ 48	△ 57	△ 9
Consolidated net business profit	150	134	84	△ 50
Credit costs	21	5	8	3
Profit/loss on equities	11	14	58	44
Ordinary profit	150	155	140	5 △ 15
Interim net income attributable to owners of the parent company	103	103	95	6 △ 8

1 [Consolidated] Ordinary revenue

Up 4.7 billion yen YoY to 63.1 billion yen, rising for the sixth consecutive fiscal term

2 Consolidated core gross operating profit

Down 3.9 billion yen YoY to 36.4 billion yen due to a decline in other operating profit (excluding profit/loss on JBGs and other debt securities)

3 Expenses

While personnel expenses declined in line with the natural attrition of personnel, non-personnel expenses increased due to aggressive investment in digital transformation (DX) and the production of new commercials to enhance the brand image. As a result, overall expenses rose 0.2 billion yen YoY to 22.2 billion yen.

4 Consolidated core net operating profit

Down 4.1 billion yen YoY to 14.1 billion yen due to a decrease in consolidated core gross operating profit

5 [Consolidated] Ordinary profit

6 Interim net income attributable to owners of the parent company

[Consolidated] ordinary profit came to 14.0 billion yen, down 1.5 billion yen YoY, and interim net income attributable to owners of the parent company came to 9.5 billion yen, down 0.8 billion yen YoY. Both accounts exceeded initial forecasts due to an increase in profit/loss on equities.

Summary of Non-Consolidated Results of Juroku Bank

Juroku Bank non-consolidated results



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- ✓ Core net operating profit fell 3.9 billion yen YoY to 12.8 billion yen, mainly due to a decrease in other operating profit (excluding profit/loss on JBGs and other debt securities) resulting from higher foreign currency funding rates.
- ✓ Interim net income remained high at 8.9 billion yen, down 0.6 billion yen YoY.

(0.1 billion yen)

Juroku Bank non-consolidated results	2021/9	2022/9 (A)	2023/9 (B)	YoY (B-A)
Ordinary revenue	391	415	460	① 45
Core gross operating profit	329	354	317	② △ 37
Net interest income	268	265	265	0
Fees and commissions	55	62	62	0
Other operating profit (excluding profit/loss on JBGs and other debt securities)	5	26	△ 11	△ 37
Expenses	197	187	188	③ 1
Personnel expenses	100	92	90	△ 2
Non-personnel expenses	80	79	84	5
Core net operating profit	131	167	128	④ △ 39
Profit/loss on JBGs and other debt securities	3	△ 48	△ 57	△ 9
Net business profit	135	119	71	△ 48
Credit costs	19	5	7	2
Profit/loss on equities	10	14	58	44
Ordinary profit	138	142	129	⑤ △ 13
Interim net income	100	95	89	⑥ △ 6

① Ordinary revenue

Up 4.5 billion yen YoY to 46.0 billion yen, rising for the second consecutive fiscal term

② Core gross operating profit

Down 3.7 billion yen YoY to 31.7 billion yen, mainly due to a decrease in other operating profit (excluding profit/loss on JBGs and other debt securities) resulting from higher foreign currency funding rates.

③ Expenses

Up 0.1 billion yen to 18.8 billion yen. Although personnel expenses fell as a result of the transfer of employees to the holding company, non-personnel expenses rose mainly due to higher management guidance fees related to the transfer of personnel expenses to the holding company and aggressive investment in DX.

④ Core net operating profit

Down 3.9 billion yen YoY to 12.8 billion yen due to a decrease in core gross operating profit

⑤ Ordinary profit

⑥ Interim net income

Ordinary profit came to 12.9 billion yen, down 1.3 billion yen YoY, and interim net income came to 8.9 billion yen, down 0.6 billion yen YoY. Both accounts remained high mainly due to an increase in profit/loss on equities.

Consolidated Core Net Operating Profit

Juroku FG
consolidated
results



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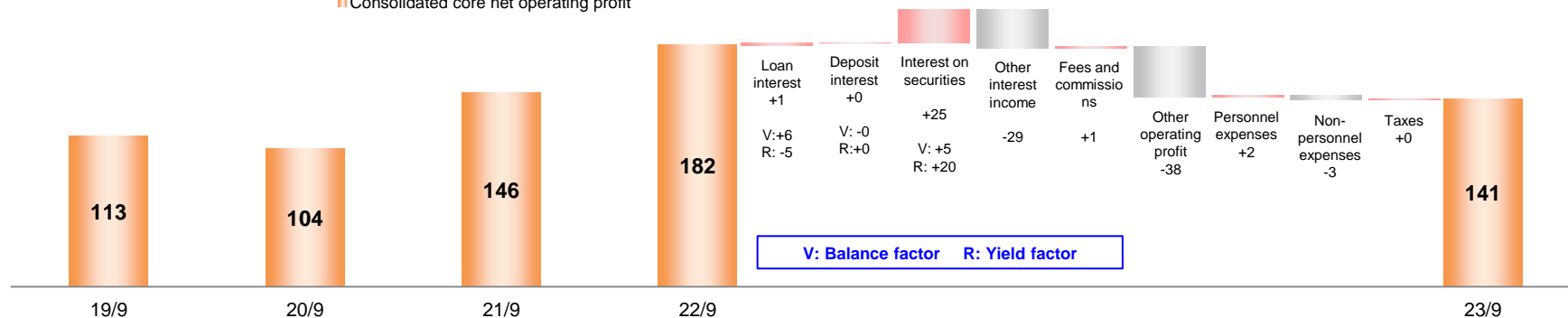
十六フィナンシャルグループ

- ✓ Consolidated core net operating profit fell 4.1 billion yen YoY to 14.1 billion yen, mainly due to a decrease in other operating profit (excluding gains/losses on JBGs and other debt securities) resulting from higher foreign currency funding rates.

Consolidated core net operating profit

Consolidated core net operating profit

(0.1 billion yen)



[Ref.] Core gross operating profit and expenses

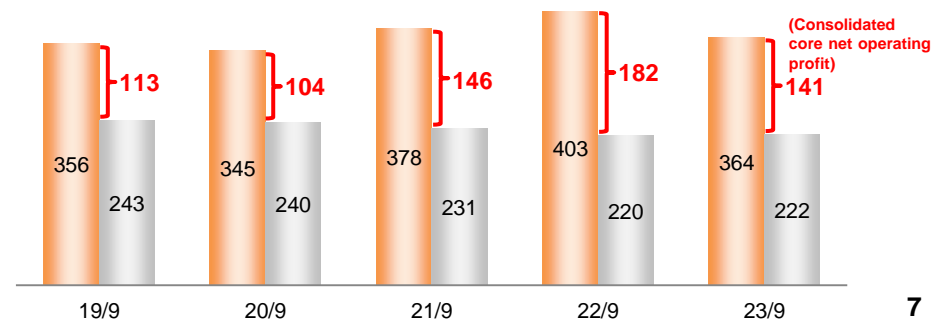
(0.1 billion yen)

	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
Consolidated core gross operating profit	356	345	378	403	364	-39
Net interest income	266	252	266	266	264	-2
Fees and commissions	77	72	84	92	93	1
Other operating profit*	13	20	26	45	7	-38
Expenses	243	240	231	220	222	2
Consolidated core net operating profit	113	104	146	182	141	-41

*Excluding profit/loss on JBGs and other debt securities

Consolidated core net operating profit Expenses

(0.1 billion yen)



Expenses and Adjusted OHR

Juroku FG
consolidated
results

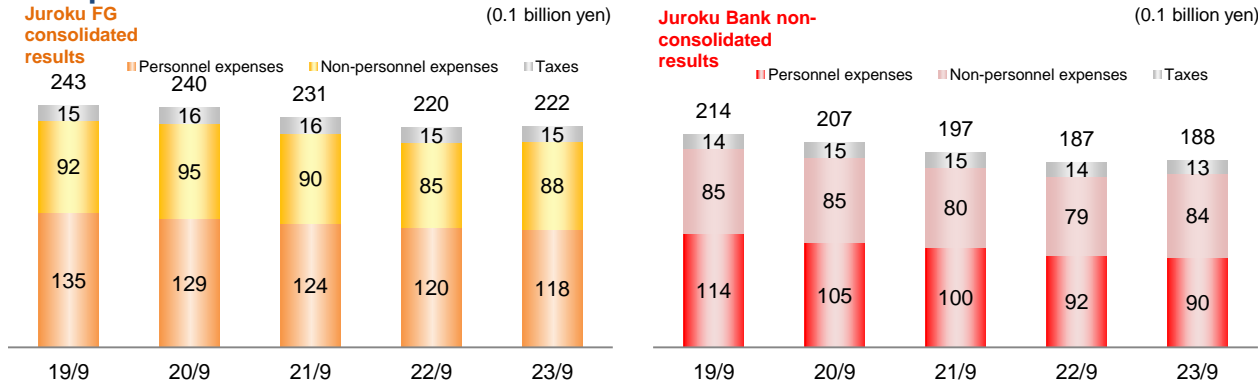
Juroku Bank non-
consolidated results



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- ✓ Personnel expenses decreased due to the natural attrition of personnel, which offset additional expenses caused by a pay-scale raise, while non-personnel expenses increased mainly due to aggressive investment in DX.
- ✓ The adjusted OHR remained low at 61.06% in Juroku FG consolidated results and 59.34% in the Juroku Bank non-consolidated results.

Expenses



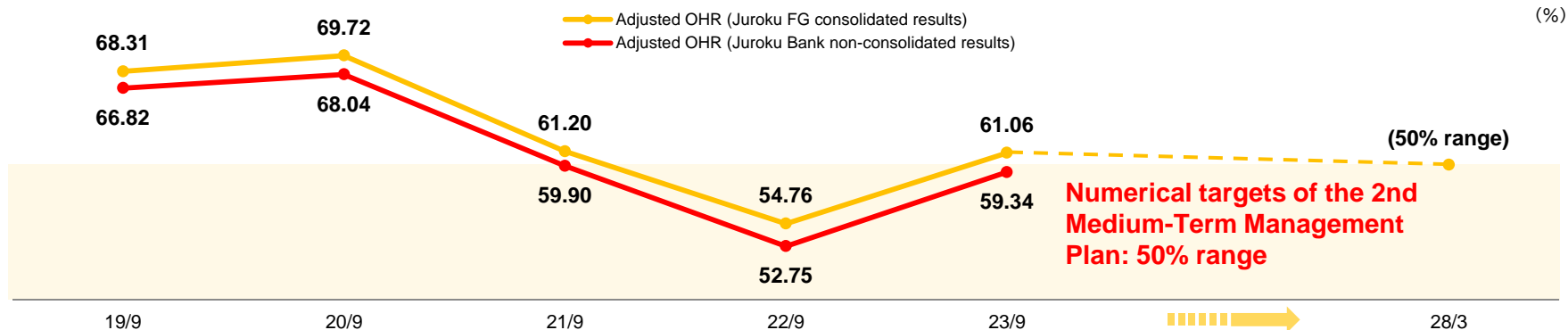
[Personnel expenses]

Overall, personnel expenses fell slightly as additional expenses caused by a pay-scale raise was more than offset by expense savings stemming from the natural attrition of personnel.

[Non-personnel expenses]

Non-personnel expenses rose mainly due to aggressive investment in DX and higher PR expenses related to new commercial production aimed at enhancing the brand image.

Adjusted OHR



Net Interest Income and Loans

Juroku Bank non-consolidated results



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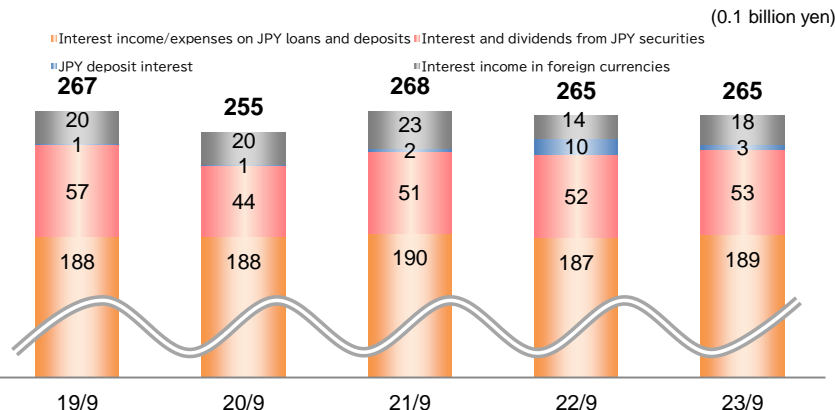
十六フィナンシャルグループ

- ✓ Net interest income remained unchanged YoY at 26.5 billion yen as lower interest income on deposits with the Bank of Japan was offset by an increase in foreign currency-denominated net interest income resulting from a loss-cut in foreign bonds.
- ✓ The average balance of JPY loans remained solid at 4,714.7 billion yen, up 176.0 billion yen YoY, mainly of business and housing loans.

Net interest income

(0.1 billion yen)

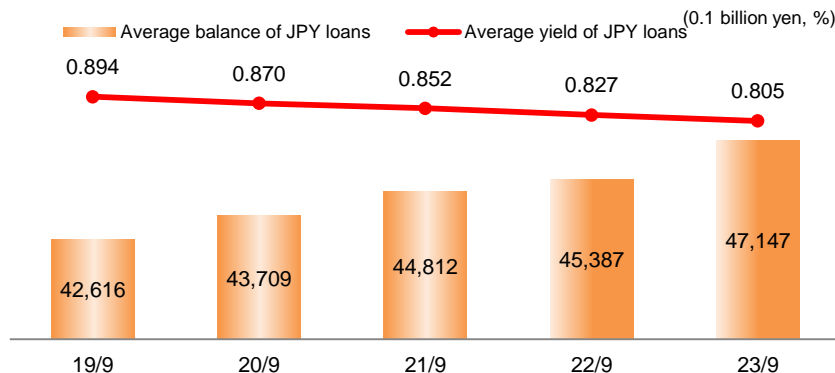
	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
Net interest income	267	255	268	265	265	0
Interest income in JPY	247	234	245	250	247	-3
Interest income/expenses on JPY loans and deposits	188	188	190	187	189	2
Interest and dividends from JPY securities	57	44	51	52	53	1
JPY deposit interest	1	1	2	10	3	-7
Interest income in foreign currencies	20	20	23	14	18	4



Average balance and yield of JPY loans

(0.1 billion yen, %)

	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
Average balance of JPY loans	42,616	43,709	44,812	45,387	47,147	1,760
Average yield of JPY loans	0.894	0.870	0.852	0.827	0.805	-0.022



[Ref.] Loan balance (as of year-end)

Business loans	22,296	22,506	22,022	21,921	22,819	898
Consumer loan balance	16,698	17,492	18,511	19,405	20,021	616
Housing loan balance	16,227	17,033	18,050	18,930	19,532	602

Fees and Commissions

Juroku Bank non-consolidated results

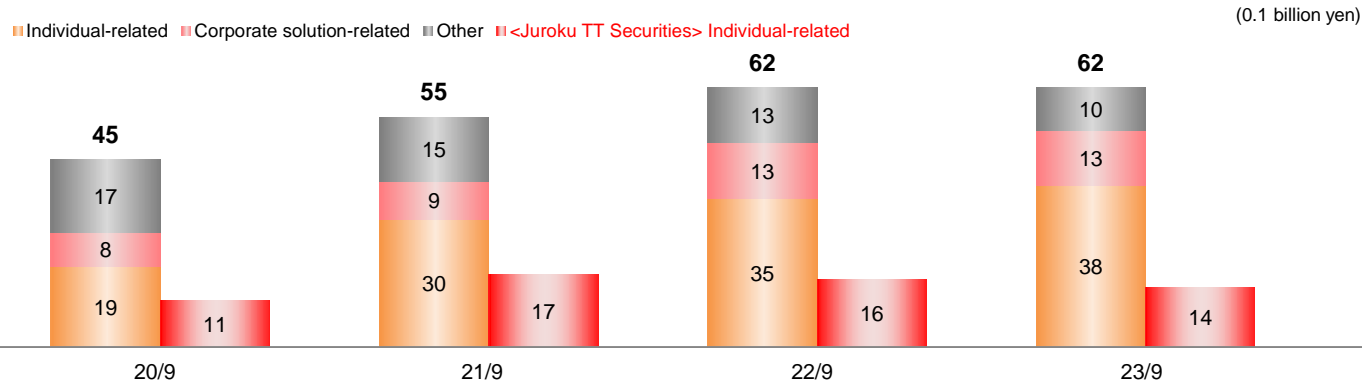


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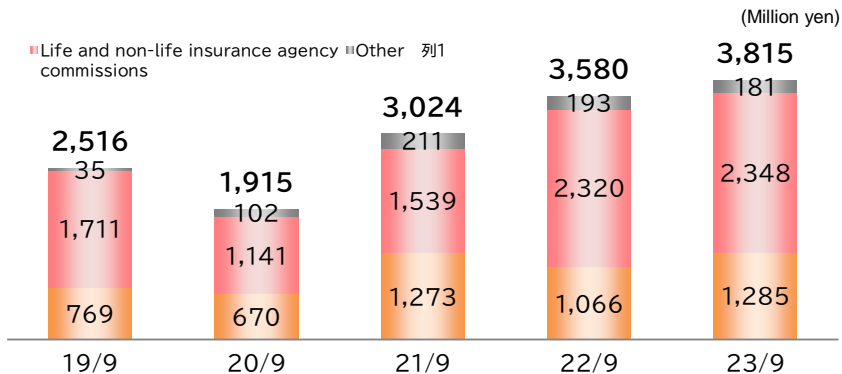
十六フィナンシャルグループ

✓ As for fees and commissions, individual-related revenue grew due to strong sales of investment trusts.

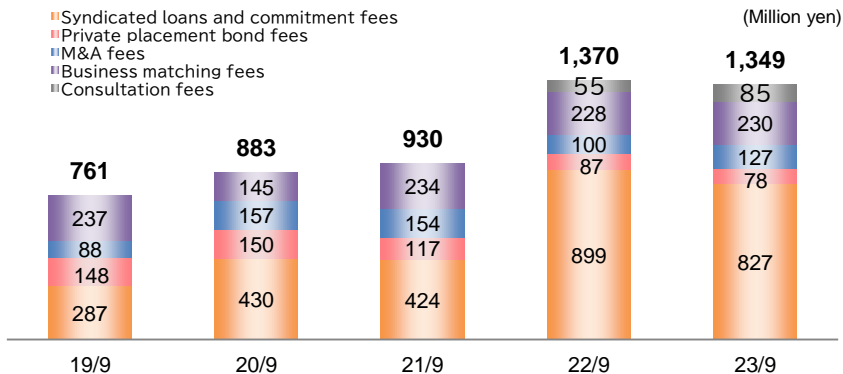
Fees and commissions



Individual-related revenue



Corporate solution-related revenue



- ✓ Valuation gains of securities amounted to 54.5 billion yen overall.
- ✓ Continuous efforts are underway to reduce cross-shareholdings by approximately 25% over a five-year period.

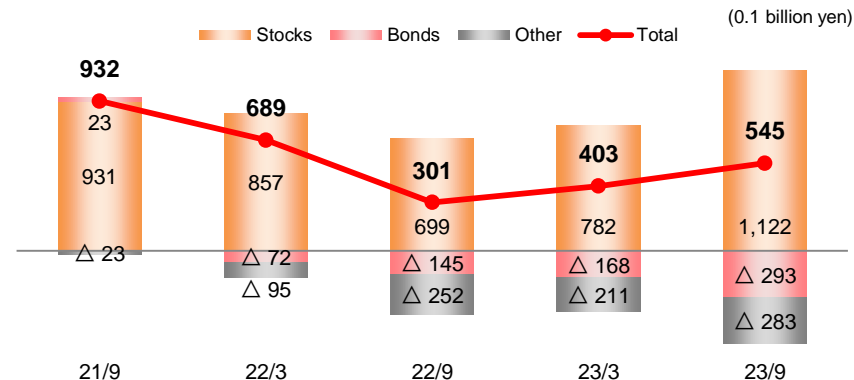
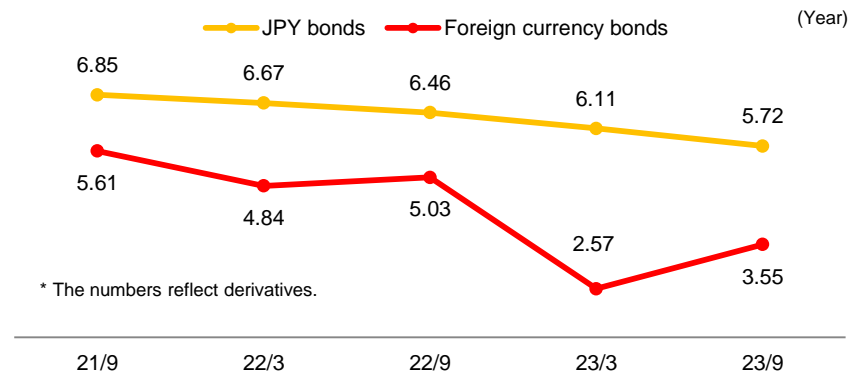
Valuation gains and losses of securities

(0.1 billion yen)

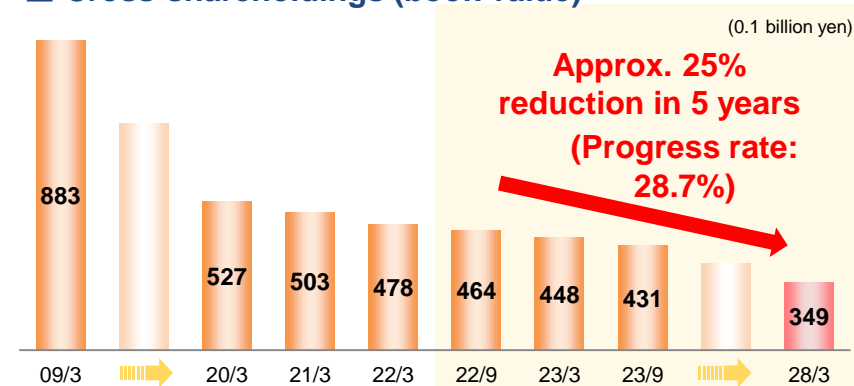
	21/9	22/3	22/9	23/3 (A)	23/9 (B)	YoY (B-A)
Stocks	931	857	699	782	1,122	340
Bonds	23	-72	-145	-168	-293	-125
Other	-23	-95	-252	-211	-283	-72
Foreign bonds *	-23	-64	-160	-103	-176	-73
Investment trusts	-0	-31	-91	-107	-106	1
Total	932	689	301	403	545	142
Derivative transactions (deferred hedging) *	-	-	6	1	80	79

* For foreign bonds, deferred hedging through derivative transactions is used to reduce the risk of market value fluctuations.

Bond duration



Cross-shareholdings (book value)



Credit Costs and Outstanding Non-Performing Loans

Juroku Bank non-consolidated results



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- ✓ Despite an increase in the number of bankruptcies, credit costs were lower than in the past due to up-front and small-amount allowances.
- ✓ The ratio of non-performing loans improved by 0.12 percentage points YoY to 1.31%.

Credit costs

(0.1 billion yen)

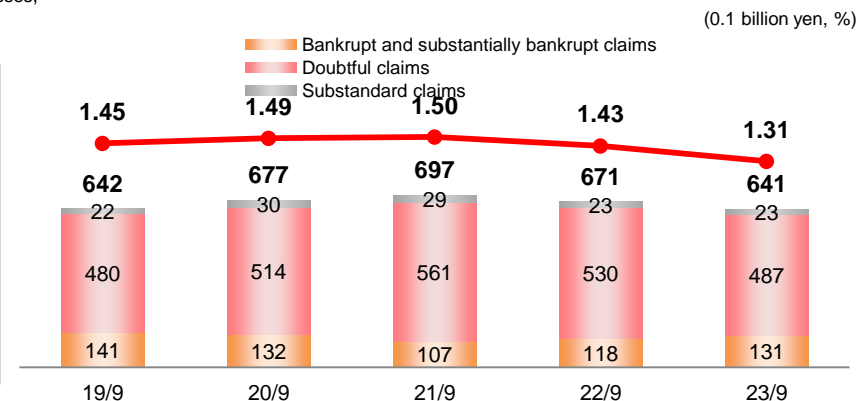
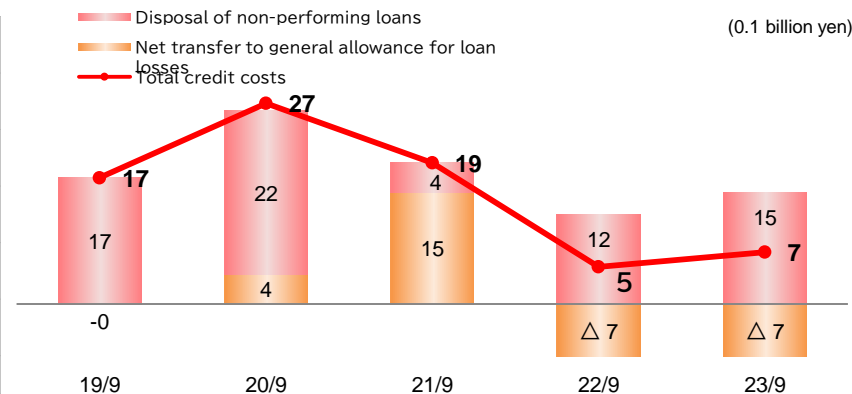
	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
① Net transfer to general allowance for loan losses	-0	4	15	-7	-7	0
② Disposal of non-performing loans	17	22	4	12	15	3
Transfer to individual allowance for loan losses	15	21	3	12	14	2
③ Reversal of allowance for loan losses	-	-	-	-	-	-
④ Recoveries of written-off claims	0	0	-	-	-	-
Credit costs ①+②-③-④	17	27	19	5	7	2

*The September 2021 term saw a 1.1 billion yen increase in the net transfer to general allowance for loan losses, due to a change in the standards for calculating the allowance for loan losses.

Outstanding non-performing loans

(0.1 billion yen, %)

	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
Bankrupt and substantially bankrupt claims	141	132	107	118	131	13
Doubtful claims	480	514	561	530	487	-43
Substandard claims	22	30	29	23	23	0
Total	642	677	697	671	641	-30
Ratio against total claims outstanding	1.45	1.49	1.50	1.43	1.31	-0.12



Non-Interest Profit Ratio and Income from Customer Services

Juroku FG
consolidated
results

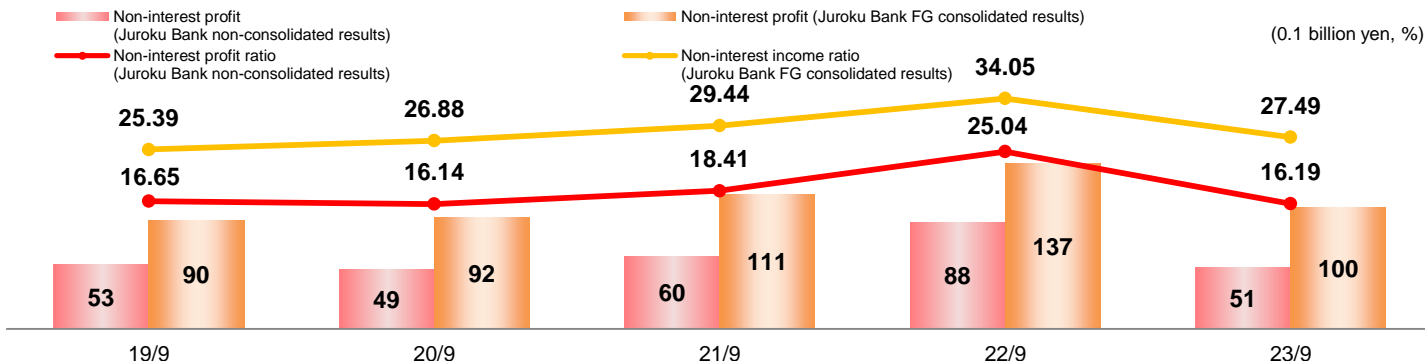
Juroku Bank non-
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- ✓ Consolidated non-interest profit ratio declined by 6.56 percentage points YoY to 27.49%.
- ✓ Income from customer services remained high at 6.9 billion yen, down 0.5 billion yen YoY.

■ Non-interest profit ratio*



Non-interest profit fell, mainly due to a decrease in other operating profit (excluding profit/loss on JBGs and other debt securities) resulting from higher foreign currency funding rates.

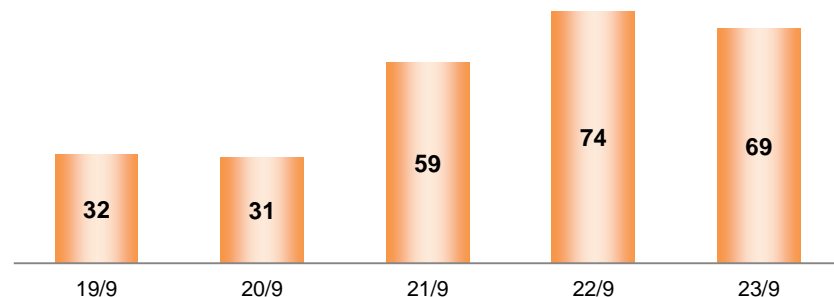
*The ratio of "fees and commissions" and "other operating profit excluding profit/loss on JBGs and other debt securities" to the core gross operating profit.

■ Income from customer services

(0.1 billion yen, %)

Juroku Bank non-consolidated results	19/9	20/9	21/9	22/9 (A)	23/9 (B)	YoY (B-A)
Income from customer services	32	31	59	74	69	-5
Average loan balance × Loan-deposit gross margin	193	191	192	189	191	2
Loan-deposit gross margin	0.896	0.868	0.850	0.828	0.807	-0.021
Fees and commissions	53	45	55	62	62	0
Operating expenses	213	205	188	177	184	7

Income from customer services = Average loan balance × Loan-deposit gross margin + Fees & commissions – Operating expenses



Capital Adequacy Ratio and Shareholder Returns

Juroku FG
consolidated
results

Juroku Bank non-
consolidated results

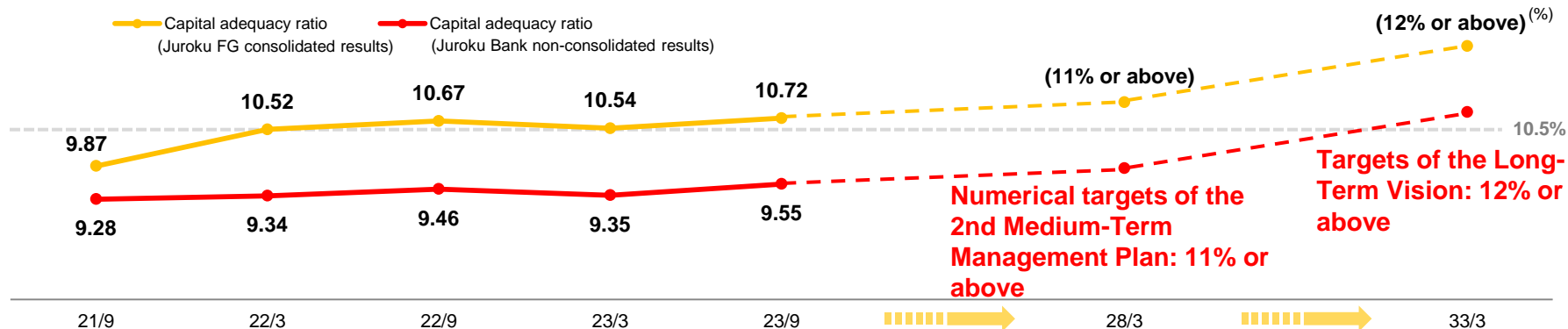


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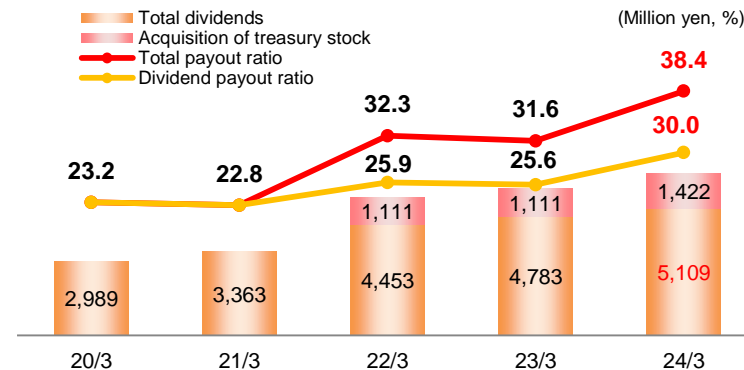
- ✓ The consolidated capital adequacy ratio marked 10.72%, while the non-consolidated capital adequacy ratio stood at 9.55%.
- ✓ The total payout ratio based on the official business projection (i.e., consolidated net income of 17.0 billion yen) is expected to reach 38.4%.

Consolidated capital adequacy ratio



Shareholder returns

	20/3	21/3	22/3	23/3	24/3
Dividends per share (Parenthesis indicate interim dividends)	80 yen (35 yen)	90 yen (35 yen)	120 yen (50 yen)	130 yen (60 yen)	140 yen (70 yen)
Total dividends	2,989 million yen	3,363 million yen	4,453 million yen	4,783 million yen	5,109 million yen
Acquisition of treasury stock	-	-	1,111 million yen	1,111 million yen	1,422 million yen
Total payout ratio	23.2%	22.8%	32.3%	31.6%	38.4%
Dividend payout ratio	23.2%	22.8%	25.9%	25.6%	30.0%



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

*Red indicates forecasts

Business Projection and Dividend Forecast

Juroku FG
consolidated
results

Juroku Bank non-
consolidated results



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- ✓ Due to uncertainties in overseas interest rate movement and concerns about an increase in credit costs, the initial forecasts for ordinary profit and net income attributable to owners of the parent company have been left unchanged.
- ✓ Since the interim dividend was increased by 10 yen to 70 yen, the total annual dividend, including the forecast year-end dividend of 70 yen, is expected to be 140 yen, 10 yen higher than in the previous fiscal year, marking the fifth consecutive fiscal year of dividend increase.

Business projection

(0.1 billion yen)

Juroku FG consolidated results	2023/3 (Results)	2024/3 (Forecasts)	Compared with preceding term
Consolidated core gross operating profit	745	722	-23
Net interest income	511	515	4
Fees and commissions	187	189	2
Other operating profit (excluding profit/loss on JBGs and other debt securities)	47	17	-30
Expenses	439	449	10
Consolidated core net operating profit	306	273	-33
Ordinary profit	272	245	-27
Net income attributable to owners of the parent company	186	170	-16

(0.1 billion yen)

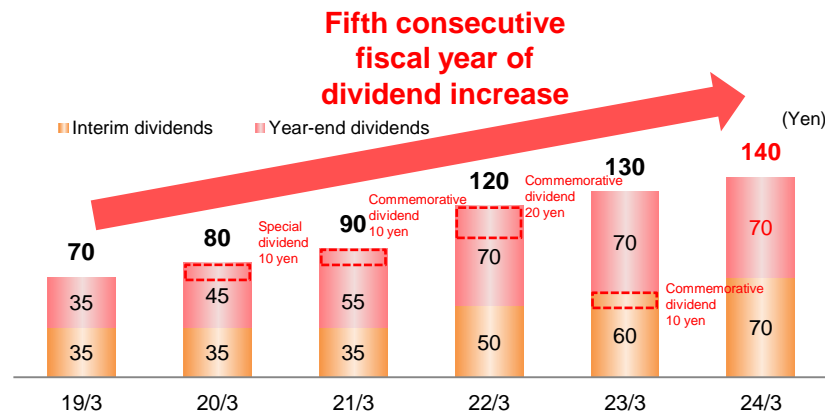
Juroku Bank non-consolidated results	2023/3 (Results)	2024/3 (Forecasts)	YoY
Core net operating profit	285	250	-35
Net business profit	208	130	-78
Credit costs	14	29	15
Ordinary profit	255	220	-35
Net income	179	155	-24

Dividend forecast

	19/3	20/3	21/3	22/3	23/3	24/3
Annual dividend	70 yen	80 yen	90 yen	120 yen	130 yen	140 yen
Interim	35 yen	35 yen	35 yen	50 yen	60 yen	70 yen
Year-end	35 yen	45 yen	55 yen	70 yen	70 yen	70 yen

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

*Red indicates forecasts



Section I: Interim Results for FY2023

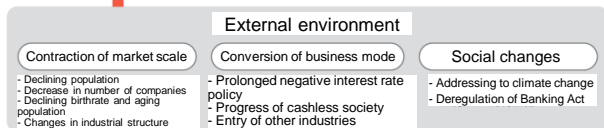
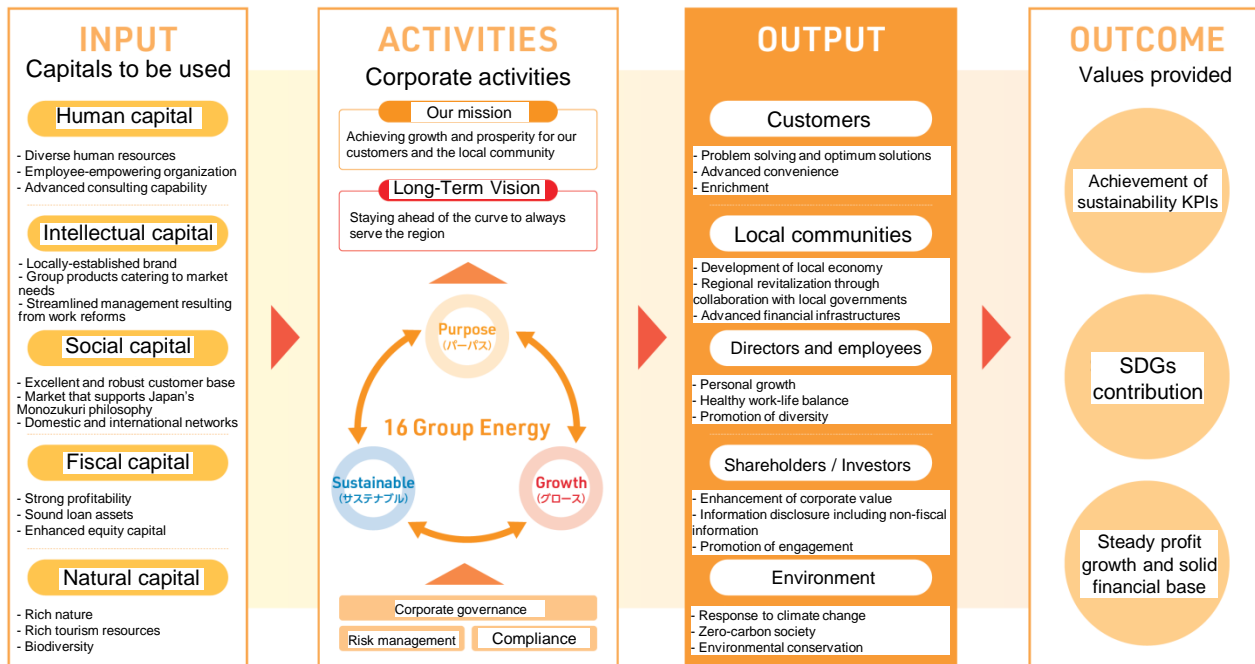
Section II: Initiatives for Sustainability

Section III: Progress in the 2nd
Medium-Term Management Plan

Section IV: Initiatives for
Enhancing Corporate Value

Value-Creation Process

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

Progress in Sustainability KPIs

✓ All Sustainability KPIs set in May 2022 have made steady progress based on the coordinated efforts of Group companies.

Targets by FY2030

Key challenges	Item	Quantitative target	September 2023 results (progress rate)	
Revitalization of the local economy	Sustainable finances provided (including environment-related finances)	2 trillion yen (800 billion yen)	(※2) 345.2 billion yen (119.3 billion yen)	17.3% (14.9%)
	Balance of Group assets on deposit	550 billion yen	397.3 billion yen	72.2%
Sustainable development of the local community	Social impact investments	2 billion yen	(※2) 310 million yen	15.6%
	DX-support consultation cases	3,000 cases	(※2) 245 cases	8.2%
Environmental conservation and climate change actions	CO2 emissions (vs. FY2013 level)	50% reduction	47.3% reduction	47.3%
	Paper use (vs. FY2019 level)	50% reduction	32.7% reduction	65.5%
Empowerment of diverse human resources	Ratio of female managers	20%	7.9%	39.5%
	Ratio of paid leave claimed	80%	28.6%	35.7%

*1 Since the target of "reducing CO₂ emissions by 50% from the FY2013 level by FY2030" will likely be achieved by the end of FY2023, the target for achieving carbon neutrality was moved forward from FY2050 to FY2030.

(※2) Cumulative total from April 2022

On-going targets

Advanced governance	Initial response training for emergency preparedness	No less than twice a year	4 times	200.0%
	Dialog with investors	No less than 10 times a year	16 times	160.0%

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
 - ⇒ In July 2023, Establishing the NOBUNAGA Succession
- Human resource referencing, HR system consultation

Expanding business range

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

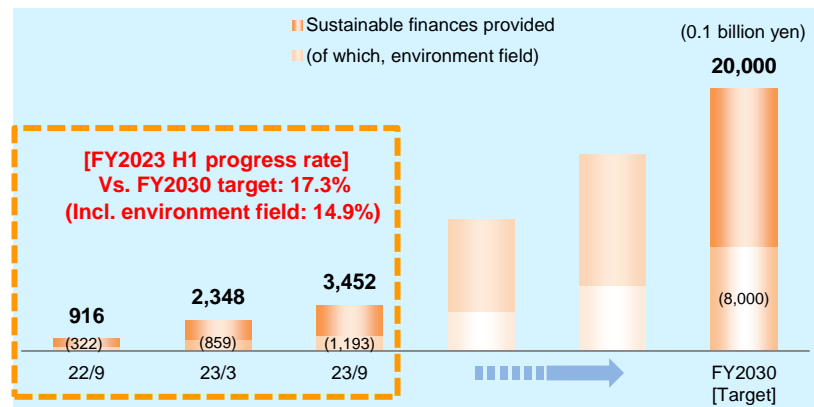
550 billion yen

Materiality: Vitalization of the regional economy

- ✓ Sustainable finances totaled 345.2 billion yen as of the end of FY2023 H1, achieving 17.3% of the FY2030 target.
- ✓ The balance of our group assets in custody as of the end of FY2023 H1 reached 397.3 billion yen, achieving 72.2% of the FY2030 target.

Sustainability KPIs

Sustainable finances provided



[Definition]

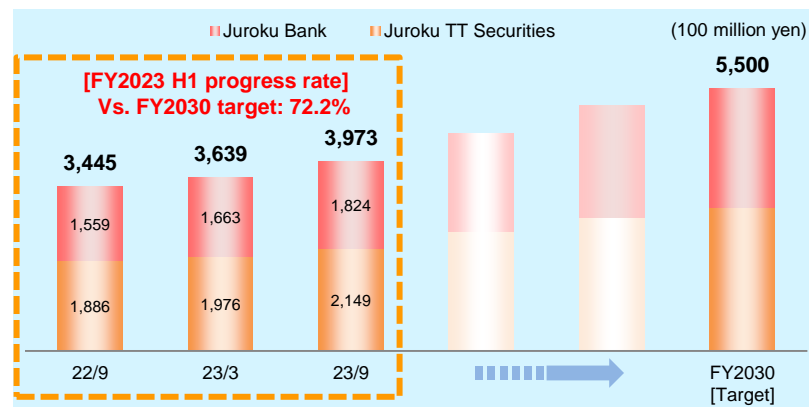
Sustainable finances: Investments and loans for SDGs and ESG initiatives that contribute to realizing a sustainable society

Environment field: Investments and loans for environmental impact-reducing initiatives

- Provided sustainable finances totaling 345.2 billion yen (including 119.3 billion yen in environment field) as of the end of FY2023 H1, achieving 17.3% (of which, environment field: 14.9%) of the FY2030 target
- Equipment financing related to energy conservation and renewable energy, as well as financing related to medical care, welfare, infrastructure, etc. increased steadily.
- Focused on Positive Impact Finance (PIF) and other financing products that contribute to our business partners' achievement of sustainable management
- At Juroku Lease, leases related to SDGs, including decarbonization and low-carbon, increased.

Sustainability KPIs

Balance of group assets in custody



[Definition]

Juroku Bank: Investment trusts; Juroku TT Securities: Stocks, bonds, investment trusts, fund wraps, etc.

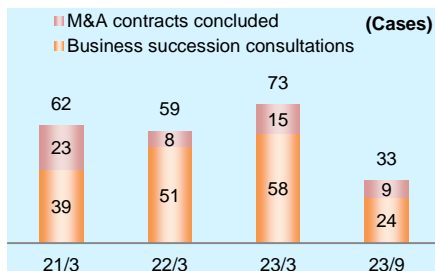
- The balance of our group assets in custody reached 397.3 billion yen as of the end of FY2023 H1, achieving 72.2% of the FY2030 target.
- Of the total, Juroku Bank accounted for 182.4 billion yen (approx. 46%) and Juroku TT Securities 214.9 billion yen (approx. 54%).
- For stable asset formation support, Juroku Bank focused on expanding the investment trust savings plan optimal for long-term, accumulative and diversified investments.
- Recurring fee income, including trust fees, rose in line with the increase in assets in custody.

Materiality: Vitalization of the regional economy

- ✓ In July 2023, NOBUNAGA Succession Inc. was established to assist local businesses in resolving management succession issues.
- ✓ In asset formation support, Juroku Bank focused on expanding the investment trust savings plan, as a result of which monthly installments and the number of clients increased steadily.

Management succession consulting

- In response to various needs related to management succession, the Management Succession Support Office and specialist members of NOBUNAGA Succession provide the best solutions through repeated dialogues with business owners.
- Evoking needs through various seminars and individual company consultations



NOBUNAGA Succession Inc. established

- NOBUNAGA Succession was established as a joint venture with Nihon M&A Center Holdings Inc. on July 3, 2023, with the aim of solving management succession issues facing local companies and supporting the sustainable growth of the regional economy.
- The company provides local business owners, mainly in Gifu and Aichi prefectures, with M&A solutions for lack of successors and other various issues.
- Since establishment, the company has met with many business owners in Gifu and Aichi prefectures to solve succession issues and provided approximately 350 consultations in the four months to the end of Oct. 2023.

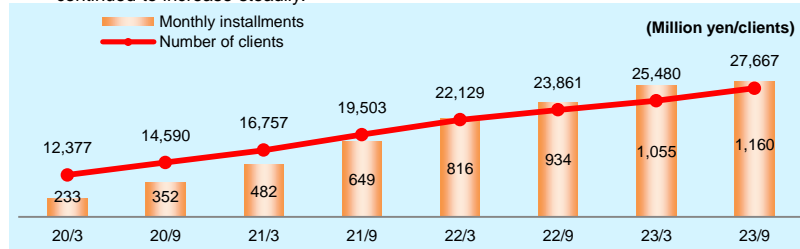


NOBUNAGA Succession opening ceremony

Asset formation support

[Juroku Bank] Expanding investment trust savings plan for customers' stable asset formation

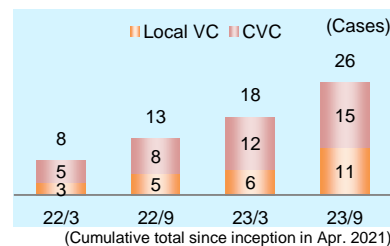
- In anticipation of the NISA System revision in 2024, Juroku Bank focused on expanding the investment trust savings plan optimal for long-term, accumulative and diversified investment, as a result of which monthly installments and the number of clients continued to increase steadily.



Local VC/CVC investment

[NOBUNAGA Capital Village] Investment activity

- NOBUNAGA Capital Village, an investment company, is making proactive investments to offer new value and services to the community.
- The company is accelerating investment in companies that have synergies with the local economy and finance and in companies capable of co-creating new businesses.





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 regional community

- ✓ The amount of social impact investment is increasing through local crowdfunding platform OCOS and the hometown tax donation matching service for companies CoLoRs.
- ✓ Juroku Densan Digital Service is working to win orders by increasing support services through external collaboration.

Sustainability KPIs

Social impact investment

- Investment amount grew steadily due to growing transactions for local crowdfunding platform OCOS, support provided using JTA's subsidy on united local community initiatives, and a rise in the number of partner local governments for the hometown tax donation matching service for companies.

Target by FY2030	2.0 billion yen
FY2023 H1 results	0.31 billion yen (Progress rate: 15.6%)

[Kanda Machiokoshi] The hometown tax donation matching service for companies CoLoRs

- The number of partner local governments for the hometown tax donation matching service for companies, outsourced from Gifu Prefecture in Oct. 2023, has risen to 23.
- The number of donations using CoLoRs reached 74 as of the end of Oct. 2023, amounting to 41.3 million yen.

Cumulative total (as of end of Oct. 2023)	
Partner local governments	23
No. of donations	74
Amount of donations	41.3 million yen

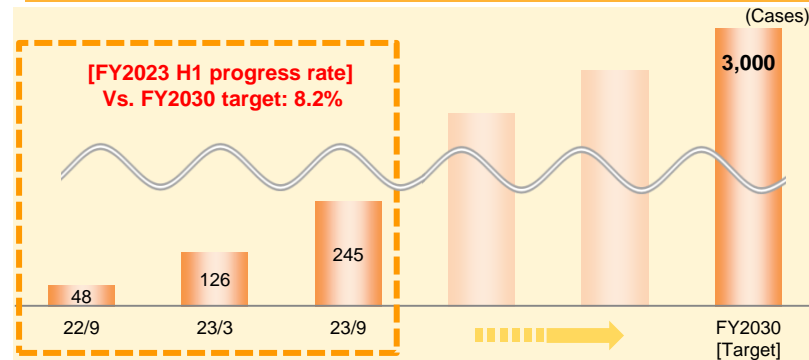
[Kanda Machiokoshi] Expanding local crowdfunding platform OCOS

- Local crowdfunding platform OCOS, launched in Sep. 2022, has been boosting transactions steadily in line with an increase in the number of posted projects and higher name recognition.
- Referrals from Juroku Bank has also increased, vitalizing inter-group cooperation

Cumulative total (as of end of Oct. 2023)	
No. of projects posted	37
No. of purchases made	2,536
Total amount of purchases	38.4 million yen
No. of members	2,117

Sustainability KPIs

DX-support consultations



- Juroku Densan Digital Service quickly responds to client leads from group companies and proposes optimal solutions for clients' digital needs.
- It also focuses on support through external collaboration, acquiring 119 orders in FY2023 H1.

Breakdown of DX support consultations (FY2023 H1)

Business streamlining	40 cases	Sales force strengthening	4 cases
Infrastructure	21 cases	Sales inventory control	2 cases
Time and attendance management	17 cases	Accounting	2 cases
Sales channel expansion	7 cases	Information security	2 cases
Payroll	7 cases	Other	17 cases

Materiality: Sustainable development of the regional community

- ✓ For the creation of sustainable tourism destinations, we provided tourism DMO (Destination Management Organization) support for two additional regions, bringing the total to seven regions.
- ✓ Juroku Card is actively working to support the regional transition to a cashless society.

Sustainable tourism development

[Kanda Machiokoshi] Tourism DMO support

- Providing solutions considered necessary in advancing the sustainability of tourist destinations in Gifu Prefecture
- Involved in supporting 7 regions (e.g., contracted public services, consulting for governmental subsidies)

Gifu City

- Nagaragawa hot springs and Gifu Castle town: Developing a regional plan (collaboration with ORGAN, a non-profit) for the use of JTA's subsidy on united local community initiatives
- Gifu City: Supporting renovation project of old private houses
- Gifu City: Serving as a member of the Japan Heritage Strategy Working Group

New

Monet's Pond, Seki City

- Demonstration of pay-as-you-go parking using donations

New

Shirotori-cho, Gujo City

- Shirotori Promotional Project Advisor

Okuhida

- Joined the Chubusangaku National Park Partnership

Shirakawa Village

- Japan Tourism Agency's (JTA) sustainable tourism demonstration project
- Study on the regional earnings structure (Collaboration with Juroku Research Institute)

Takayama City

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

Nakatsugawa City

- Contracted CFO of Nakatsugawa Tourism Bureau
- JTA's project on sustainable tourist destination model
-> Experimental demonstration of pay-as-you-go parking at Naegi Castle

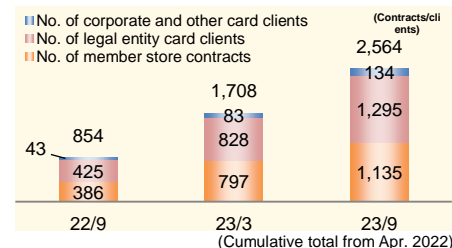
[Kanda Machiokoshi] Public-private partnership: Financial advisory/arrangement Launch of PRIDES

- Launched PRIDES in Oct. 2023 to provide local governments with a comprehensive consulting service that covers everything from scheme planning to fundraising for projects such as facility and infrastructure development that utilize external financial resources to revitalize the community.
- Providing highly professional advice and fundraising arrangement support for local government projects aimed at developing sustainable communities



Transition to a cashless society

- Educating clients on the efficiency of expense management and compliance with the Electronic Books Maintenance Act, and suggesting introduction of legal entity cards, corporate cards, etc.
- Promoting cashless transactions at municipalities, schools, etc., where cashless needs are anticipated



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

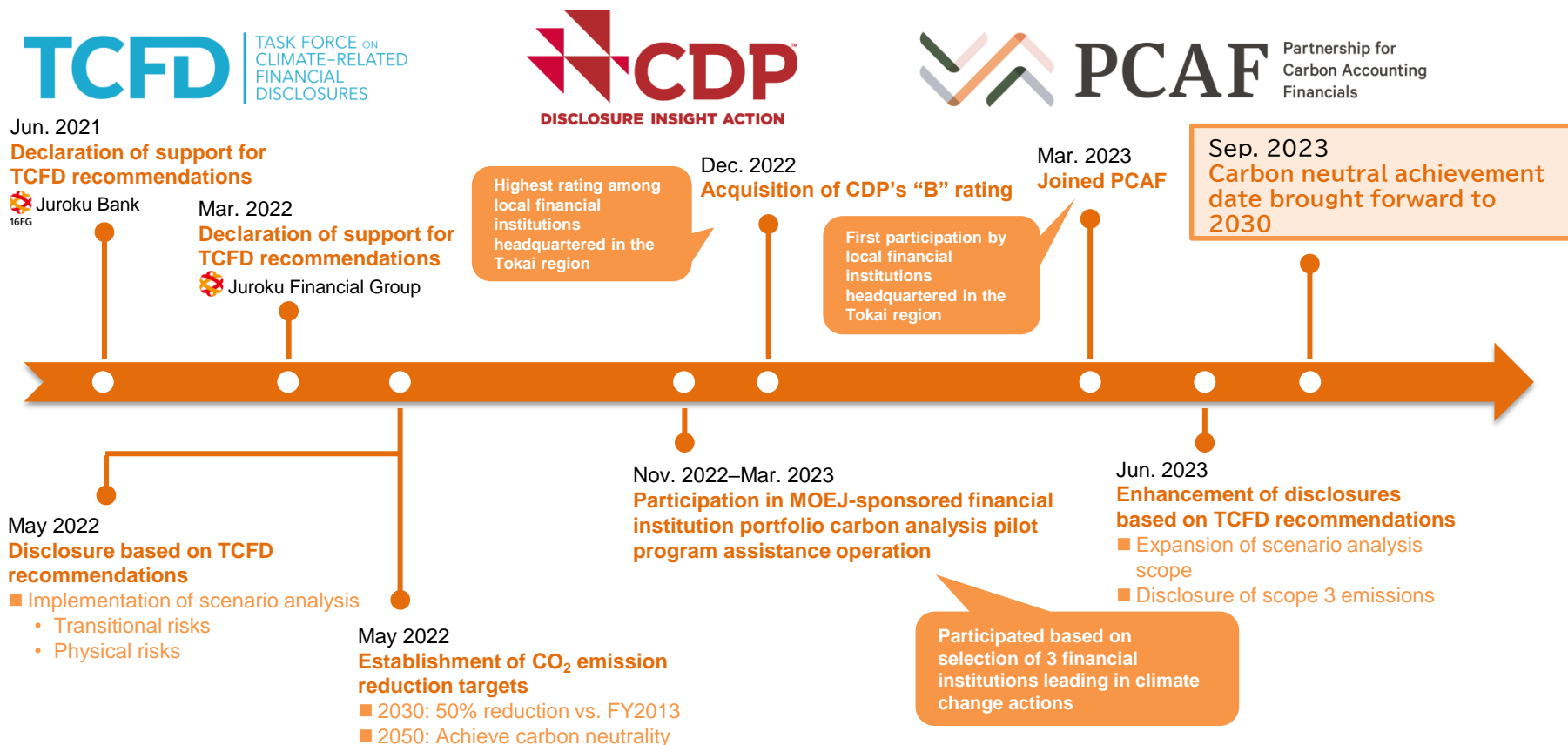
Sustainability KPIs

■ Targets by FY2030

CO2 emission (vs. FY2013 level)	100% reduction
Paper use (vs. FY2019 level)	50% reduction

Materiality ~Environmental conservation and climate change actions~

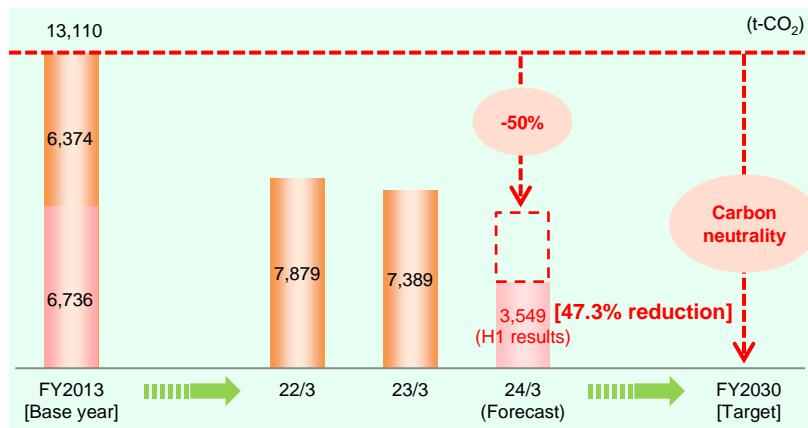
✓ Efforts are underway to respond to climate change and disclose information based on TCFD recommendations.



Materiality: Environmental conservation and climate change actions

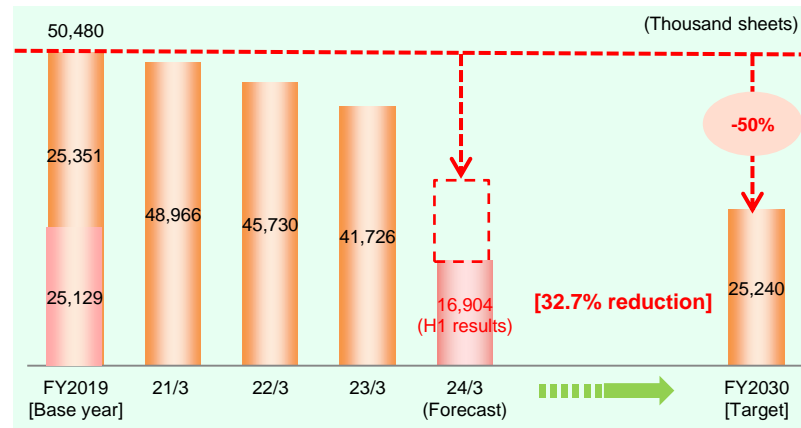
- ✓ With regard to CO₂ emissions (Scope 1, 2), the target for achieving carbon neutrality has been moved forward from FY2050 to FY2030 since we are likely to achieve approx. 50% CO₂ reduction by the end of FY2023.
- ✓ Paper use reduction is progressing steadily, with a 32.7% reduction compared to FY2019, mainly due to the introduction of monitors in each of Juroku Bank's branches.

Sustainability KPIs CO₂ emissions (vs. FY2013 level)



- CO₂ emissions (Scope 1 and 2) in FY2023 H1 was 47.3% lower compared to the FY2013 base level due to the switch to CO₂-free electricity at Juroku Bank Computer Center and Office Center Building.
- Since the sustainability KPI of “reducing CO₂ emissions by 50% from the FY2013 level by FY2030” will likely be achieved by the end of FY2023, the target for achieving carbon neutrality has been moved forward from FY2050 to FY2030.
- Upgrades of building air conditioning systems and LED conversions are ongoing.

Sustainability KPIs Paper use (vs. FY2019 level)



- A total of about 500 monitors were installed in each of Juroku Bank's branches in June 2023
- Paper use in FY2023 H1 was 32.7% lower compared to the FY2019 base level

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

- Gradual transition to clean energy vehicles (e.g. replacement of approximately 1,000 commercial vehicles owned by our group with HVs/EVs).
- In FY2023 H1, 50 gasoline vehicles were replaced with HVs/EVs, boosting the total number of HVs/EVs owned to 103 and the HV/EV ratio to 9.55%.

- ✓ The number of orders for Carbon Neutral Navigator and SBT certification support, which comprise the decarbonization support menu, is steadily increasing.
- ✓ Juroku Lease launched one-stop support service Carbon Neutral Program, the first initiative of its kind for a regional bank-affiliated leasing company.

Decarbonization support for local companies

[Juroku Bank] Decarbonization management support for business partners

- The number of orders for Juroku Bank's Carbon Neutral Navigator Supported by WasteBox, which is a consulting service for the visualization, reduction target, etc. of greenhouse gas emissions, increased steadily.
- To accelerate support for customers' decarbonization management, the bank launched the Decarbonization Management Transition Plan Review in Feb. 2023, which supports the preparation of transition plans for decarbonization management, and the Trianet Zero greenhouse gas emissions management system in Aug. 2023.

No. of orders	FY2021	FY2022	FY2023 H1
Carbon Neutral Navigator	47	91	41
SBT certification support	2	43	134

[Juroku Lease] One-stop support through Carbon Neutral Program

- The Carbon Neutral Program package is offered as a menu to support customers' decarbonization management.
- It features one-stop support covering three CO₂ reduction processes: CO₂ emissions visualization, CO₂ emissions reduction through energy conservation, energy creation and fuel conversion, and CO₂ offsetting (making up for CO₂ emissions that cannot be reduced).

Electronic delivery service for qualified invoices related to consumption tax

- To go paperless and improve convenience, Juroku Bank launched NaviExpress, an electronic delivery service for qualified invoices aimed at corporate and sole proprietor customers.
- This is the first initiative among regional banks headquartered in the three Tokai prefectures to offer electronic delivery of qualified invoices (as of release on Nov. 7, 2023)

Support for environmental initiatives

- Support for TCFD recommendations was declared by Juroku Bank in June 2021 and by the Company in Mar. 2022.
- Received a B-rating, the third best evaluation out of 8 levels, in the CDP's Climate Change Survey for 2022
- Joined the Partnership for Carbon Accounting Financials (PCAF) in Mar. 2023



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%

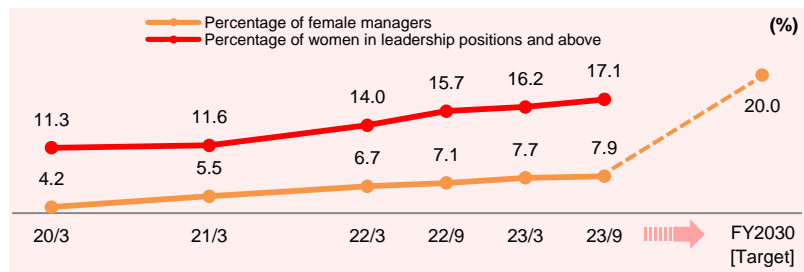
Materiality: Empowerment of diverse human resources

- ✓ The percentage of female managers in FY2023 H1 reached 7.9%, up 0.8 percentage points YoY.
- ✓ The number of days taken as paid leave in FY2023 H1 increased by 0.52 days YoY to 5.84 days as a result of work-life balance promotion.

Sustainability KPI

Percentage of female managers

- To build a corporate culture that has strength in its diversity, 4 women were appointed to managerial positions in FY2023 H1, boosting the ratio of female managers to 7.9%.
- Focused on enhancing support systems by providing next-generation leader training and loan operations training for female managers.



Development of IT / DX human resources

- All employees taking the IT Passport Exam to acquire basic IT knowledge
- Supporting the acquisition of higher qualifications through enhanced training, incentives, and off-site courses

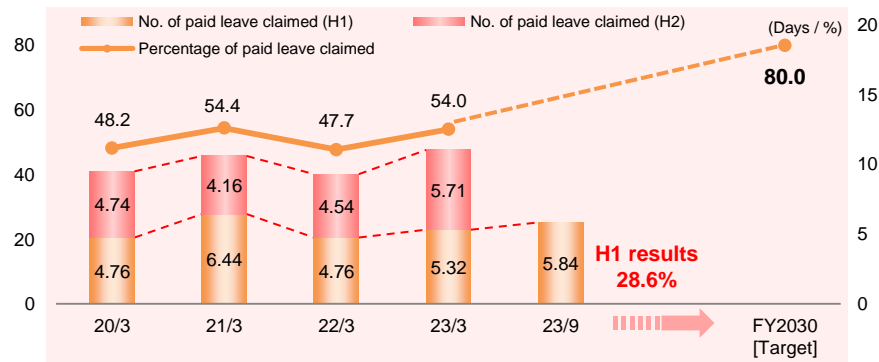
(As of end of Sep. 2023)

	No. of successful applicants	Of which, FY2023 H1
IT Passport Exam	978	277
Advanced digital-related qualifications	107	20

Sustainability KPI

Percentage of paid leave claimed

- As part of work style reform initiatives to achieve a good work-life balance, we are aiming for an 80% paid leave utilization rate.
- In FY2023 H1, 5.84 days were taken as paid leave, up 0.52 days YoY, and the utilization rate was 28.6%.



Promoting parental leave for men

- The utilization rate of the spousal maternity leave system, which aims to encourage male participation in childcare, has remained high at over 90% since its introduction in 2017.
- To raise awareness of the parental leave systems, the HR Department sends out notices to eligible employees and disseminates information via intranet.

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: Advancement of governance

- ✓ As part of on-going targets, 4 sessions of the initial response training for emergency preparedness (progress rate: 200%) and 16 dialogue sessions with investors (progress rate: 160%) were conducted in FY2023 H1.

Sustainability KPI

Initial response training for emergency preparedness

- Against the on-going target of at least twice a year, initial response training was held 4 times in FY2023 H1.

On-going targets	At least twice a year	
FY2023 H1	4 times (Progress rate: 200%)	
Training programs	BCP training simulating wind and flood damage	BCP training simulating earthquake
	Initial response training for ATM malfunction	Cyberattack exercise

Sustainability KPI

Dialogue with investors

- Against the on-going target of at least 10 times a year, the dialogue sessions were held 16 times in FY2023 H1.
- Continuing to reinforce initiatives aimed at achieving proactive dialogue and

On-going targets	At least 10 times a year
FY2023 H1	16 times (Progress rate: 160%)

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

- Currently selecting an assessment organization in response to propositions from several outside organizations
- Continuing to prepare for the implementation of assessments in the following fiscal year and beyond.

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

- Implemented third-party-involved assessment to enhance the internal auditing system
- Developed internal auditing plan for FY2023

[Ref.] Skills matrix of the Company's directors

	Name	Current position in the company	Main skills, experience, etc. of the Director						
			Business management	Finance	Finance/accounting	Legal/risk management	HR	Regional vitalization	ESG/sustainability
Directors who are not Audit & Supervisory Board members	Yukio Murase	Representative Director and Chairperson	●	●	●	●	●	●	
	Naoki Ikeda	Representative Director and President	●	●	●	●	●		●
	Akihide Ishiguro	Director and Deputy President	●	●	●		●		
	Yukiyasu Shiraki	Director and Senior Managing Executive Officer	●	●				●	●
	Yoshiaki Bito	Director and Managing Executive Officer	●	●		●			
	Hiroyuki Ota	Director	●	●	●		●		
	Satoko Ito	Outside Director						●	●
	Yasushi Ueda	Outside Director	●	●		●			
Directors who are Audit & Supervisory Board members	Naohiko Ishikawa	Director	●	●					
	Shinji Ishihara	Outside Director				●	●		
	Satoe Tsuge	Outside Director			●				●

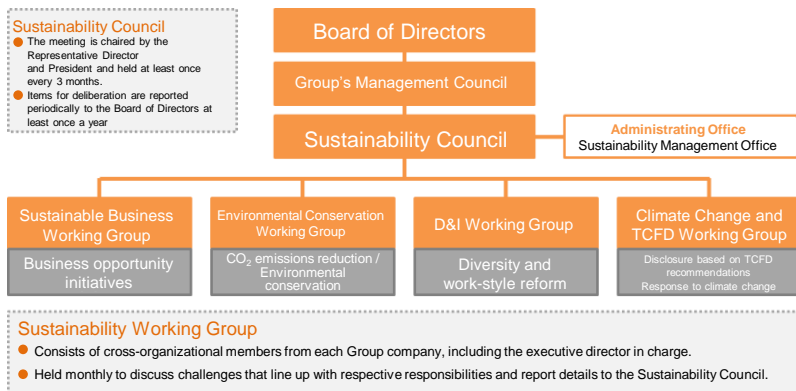
* List of areas in which internal directors have experience and areas in which the Company has particular expectations of outside directors
Note that the list does not represent all the knowledge and experience of each individual.

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">● Increase in business opportunities (e.g. offering investments, loans and consultation services to help customers' transition to a decarbonized society)● Increase in public works projects for disaster management the demand for customers' capital investment fund.	Short- to long-term Mid- to long-term
	Resource efficiency		<ul style="list-style-type: none">● Reduction in business costs through resource-saving, energy-saving, and new technology utilization.	Short- to long-term
	Energy sources			
	Resilience		<ul style="list-style-type: none">● Increase in collaborative system development efforts with local governments and other organizations on disaster preparedness/mitigation to strengthen local resilience.● Enhancement in corporate value by appropriately implementing and disclosing climate change initiatives.	Short- to long-term
Risks	Physical risks	Acute risks	<ul style="list-style-type: none">● 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.● Work suspension occurring as a result of emergencies affecting the Group's sites or directors and employees.	Short- to long-term Short- to long-term
		Chronic risks	<ul style="list-style-type: none">● 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.	Mid- to long-term
	Transitional risks	Policy / Law	<ul style="list-style-type: none">● Degradation in loan asset value resulting from decline in customers' business performance, associated with such factors as climate change policies and regulatory reinforcements.	Mid- to long-term
		Techno logies	<ul style="list-style-type: none">● 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.	Mid- to long-term
		Market	<ul style="list-style-type: none">● 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.	Mid- to long-term
		Repu- tation	<ul style="list-style-type: none">● Degradation in corporate value resulting from slow implementation and disclosure of appropriate climate-related initiatives.	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

CO₂ emissions

The Juroku Financial Group calculates its supply chain emissions (scope 3) in addition its own CO₂ emissions (scope 1 and 2).

Measured items			CO ₂ emissions (t-CO ₂)
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 ₂ emissions = Σ (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: Interim Results for FY2023

Section II: Initiatives for Sustainability

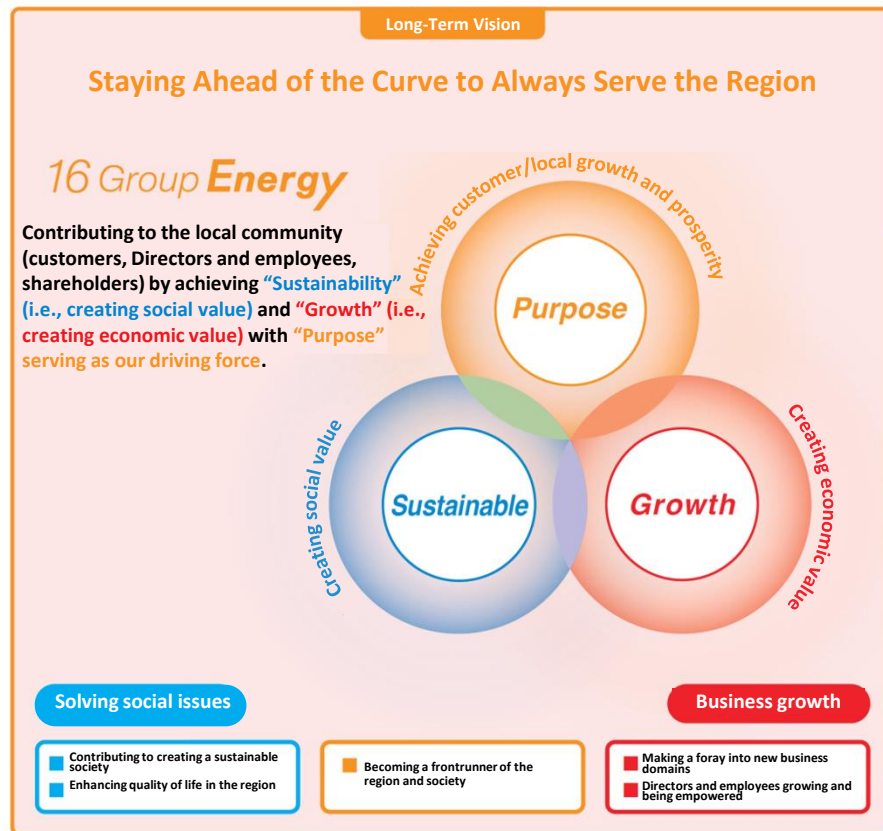
Section III: Progress in the 2nd
Medium-Term Management Plan

Section IV: Initiatives for
Enhancing Corporate Value

Overview of the Long-Term Vision

- ✓ As we maximize "16 Group Energy," we aim to stay ahead of the curve to always serve the region, which is where we want to be in 10 years.

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



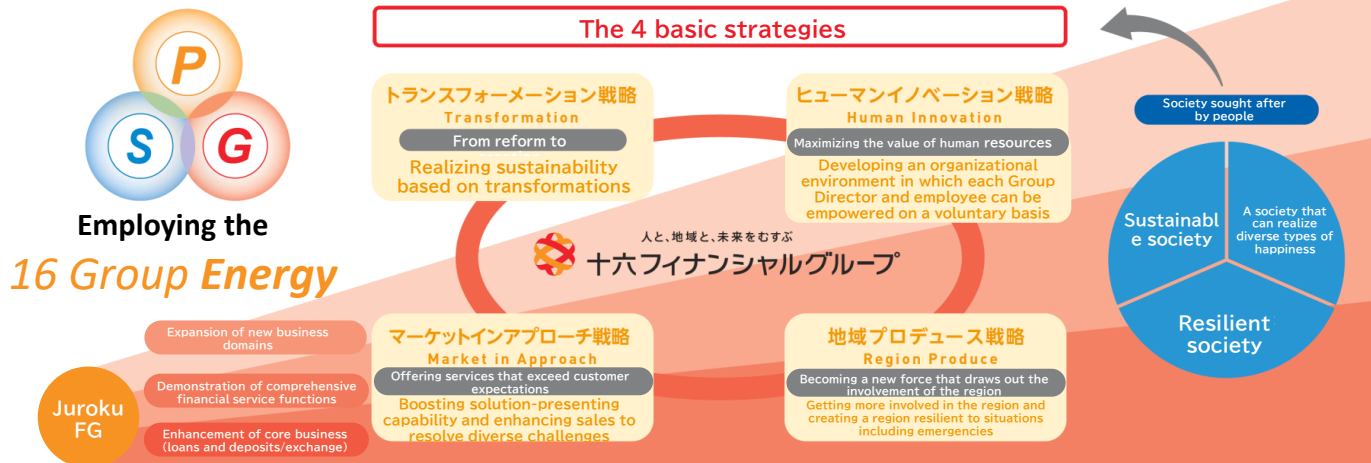
Overview of the 2nd Medium-Term Management Plan

- ✓ As we implement the four basic strategies of the 2nd Medium-Term Management Plan group-wide, we will create new value by establishing a comprehensive financial services business.

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

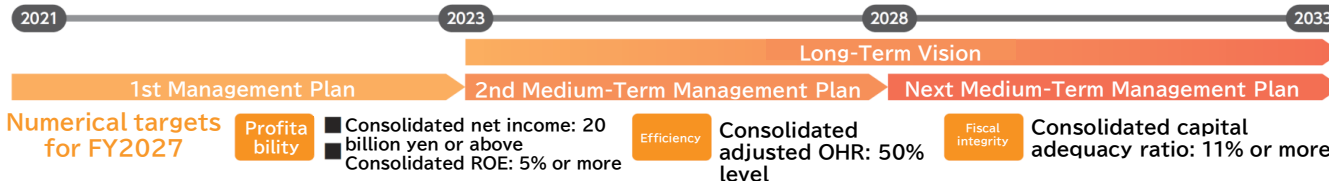
Staying Ahead of the Curve to Always Serve the Region: 1st stage

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



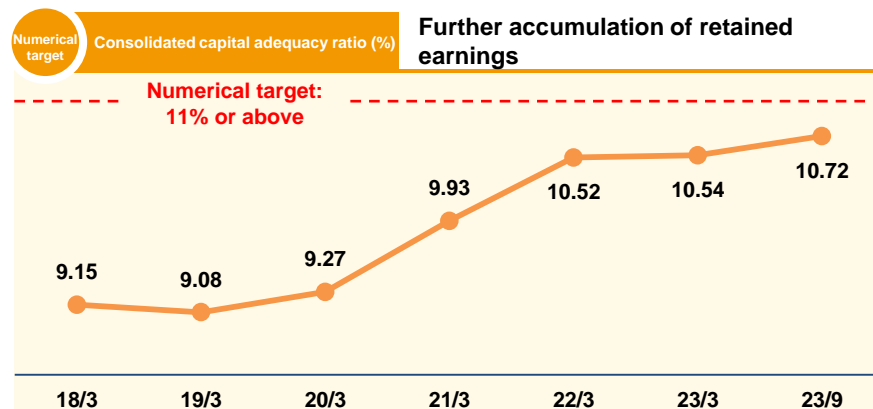
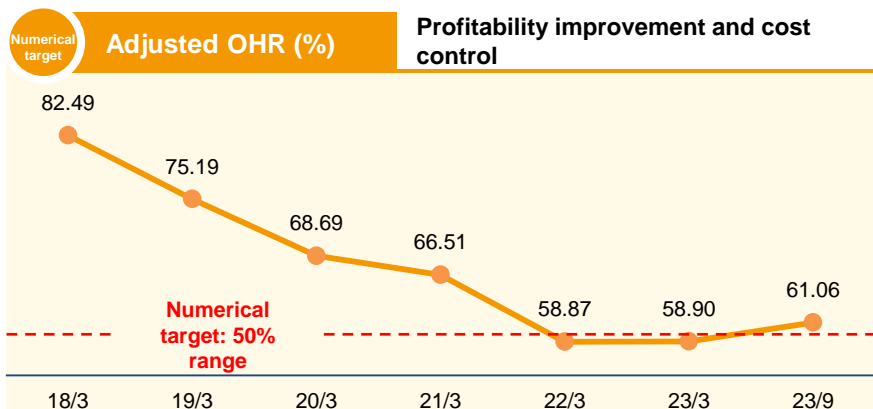
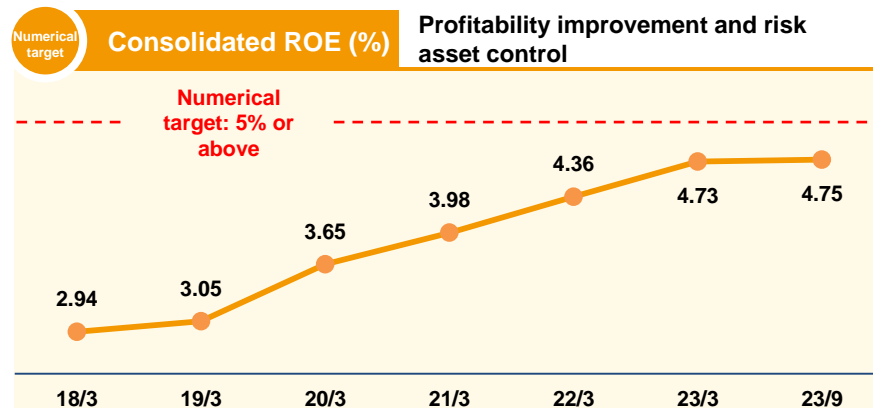
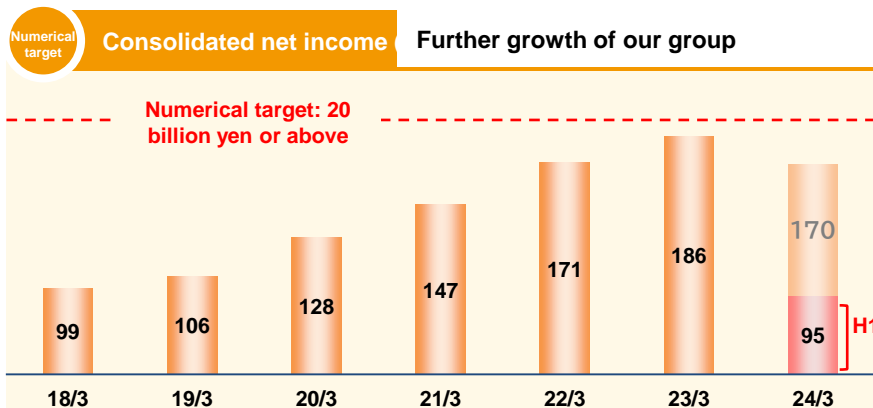
Our mission (mission)

Achieving customer/local growth and prosperity



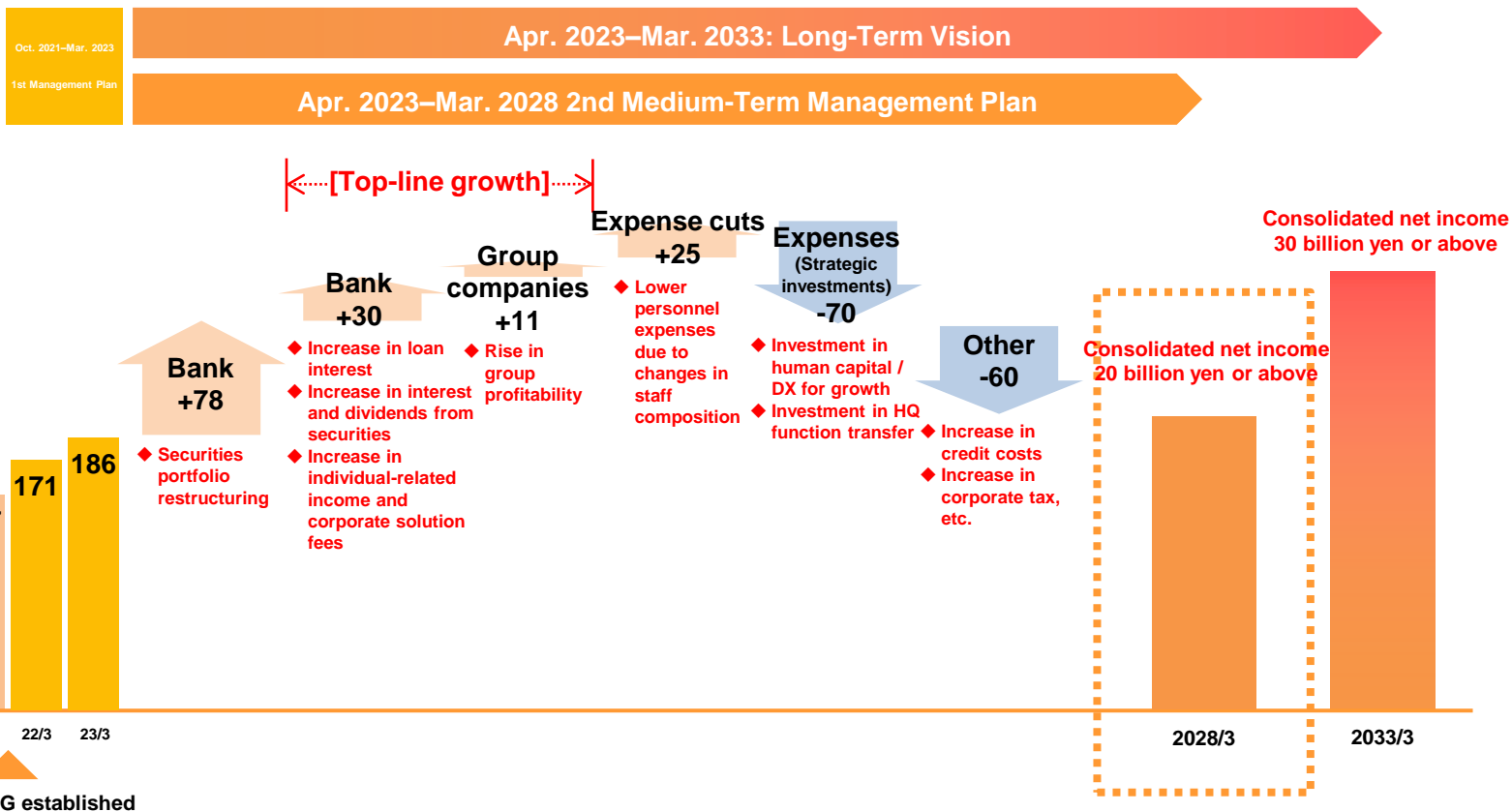
Progress against Numerical Targets of the 2nd Medium-Term Management Plan

- ✓ In order to achieve the numerical targets of the 2nd Medium-Term Management Plan, we aim to accelerate our group's growth under the four basic strategies and improve profitability, efficiency and fiscal integrity.



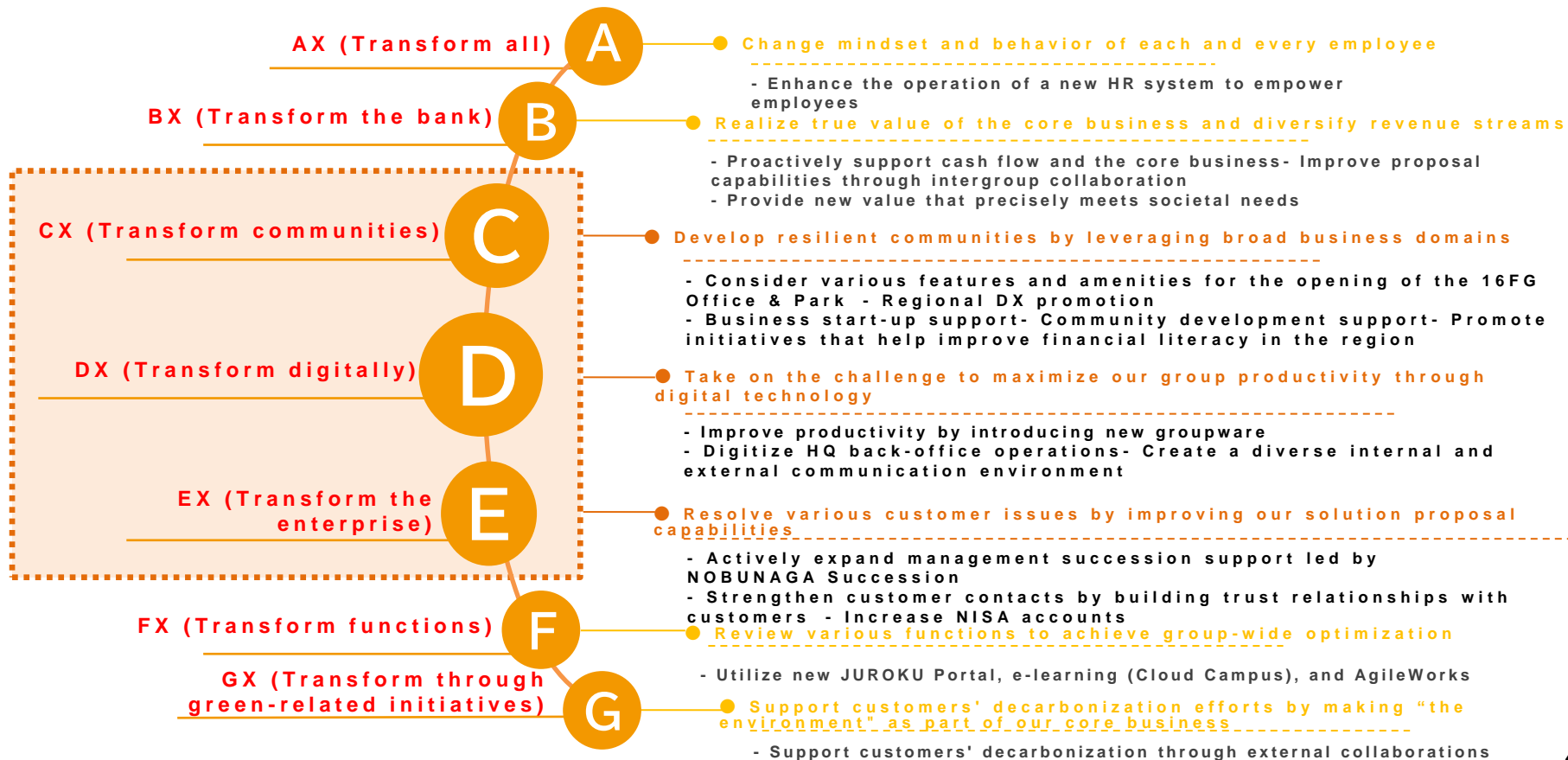
Roadmap to Profit Targets

- ✓ Making strategic investments in human capital and DX that will lead to our growth during the period of the 2nd Medium-Term Management Plan, while also aiming to achieve numerical targets by growing the top-line, including the core business, the fee business and group profitability



Acceleration of our Group's Transformation-Driven Growth Potential

✓ Roll out A-G transformations group-wide and maximize social and economic value



✓ Digitizing various operations and empowering the creativity of all employees to maximize group productivity

Enhancing productivity by introducing new groupware **PICK UP**

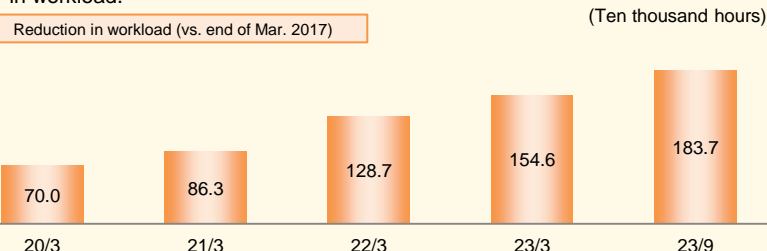
- In May 2022, DX-related collaboration with SoftBank, including personnel support, started. While actively incorporating external knowledge and strongly promoting DX within our group, we introduced new groupware Google Workspace (GWS) in Sep. 2023 to improve productivity.
- Productivity improved as streamlined information exchange/sharing enabled effective communication and collaboration within our group.
- In addition, we utilize Google Meet (part of the GWS feature) and other tools for internal and external communications.
- As work schedules entered in CRM (customer relationship management system) are automatically reflected in the GWS scheduling function, the need for employees to enter and confirm schedules in the office has been reduced.

Google Workspace



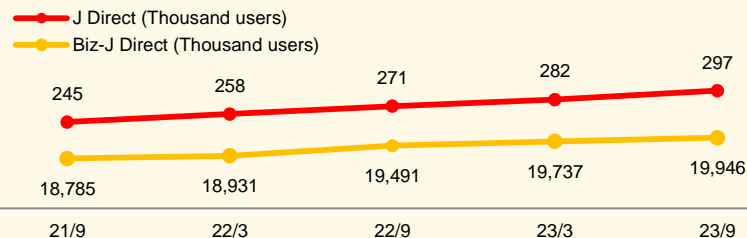
Reducing workload by accelerating digitization

- Focusing on digitization and going paperless by promoting business/channel transformation
- Improving branch operation efficiency by increasing the Juroku Quick Navi (in-store tablet) service menu and expanding centralized loan operations using lot scanners, etc.
- Adoption of Google Workspace (GWS) has also contributed to the reduction in workload.



Promoting internet banking

- Juroku Direct for individual customers and Biz-Juroku Direct for corporate customers continuing to increase client numbers through enhanced non-face-to-face channels in an effort to further accelerate DX



- ✓ **Implementing initiatives to enhance the motivation and skills of all employees, thereby creating an organizational environment where each individual can work independently and fully demonstrate their potential**

Launching new HR system; Transfer to holding company **PICK UP**

- In Apr. 2023, a new HR system was launched with the aim of enabling each and every employee to show diversity, recognize growth and spend an enriched life as an irreplaceable member of a regional society.
- In line with the start of the new HR system, all Juroku Bank-registered employees transferred to the Company. This has enabled the optimal HR allocation to group companies, including the bank where the Company started, and personnel shifts based on employees' individuality and talents.

Concept 1 Vitalizing the organization and developing active personnel

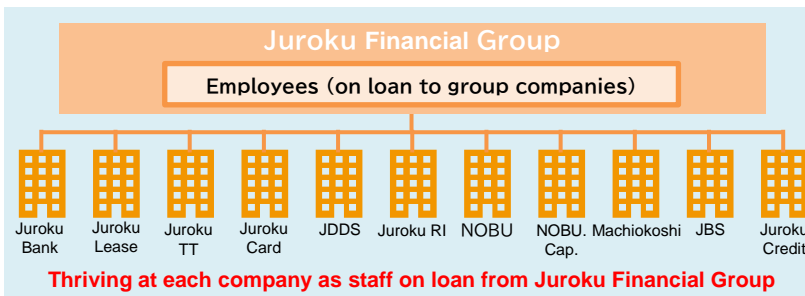
Concept 2 Clarifying the mission and transforming behavior

Concept 3 Developing a corporate culture embracing individuality and diversity

Introducing "My Vision/Commitment"

Development of new assessment and compensation systems

Empowerment of diverse human resources



Shifting away from seniority-based promotion

- Promoted an employee in his 30s to branch manager as part of the policy to encourage the growth of motivated and enterprising employees
- Board Chairman and Associate Directors were also appointed to allow employees with extensive experience and solid track record to exercise their abilities and act more proactively.

Visualizing individuality and skills and appropriate staffing

- Assigning personnel based on each person's individuality, skills, ideas, etc., identified through "My Vision/Commitment" (what I aspire to be), etc.
- In launching NOBUNAGA Succession, the career challenge system (an in-house open recruitment system) was used. 3 employees were selected out of 61 applicants.
- Starting an expert system in FY2023 H2 to systematically train personnel for the group's key positions

Expanding training opportunities to empower diverse human resources

- Expanding training opportunities to promote the empowerment of a diverse workforce
- Supporting employees' self-development by holding "e-school" holiday courses

(As of end of Sep. 2023)

Main training	No. of trainees to date
Training for developing HR capable of building trust relationships with clients	2,215
FY2023 H1 "e-school" holiday courses	845

Customer-First Marketing Strategy

- ✓ In addition to deepening the core business, we will address various needs of our customers and regions by maximizing the group functions and expanding into new business domains catering to societal needs.

Management succession support by NOBUNAGA Succession **PICK UP**

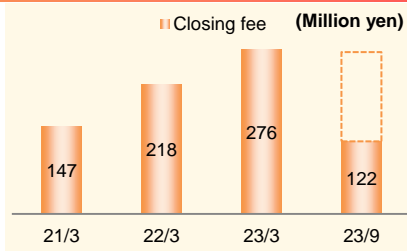
- NOBUNAGA Succession Inc. was established as a joint venture with Nihon M&A Center Holdings Inc. on July 3, 2023, aiming to solve management succession issues faced by local companies and support the sustainable growth of the regional economy.
- Since its establishment, the company has met with many business owners in Gifu and Aichi prefectures to resolve succession issues, and has provided approximately 350 consultations in the four months to the end of Oct. 2023.
- In Sep. 2023, the company signed the Memorandum for Business Succession-Related Collaboration with Gifu City Credit Guarantee Association to contribute to the promotion of small and medium-sized enterprises through business succession support.

NOBUNAGA Succession's activities (As of end of Oct. 2023)	
No. of consultations	349
(Of which, M&A)	201
(Of which, sales advisory agreements)	8



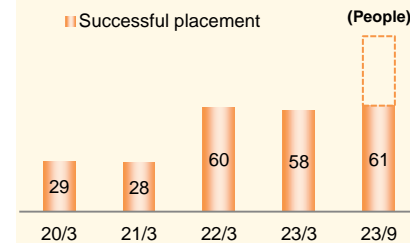
Supporting sales channel expansion through business matching

- Supporting the creation of customers' new profit-earning opportunities and ongoing development through business matching that leverages Juroku Bank's information network
- Also developing business matching as an effective solution tool to address a societal issue of decarbonization



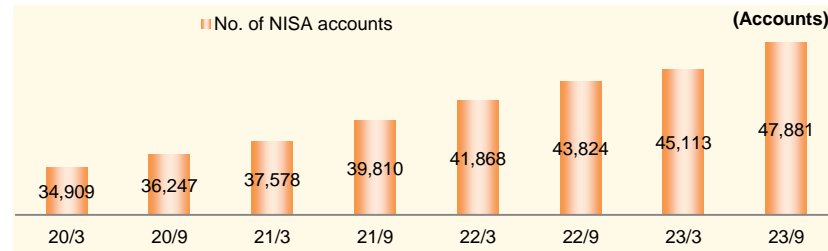
Problem solving through personnel placement

- Since Juroku Research Institute expanded into personnel placement in Apr. 2019, the number of placement contracts has reached a record high.
- In addition to personnel placement, we support customers' HR affairs by offering seminars for new employees and HR system consulting services.



Expanding NISA accounts to support asset formation

- Promoting initiatives to expand NISA accounts in anticipation of the New NISA system starting in Jan. 2024
- A Juroku FG (Juroku Bank and Juroku TT Securities) version of the "New NISA" flyer was newly prepared to publicize the New NISA system, which aims to support local customers' asset formation.
- Starting in Oct. 2023, Juroku FG (Juroku Bank and Juroku TT Securities) will jointly roll out a New NISA campaign.



- ✓ **Making the most of our wide-ranging business domains, our group will play a central role in contributing to the revitalization of local economies and the sustainable development of local communities.**

Considerations for the opening of the 16 FG Office & Park **PICK UP**

- Decided to relocate to a new headquarters building in 2027, 50 years after the completion of the current building, in order to realize our group management philosophy
- In July 2023, we made an announcement of being selected as a preferred bidder, as a result of a public tender, for the Gifu City's project to utilize the site of the Gifu city hall. Signed a basic agreement with Gifu City in Aug. 2023
- The concept is "16FG Office & Park for creating the future of '#GIFU' together," aiming to make the downtown area more attractive and easier to move around by developing a base with a beautiful and comfortable common space and a workplace that is ahead of its time.
- Various features and amenities are being considered for the planned opening in Apr. 2027.

● **July 2023 Announced our selection as preferred bidder for the Gifu City's project to utilize the site of the Gifu city hall**

● **Aug. 2023 Signed basic agreement with Gifu City**

● **Mar. 2024 Concluded a fixed-term business-use land lease agreement**

● **Feb. 2025 Construction starts**

● **Apr. 2027 Opening**

Bank's 150th anniversary



Financial literacy education

- Holding seminars on various financial topics for people of all ages, from elementary school students to senior citizens, by making full use of the knowledge of each group company
- In Jan. 2023, we released Juroku MONEY COLLEGE, a systematic financial education menu aimed at increasing financial literacy. Conducted seminars on asset formation, entrepreneurship, cashless transactions, loans, etc., mainly for high school students

Juroku MONEY COLLEGE activity (as of Oct. 31, 2023)

Sessions held to date	26	Total number of students	4,310
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- In Oct. 2023, we produced "Nobunaga Money Study," a financial board game for upper elementary school students that incorporates elements of learning about the charms of hometown Gifu into financial literacy education.
- Providing opportunities for elementary school students in Gifu Prefecture to study about finance and their hometown by using the board game in their classrooms.



Start-up support by NOBUNAGA Capital Village

- Building further relationship with STATION Ai, the largest incubation facility in Japan slated to open in Oct. 2024, to provide collaborative support for start-ups
- Employees of NOBUNAGA Capital Village visit STATION Ai every month to not only find investees and business partners, but also to hold fundraising workshops.
- Undertook mentoring duties for the Aichi-Startup Business Plan Contest 2023, jointly sponsored by STATION Ai and Aichi Prefecture



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Actions to Implement Management Conscious of Cost of Capital and Stock Prices

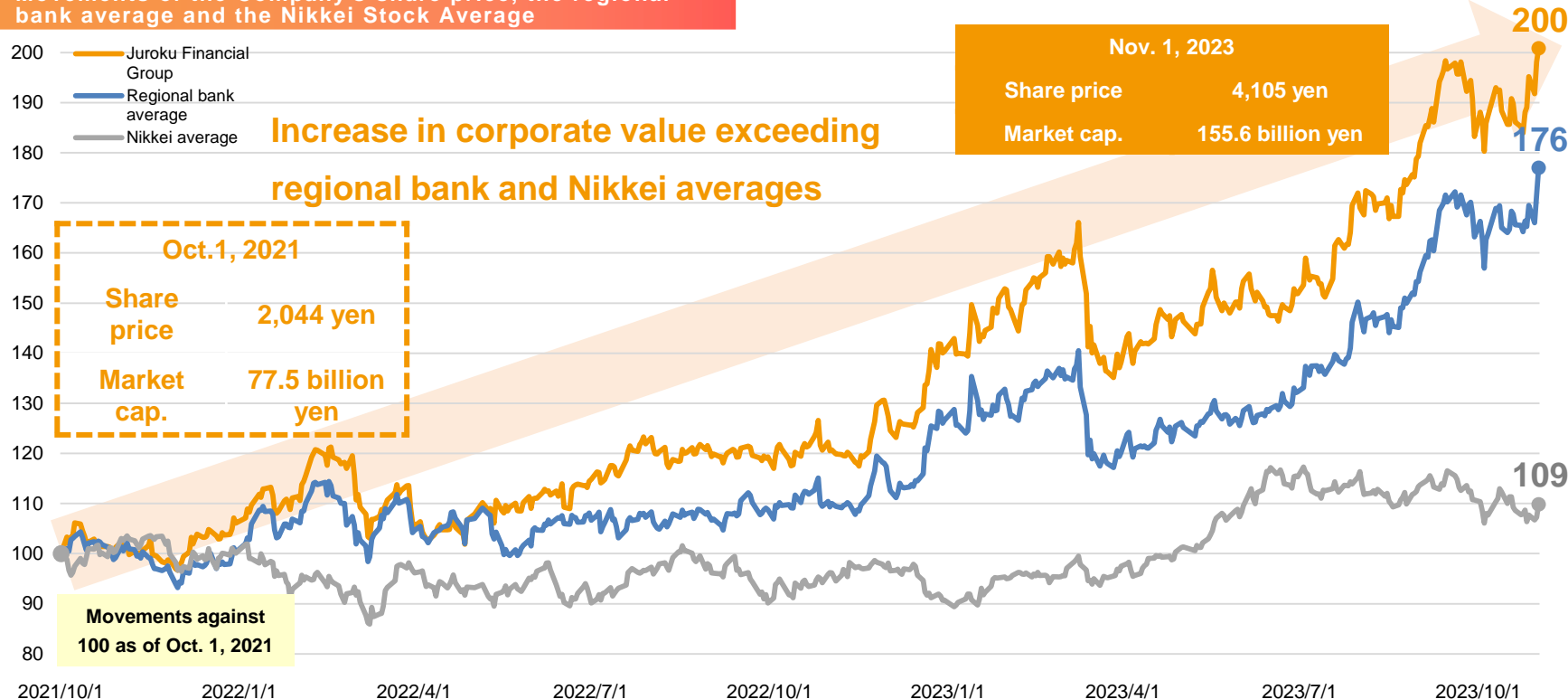


人と、地域と、未来をむすぶ

十六フィナンシャルグループ

- ✓ In recognition of our group's efforts over the past two years since the Company's establishment, our stock price and market capitalization nearly doubled to 4,105 yen and 155.6 billion yen, respectively, as of Nov. 1, 2023.
- ✓ Against the Company's share price on Oct. 1, 2021, the date of establishment, set as 100, the current share price is 200, higher than both the regional bank average and the Nikkei average, which currently stand at 176 and 109, respectively.

Movements of the Company's share price, the regional bank average and the Nikkei Stock Average





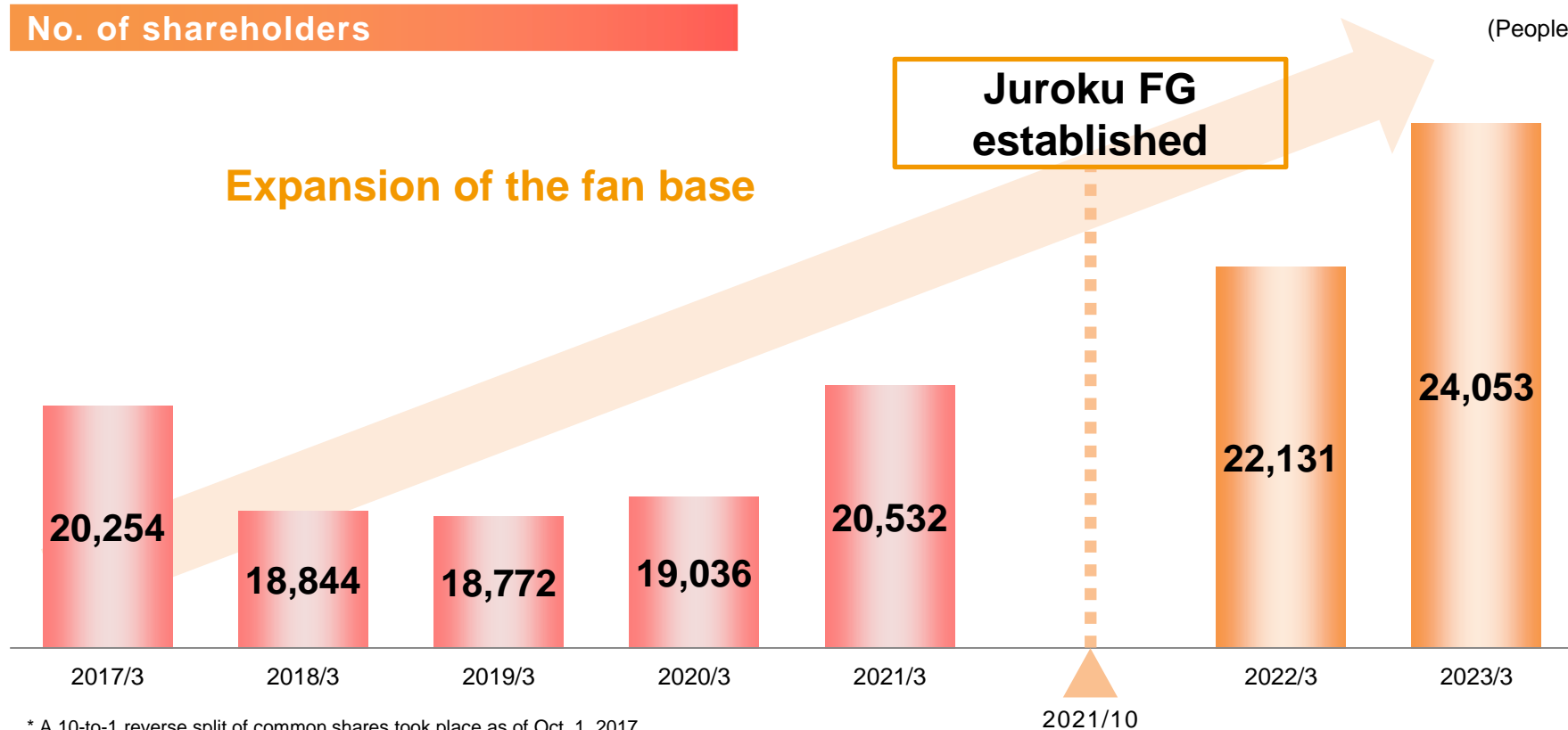
- ✓ The number of shareholders, which was approximately 20,000 in Mar. 2021 before the Company's establishment, increased significantly to approximately 22,000 in Mar. 2022 and 24,000 in Mar. 2023.

No. of shareholders

Expansion of the fan base

Juroku FG
established

(People)



* A 10-to-1 reverse split of common shares took place as of Oct. 1, 2017.

Actions to Implement Management Conscious of Cost of Capital and Stock Prices

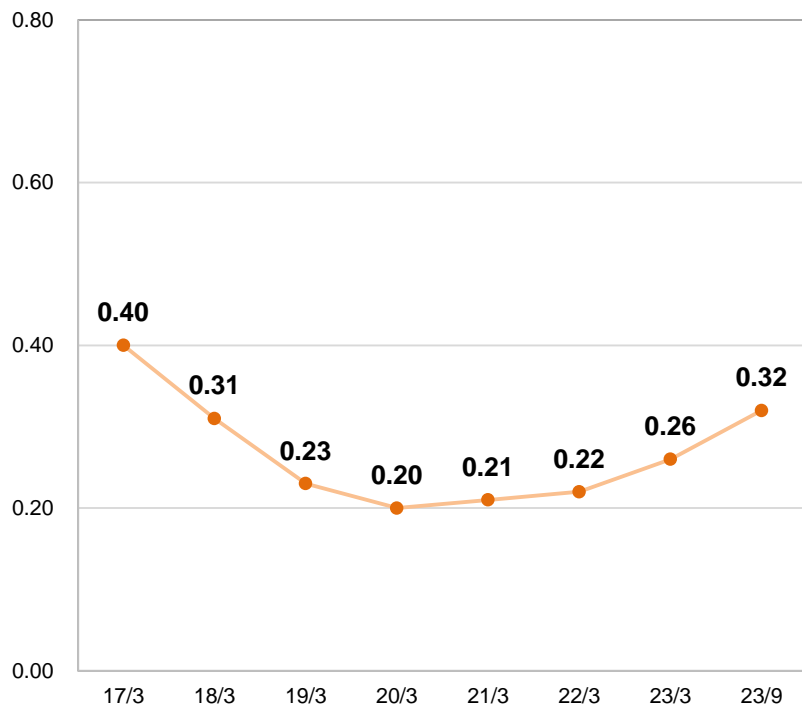


人と、地域と、未来をむすぶ

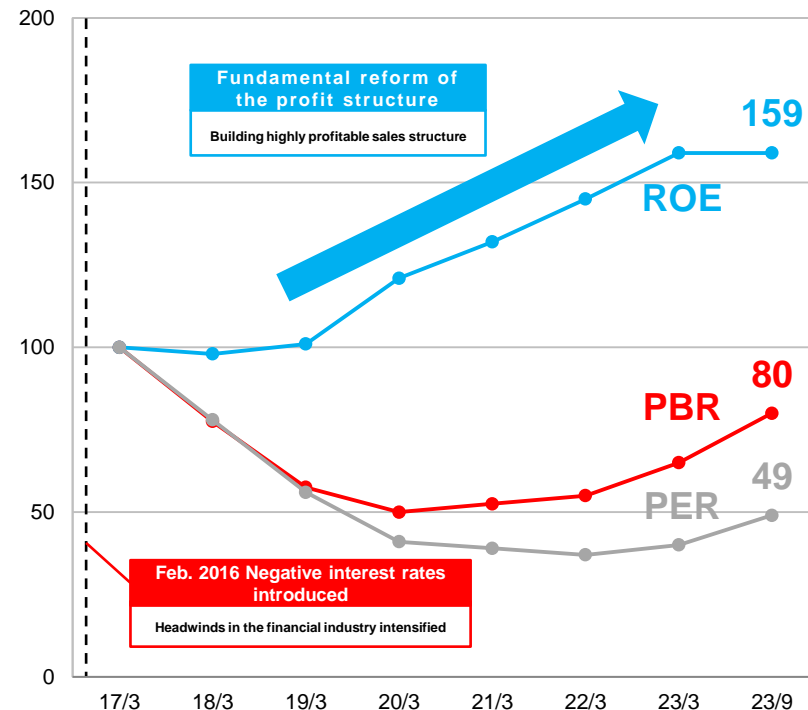
十六フィナンシャルグループ

- ✓ Amid prolonged low interest rates and other headwinds in the financial business environment, the Company's ROE has risen significantly as a result of group-wide fundamental reforms aimed at improving profitability, while PER and PBR are still on the recovery path.

PBR movement



PBR, ROE and PER movements (against 100 as of the end of Mar. 2017)



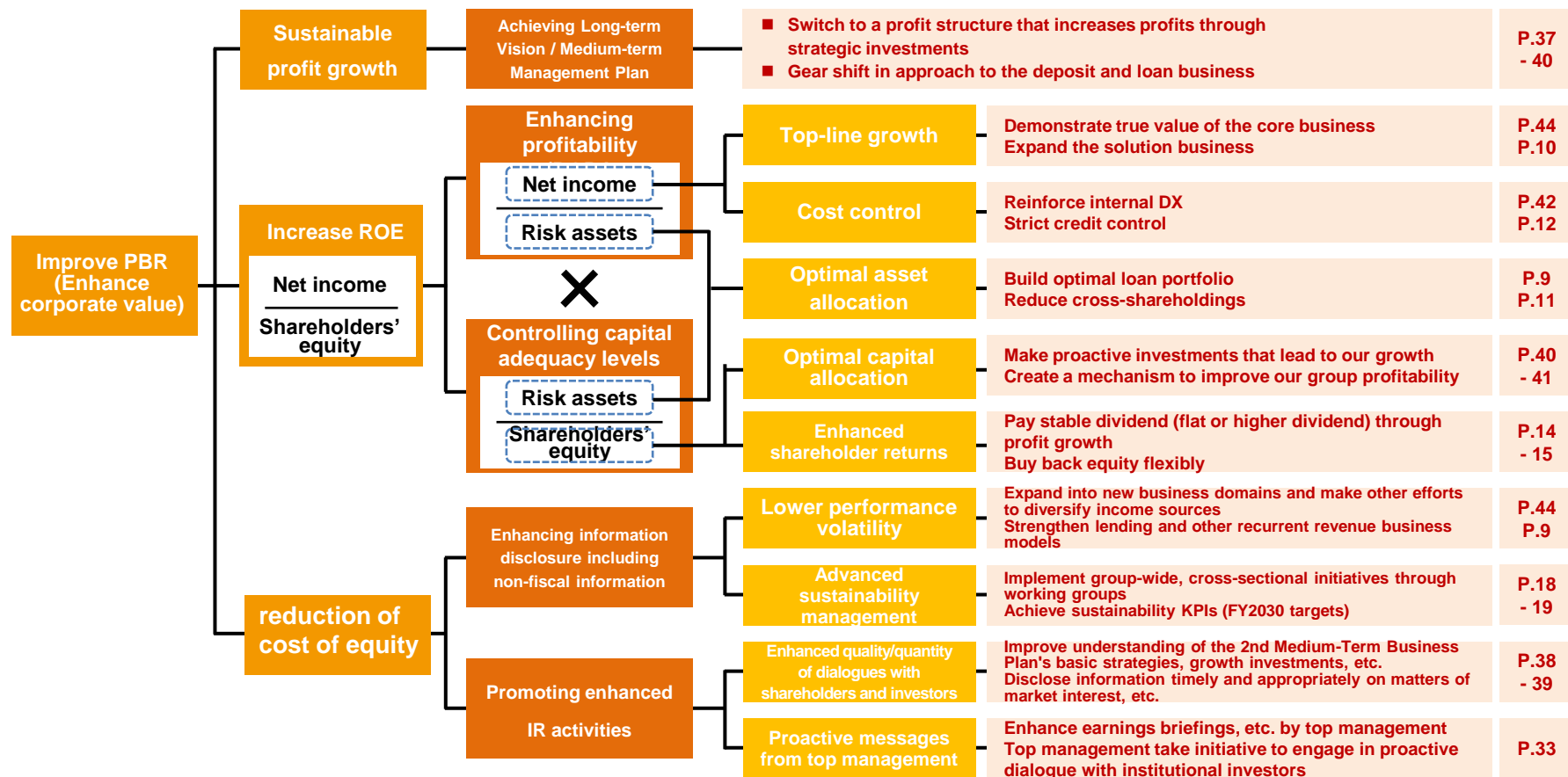
Actions to Implement Management Conscious of Cost of Capital and Stock Prices



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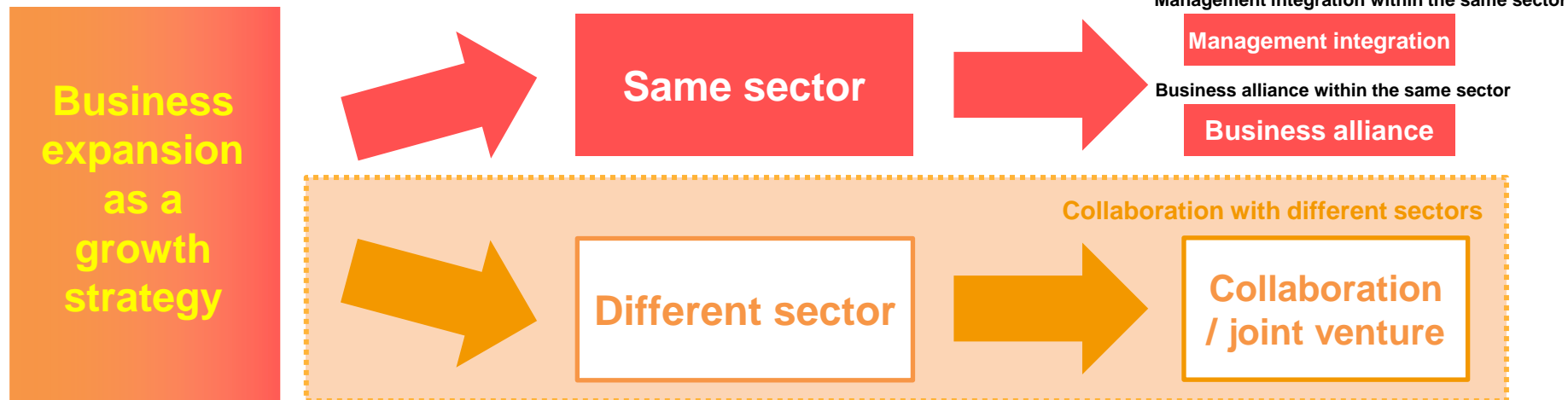
十六フィナンシャルグループ

✓ Focusing on initiatives to improve PBR that lead to sustainable profit growth, improvement of ROE and reduction of cost of equity.



Actions to Implement Management Conscious of Cost of Capital and Stock Prices

- ✓ Based on our unique growth strategy based on collaborations and joint ventures with various business sectors, we will strive to further enhance corporate value by expanding our business domains with a sense of speed.



Major collaboration
/ joint venture partners



人と、地域と、未来をむすぶ

十六フィナンシャルグループ



東海東京フィナンシャル・ホールディングス



株式会社 電算システムホールディングス



SoftBank



日本M&AセンターHD