

FY2023 Financial Results

Staying ahead of the curve to always serve the region

May 28, 2024

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JUROKU Financial Group

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※ The Juroku Financial Group ("Juroku FG") 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 Juroku FG 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 FY2023

- ✓ Juroku FG's ordinary profit and net income attributable to owners of the parent company **increased for the sixth consecutive fiscal year**, and Juroku Bank's non-consolidated ordinary income and net income attributable to owners of the parent company **increased for the seventh consecutive fiscal year**.
- ✓ Since the year-end dividend was increased by 20 yen to 90 yen, the total annual dividend came to 160 yen, 30 yen higher than in the previous fiscal year, marking **the fifth consecutive fiscal year of dividend increase**.

Section II: Initiatives for Enhancing Corporate Value

- ✓ Responded with a sense of urgency to the demands of local communities by leveraging our Group's management resources and creating synergies through cross-industry collaborations and joint ventures.
- ✓ Focused on initiatives to improve PBR that lead to **sustainable profit growth, higher ROE and reduction of cost of equity based on the logic tree**.
- ✓ In recognition of our Group's initiatives, the share price at the end of Mar. 2024 stood at 4,790 yen, 2.4 times higher than at the time of inception, and the market capitalization increased to 181.6 billion yen.

Section III: Initiatives for Sustainability

- ✓ All Sustainability KPIs set in May 2022 made **steady progress** based on the coordinated efforts of Group companies.
- ✓ Formed an **alliance with Resona Group** in Feb. 2024 to strengthen the retail segment
- ✓ Received the "Fiscal 2023 Minister of the Environment Award for Best Practices (Regional Category)" under the Principles for Financial Action for the 21st Century" in recognition of our efforts to contribute to our customers' decarbonization management.
- ✓ To enable employees to take on career challenges in a wide range of business areas, an internal recruiting system is used to place personnel in Group companies and partner companies in different industries.

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

- ✓ In Mar. 2024, **Google Workspace (GWS) was introduced across the Group**, improving group productivity.
- ✓ Created an organizational environment in which each individual can fully play an active role independently by implementing a new HR system and personnel exchanges with various industries.
- ✓ Implemented New NISA campaign to promote expansion of NISA accounts
- ✓ Received the "Award from Secretary General of Secretariat for Promotion of Regional Revitalization, Cabinet Office" for "Initiatives for Restoration of Old Private Houses Using Historical Resources," which were implemented in cooperation with Mino City, Gifu Prefecture.

Agenda

01 | Financial Results for FY2023

02 | Initiatives for
Enhancing Corporate Value

03 | Initiatives for Sustainability

04 | Progress in the 2nd
Medium-Term Management Plan

Summary of Consolidated Results

Juroku FG
consolidated
results



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- ✓ Consolidated core gross operating profit decreased 1.2 billion yen YoY to 73.3 billion yen as an increase in net interest income was offset by a decrease in other operating profit.
- ✓ Ordinary profit and net profit attributable to owners of the parent company exceeded initial forecasts and rose for the sixth consecutive fiscal year.

(0.1 billion yen)

Juroku FG consolidated results	2022/3	2023/3 (A)	2024/3 (B)	YOY (B-A)
Consolidated core gross operating profit	782	745	733	① Δ 12
Net interest income	543	511	528	17
Fees and commissions	171	187	185	Δ 2
Other operating profit (excluding profit/loss on JBGs and other debt securities)	67	47	18	Δ 29
Expenses	460	439	441	② 2
Personnel expenses	247	235	234	Δ 1
Non-personnel expenses	183	174	178	4
Consolidated core net operating profit	321	306	292	③ Δ 14
Profit/loss on JBGs and other debt securities	Δ 108	Δ 77	Δ 142	Δ 65
Consolidated net business profit	213	229	149	Δ 80
Credit costs	28	16	9	Δ 7
Profit/loss on equities	65	36	133	97
Ordinary profit	267	272	279	④ 7
Net income attributable to owners of the parent company	171	186	193	⑤ 7

① Consolidated core gross operating profit

Decreased 1.2 billion yen YoY to 73.3 billion yen as an increase in net interest income was offset by a decline in other operating profit (excluding profit/loss on JBGs and other debt securities)

② Expenses

Increased 0.2 billion yen YoY to 44.1 billion yen due to an increase in non-personnel expenses resulting from strategic DX (digital transformation) investment and other factors.

③ Consolidated core net operating profit

Decreased 1.4 billion yen YoY to 29.2 billion yen due to a decline in consolidated core gross operating profit

④ Ordinary profit

⑤ Net income attributable to owners of the parent company

Consolidated ordinary profit increased 0.7 billion yen YoY to 27.9 billion yen and net income attributable to owners of the parent company rose 0.7 billion yen YoY to 19.3 billion yen, both increasing for the sixth consecutive fiscal year mainly due to higher profit on equities.

Summary of Non-consolidated Results of Juroku Bank

Juroku Bank non-consolidated results

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- ✓ Core net operating profit decreased 1.7 billion yen YoY to 26.8 billion yen.
- ✓ Ordinary profit increased 0.5 billion yen YoY to 26.0 billion yen and net income rose 0.8 billion yen YoY to 18.7 billion yen, both increasing for the seventh consecutive fiscal year.

(0.1 billion yen)

Juroku Bank non-consolidated results	2022/3	2023/3 (A)	2024/3 (B)	YOY (B-A)
Core gross operating profit	684	657	642	① △ 15
Net interest income	545	518	540	22
Fees and commissions	111	126	125	△ 1
Other operating profit (excluding profit/loss on JBGs and other debt securities)	26	11	△ 23	△ 34
Expenses	394	371	373	② 2
Personnel expenses	195	181	178	△ 3
Non-personnel expenses	171	163	169	6
Core net operating profit	289	285	268	③ △ 17
Profit/loss on JBGs and other debt securities	△ 108	△ 77	△ 142	△ 65
Net business profit	180	208	125	△ 83
Credit costs	25	14	5	△ 9
Profit/loss on equities	67	36	133	97
Ordinary profit	245	255	260	④ 5
Net income	173	179	187	⑤ 8

1 Core gross operating profit

Decreased 1.5 billion yen YoY to 64.2 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 costs, which offset an increase in net interest income resulting from higher loan interest income.

2 Expenses

Increased 0.2 billion yen YoY to 37.3 billion yen due to higher non-personnel expenses resulting from strategic DX (digital transformation) investment and other factors.

3 Core net operating profit

Decreased 1.7 billion yen YoY to 26.8 billion yen due to a decline in core gross operating profit

4 Ordinary profit

5 Net income

Ordinary profit increased 0.5 billion yen YoY to 26.0 billion yen and net income rose 0.8 billion yen YoY to 18.7 billion yen, both increasing for the seventh consecutive fiscal year mainly due to higher profit on equities.

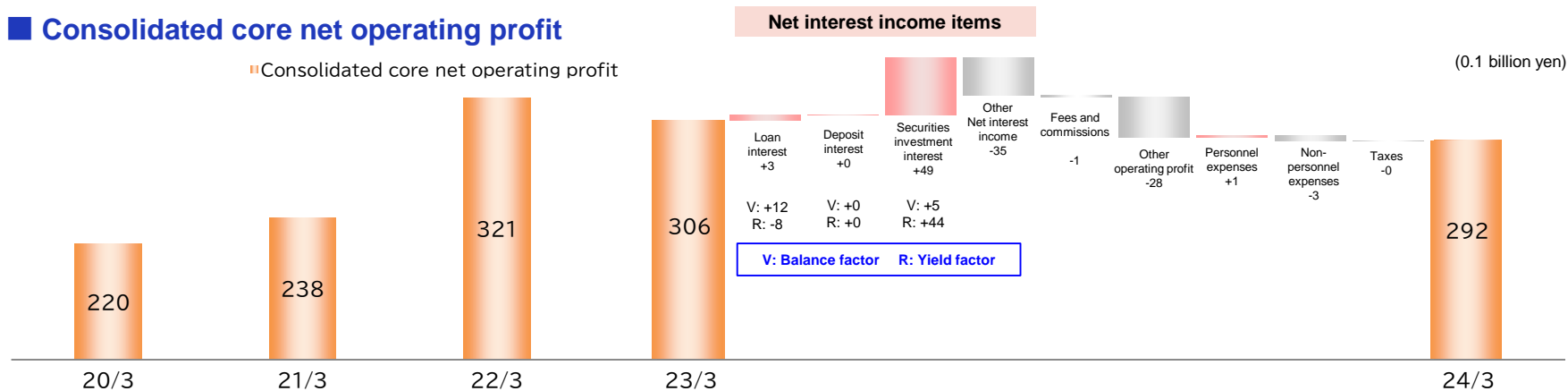
Consolidated Core Net Operating Profit

Juroku FG
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- ✓ Core net operating profit declined 1.4 billion yen YoY to 29.2 billion yen, mainly due to a decrease in other operating profit (excluding profit/loss on JBGs and other debt securities).

Consolidated core net operating profit

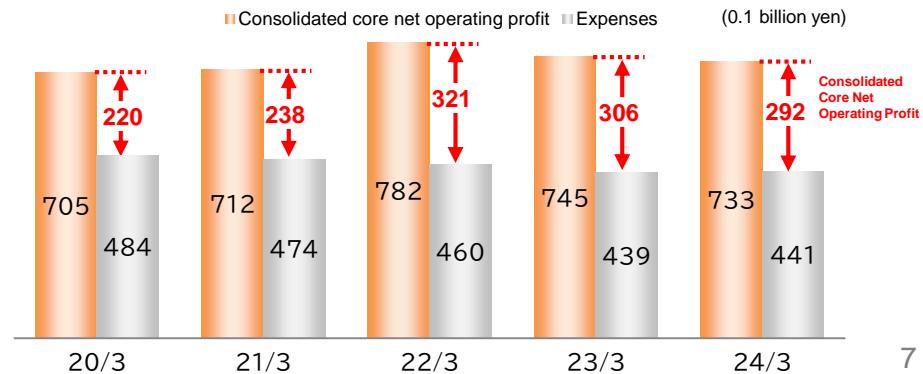


[Ref.] Core gross operating profit and expenses

(0.1 billion yen)

	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Consolidated core gross operating profit	705	712	782	745	733	-12
Net interest income	518	505	543	511	528	17
Fees and commissions	158	155	171	187	185	-2
Other operating profit*	29	51	67	47	18	-29
Expenses	484	474	460	439	441	2
Consolidated Core Net Operating Profit	220	238	321	306	292	-14

*Excluding profit/loss on JBGs and other debt securities



Expenses and Adjusted OHR

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consolidated
results

Juroku Bank non-
consolidated results



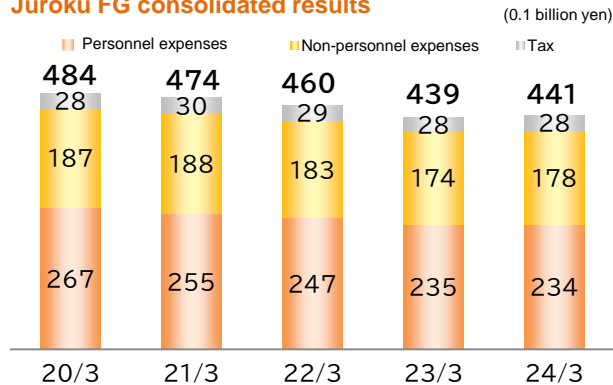
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十六フィナンシャルグループ

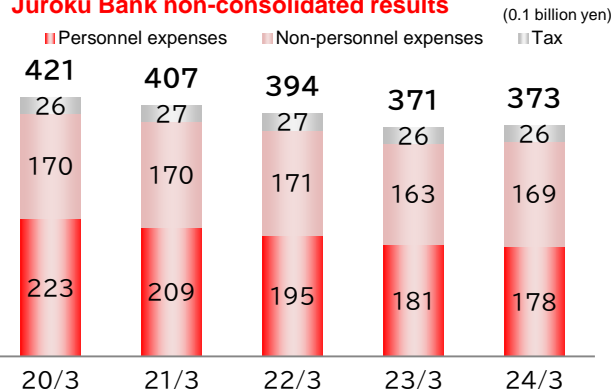
- ✓ Personnel expenses decreased due to the natural attrition of personnel, which offset additional expenses caused by a pay-scale raise, while non-personnel expenses increased mainly due to strategic DX investment.
- ✓ Adjusted OHR was maintained at a low level of 60.20% in Juroku FG consolidated results and 58.21% in the Juroku Bank non-consolidated results.

Expenses

Juroku FG consolidated results



Juroku Bank non-consolidated results



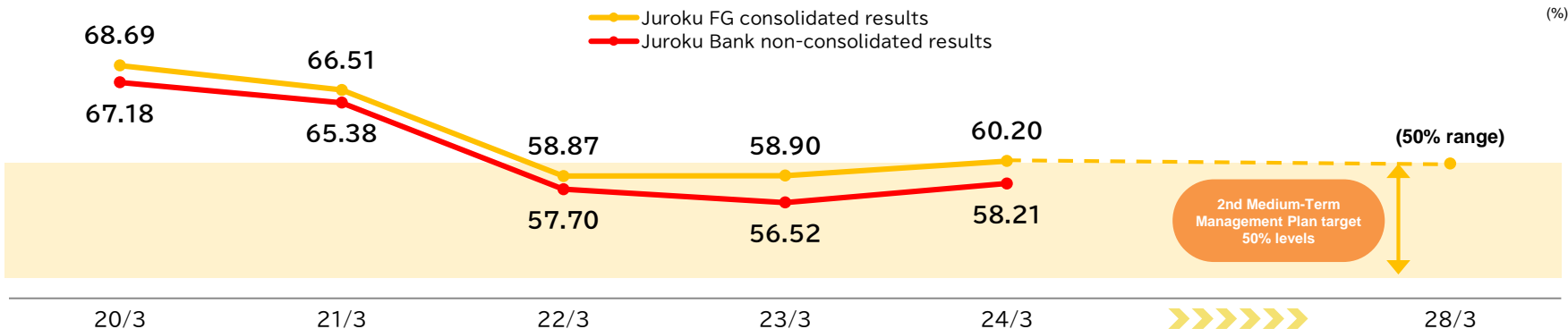
Personnel expenses

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 increased due to DX investments, including the introduction of over-the-counter tablets and groupware, and the replacement of signs following the change of the bank logo to the FG logo for unification.

Adjusted OHR



Net Interest Income and Loans

Juroku Bank non-consolidated results

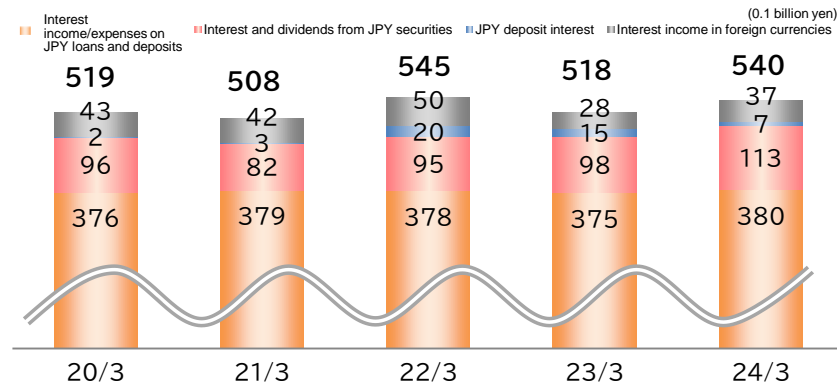
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- Net interest income increased 2.2 billion yen YoY to 54.0 billion yen due to higher interest and dividends from JPY securities, which offset lower interest income on deposits with the Bank of Japan.
- Average balance of JPY loans remained solid at 4,745.2 billion yen, up 158.2 billion YoY, and average rate on outstanding business loans on deeds rose by 0.008 points YoY to 0.836%.

Net interest income

(0.1 billion yen)

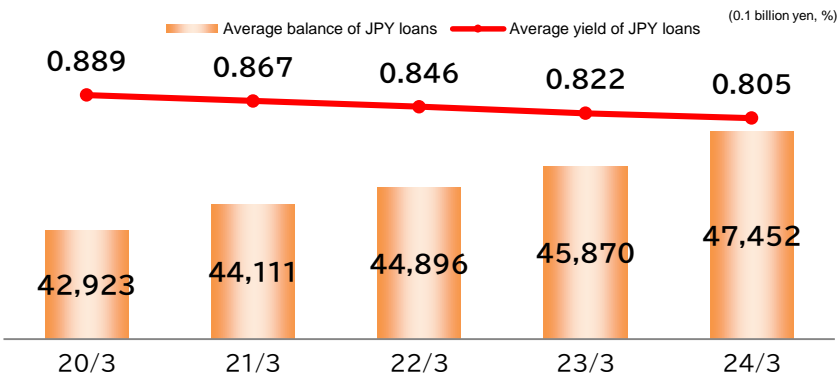
	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Net interest income	519	508	545	518	540	22
Interest income in JPY	475	465	494	490	502	12
Interest income/expenses on JPY loans and deposits	376	379	378	375	380	5
Interest and dividends from JPY securities	96	82	95	98	113	15
JPY deposit interest	2	3	20	15	7	-8
Interest income in foreign currencies	43	42	50	28	37	9



Average balance and yield of JPY loans

(0.1 billion yen, %)

	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Average balance of JPY loans	42,923	44,111	44,896	45,870	47,452	1,582
Average yield of JPY loans	0.889	0.867	0.846	0.822	0.805	-0.017



[Ref.] Average rate of loans on deeds (during the last month of the fiscal year)

	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Overall	0.841	0.830	0.802	0.777	0.768	-0.009
Business loans	0.814	0.858	0.848	0.828	0.836	0.008
Personal loans	0.948	0.906	0.863	0.835	0.793	-0.042
Public loans	0.465	0.412	0.379	0.344	0.406	0.062

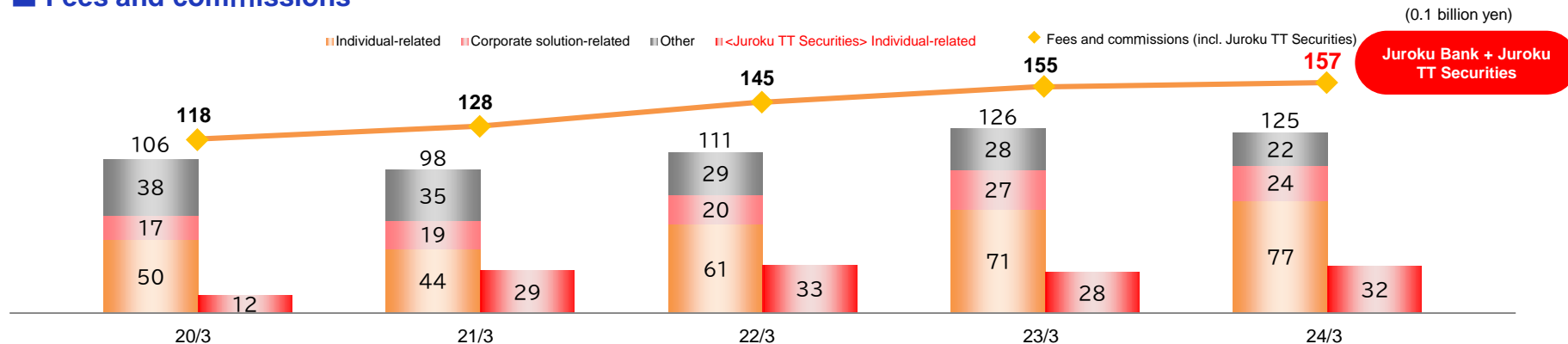
Fees and Commissions

Juroku Bank non-consolidated results

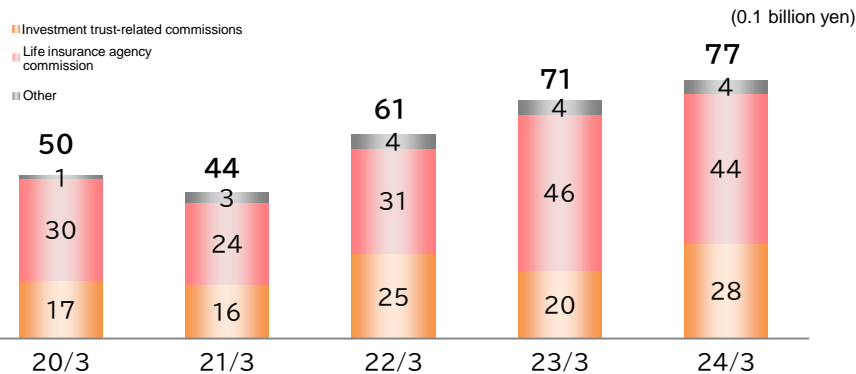
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- ✓ Fees and commissions reached a record high due to increases in investment trust-related commissions at Juroku Bank and individual-related revenue at Juroku TT Securities.

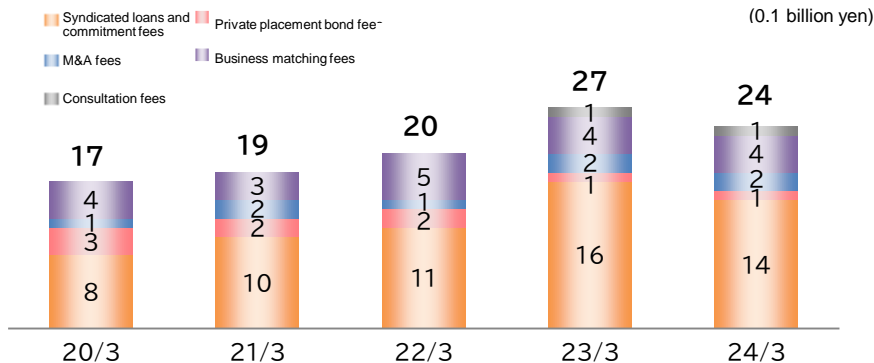
Fees and commissions



Individual-related revenue



Corporate solution-related revenue



✓ Valuation gains of securities increased 51.0 billion yen YoY to 91.3 billion yen overall.

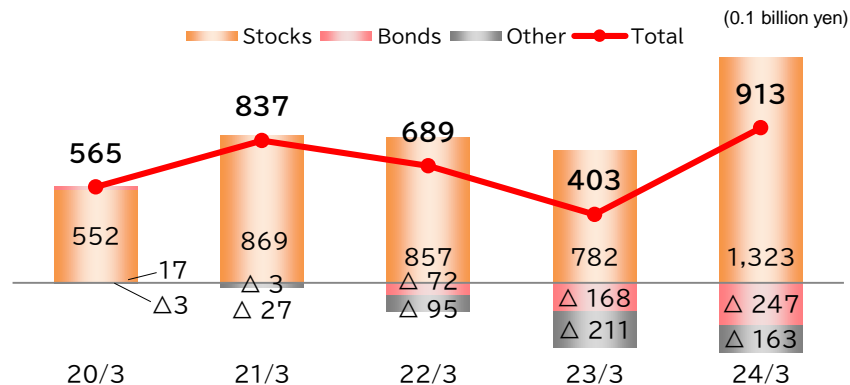
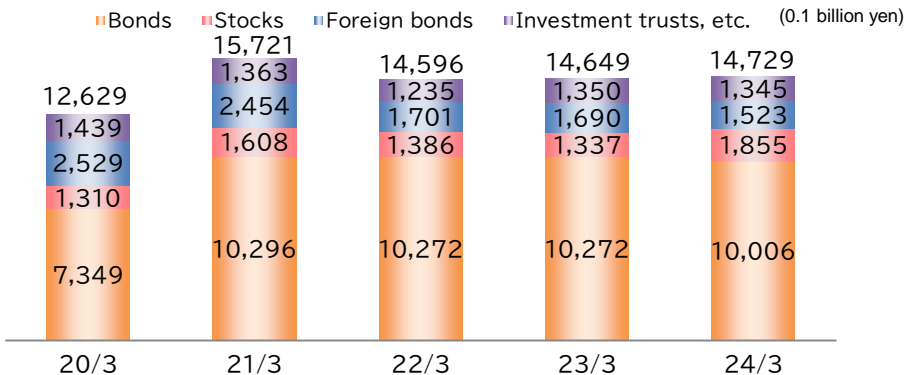
Valuation gains and losses of securities

(0.1 billion yen)

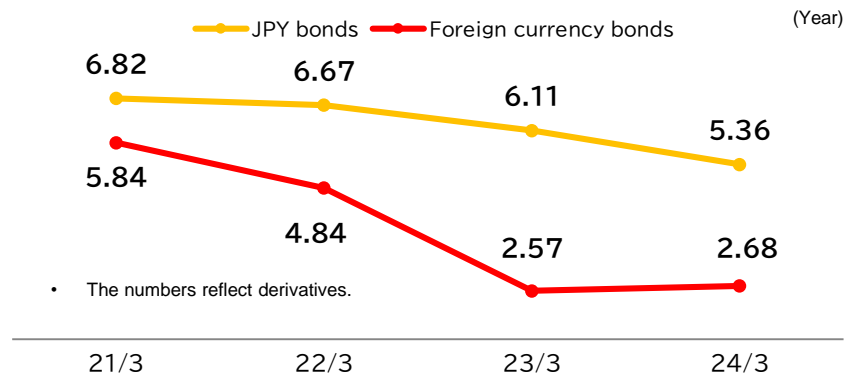
	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Stocks	552	869	857	782	1,323	541
Bonds	17	-3	-72	-168	-247	-79
Other	-3	-27	-95	-211	-163	48
Foreign bonds *	42	-28	-64	-103	-57	46
Investment trusts	-46	0	-31	-107	-105	2
Total	565	837	689	403	913	510
Derivative transactions (deferred hedging) *	-2	3	-	1	32	31

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

Balance of securities



Bond duration



Credit Costs and Outstanding Non-performing Loans

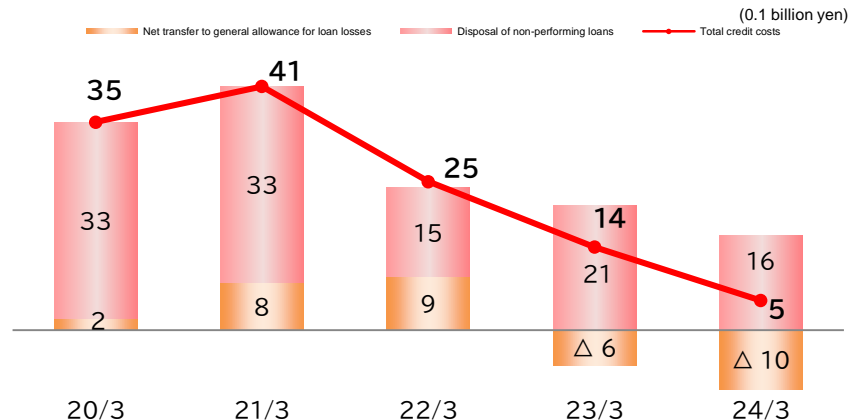
Juroku Bank non-consolidated results

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- ✓ Credit costs decreased 0.9 billion yen YoY to 0.5 billion yen, a low level compared to past credit cost levels.
- ✓ The ratio of non-performing loans improved by 0.08 percentage points YoY to a record low of 1.27%.

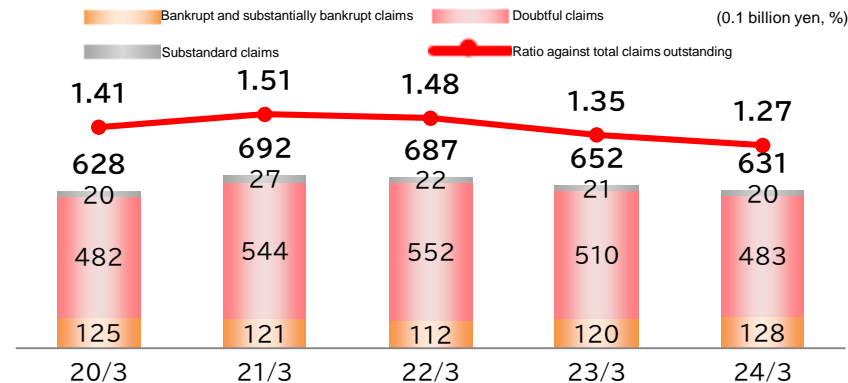
Credit costs

	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
① Net transfer to general allowance for loan losses	2	8	9	-6	-10	-4
② Disposal of non-performing loans	33	33	15	21	16	-5
Transfer to individual allowance for loan losses	29	30	14	19	14	-5
③ Reversal of allowance for loan losses	-	-	-	-	-	-
④ Recoveries of written-off claims	0	0	-	-	-	-
Credit costs ①+②-③-④	35	41	25	14	5	-9



Outstanding non-performing loans

	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Bankrupt and substantially bankrupt claims	125	121	112	120	128	8
Doubtful claims	482	544	552	510	483	-27
Substandard claims	20	27	22	21	20	-1
Total	628	692	687	652	631	-21
Ratio against total claims outstanding	1.41	1.51	1.48	1.35	1.27	-0.08



Record low

Profit from Customer Services and Group Companies

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Juroku Bank non-
consolidated results

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- ✓ Profit from customer services decreased 1.6 billion yen YoY to 13.7 billion yen mainly due to a 1.1 billion yen decline in gain on revision of retirement benefits.
- ✓ Total net income of subsidiaries excluding Juroku Bank that contributed to the consolidated results amounted to 1.946 billion yen, due to YoY increases in profits of four main companies.

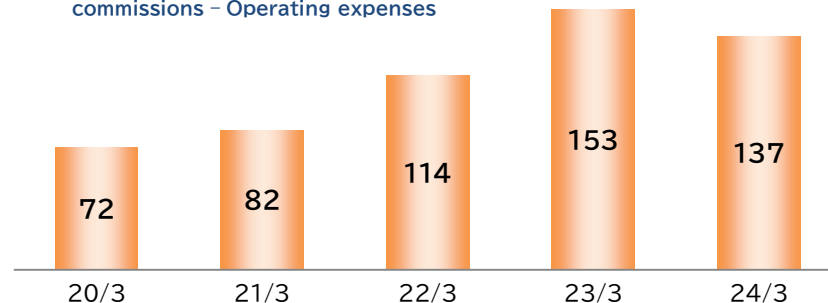
Income from customer services

(0.1 billion yen, %)

Juroku Bank non-consolidated results	20/3	21/3	22/3	23/3 (A)	24/3 (B)	Difference (B-A)
Income from customer services	72	82	114	153	137	-16
Average loan balance × Loan to deposit spread	386	384	381	379	383	4
Loan to deposit spread	0.891	0.864	0.844	0.825	0.807	-0.018
Fees and commissions	106	98	111	126	125	-1
Operating expenses	420	400	378	353	371	18

Income from customer services
= Average loan balance x Loan to deposit spread+ Fees & commissions - Operating expenses

(0.1 billion yen)



Total net income of subsidiaries (excluding Juroku Bank) that contributed to Juroku FG consolidated results

(Million yen)

	Juroku TT Securities		Juroku Lease		Juroku Card		Juroku Credit Guarantee		Subsidiaries total (excluding Juroku Bank)		
	23/3	24/3	23/3	24/3	23/3	24/3	23/3	24/3	23/3 (A)	24/3 (B)	Difference (B-A)
Net sales	2,918	3,263	26,948	27,348	2,921	3,008	2,762	2,772	37,498	38,506	1,008
Ordinary profit	569	870	427	460	226	246	1,579	1,645	2,770	3,190	420
Net income	384	587	297	315	146	159	1,099	1,147	1,871	2,158	287
Net income that contributed to consolidated results	230	352	297	315	146	159	1,099	1,147	1,725	1,946	221

* Total profit/loss of Group companies excluding Juroku Bank and profit/loss of four main companies

Capital Adequacy Ratio and ROE

Juroku FG
consolidated
results

Juroku Bank non-
consolidated results

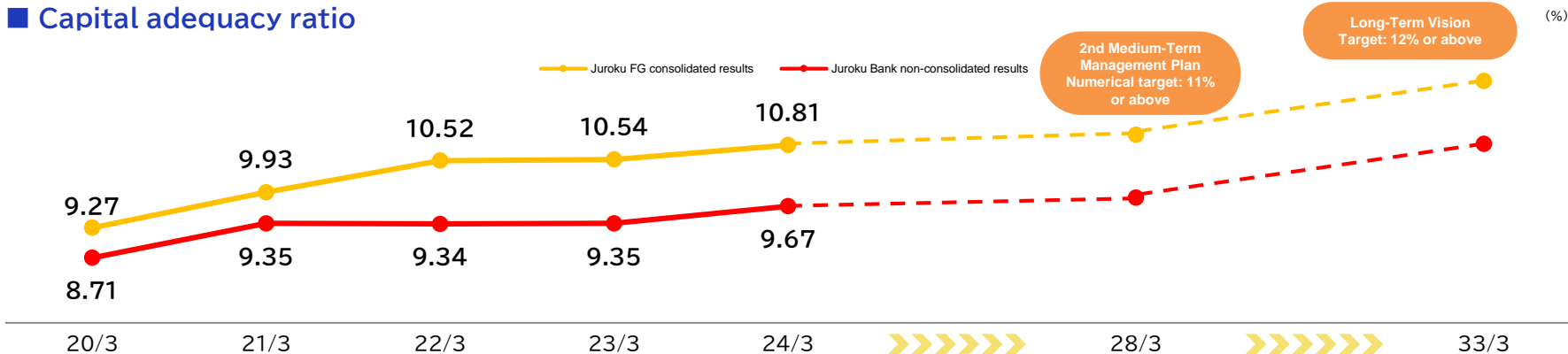


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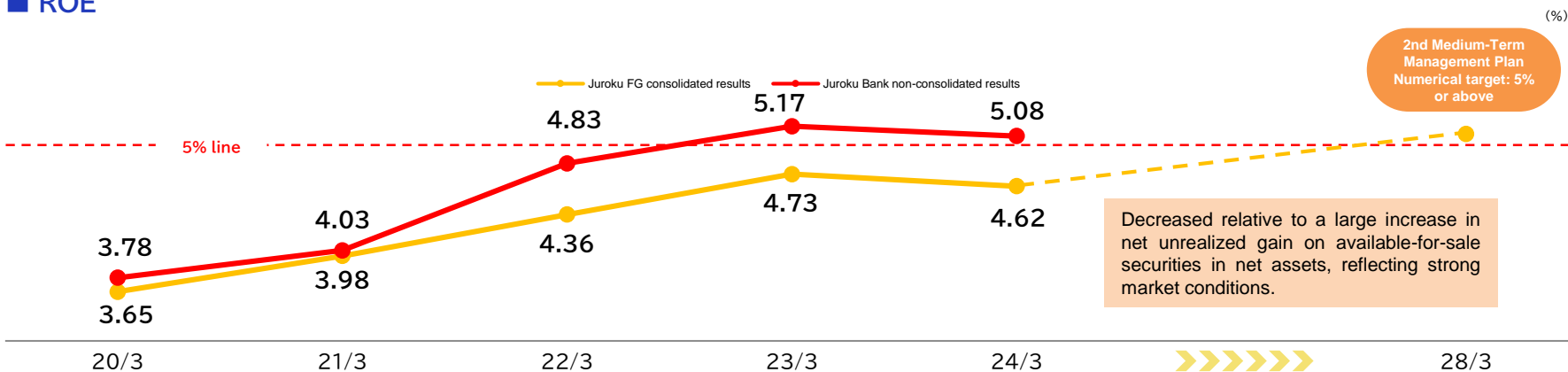
十六フィナンシャルグループ

- ✓ Capital adequacy ratio remained at a healthy level of 10.81% for Juroku FG on a consolidated basis and 9.67% for Juroku Bank on a non-consolidated basis.
- ✓ ROE was 4.62% for Juroku FG on a consolidated basis and 5.08% for Juroku Bank on a non-consolidated basis, due to a large increase in net assets reflecting the strong market.

Capital adequacy ratio



ROE



Cross-shareholdings

Juroku FG
consolidated
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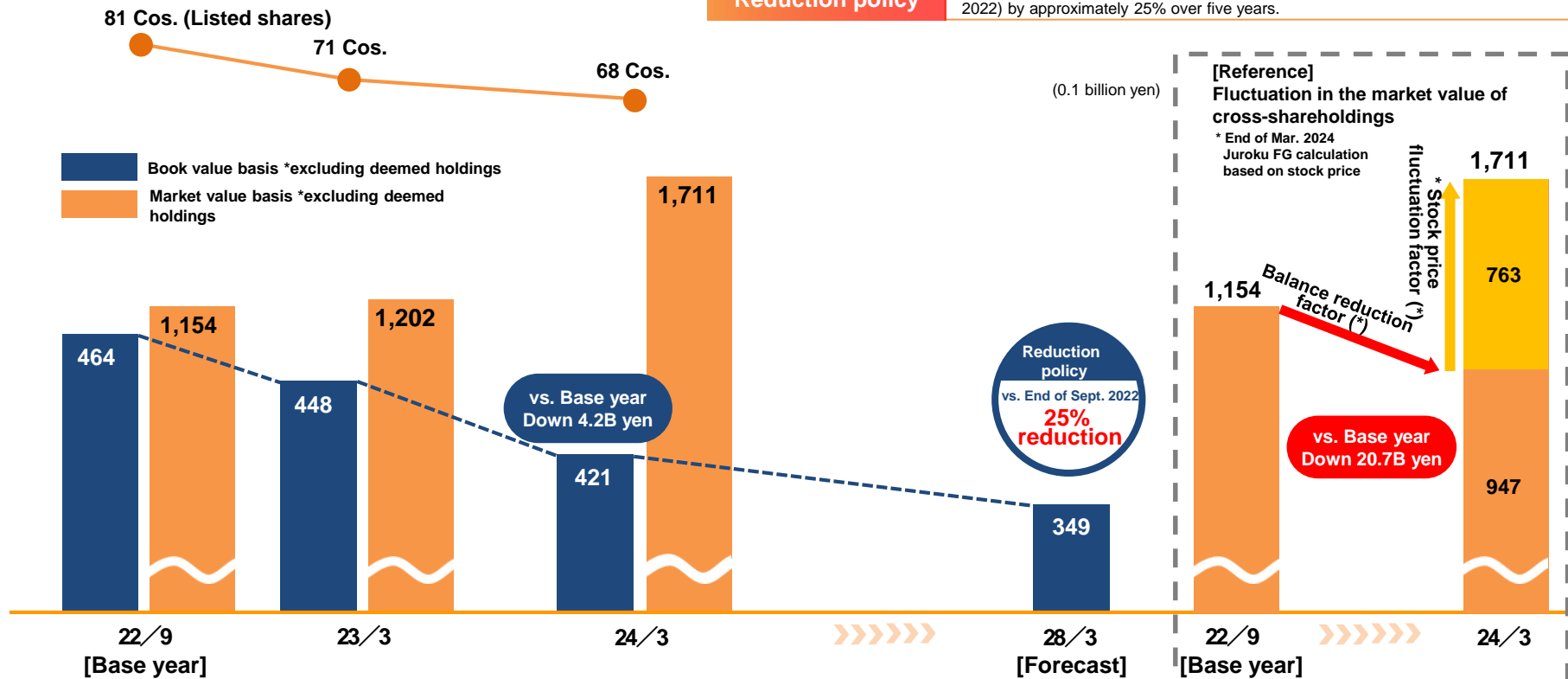
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- ✓ Efforts continue to reduce cross-shareholdings (book value basis) by approximately 25% by the end of Mar. 2028 from the base book-value as of the end of Sept. 2022.
- ✓ Cross-shareholdings (market value basis) have been reduced by 20.7 billion yen since the end of Sept. 2022 amid the increase in market value due to stock price fluctuation factors.

Cross-shareholdings (book value / market value basis)

Reduction policy

Aiming to reduce the book value of cross-shareholdings (as of the end of Sept. 2022) by approximately 25% over five years.



Shareholder Returns

Juroku FG
consolidated
results

Juroku Bank non-
consolidated results



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- ✓ Due to increased dividend, the total payout ratio came to 37.5% and the dividend payout ratio came to 30.1% for FY2023.
- ✓ Acquired treasury stock for the third consecutive fiscal year with the ongoing aim of enhancing shareholder returns

Shareholder return policy

Before change

In terms of profit distribution, Juroku FG's basic policy is to continuously pay stable dividends while striving to further improve its financial robustness amidst diversifying risks surrounding financial transactions. In view of business management conditions and income level, the Group determines details of shareholder returns with the aim of achieving a total payout ratio of at least 25%.

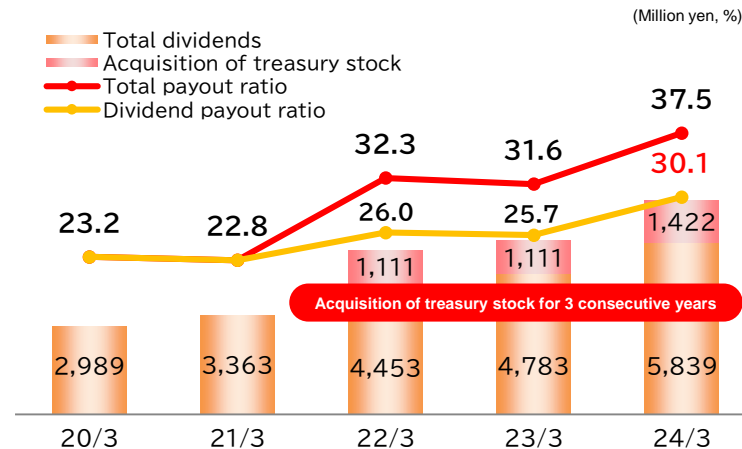
After change (announced Mar. 2024)

In terms of profit distribution, Juroku FG's basic policy is to continuously pay stable dividends while striving to further improve its financial robustness amidst diversifying risks surrounding financial transactions. In view of business management conditions and income level, the Group determines details of shareholder returns with the aim of achieving a dividend payout ratio of at least 30%.

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)	160 yen (70 yen)
Total dividends	2,989 million yen	3,363 million yen	4,453 million yen	4,783 million yen	5,839 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%	37.5%
Dividend payout ratio	23.2%	22.8%	26.0%	25.7%	30.1%

* Paid by Juroku Bank up until the interim dividends for FY2021



Business Projection and Dividend Forecast

Juroku FG
consolidated
results

Juroku Bank non-
consolidated results



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- ✓ Taking into account the future developments in monetary policy and foreign exchange rates, business projection is for earnings to be in line with the previous year based on a conservative estimate of credit costs.
- ✓ Annual dividends for FY2024 are forecast at 160 yen, consisting of interim dividends of 80 yen and year-end dividends of 80 yen.

Business projection

(0.1 billion yen)

Juroku FG consolidated results	2024/3 (Results)	2025/3 (Forecast)	YoY
Consolidated core gross operating profit	733	758	25
Net interest income	528	534	6
Fees and commissions	185	184	-1
Other operating profit (excluding profit/loss on JBGs and other debt securities)	18	40	22
Expenses	441	447	6
Consolidated Core Net Operating Profit	292	311	19
Ordinary profit	279	275	-4
Net income attributable to owners of the parent company	193	190	-3

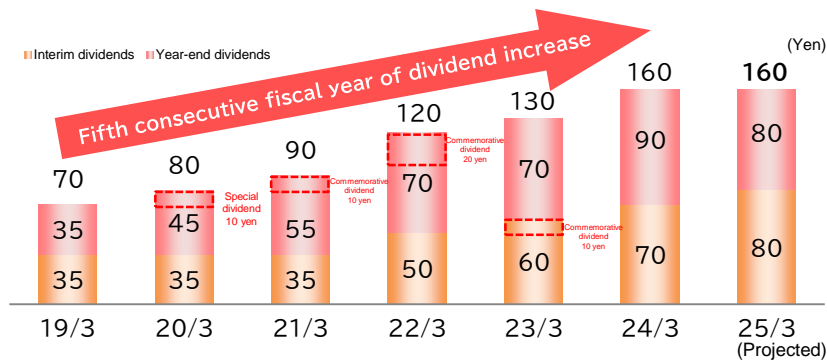
Dividend forecast

	19/3	20/3	21/3	22/3	23/3	24/3	25/3 (Forecast)
Annual dividend	70 yen	80 yen	90 yen	120 yen	130 yen	160 yen	160 yen
Interim	35 yen	35 yen	35 yen	50 yen	60 yen	70 yen	80 yen
Year-end	35 yen	45 yen	55 yen	70 yen	70 yen	90 yen	80 yen

* Paid by Juroku Bank up until the interim dividends for FY2021

(0.1 billion yen)

Juroku Bank non-consolidated results	2024/3 (Results)	2025/3 (Forecast)	YoY
Core net operating profit	268	280	12
Net business profit	125	259	134
Credit costs	5	39	34
Ordinary profit	260	251	-9
Net income	187	180	-7



Agenda

01 | Financial Results for FY2023

02 | Initiatives for
Enhancing Corporate Value

03 | Initiatives for Sustainability

04 | Progress in the 2nd
Medium-Term Management Plan

2021

2023

2024 First Half

2028

2033

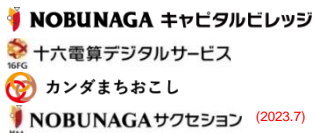
1st Management Plan

Expanding business domain/
enhancing productivity

various industries
(major cases)



New companies
established (since 2018.3)



Taking all possible measures to address the low
interest rate environment

Long-Term Vision “16Vision-10” Staying Ahead of the Curve to Always Serve the Region

2nd Medium-Term Management Plan

4 basic strategies

Transformation strategy

Digitally transform Juroku FG

Human innovation strategy

Reforming awareness and behavior

Customer-first marketing strategy

Addressing various customer issues

Region-producing strategy

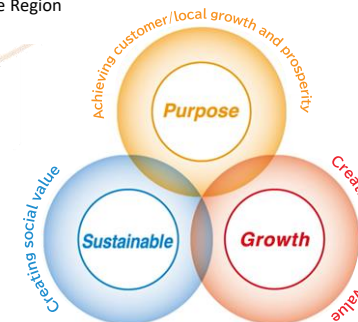
Activities integrated with the community

- Consolidated net income: Over 20 billion yen
- Consolidated ROE: Over 5%
- Consolidated adjusted OHR: 50% level
- Consolidated capital adequacy ratio: Over 11%

Juroku Bank's 150th anniversary

16 Group Energy

Staying Ahead of the Curve to
Always Serve the Region



- Consolidated net income: Over 30 billion yen
- Consolidated capital adequacy ratio: Over 12%
- Sustainability KPIs Achieving FY2030 target

Juroku FG established

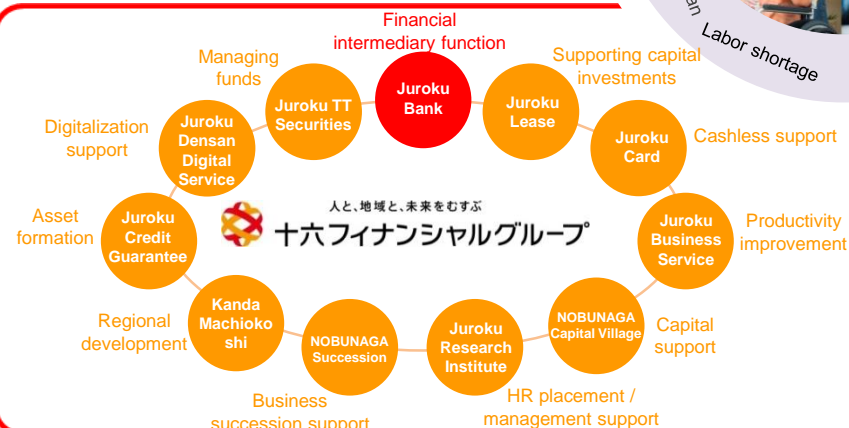
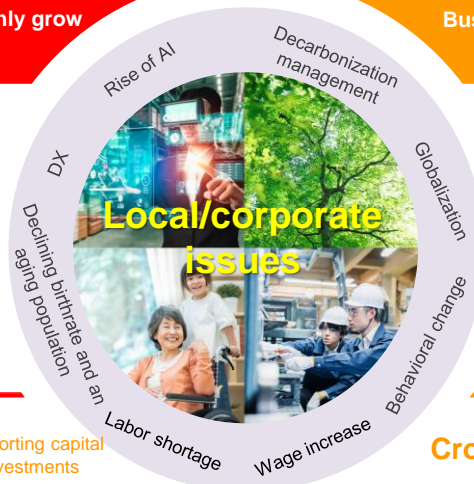
Juroku Financial Group Growth Strategy

Businesses that have a competitive advantage and can only grow within our Group

Businesses that are expected to be in increasing demand by the local community

Focused allocation of management resources
(Perform comprehensive financial service functions)

Cross-industry collaboration / joint ventures



Cross-industry collaborations (major cases)

Securities



Digitalization



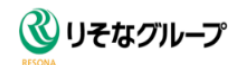
DX



Business succession

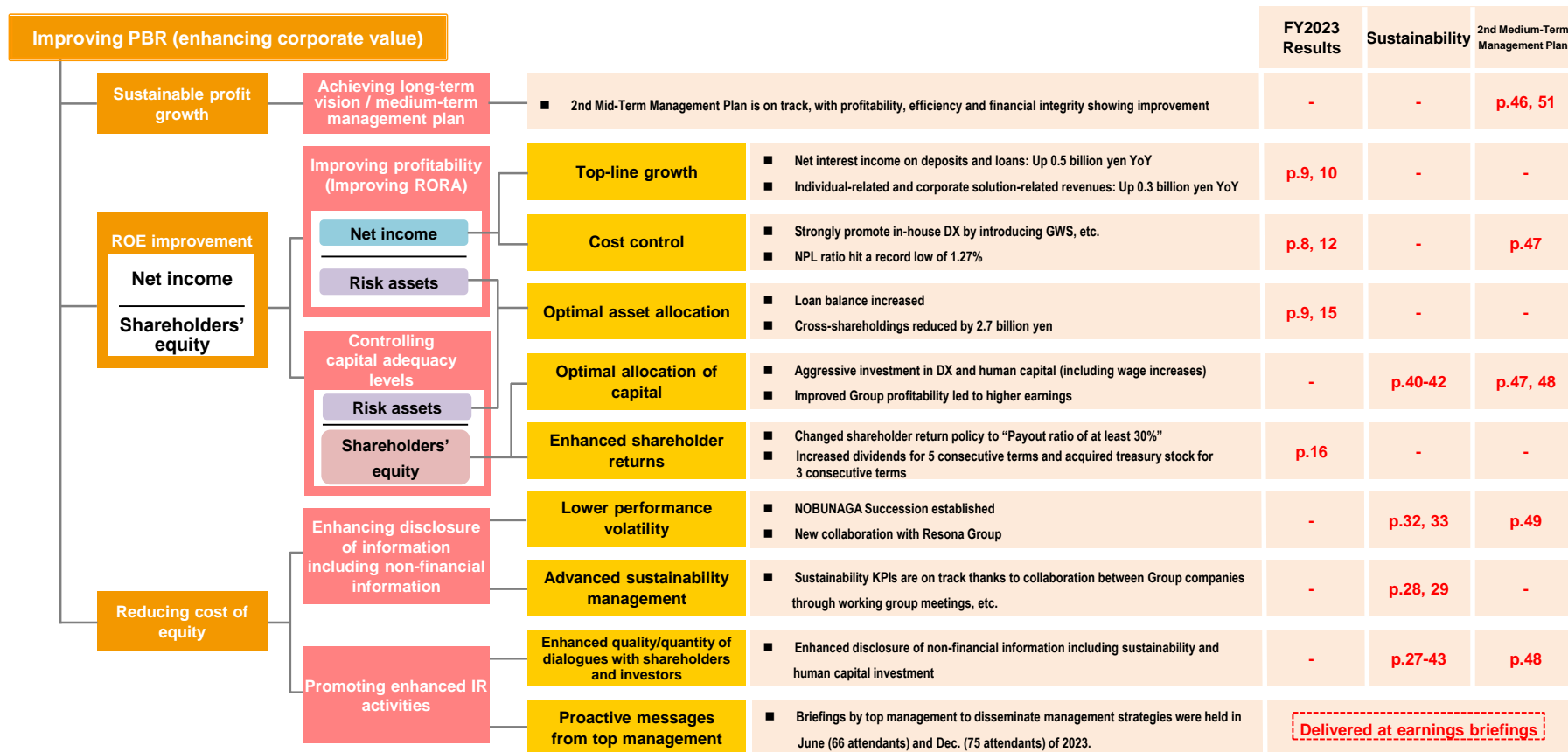


Retail



Actions to Implement Management Conscious of Cost of Capital and Share Price

✓ Implementing initiatives to improve PBR that lead to sustainable profit growth, higher ROE and reduction of cost of equity based on the logic tree.

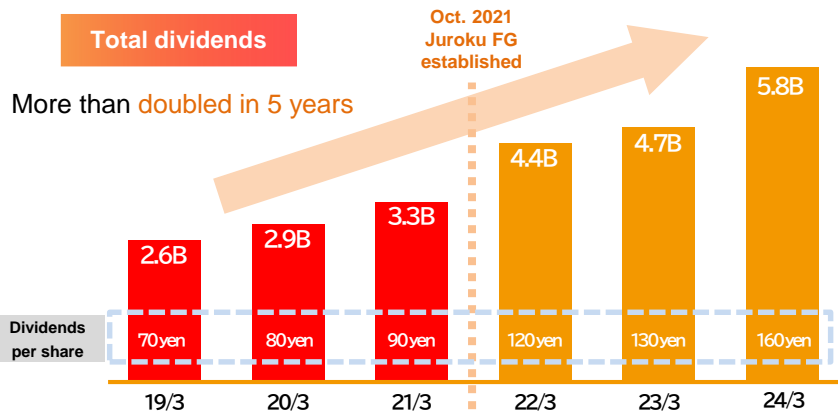


Actions to Implement Management Conscious of Cost of Capital and Share Price

- ✓ Total dividends have more than doubled over the past five years, while the number of shareholders has steadily increased.
- ✓ The number of shares held by financial institutions and other entities has plummeted compared to FY2018, while the number of shares held by individuals and others has increased.

Total dividends

More than doubled in 5 years



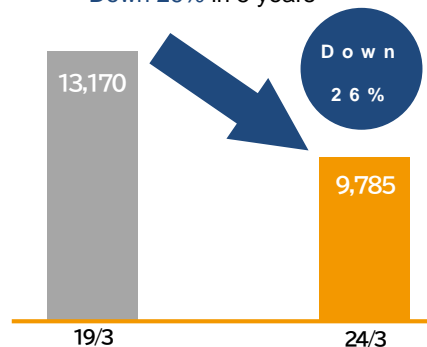
No. of shares held by shareholder type

(Unit: thousand shares)

	19/3	20/3	21/3	22/3	23/3	24/3
Financial institutions, etc.	13,170	13,326	12,262	11,599	10,512	9,785
Business corporations	10,969	11,199	11,288	11,384	11,289	11,085
Foreign corporations	4,956	4,187	4,926	4,505	5,005	6,349
Individuals, etc.	8,260	8,654	8,894	9,431	9,773	9,274

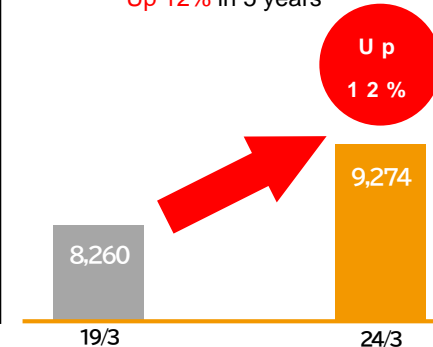
Financial institutions, etc.

No. of shares held by financial institutions, etc.:
Down 26% in 5 years



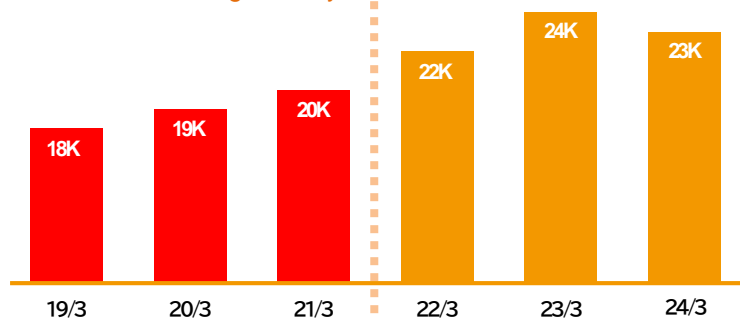
Individuals, etc.

No. of shares held by individuals, etc.:
Up 12% in 5 years



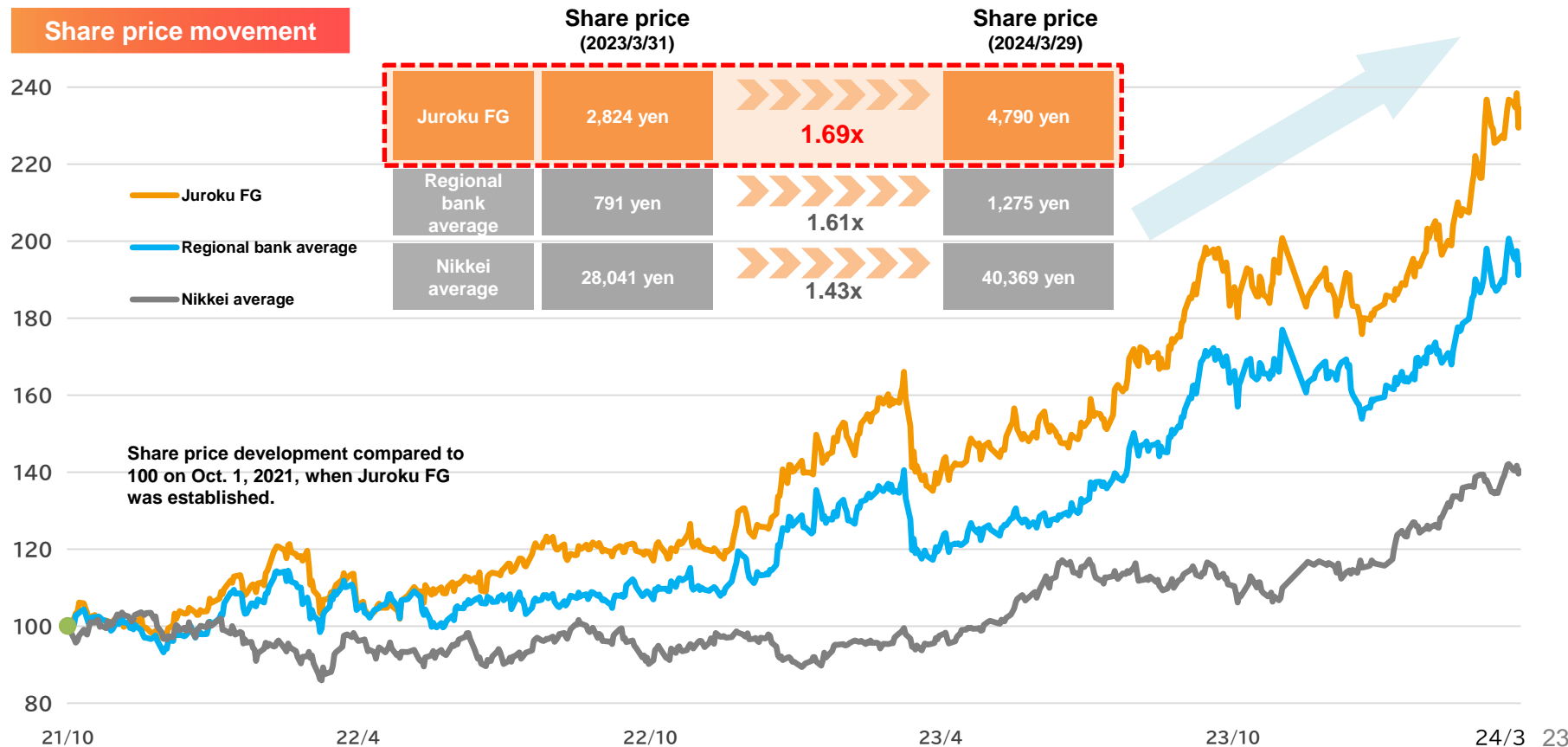
No. of shareholders

No. of shareholders is rising steadily



Actions to Implement Management Conscious of Cost of Capital and Share Price

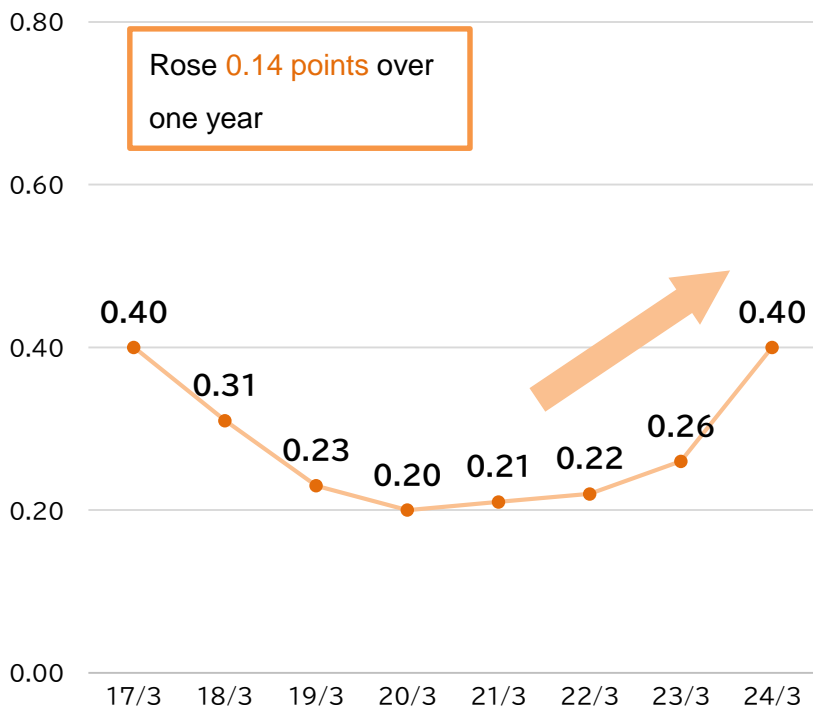
- ✓ In recognition of our Group's efforts, our share price has risen 2.4 times since the Oct. 1, 2021 inception to 4,790 yen and market capitalization stood at 181.6 billion yen as of Mar. 31, 2024.



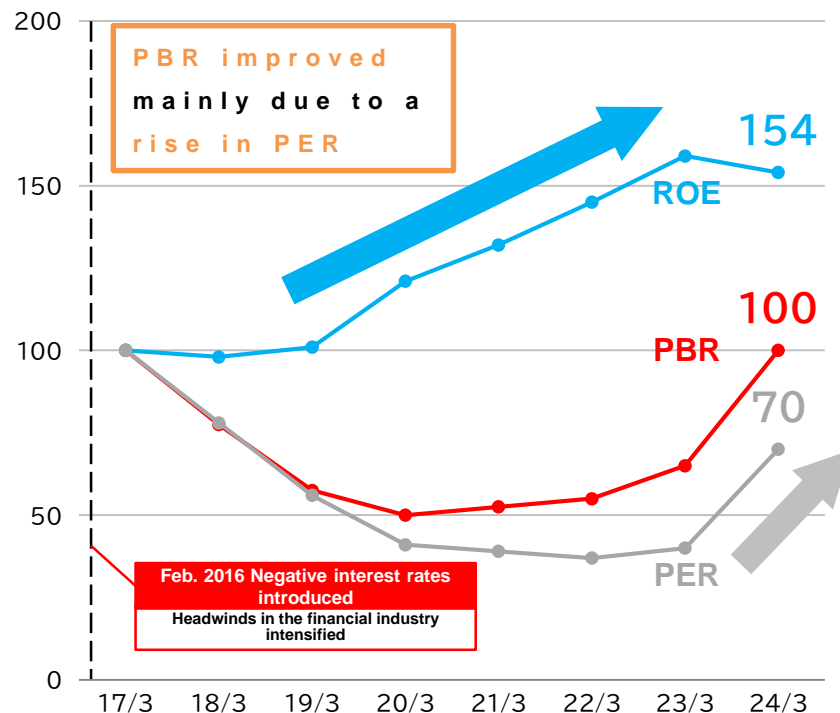
Actions to Implement Management Conscious of Cost of Capital and Share Price

- ✓ PBR rose 0.14 points over one year.
- ✓ In addition to the recent improvement in ROE, the PBR increased significantly in FY2023 due to a rise in PER.

PBR movement



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

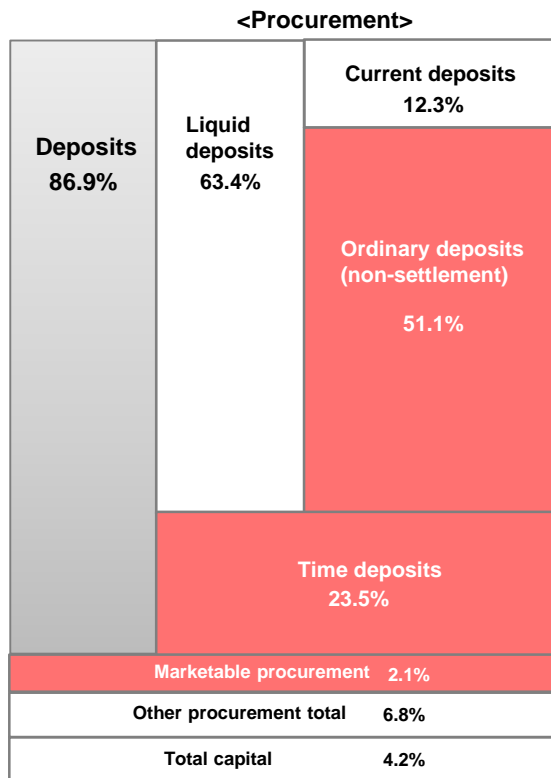
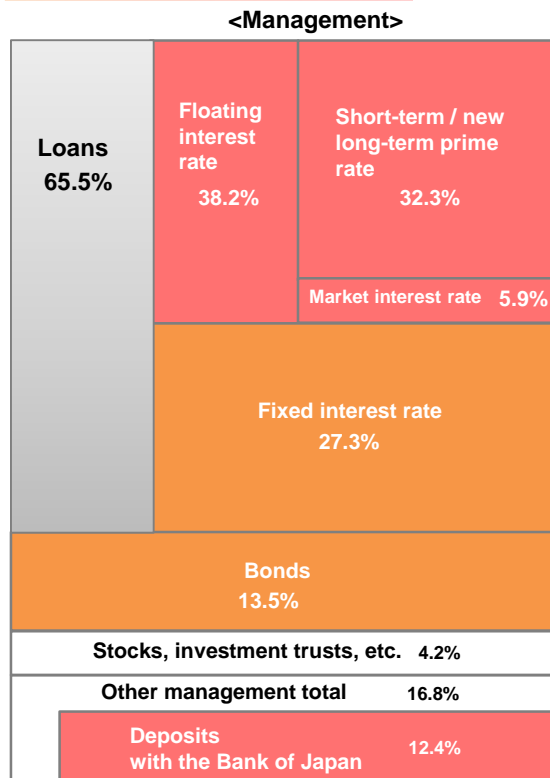


Actions to Implement Management Conscious of Cost of Capital and Share Price

- ✓ Loans affected by the rise in long-term interest rates: Fixed-rate loans totaling approx. 2 trillion yen
- ✓ Loans affected by the rise in short-term interest rates: Short-term / new long-term prime rate loans and market-rate loans totaling approx. 2.8 trillion yen

Yen balance sheet composition

Total assets Approx. 7.4 trillion yen
(as of end of Mar. 2024)



Loan and deposit balances affected by the rise in yen interest rates

Impact of changes in long-term interest rates

Management side

Loans Approx. 2.0 trillion yen

Impact of changes in short-term interest rates

Management side

Loans Approx. 2.8 trillion yen

Procurement side

Deposits Approx. 5.4 trillion yen

- Affected by the rise in long-term interest rates
- Affected by the rise in short-term interest rates

Agenda

01 | Financial Results for FY2023

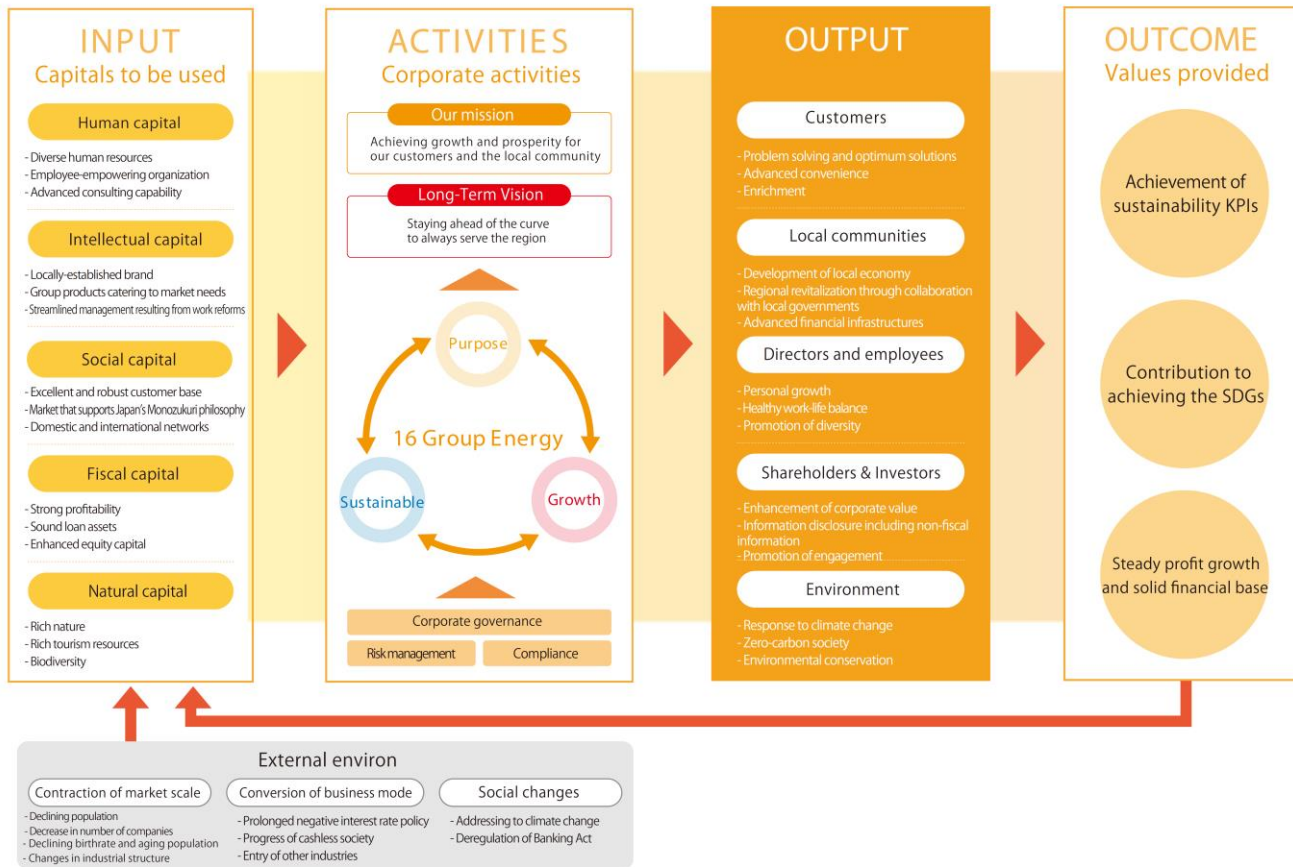
02 | Initiatives for
Enhancing Corporate Value

03 | Initiatives for Sustainability

04 | Progress in the 2nd
Medium-Term Management Plan

Value-Creation Process

✓ Delivering value to all stakeholders through corporate activities in order to realize sustainability



Initiatives for Key Challenges (Materiality)

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

		Key challenges	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 the 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 digitalization 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	Mar. 2024 results (progress rate (*2))	
Revitalization of the local economy	Sustainable finances provided (of which, environment field)	2,000 billion yen (800 billion yen)	(^{*1}) 459.4 billion yen (170.4 billion yen)	22.9% (21.3%)
	Balance of group assets in custody	550 billion yen	463.7 billion yen	84.3%
Sustainable Development of the Local Community	Social impact investment	2 billion yen	(^{*1}) 0.37 billion yen	18.5%
	DX-support consultations	3,000 cases	(^{*1}) 403 cases	13.4%
Environmental conservation and climate change actions	CO ₂ emissions (vs. FY2013)	100% reduction	42.7% reduction	42.7%
	Paper use (vs. FY2019 level)	50% reduction	33.5% reduction	67.0%
Empowerment of diverse human resources	Percentage of female managers	20%	9.1%	45.5%
	Percentage of paid leave claimed	80%	54.7%	68.3%

On-going targets

Advanced governance Advanced	Initial response training for emergency preparedness	At least twice a year	8	400%
	Dialogue with investors	At least 10 times a year	30	300%

(^{*1}) Cumulative total from Apr. 2022

(^{*2}) Progress rate is calculated based on "Mar. 2024 results / FY2030 target."

～VISION～ and Key Challenges

✓ We are focusing on priority items of the five key challenges (materiality).

Targets by FY2030

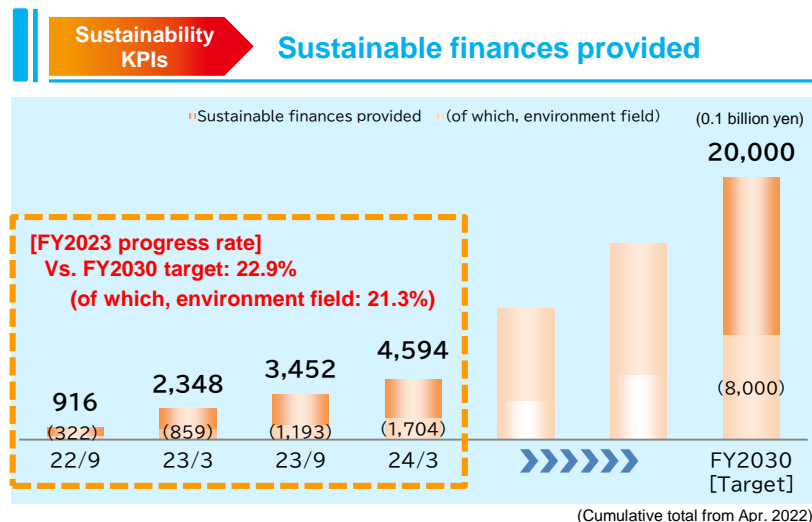
Key challenges	～VISION～	Priority items
Revitalization of the local economy	Provide a wide range of financial services to help grow local businesses and revitalize the local economy	<ul style="list-style-type: none"> Local VC and CVC investment Management succession consultation Asset formation support Sustainable finance HR placement Balance of group assets in custody
Sustainable Development of the Local Community	Use local resources to create comfortable and attractive towns, and promote digitalization of the local community	<ul style="list-style-type: none"> Local revitalization initiatives Social impact investment Payment settlement solutions Sustainable tourism development DX-support consultations Cashless support
Environmental conservation and climate change actions	Work to reduce the environmental impact and help local companies achieve carbon neutrality in order to build a decarbonized society	<ul style="list-style-type: none"> Decarbonization support for local companies reduction Paper use reduction CO2 emission Conversion of sales fleet to HV/EVs
Empowerment of diverse human resources	Promote diversity and work style reform to create a workplace that empowers diverse human resources	<ul style="list-style-type: none"> Development of female managers Promoting parental leave for men Encouraging workers to claim paid leave Development of IT / DX human resources

On-going targets

Advanced governance	Advancing governance and disclosing information appropriately to establish a transparent management structure	<ul style="list-style-type: none"> Third-party involvement in assessing the effectiveness of the Board of Directors Third-party involvement in assessing the advancement of the internal auditing system Initial response training for emergency preparedness Dialogue with investors
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Materiality: Revitalization of the Local Economy

- ✓ Sustainable finances totaled 459.4 billion yen as of the end of FY2023, achieving 22.9% of the FY2030 target.
- ✓ The balance of group assets in custody as of the end of FY2023 reached 463.7 billion yen, achieving 84.3% of the FY2030 target.

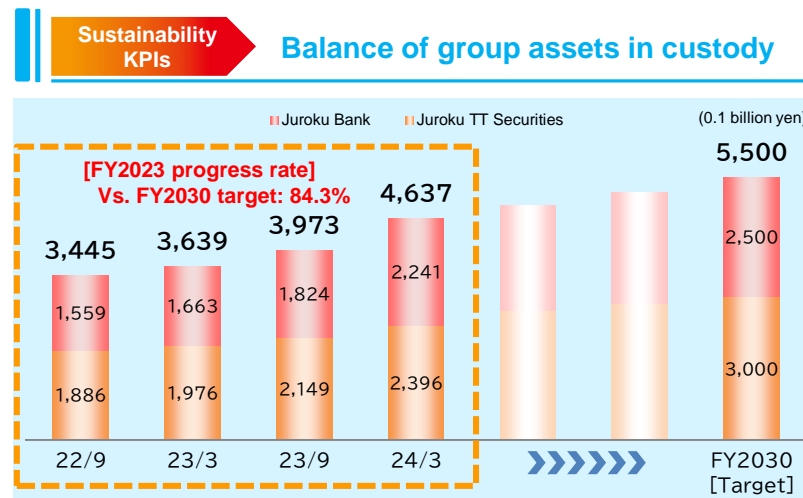


[Definition]

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 459.4 billion yen (of which, 170.4 billion yen in environment field) as of the end of Mar. 2024, achieving 22.9% (of which, environment field: 21.3%) of the FY2030 target
- 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.



[Definition]

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

- The balance of our group assets in custody reached 463.7 billion yen as of the end of Mar. 2024, achieving 84.3% of the FY2030 target.
- Of the total, Juroku Bank accounted for 224.1 billion yen (approx. 48%) and Juroku TT Securities 239.6 billion yen (approx. 52%).
- For stable asset formation support, Juroku Bank focused on expanding the investment trust savings plan optimal for long-term, periodic and diversified investment.
- Recurring fee income, including trust fees, rose in line with the increase in assets in custody.

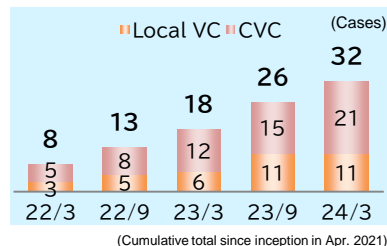
Materiality: Revitalization of the Local Economy

- ✓ **NOBUNAGA Capital Village** is accelerating investment in companies that have synergies with the local economy/finance and in companies capable of co-creating new businesses.
- ✓ **NOBUNAGA Succession** has concluded 33 advisory contracts for management succession consulting since the July 2023 launch of operations.

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.
- It is accelerating investment in companies that have synergies with the local economy/finance and in companies capable of co-creating new businesses.



<Start-up support by NOBUNAGA Capital Village>

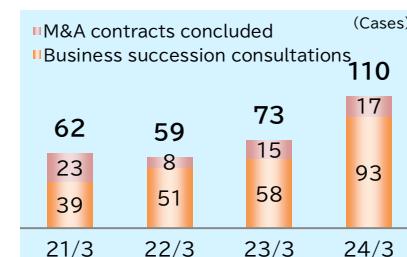
- In preparation for the opening of STATION Ai (the largest incubator facility in Japan) in Oct. 2024, consultation sessions and other events are being held at the facility three times a month from Oct. 2023 to strengthen contacts with promising startups that gather in Aichi Prefecture from all over Japan.
- A social event aimed at fostering women entrepreneurs was held in Feb. 2024.
- Attendants shared tips on balancing work and childcare, entrepreneurial know-how, etc. and exchanged information on women's perspectives and ideas that can lead to business opportunities.



Management succession consulting

[Juroku Bank / NOBUNAGA Succession] Solution activity

- To address pressing and important local issues such as the absence of a successor, the management succession support office of Juroku Bank and specialist members of NOBUNAGA Succession provide the best solutions through repeated dialogues with business owners.



<NOBUNAGA Succession's activities>

- The number of consultations since the business launch in July 2023 has risen steadily due to intra-group collaboration, etc.
- Seven contracts have been signed with 4 clients
- To contribute to the promotion of SMEs by supporting business succession, we signed agreements with the Gifu City Credit Guarantee Association in Sep. 2023, the Nagoya City Credit Guarantee Association in Dec. 2023, the Yamagata City of Gifu Prefecture and Yamagata City Chamber of Commerce and Industry in Feb. 2024.

No. of consultations	554
(Of which, M&A)	330
(Of which, advisory agreements)	33

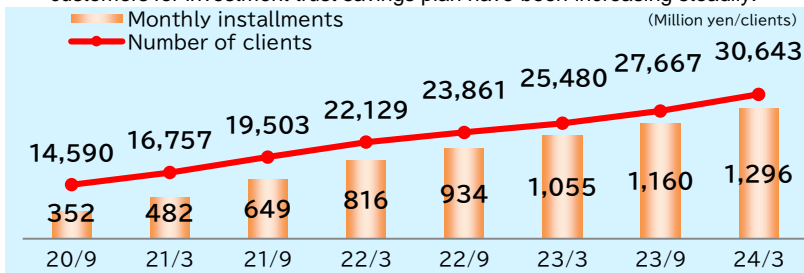


Materiality: Revitalization of the Local Economy

- ✓ In the area of asset formation support, we have focused on expanding investment trust savings plans, resulting in steady growth in monthly savings and customer numbers. We are also actively conducting financial literacy activities.
- ✓ In Feb. 2024, we started collaboration with Resona Group to strengthen the retail segment with plans to release a fund wrap and a banking application.

Asset formation support

- For customers' stable asset formulation, we have focused on expanding investment trust savings plans optimal for long-term, periodic, and diversified investment. As a result, the amount of monthly savings and the number of customers for investment trust savings plan have been increasing steadily.



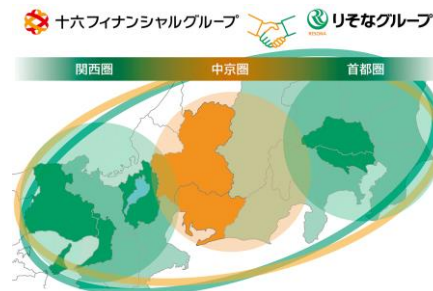
- We held a seminar based on Juroku MONEY COLLEGE, a systematic financial education menu aimed at increasing financial literacy.
- In Oct. 2023, we produced Nobunaga Money Study, a financial board game, with the aim of providing upper grade elementary school students with an opportunity to learn about finance and their hometown while having fun.

Education activity (As of end of Mar. 2024)	Sessions held to date	No. of attendants to date
Juroku MONEY COLLEGE	51	7,136
Nobunaga Money Study	7	504



New collaboration with Resona Group

- In Feb. 2024, we launched strategic business alliance with Resona HD in the retail segment.
- By utilizing the products and services of Resona Group, which has superior solutions, our Group will provide customers in the Chukyo region, our business area, with products and services that were previously unavailable in this region.
- We will continue to deepen the core business of Juroku Bank, the core company of our Group.



Planned release

Fall 2024 Fund wrap

Asset formation layer

Target Segregation

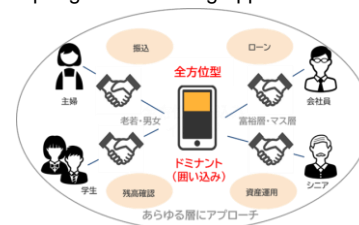
Affluent class

Risona Fund Wrap



Planned release

Spring 2025 Banking app



Materiality: Sustainable Development of the Local Community

- ✓ The number of partner municipalities for CoLoRs, a hometown tax donation matching service for companies, has grown significantly to 34, resulting in a surge in donations.
- ✓ In May 2024, we signed an agreement with Shirakawa Village in Gifu Prefecture, home to the Shirakawa-go World Heritage Site, to support financial resource development for regional revitalization.

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 municipalities for the hometown tax donation matching service for companies.

Target to achieve by FY2030	2.0 billion yen
FY2023 results	0.37 billion yen (Progress rate: 18.5%)

[Kanda Machiokoshi] Local crowdfunding platform OCOS

- Local crowdfunding platform OCOS, launched in Sept. 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 Mar. 2024)	
No. of projects posted	59
No. of purchases made	4,435
Total amount of purchases	59.29 million

[Kanda Machiokoshi] Hometown tax donation matching service for companies

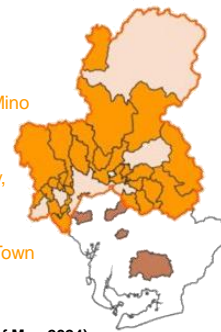
- The number of partner municipalities for the hometown tax donation matching service for companies, outsourced from Gifu Prefecture in Oct. 2023, has risen to 34.
- The number of donations using CoLoRs reached 104 as of the end of Apr. 2024, amounting to 79.30 million yen.

Cumulative total (as of Apr. 2024)	
Partner municipalities	34
No. of donations	104
Amount of donations	79.30 million

<CoLoRs partner municipalities>

Partnered with 34 municipalities in Gifu and Aichi Prefectures

- Gifu Prefecture
 - Within Gifu Prefecture (cities, towns, villages)
 - Shirakawa Village, Gero City, Ena City, Kasamatsu Town, Mino City, Toki City, Yaotsu Town, Yoro Town, Ikeda Town, Nakatsugawa City, Mizunami City, Anpachi Town, Ibigawa Town, Ono Town, Sekigahara Town, Yamagata City, Wanouchi Town, Tarui Town, Kitagata Town, Seki City, Tajimi City, Kawabe Town, Godo Town, Mizuho City, Minokamo City, Kaizu City, Motosu City, Gujo City, Mitake Town
 - Within Aichi Prefecture (cities, towns, villages)
 - Okazaki City, Kasugai City, Nisshin City, Inazawa City



(As of May 2024)

[Kanda Machiokoshi] "Comprehensive Cooperation Agreement for Regional Revitalization" with Shirakawa Village

- In May 2024, we signed "Comprehensive Cooperation Agreement for Regional Revitalization" with Shirakawa Village in Gifu Prefecture.
- Shirakawa Village, home to the Shirakawa-go World Heritage Site, plans to invest in the development of a sustainable village by attracting businesses, creating industries, and taking measures for overtourism.

- Kanda Machiokoshi supports development of financial resources necessary for these projects through the hometown tax donation matching support business for companies and other services.

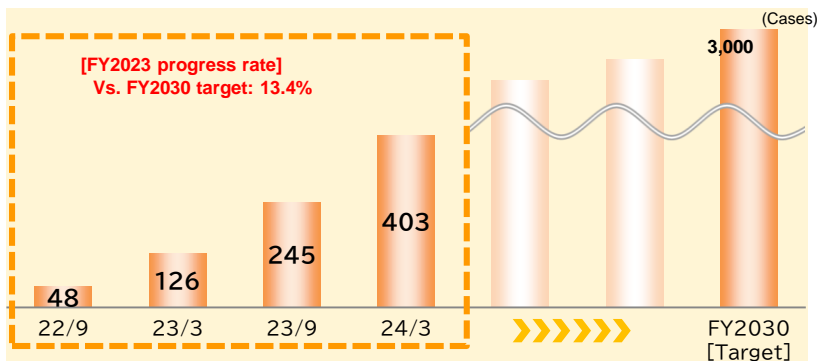


Materiality: Sustainable Development of the Local Community

- ✓ In FY2023, Juroku Densan Digital Services received 277 orders for business streamlining and other projects, contributing to the digital transformation of local companies.
- ✓ Through Group collaboration, Juroku Lease began co-creating businesses with a start-up company in May 2024 to revitalize the region.

Sustainability KPIs

DX-support consultations



(Cumulative total from Apr. 2022)

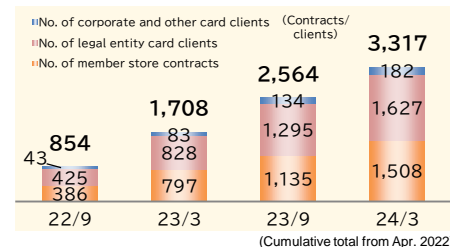
- Juroku Densan Digital Services received 277 orders in FY2023 through referrals from Group companies and external collaborations.

Breakdown of DX support consultations (FY2023)

Business streamlining	78	Sales force strengthening	13
Infrastructure	38	Sales inventory control	7
Time and attendance management	36	Accounting	5
Sales channel expansion	10	Information security	5
Payroll	13	Other	72

Cashless support

- 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



Local revitalization initiatives

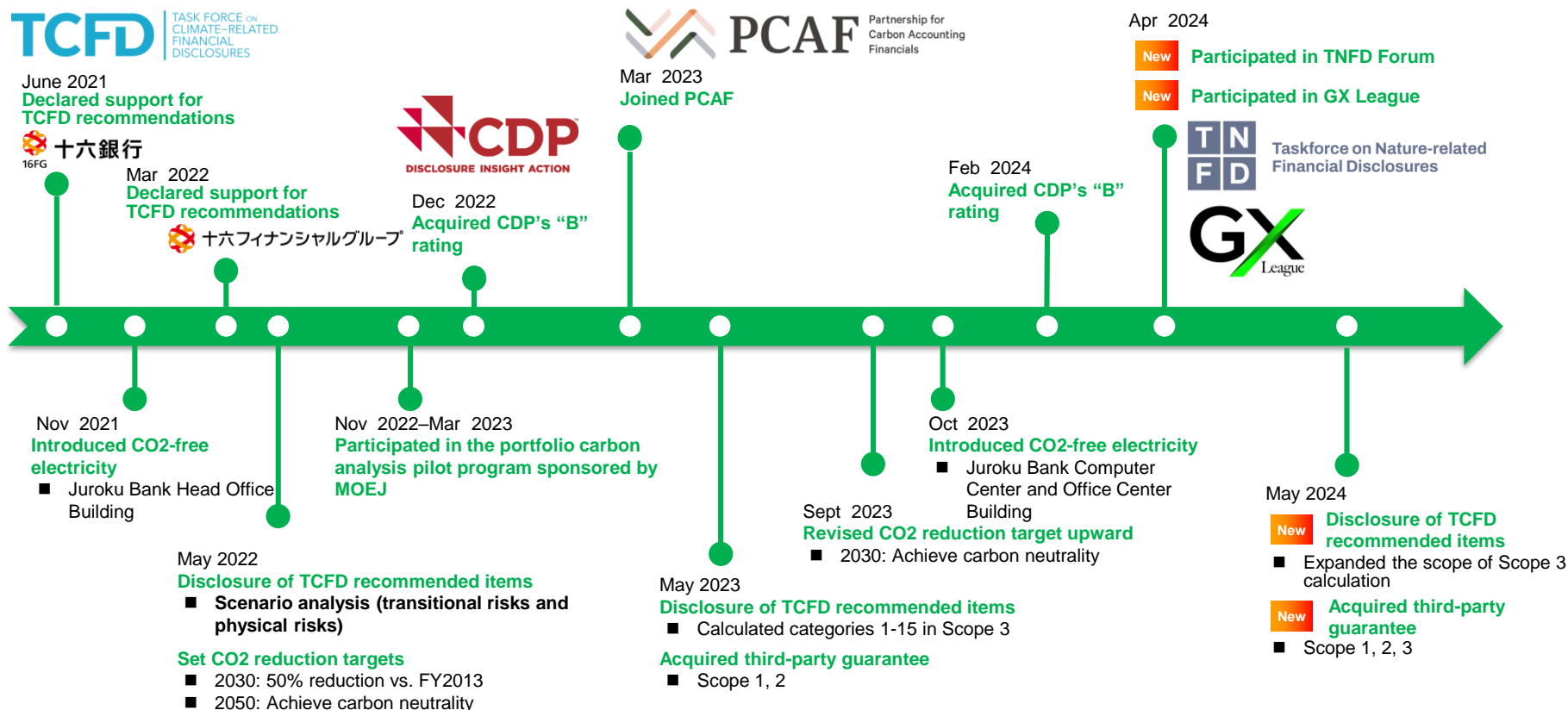
[Juroku Lease] [NOBUNAGA Capital Village] Collaboration cases

- In May 2024, Juroku Lease started co-creating businesses with YADOKARI, a company that provides services using trailer homes (operating assets), in which NOBUNAGA Capital Village invested through CVC.
- The use of trailer home has proved effective in business continuity plans and in promoting new local attractions as a way to provide overnight accommodations in areas with no lodging facilities, as a demonstration store with low initial costs, and as a facility during disasters.



Materiality: Environmental Conservation and Climate Change Actions

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

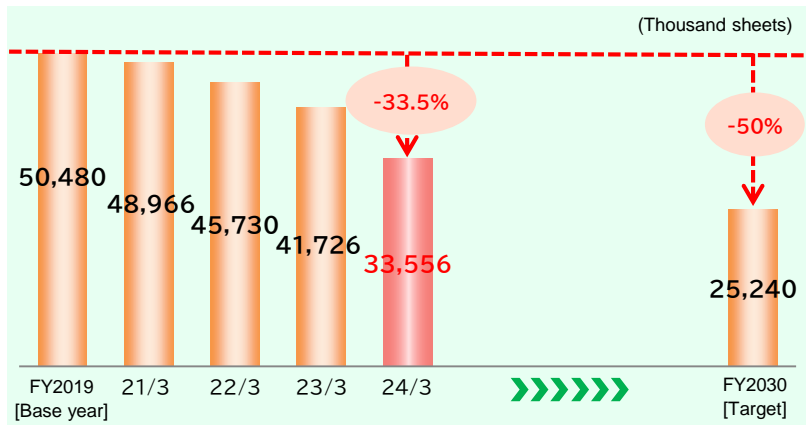


Materiality: Environmental Conservation and Climate Change Actions

- ✓ Paper usage was reduced by 33.5% compared to FY2019, due to the introduction of lot scanners and digitalized operation using Google Workspace (GWS).
- ✓ The share of HV/EVs in the total sales fleet has increased to 12.6% as of Mar. 2024.

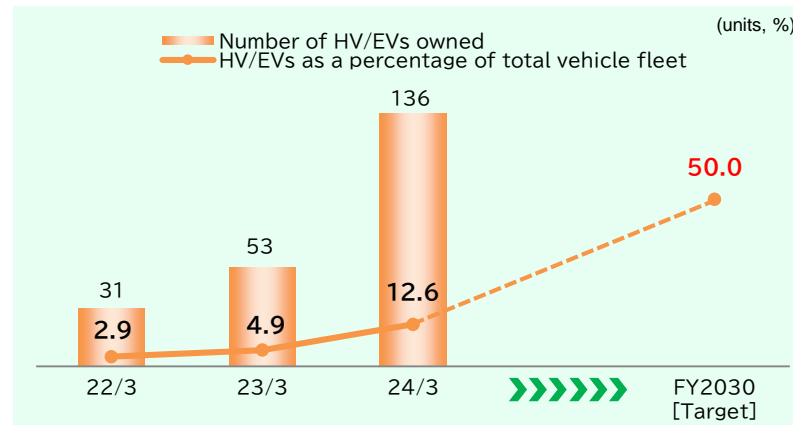
Sustainability KPIs

Paper use (vs. FY2019 level)



- Reduced photocopying of financial statements and repetition of operational contents by introducing lot scanners
- Digitalized operations by introducing Google Workspace (GWS)
- Migrated various management books, handover materials, etc. to GWS due to abolition of faxes
- Reduced paper use by 33.5% in FY2023 compared to FY2019 (base year)

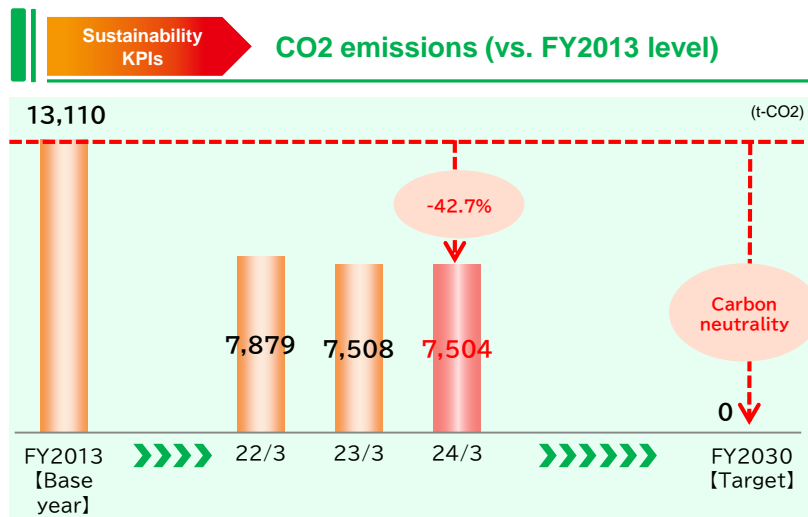
Conversion of sales fleet to HV/EVs



- Started using Corolla HV, Yaris HV, Alto HV, etc. in Oct. 2022
- Replaced 83 gasoline vehicles with HV/EVs in FY2023 with the aim of achieving 50% HV/EVs in our sales fleet by FY2030
- After about 18 months of full-scale EV/HV introduction, the number of HV/EVs was 136 in Mar. 2024, increasing to 12.6% of the total 1,073 vehicles owned.

Materiality: Environmental Conservation and Climate Change Actions

- ✓ As of Mar. 2024, CO2 emissions (Scope 1 and 2) have been reduced by 42.7% from FY2013 levels, and we are on track to achieve carbon neutrality by FY2030.



- The target of "reducing CO2 emissions by 50% from FY2013 levels by FY2030" was moved up in Sept. 2023 to "achieve carbon neutrality in FY2030."
- CO2 emissions (Scope 1 and 2) as of Mar. 2023 were reduced by 42.7% compared to FY2013 (base year) due to the introduction of CO2-free electricity in the Computer Center and Office Center Building in Oct. 2023.
- Upgrades of building air conditioning systems and LED conversions are ongoing.

Metrics and targets

CO2 emissions

Our Group calculates its supply chain emissions (scope 3) in addition to its own CO2 emissions (scope 1 and 2).

Measured items			CO2 emissions (t-CO2) (Preliminary results)
Scope 1		Direct emissions	1,351
Scope 2		Indirect emissions	6,153
Scope 3	Category 1	Purchased goods and services	14,761
	Category 2	Capital goods	7,199
	Category 3	Fuel- and energy-related activities not included in Scope 1 and 2	1,468
	Category 4	Upstream transportation and distribution	1,857
	Category 5	Waste generated in operations	50
	Category 6	Business travel	236
	Category 7	Employee commuting	2,940
	Category 13	Downstream leased assets	428
	Category 15	Investment (listed stocks and corporate bonds)	353,201
	Investment (business loans)	3,153,964	

For the emissions of the investees/borrowers (Scope 3, category 15), calculations are based on the PCAF standard measurement method. In addition to business loans, calculations for listed stocks and corporate bonds started in FY2023.

Materiality: Environmental Conservation and Climate Change Actions



人と、地域と、未来をむすぶ

十六フィナンシャルグループ

- ✓ With an expanded menu of decarbonization support and enhanced decarbonization advisory services, the number of companies we help calculate their GHG emissions and set reduction targets has grown significantly.
- ✓ In Mar. 2024, in recognition of these efforts, we received the “Minister of the Environment Award for Best Practices (Regional Category)” under the Principles for Financial Action for the 21st Century.

Decarbonization support for local companies

[Juroku Bank] Decarbonization management support for business partners

- We actively support local companies in calculating their GHG emissions and setting reduction targets, and our decarbonization consulting service, Carbon Neutral Navigator Supported by WasteBox, has handled over 200 cases in total.
- The number of companies obtaining “SBT certification” through the decarbonization consulting service has risen significantly.

No. of orders	FY2021	FY2022	FY2023
Carbon Neutral Navigator	47	91	79
SBT certification support	2	43	109

* SBTs (Science Based Targets) are mid- to long-term GHG emission reduction targets for companies that are consistent with the levels required by the Paris Agreement and that commit to a certain level of reduction compared to a base year set by the company.

- In Aug. 2023, we launched TriaNet Zero, a system that continuously and accurately calculates GHG emissions, to support creation of a climate transition plan and emissions reduction implementation.

Number of TriaNet Zero contracts (FY2023)	161
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- In Mar. 2024, we launched carbon offset certification support and strengthened consulting for calculating and offsetting GHG emissions for products manufactured and sold by our customers.

<Principles for Financial Action for the 21st Century>

Received the “FY2023 Minister of the Environment Award (Regional Category)”

- In recognition of these efforts, we received the “Fiscal 2023 Minister of the Environment Award for Best Practices (Regional Category)” under the Principles for Financial Action for the 21st Century in Mar. 2024.



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

- As the first carbon neutral program by a regional bank-affiliated lease company, Juroku Lease provides one-stop support for visualizing “CO2 emissions ⇒ reducing CO2 emissions through energy conservation, energy generation and fuel conversion ⇒ offsetting CO2 emissions that cannot be reduced.”
- Started participating in the Tokyo Stock Exchange Carbon Credit Market in Dec. 2023

Participation in TNFD Forum and GX League

- In Apr. 2024, we supported the efforts of the Taskforce on Nature-related Financial Disclosures (TNFD) and participated in the TNFD Forum.
- In Apr. 2024, we supported the Ministry of Economy, Trade and Industry's basic concept of the GX (Green Transformation) League and participated in the GX League, which aims to achieve carbon neutrality through industry, government, academia, and financial institutions.

New



Taskforce on Nature-related
Financial Disclosures

New



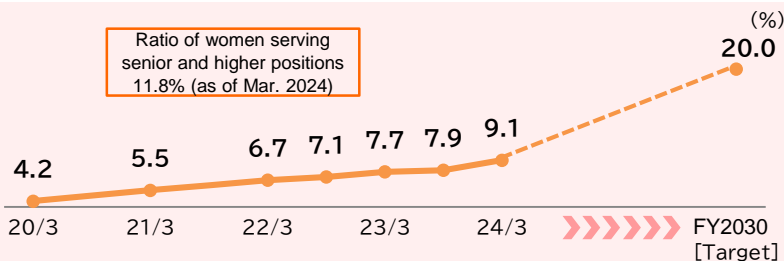
Materiality: Empowerment of diverse human resources

- ✓ The ratio of female managers rose 1.4 percentage points YoY to 9.1% in FY2023.
- ✓ The paid leave utilization rate was 54.7% in FY2023 as a result of work-life balance promotion.

Sustainability KPIs

Percentage of female managers

- Actively promoted women to management positions, raising the ratio of female managers to 9.1%.
- Implemented systematic human resources development for female senior managers who are expected to be promoted to senior management positions in the future.
- Plans are to appoint a female employee who started her career at our company to the position of Director and Executive Officer (the first at a regional financial institution in the Tokai region) as of June 20, 2024.



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

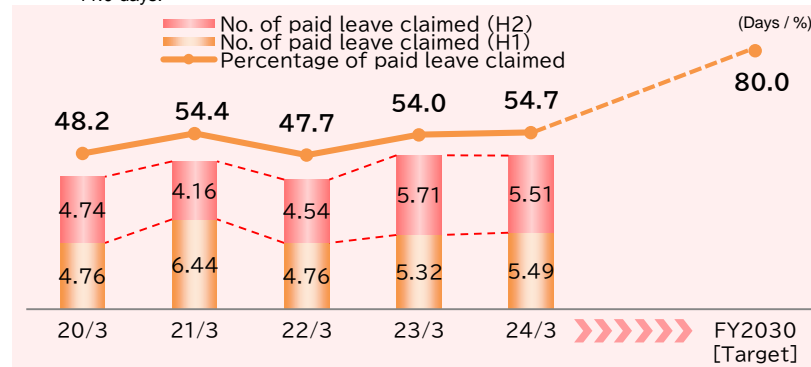
(As of end of Mar. 2024)

	No. of successful applicants	During FY2023
IT Passport Exam	1,031	351
Advanced digital-related qualifications	147	62

Sustainability KPIs

Percentage of paid leave claimed

- Aiming for an 80% paid leave utilization rate as part of work style reform initiatives to achieve a good work-life balance.
- In FY2023, the paid leave utilization rate was 54.7%, and the number of days taken was 11.0 days.



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.

Materiality: Empowerment of diverse human resources

- ✓ With a focus on securing excellent human resources to implement human capital management, we plan to hire 150 new graduates in FY2025.
- ✓ As part of our efforts to improve engagement, we have decided to increase starting pay for the second year in a row and implement wage increases.

Human capital investment

<New graduate recruitment activity>

- We plan to hire 150 new graduates in FY2025, up from 126 in FY2024

	FY2024	FY2025 (planned)
No. of new graduate hires	126	150

<Job Return System>

- Under the Job Return System, for which we have started accepting applications in line with the new HR system, we plan to hire one applicant for the Systems Division and one applicant for the Sales Division.

<Regional partner meetings>

- Built an alumni (retirees) network by holding a total of five regional partner meetings from Dec. 2023 to Mar. 2024 to share information with former employees working at business partners and current employees on secondment

	Times held	Total participants
Meetings (Dec 2023 - Mar 2024)	5	181

<Retention System>

- With the system further expanded since Apr. 2023, 104 employees used the short working hour system for child care in FY2023.

Initiatives to improve engagement

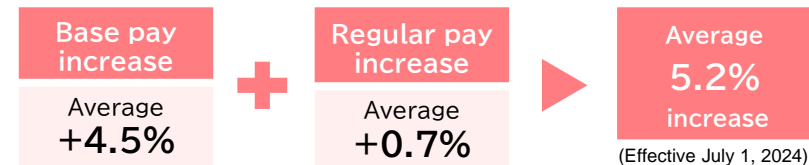
<Starting pay increase>

- To ensure a diverse workforce rooted in the community that can maximize their skills for the community, we will increase starting pay for new hires from FY2024.
(Effective July 1, 2024)

	Currently	After increase
University/graduate-school graduates	230,000 yen	260,000 yen

<Pay increase>

- Implemented an average base-pay increase of 4.5% to reward each employee's motivation and challenging spirit and to respond to rising prices
- Average pay increase of 5.2% combined with regular pay increase



- The highest base pay increase in 42 years since the 4.9% increase in 1982
- Wage increases of up to 13% for young employees and an average of 9.2% for senior employees to promote higher motivation

Materiality: Empowerment of diverse human resources

- ✓ To enable employees to take on career challenges in a wide range of business areas, we use an internal recruiting system to assign personnel to Group companies and partner companies in different industries.
- ✓ As we focus on developing human resources that can maximize their skills for the benefit of the community, annual training costs, annual training hours and the number of trainees are increasing.

Use of human resources

- We strategically support employees who take on challenges autonomously for the community and implement optimal staffing based on each individual's ideas and personality.

<Career-Challenge System>

- To enable employees to take on career challenges in a wide range of business areas, we use an internal recruiting system to assign personnel to Group companies and partner companies in different industries.
- In FY2023, there were 128 applicants, of which 14 were placed in positions of their choice.
- Even for employees who were not selected, we strategically place them in key positions based on their ideas and areas of expertise as identified through interviews and other means.

FY2021-2022	FY2023
150	128

- In particular, before the recent establishment of new companies, the number of applicants was 5 to 8 times higher than the capacity of about 10 people.
 - Juroku Densan Digital Service (established Mar. 2022) ⇒ 48 applicants
 - Kanda Machiokoshi (established Apr. 2022) ⇒ 83 applicants
 - NOBUNAGA Succession (established July 2023) ⇒ 61 applicants

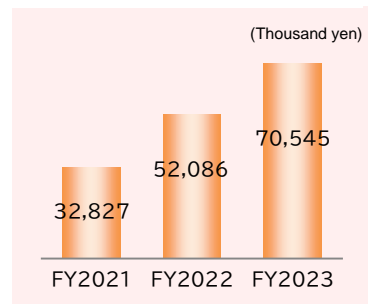
<Expert System>

- In order to diversify careers and develop professional human resources, we launched the Expert System in FY2024, and 44 people applied for the system.

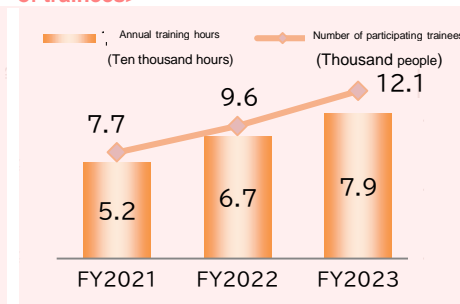
Human resources development

- We focus on developing human resources who can maximize their abilities for the community and build trust with customers.
- Annual training costs, total annual training hours and total number of trainees have increased.

<Annual training costs>



<Total annual training hours / total number of trainees>



<Expansion of the qualification incentive program>

- Asset Building Consultant, Chief of Money Lending Operations, and Carbon Accounting Advisor Level 3 have been added to the list of eligible qualifications.
- Our target is to have 500 employees certified as Carbon Accounting Consultants Level 3.
- To develop professional human resources, we increased the incentive amount for CPA, SME management consultant, securities analyst, FP (Level 1) and CFP, which are highly demanding qualifications and certification exams.

Materiality: Advanced Governance

- ✓ We held 8 sessions of the initial response training for emergency preparedness (progress rate: 400%) and 30 dialogue sessions with investors (progress rate: 300%) during FY2023.
- ✓ In Mar. 2024, we established the Human Rights Policy to promote respect for human rights in corporate business activities amid growing awareness of human rights in Japan and abroad.

Sustainability KPIs

Initial response training for emergency preparedness

- Held 8 sessions of the initial response training in FY2023 against a target of at least 2 per year

On-going targets	At least twice a year
During FY2023	8 times (Progress rate: 400%)
Training contents	BCP training for wind, flood and earthquake scenarios, cyberattack exercise, etc.

Sustainability KPIs

Dialogue with investors

- Conducted 30 dialogues sessions in FY2023 against a target of at least 10 sessions per year
- Continuing to reinforce initiatives aimed at achieving proactive dialogue and enhancing dialogue content

On-going targets	At least 10 times a year
During FY2023	30 times (Progress rate: 300%)

Establishment of Human Rights Policy and establishment/revision of various policies

- In March 2024, we established the Human Rights Policy to promote respect for human rights in corporate business activities amid growing awareness of human rights in Japan and abroad.
- Established the Procurement Policy to realize a sustainable society, and revised the Ethics Policy and Investment and Loan Policy to establish a management control system and gain the trust of society.

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

- Conducted a survey in the form of a questionnaire in FY2023 with advice from an external organization
- Based on the results of the analysis and evaluation of the questionnaires, we confirmed that our Board of Directors is functioning appropriately and that the effectiveness of the Board as a whole is ensured.

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

- Implemented third-party-involved assessment to enhance the internal auditing system

[Ref.] Skills matrix of our directors (main skills, experience, etc. of directors)

	Name	Current position in Juroku FG	Corporate management	Finance	Finance/Accounting	Legal / risk management	HR	Regional Revitalization	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 and Senior Managing Executive Officer	●	●				●	●
	Yoshiaki Bito	Director and Managing Executive Officer	●	●		●			
	Hiroyuki Ota	Director	●	●	●		●		
	Satoko Ito	Outside Director						●	●
Directors who are Audit & Supervisory Board members	Yasushi Ueda	Outside Director	●	●		●			
	Naohiko Ishikawa	Director	●	●					
	Shinji Ishihara	Outside Director				●	●		
	Satoe Tsuge	Outside Director			●				●

Agenda

01 | Financial Results for FY2023

02 | Initiatives for
Enhancing Corporate Value

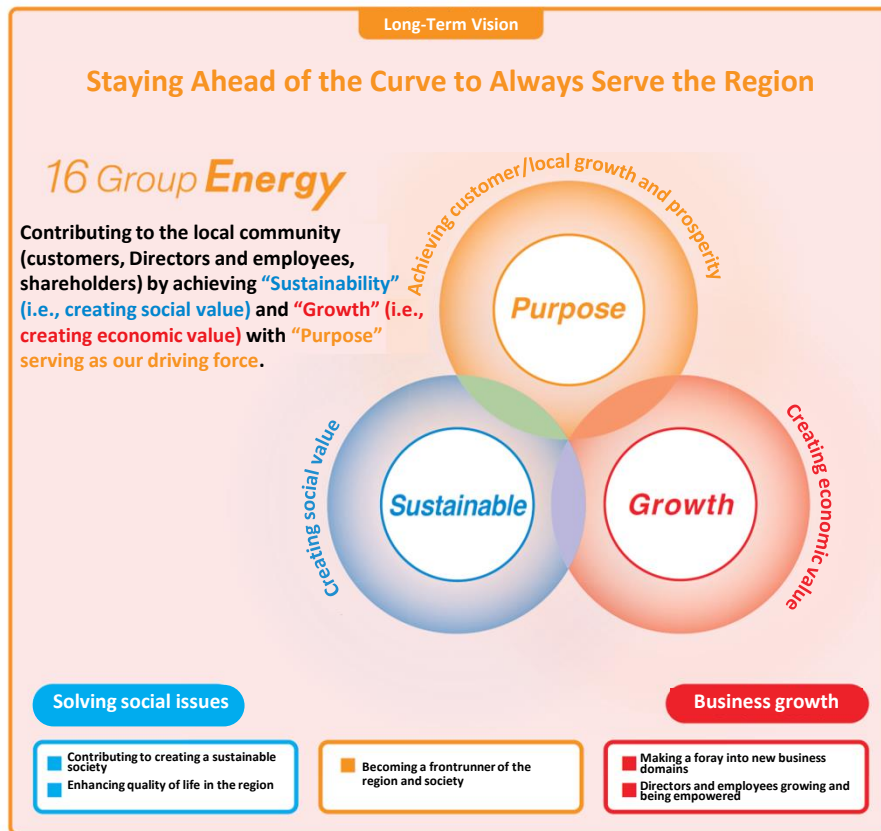
03 | Initiatives for Sustainability

04 | Progress in the 2nd
Medium-Term Management Plan

Overview of the Long-Term Vision

- ✓ We aim to address social issues while achieving sustainable growth and value as a company.

<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

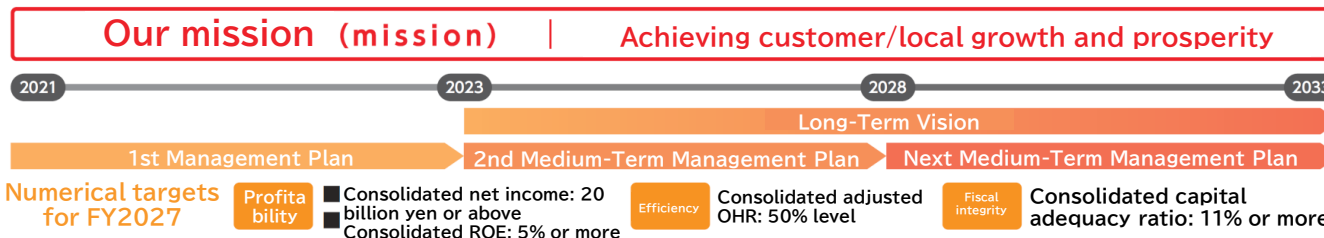
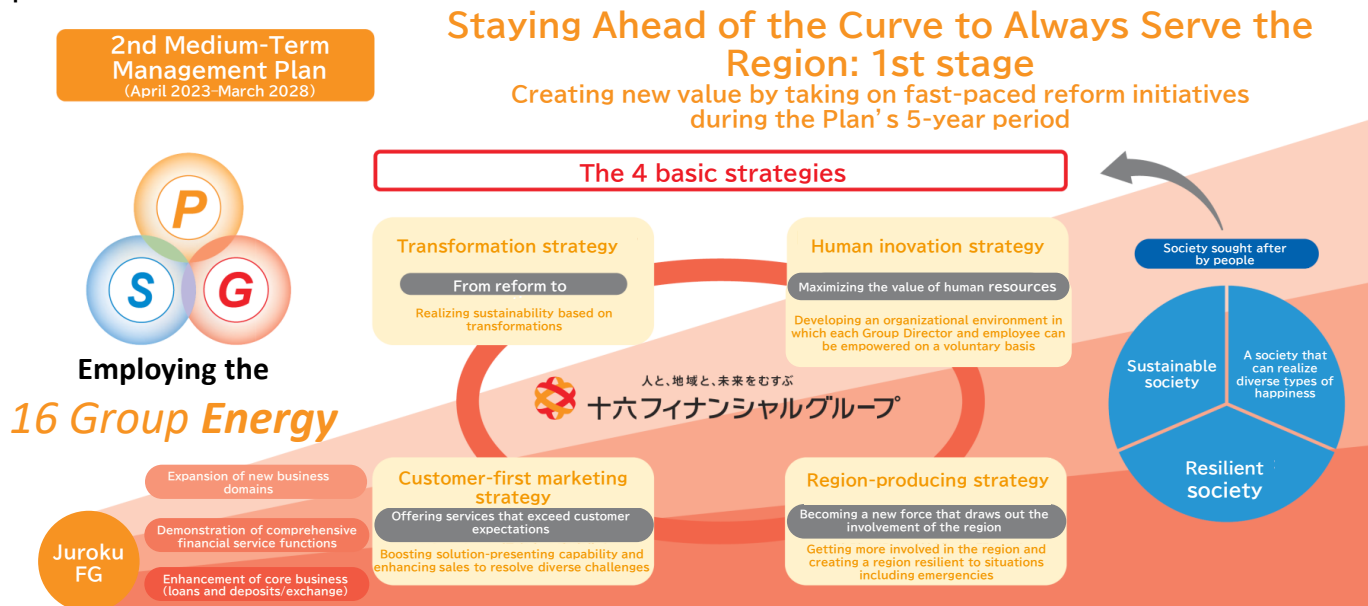
- Consolidated net income: 30 billion yen or above
- Consolidated capital adequacy ratio: 12% or more

Solving various social issues

Achievement of sustainability KPIs (FY2030 target)

Overview of the 2nd Medium-Term Management Plan

- ✓ We worked on four basic strategies of the 2nd Medium-Term Management Plan with the mindset of creating new value by taking on fast-paced reform initiatives during the Plan's 5-year period.



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

Efforts to improve operational efficiency

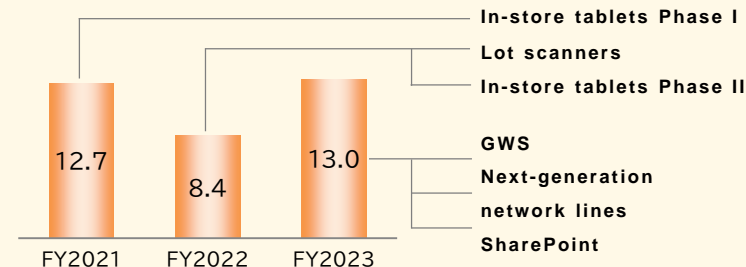
PICK UP

- Introduced Google Workspace (GWS), a new groupware, at Juroku Bank in Sept. 2023 for DX promotion under the full cooperation of SoftBank
- Integrated the groupware of all 11 group companies by Mar. 2024, and embarked on "true transformation" through renewed communication
- Plans are to expand the use of smartphones to enable a more agile work style, using smartphones remotely while away from the office or in transit and taking advantage of time gaps (planned for summer 2024).
- From FY2024, all new employees will be provided with Juroku Net tablet PCs to realize completely paperless new employee training.

IT investment

- In addition to IT investments to maximize productivity, including in-store tablets, lot scanners and GWS, plans are to invest in banking applications, etc.

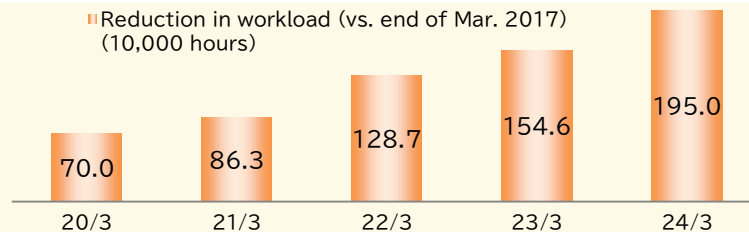
IT investment (0.1 billion yen)



[Juroku Bank] Reducing workload by accelerating digitalization

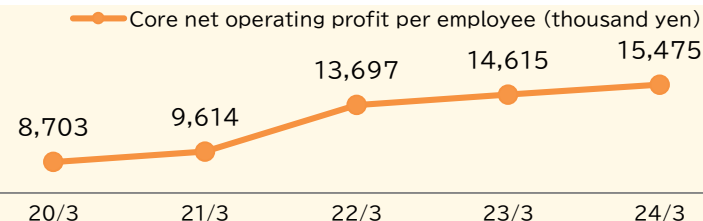
- Focused on digitalization and going paperless by promoting business/channel transformation
- Improved branch operation efficiency by increasing the service menu of the in-store tablet and expanding centralized loan operations using lot scanners, etc.
- Workload reduced by introducing GWS

Reduction in workload (vs. end of Mar. 2017)
(10,000 hours)



[Juroku Bank] Core net operating profit per employee

- Productivity improved through digitalization



- ✓ **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**

Implementation of a new HR system

PICK UP

- Reviewed the new evaluation system under the new HR system, the Basic Competencies Review and the Diversity Review
- "Sustainability News: Diversity Interviews" are being distributed within the company, featuring employees who are active in diversity in both their professional and personal lives, including interviews with their managers.
- Conducted branch visits to measure retention of the system
- Launched the Expert System designed to promote the empowerment of diverse human resources

Personnel exchange with various industries

- Conducted personnel exchanges with various industries to gain outside expertise and integrate it with our know-how

Period	Details
Apr. 2023	Accepted 3 employees from Softbank (A total of 5 employees including those accepted in May 2022)
Oct. 2023	Accepted 2 employees from Tokai Tokyo Financial Holdings
Apr. 2024	Dispatched 2 employees to Tokai Tokyo Financial Holdings Dispatched 1 employee to STATION Ai



東海東京フィナンシャル・ホールディングス

SoftBank

Meetings with young employees by the President and Chairman

PICK UP

Sustainability Meeting

FY2022	FY2023
12	15

- Regularly holding Sustainability Meeting from Aug. 2022
- Total of 27 meetings held up to FY2023 with 157 attendees
- In order to achieve our long-term vision, it is important that every employee is motivated and satisfied with their work. With a focus on listening to how each employee really feels, each meeting is held with a very small group of 5 or 6 people.



New scholarship repayment support system established

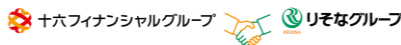
- In May 2024, we established a new scholarship repayment support program to provide interest-free loans for scholarship repayments as part of the company's benefits package to improve employee financial wellness.

Customer-first marketing strategy

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

Strategic business alliance with Resona Holdings PICK UP

- Launched a strategic business alliance with Resona HD in the retail segment in Feb. 2024
- We collaborate in both the real and digital realms, sharing information and expertise and working together toward a new ideal of retail banking
- This alliance is a pillar of our retail strategy to "demonstrate the true value of our core business" at Juroku Bank, the core Group company.



Collaboration with start-ups

- Promoted Group collaboration for Nudge Card (a credit card tailored to fan activities in the Tokai area), with which NOBUNAGA Capital Village is affiliated.

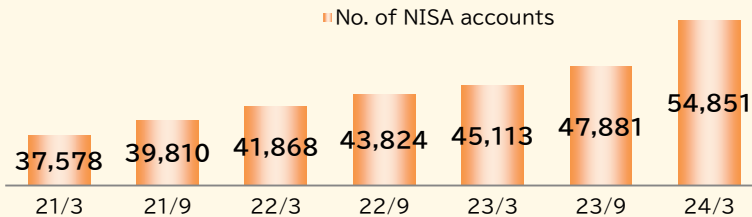
Agreement signed between Juroku Card and GIFUSHO

- In Feb. 2024, Juroku Card and GIFUSHO signed an agreement to cooperate with students of Gifu Prefectural Gifu Commercial High School, which operates GIFUSHO, to develop and sell more attractive products.
- This has helped to create the social value of going cashless in the region and attract new customers from the younger generation.



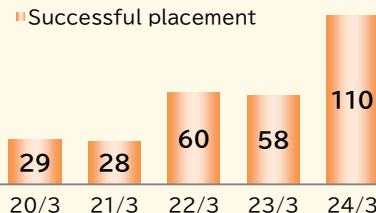
New NISA and original investment trust funds

- Conducted New NISA campaign and other initiatives to expand NISA accounts
- In Jan. 2024, Juroku FG (Juroku Bank and Juroku TT Securities) launched its original New NISA-eligible fund, Gifu/Aichi Region Support Fund (nicknamed Nobunaga Fund).



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.



- ✓ **Making the most of our Group's wide-ranging business domains, we will play a central role in contributing to the revitalization of the local economy and the sustainable development of the local community.**

New headquarters "16 FG Office & Park"

PICK UP

- Construction of a new headquarters building is planned in 2027, the 150th anniversary of Juroku bank's founding, to realize the Group's management philosophy.
- Centralizing headquarters functions to create a Group-wide business promotion system

- The building is intended to enhance the attractiveness and circulation of the downtown area with a base of beautiful and comfortable common spaces and a workplace that is ahead of its time.

- Realizing Gifu City's vision of "Creating a space

that supports the creation of liveliness by connecting liveliness as a source of vitality for the realization of a sustainable city"



Collaboration with Mino City, Gifu Prefecture

Received the "Award from Secretary General of Secretariat for Promotion of Regional Revitalization, Cabinet Office" for excellence in public-private partnerships in 2023

- Juroku Bank's "Initiatives for Restoration of Old Private Houses Using Historical Resources" conducted with Mino City, Gifu Prefecture was selected as the most outstanding example of public-private partnership for regional revitalization SDGs by the Cabinet Office, and received the "Award from Secretary General of Secretariat for Promotion of Regional Revitalization, Cabinet Office."
- Contributed to solving the problem of vacant houses in the region and creating new tourism demand by restoring old private houses while utilizing historical resources such as the unique townscape and Hon-mino traditional Japanese paper.
- At the same time, we began offering a unique service called "Nursery School Study Abroad@" by utilizing our network, providing co-working space for parents of preschool children coming from large metropolitan areas.



Regional contribution activities by women's project team

- With the 16FG Office & Park expected to revitalize the downtown area of Gifu City, events were planned based on women's opinions to continuously revitalize the area.
- Activities by Jewelia, a project team made up of female employees, started in Feb. 2020

1st and 2nd events	Theme	No. of business participants
Jan. 2024	Marche for beauty and health	9
Mar. 2024	Art of Parents and Children	8



Gifu Prefecture Designated Financial Institution

- At the Gifu Prefectural Assembly held in Mar. 2024, it was decided that Juroku Bank would serve as the designated financial institution for Gifu Prefecture for a period of five years from Apr. 2025 to Mar. 2030.
- Contributing to the administrative efficiency of Gifu Prefecture and enhancing the convenience of services for prefectural residents

Progress against numerical targets of the 2nd Medium-Term Management Plan

✓ Efforts to improve the profitability, efficiency and financial integrity of the Group continue under the four basic strategies of the 2nd Medium-Term Management Plan.

