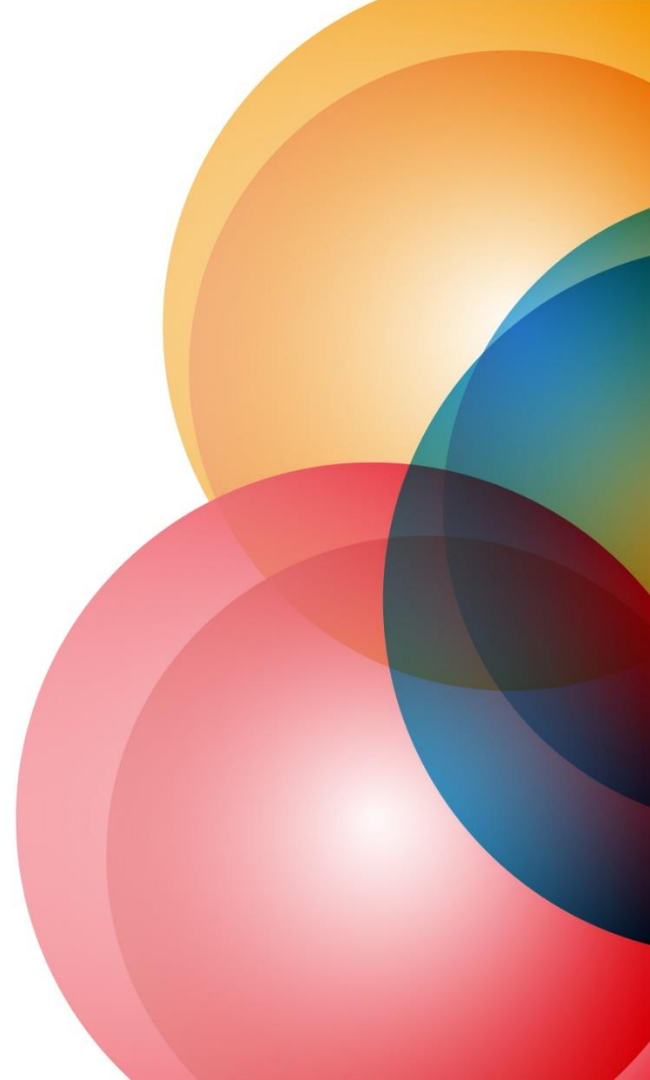


# **FY2024 Interim Financial Results September 2024**

**December 4, 2024**

**TSE Prime and NSE Premier (7380)**



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- \* The Juroku Financial Group ("Juroku FG") was established on Oct. 1, 2021. Consolidated figures prior to H1 FY2021 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.

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## Section I: Interim Results for FY2024

- ◆ Juroku FG's consolidated interim net income attributable to owners of the parent company **increased** to 10.3 billion yen (progress rate against full-year business projection: 54.7%).
- ◆ Juroku Bank's non-consolidated ordinary profit **hit a record high** for a first half.
- ◆ With the aim to enhancing shareholder returns, the total annual dividend will be 160 yen, consisting of an interim dividend of 80 yen and a year-end dividend of 80 yen.
- ◆ Acquired treasury shares for **the 4th consecutive fiscal year** since the Oct. 2021 establishment, **totaling 2 million shares**.

## Section II: Initiatives for Enhancing Corporate Value

- ◆ The target index for the reduction of cross-shareholdings has been changed to be based on the total market value as a percentage of consolidated net assets. **Our target is to reduce this to below 20% by the end of Mar. 2025 and below 15% by Mar. 2028.**
- ◆ In June 2024, **we appointed a female employee**, who started her career with us after graduating, **to the position of Director and Executive Officer** (the first regional bank to make such an appointment in the Tokai region).
- ◆ In Oct. 2024, we became **the lead sponsor of Station Ai**, the largest incubator facility in Japan operated by a Softbank's subsidiary.
- ◆ In Nov. 2024, we launched **Juroku Bank Fund Wrap** as the first collaboration project with Resona Group.

## Section III: Initiatives for Sustainability

- ◆ All Sustainability KPIs set in May 2022 **making steady progress** based on the coordinated efforts of Group companies.
- ◆ Launched ITEMS, a hometown tax donation matching service (goods donation type) for companies.
- ◆ In Aug. 2024, Juroku Lease was certified by the Ministry of the Environment as an **excellent ESG lease business**.
- ◆ Placement of employees in Group companies and partner companies in various industries through an internal recruitment system (Career Challenge).

## **Section I: Interim Results for FY2024**

Section II: Initiatives for Enhancing Corporate Value

Section III: Initiatives for Sustainability

# Summary of Consolidated Results

Juroku FG  
consolidated

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- ◆ Consolidated core net operating profit increased by 1.7 billion yen YoY to 15.8 billion yen due to rises in net interest income and other operating profit.
- ◆ Interim net income attributable to owners of the parent company increased by 0.8 billion yen YoY to 10.3 billion yen mainly due to higher consolidated net operating profit (progress rate: 54.7%).

Juroku FG consolidated (0.1 billion yen)	2023/9	2024/9	YoY	Change rate	Full-term business projection	Progress rate
Consolidated core gross operating profit	364	① 379	15	4.2%	766	49.5%
Net interest income	264	273	9	3.6%	537	50.9%
Fees and commissions	93	83	△ 10	△10.7%	185	44.9%
Other operating profit (Excluding profit/loss on JBGs and other debt securities)	7	22	15	224.1%	44	51.7%
Expenses	222	② 221	△ 1	△0.4%	451	49.1%
Personnel expenses	118	115	△ 3	△2.1%	-	-
Non-personnel expenses	88	90	2	1.6%	-	-
Consolidated core net operating profit	141	③ 158	17	11.4%	315	50.2%
Profit/loss on JBGs and other debt securities	△ 57	△ 22	35	60.4%	-	-
Consolidated net business profit	84	135	51	59.9%	-	-
Credit costs	8	24	16	184.3%	-	-
Profit/loss on equities	58	43	△ 15	△25.9%	-	-
Ordinary profit	140	④ 159	19	13.3%	275	57.9%
Interim net income attributable to owners of the parent company	95	⑤ 103	8	9.2%	190	54.7%
Capital adequacy ratio (%)	10.72	10.87	0.15			
ROE(%)	4.75	4.75	0.00			

## ① Consolidated core gross operating profit 37.9 billion yen Progress rate: 49.5%

- Up 1.5 billion yen YoY to 37.9 billion yen due to increases in net interest income and other operating profit (excluding profit/loss on JBGs and other debt securities)

## ② Expenses 22.1 billion yen Progress rate: 49.1%

- Overall personnel expenses decreased due to lower retirement benefits and other expenses, offsetting additional costs resulting from a pay-scale raise. Non-personnel expenses increased due to strategic DX investments, etc.

Change rate: 11.4%

## ③ Consolidated core net operating profit 15.8 billion yen Progress rate: 50.2%

- Up 1.7 billion yen YoY to 15.8 billion yen due to higher net interest income and other operating profit (excluding profit/loss on JBGs and other debt securities)

Change rate: 13.3%

## ④ Ordinary profit 15.9 billion yen Progress rate: 57.9%

- Up 1.9 billion yen to 15.9 billion yen due to higher profit on JBGs and other debt securities

Change rate: 9.2%

## ⑤ Interim net income attributable to owners of the parent company 10.3 billion yen Progress rate: 54.7%

- Up 0.8 billion yen YoY to 10.3 billion yen with the progress rate of 54.7%

# Summary of Non-consolidated Results of Juroku Bank

Juroku Bank  
non-  
consolidated

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- ◆ Up 1.0 billion yen YoY to 32.7 billion yen due to increases in net interest income and other operating profit
- ◆ Up 1.7 billion yen to 14.6 billion yen, a record high for a first half

Juroku Bank non-consolidated (0.1 billion yen)	2023/9	2024/9	YoY	Change rate	Full-term business projection	Progress rate
Core gross operating profit	317	① 327	10	3.3%	-	-
Net interest income	265	276	11	3.9%	-	-
Fees and commissions	62	53	△ 9	△13.8%	-	-
Other operating profit (Excluding profit/loss on JBGs and other debt securities)	△ 11	△ 2	9	23.7%	-	-
Expenses	188	② 188	0	0.4%	-	-
Personnel expenses	90	89	△ 1	△1.2	-	-
Non-personnel expenses	84	86	2	2.2%	-	-
Core net operating profit	128	③ 138	10	7.6%	283	49.0%
Profit/loss on JBGs and other debt securities	△ 57	△ 22	35	60.4%	-	-
Net business profit	71	116	45	61.8%	227	51.2%
Credit costs	7	16	9	122.5%	28	60.2%
Profit/loss on equities	58	41	△ 17	△29.2%	-	-
Ordinary profit	129	④ 146	17	13.4%	257	57.0%
Interim net income	89	⑤ 98	9	10.1%	184	53.5%
Capital adequacy ratio (%)	10.72	9.69	△ 1.03			
Income from customer services	69	62	△ 7			

## ① Core gross operating profit 32.7 billion yen

- Up 1.0 billion yen YoY to 32.7 billion yen due to higher net interest income and other operating profit (excluding profit/loss on JBGs and other debt securities)

## ② Expenses 18.8 billion yen

- Despite higher non-personnel expenses resulting from strategic DX investments, lower personnel expenses due to a decrease in retirement benefit expenses, etc. allowed total expenses to remain flat at 18.8 billion yen.

Change rate: 7.6%

## ③ Core net operating profit 13.8 billion yen

Progress rate: 49.0%

- Up 1.0 billion yen YoY to 13.8 billion yen due to higher core gross operating profit

Change rate: 13.4%

## ④ Ordinary profit 14.6 billion yen

Progress rate: 57.0%

- Up 1.7 billion yen to 14.6 billion yen, a record high for a first half, due to higher profit on JBGs and other debt securities

Change rate: 10.1%

## ⑤ Interim net income 9.8 billion yen

Progress rate: 53.5%

- Up 0.9 billion yen to 9.8 billion yen, with the progress rate against the full-term business projection at 53.5%

# Consolidated Core Net Operating Profit

Juroku FG  
consolidated

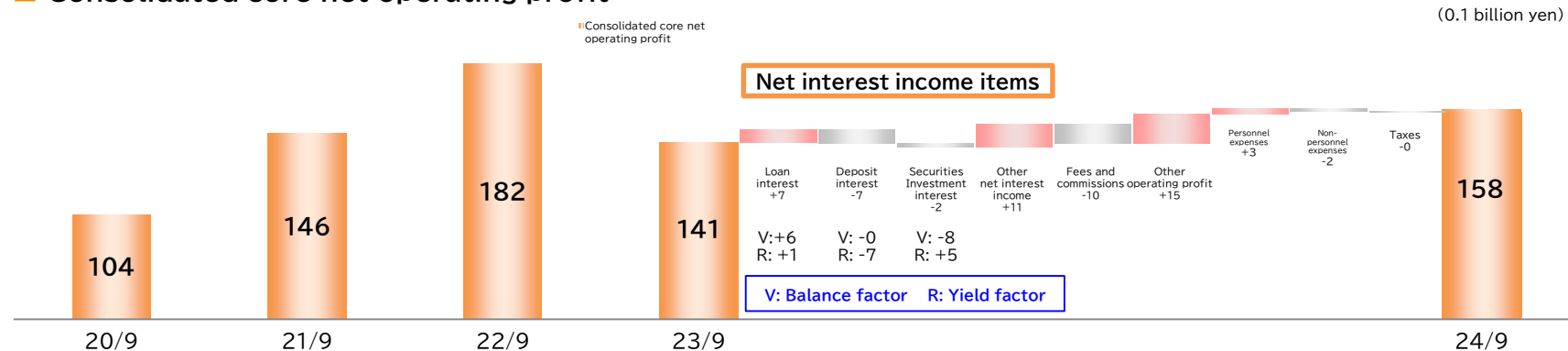


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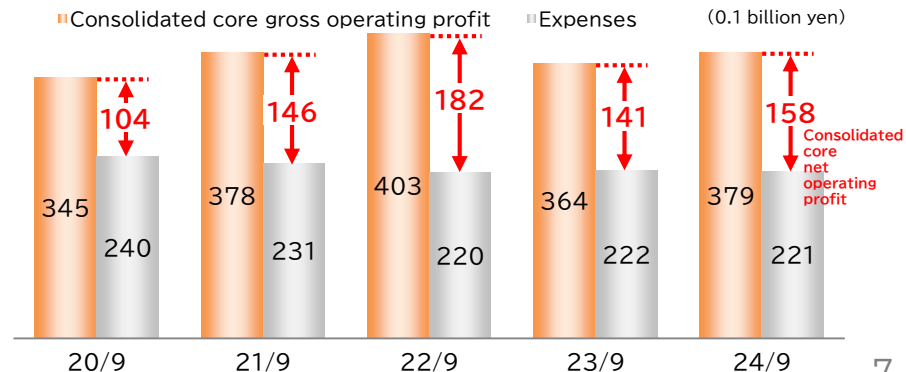
- ◆ Consolidated core net operating profit increased 1.7 billion yen YOY to 15.8 billion yen due to rises in net interest income and other operating profit at Juroku Bank

## Consolidated core net operating profit



## Core gross operating profit and expenses

(0.1 billion yen)	23/9	24/9	YoY	Change rate
Consolidated core gross operating profit	364	379	15	4.2%
Net interest income	264	273	9	
Fees and commissions	93	83	-10	
Other operating profit*	7	22	15	
Expenses	222	221	-1	-0.4%
Consolidated core net operating profit	141	158	17	11.4%



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

# Expenses and Adjusted OHR

Juroku FG  
consolidated

Juroku Bank  
non-  
consolidated

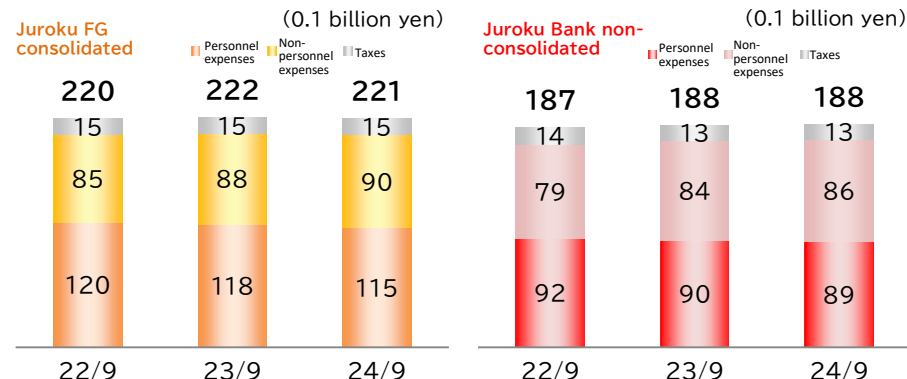


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- ◆ Overall personnel expenses decreased due to lower retirement benefits and other expenses, offsetting additional costs resulting from a pay-scale raise. Non-personnel expenses increased due to strategic DX investments, etc.
- ◆ Adjusted OHR was 58.33% for Juroku FG on a consolidated basis and 57.64% for Juroku Bank alone, both achieving the numerical target of the 50% range set in the 2nd Medium-Term Management Plan.

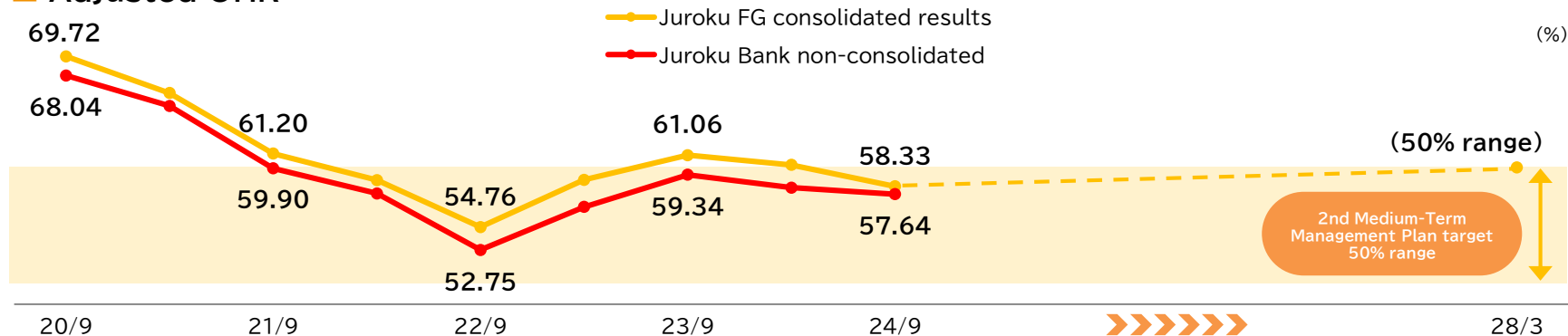
## Expenses



## Juroku FG consolidated Changes in expenses

Item	Change	Major change factors
Personnel expenses	-0.3 billion yen	First-pay increase / pay-scale raise 0.1 billion yen
		Retirement benefit expenses -0.2 billion yen
Non-personnel expenses	+0.2 billion yen	Intranet update 0.1 billion yen
		Support for new banknotes 0.1 billion yen

## Adjusted OHR

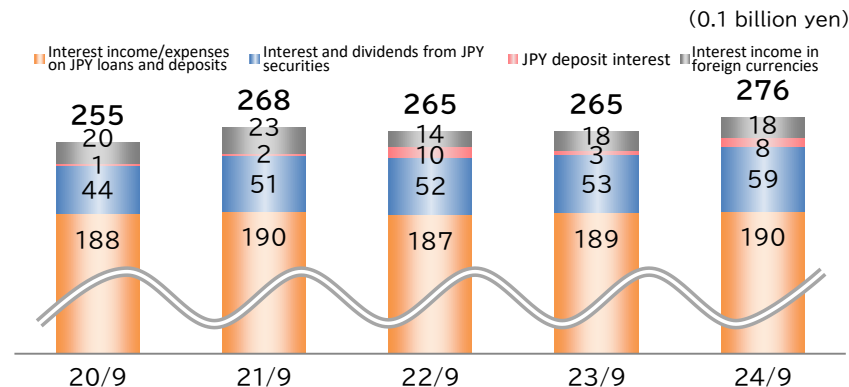




- ◆ Net interest income climbed 1.1 billion yen YoY to 27.6 billion yen, mainly due to increases in JPY loan interest, interest/dividends from JPY securities, and interest income on deposits with the Bank of Japan.
- ◆ Average balance of JPY loans remained steady at 4,852.1 billion yen. Average yield of JPY loans rose 0.008 point YoY to 0.813%.

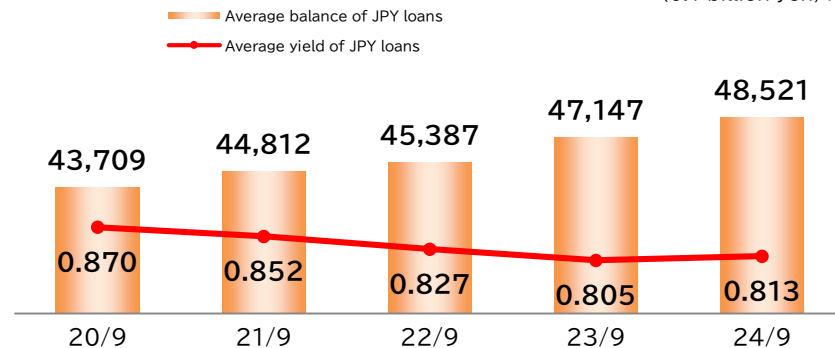
## Net interest income

(0.1 billion yen)	22/9	23/9 (A)	24/9 (B)	Change (B-A)
Net interest income	265	265	276	11
Interest income in JPY	250	247	258	11
Interest income/expenses on JPY loans and deposits	187	189	190	1
JPY loan interest (income)	188	190	197	7
JPY deposit interest (expenditure)	0	0	7	7
Interest and dividends from JPY securities	52	53	59	6
JPY deposit interest	10	3	8	5
Interest income in foreign currencies	14	18	18	0



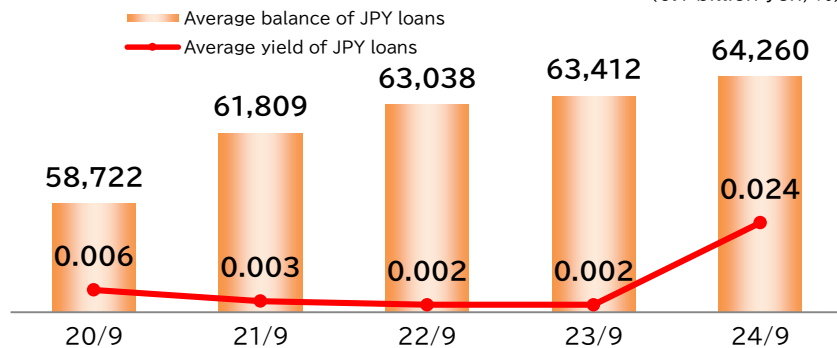
## Average balance and yield of JPY loans

(0.1 billion yen, %)



## Average balance and yield of JPY deposits

(0.1 billion yen, %)



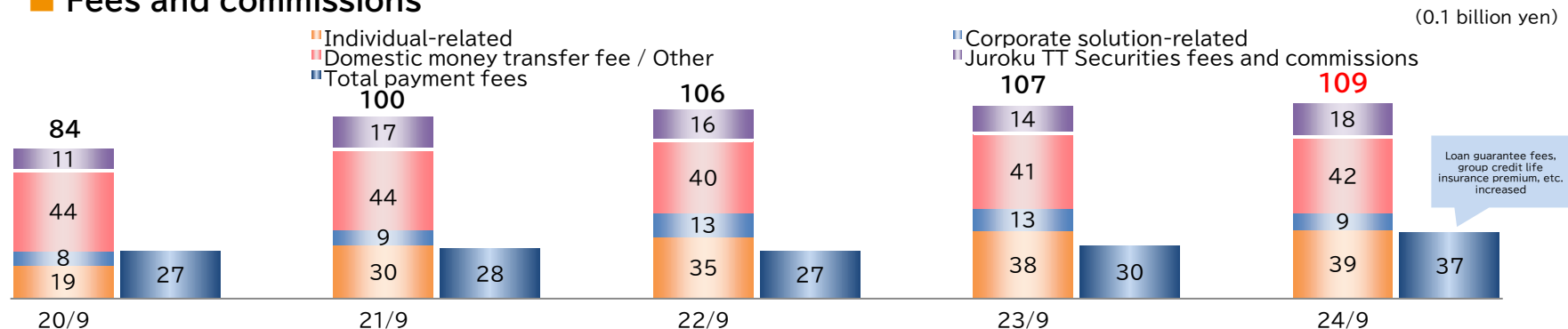
# Fees and Commissions

Juroku Bank  
non-  
consolidated

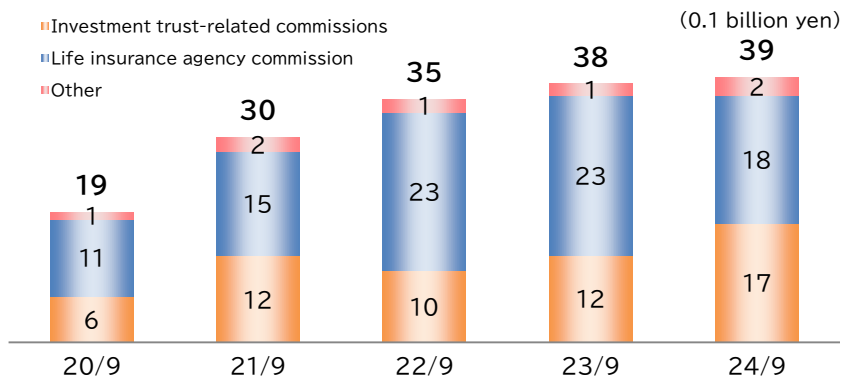
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◆ Fees and commissions increased 0.2 billion yen YoY to 10.9 billion yen due to strong sales of investment trusts at Juroku Bank and stock trading at Juroku TT Securities.

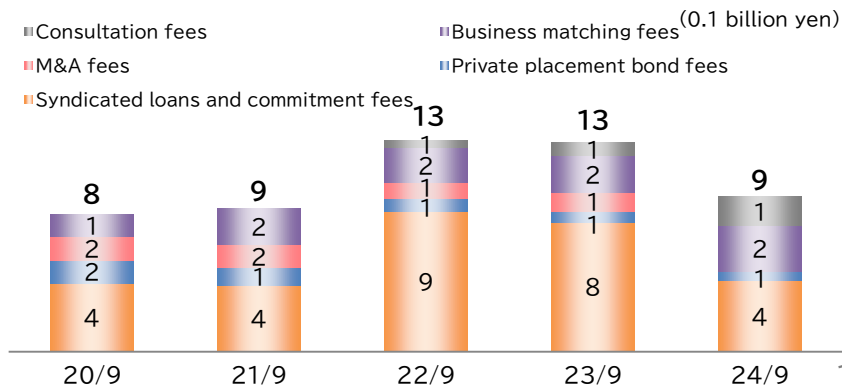
## Fees and commissions



## Individual-related revenue



## Corporate solution-related revenue



# Securities Investment

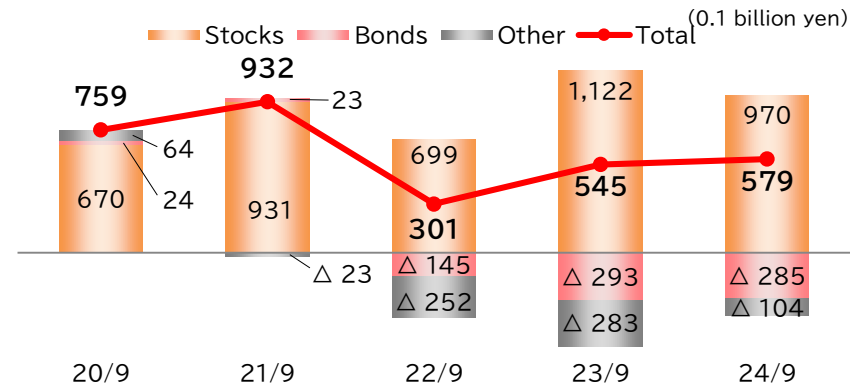
Juroku Bank  
non-  
consolidated

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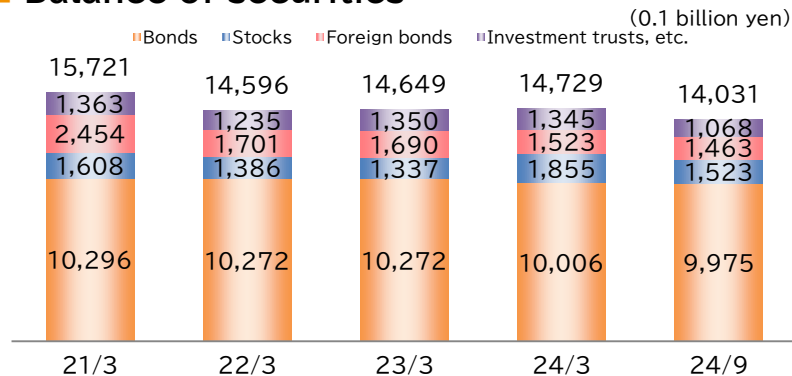
◆ Valuation gains of securities increased 3.4 billion yen YoY to 57.9 billion yen overall.

## Valuation gains and losses of securities

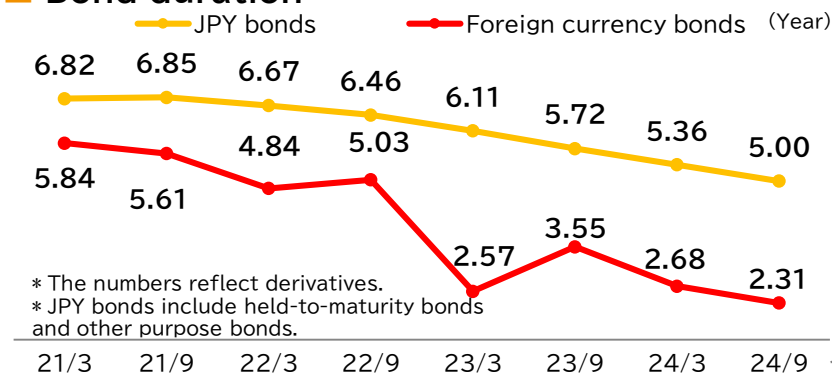
(0.1 billion yen)	22/9	23/9 (A)	24/9 (B)	Change (B-A)
Stocks	699	1,122	970	-152
Bonds	-145	-293	-285	8
Other	-252	-283	-104	179
Foreign bonds	-160	-176	-16	160
Investment trusts	-91	-106	-88	18
Total	301	545	579	34



## Balance of securities



## Bond duration



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

# Credit Costs and Outstanding Non-performing Loans

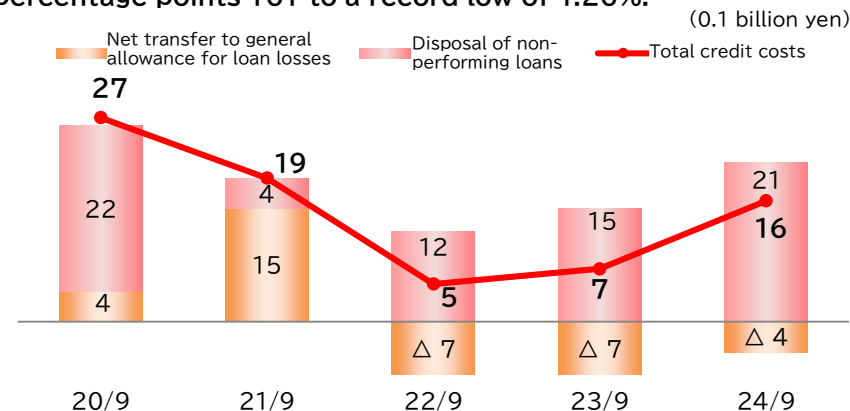
Juroku Bank  
non-  
consolidated

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- ◆ Credit costs increased 0.9 billion yen YoY to 1.6 billion yen, but are still at a low level compared to the level prior to the COVID 19 crisis.
- ◆ The percentage of non-performing loans decreased by 0.05 percentage points YoY to a record low of 1.26%.

## Credit costs

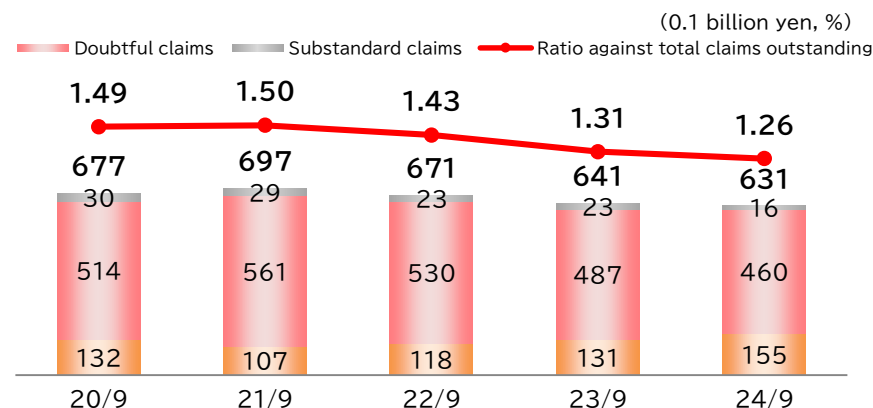
(0.1 billion yen)	22/9	23/9 (A)	24/9 (B)	Change (B-A)
① Net transfer to general allowance for loan losses	-7	-7	-4	3
② Disposal of non-performing loans	12	15	21	6
Transfer to individual allowance for loan losses	12	14	18	4
③ Reversal of allowance for loan losses	-	-	-	-
④ Recoveries of written-off claims	-	-	-	-
Credit costs ①+②-③-④	5	7	16	9



## Outstanding non-performing loans

(0.1 billion yen)	22/9	23/9 (A)	24/9 (B)	Change (B-A)
Bankrupt and substantially bankrupt claims	118	131	155	24
Doubtful claims	530	487	460	-27
Substandard claims	23	23	16	-7
Total	671	641	631	-10
Ratio against total claims outstanding (%)	1.43	1.31	1.26	-0.05

Record low



- ◆ Interim net income of subsidiaries excluding Juroku Bank that contributed to the consolidated results totaled 1.012 billion yen, up 0.131 billion yen YoY.
- ◆ Profit from customer services declined 0.7 billion yen YoY to 6.2 billion yen mainly due to decreases in fees and commissions.

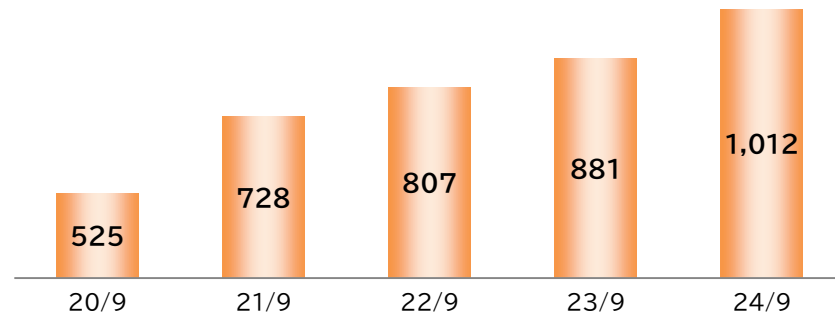
## ■ Total interim net income of subsidiaries (excluding Juroku Bank) that contributed to Juroku FG consolidated results

(Million yen)	Juroku TT Securities		Juroku Lease		Juroku Card		Juroku Credit Guarantee		Subsidiaries total (excluding Juroku Bank)		
	23/9	24/9	23/9	24/9	23/9	24/9	23/9	24/9	23/9 (A)	24/9 (B)	Change (B-A)
Net sales	1,501	1,840	13,595	14,321	1,476	1,504	1,375	1,425	18,925	20,301	1,376
Ordinary profit	331	609	229	200	81	171	835	758	1,408	1,709	301
Interim net income	220	417	161	145	53	114	582	528	941	1,171	230
Interim net income that contributed to consolidated results	132	250	161	145	53	114	582	528	881	1,012	131

\* Total profit/loss of Group companies excluding Juroku Bank and profit/loss of 4 main companies

■ Interim net income that contributed to consolidated results of subsidiaries

(Million yen)



## ■ Income from customer services

(0.1 billion yen, %)

Juroku Bank non-consolidated	22/9	23/9 (A)	24/9 (B)	Change (B-A)
Income from customer services	74	69	62	-7
<div> <div>Average loan balance × Loan to deposit spread</div> <div>Loan to deposit spread</div> </div>	189	191	192	1
Fees and commissions	62	62	53	-9
Operating expenses	177	184	184	0

\* Profit from customer services = Average loan balance x Loan to deposit spread x 183/365 days + Fees and commissions - Operating expenses

# Capital Adequacy Ratio and ROE

Juroku FG  
consolidated

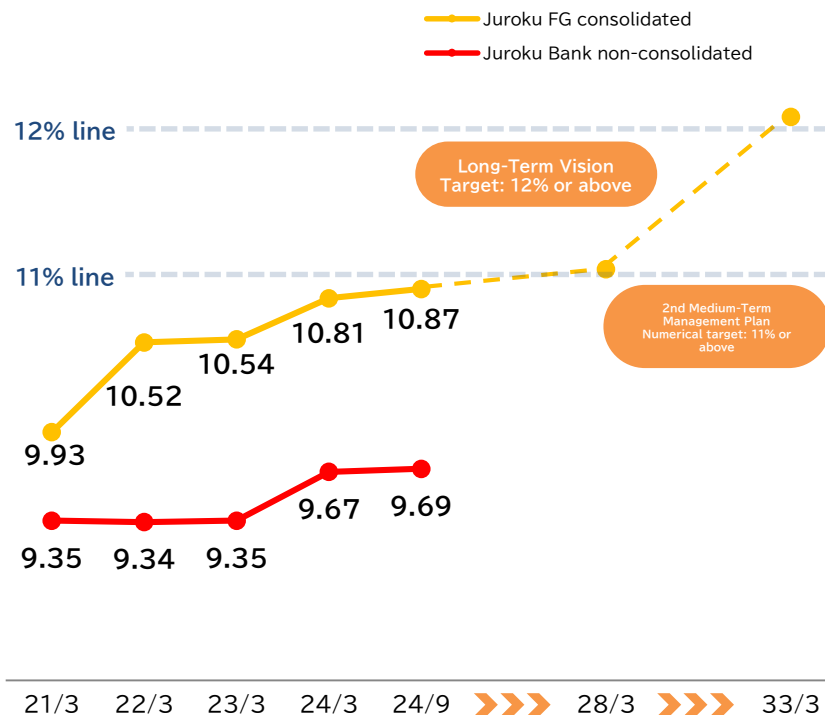
Juroku Bank  
non-  
consolidated

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- ◆ Capital adequacy ratio remained at a healthy level of 10.87% for Juroku FG on a consolidated basis and 9.69% for Juroku Bank on a non-consolidated basis.
- ◆ ROE was 4.75% for Juroku FG on a consolidated basis, making steady progress towards the numerical target of 5% or above in the 2nd Medium-Term Management Plan.

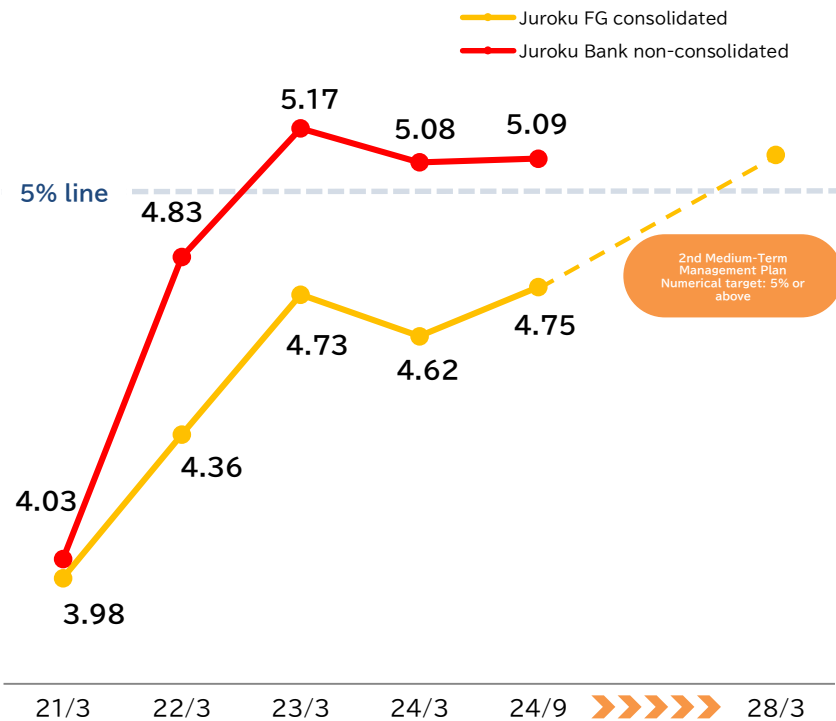
## Capital adequacy ratio

(%)



## ROE

(%)



# Business Projection and Dividend Forecast

Juroku FG  
consolidated

Juroku Bank  
non-  
consolidated



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- ◆ Our initial full-term business projection remains unchanged as we continue to be conservative on credit costs in light of rising bankruptcies and other uncertain factors.
- ◆ Forecast for FY2024 annual dividend of 160 yen, consisting of an interim dividend of 80 yen and a year-end dividend of 80 yen, remains unchanged, but we aim for a 6th consecutive year of dividend increases.

## Business projection

(0.1 billion yen)

Juroku FG consolidated results	2024/3 (Results)	2025/3 (Forecast)	YoY
Consolidated core gross operating profit	733	766	33
Net interest income	528	537	9
Fees and commissions	185	185	0
Other operating profit (excluding profit/loss on JBGs and other debt securities)	18	44	26
Expenses	441	451	10
Consolidated core net operating profit	292	315	23
Ordinary profit	279	275	-4
Net income attributable to owners of the parent company	193	190	-3

(0.1 billion yen)

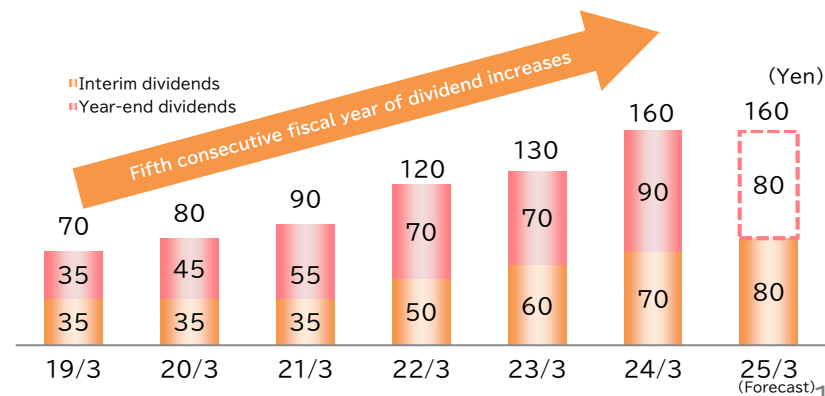
Juroku Bank non-consolidated	2024/3 (Results)	2025/3 (Forecast)	YoY
Core net operating profit	268	283	15
Net business profit	125	227	102
Credit costs	5	28	23
Ordinary profit	260	257	-3
Net income	187	184	-3

## 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

\* Forecasts are in red.



Section I: Interim Results for FY2024

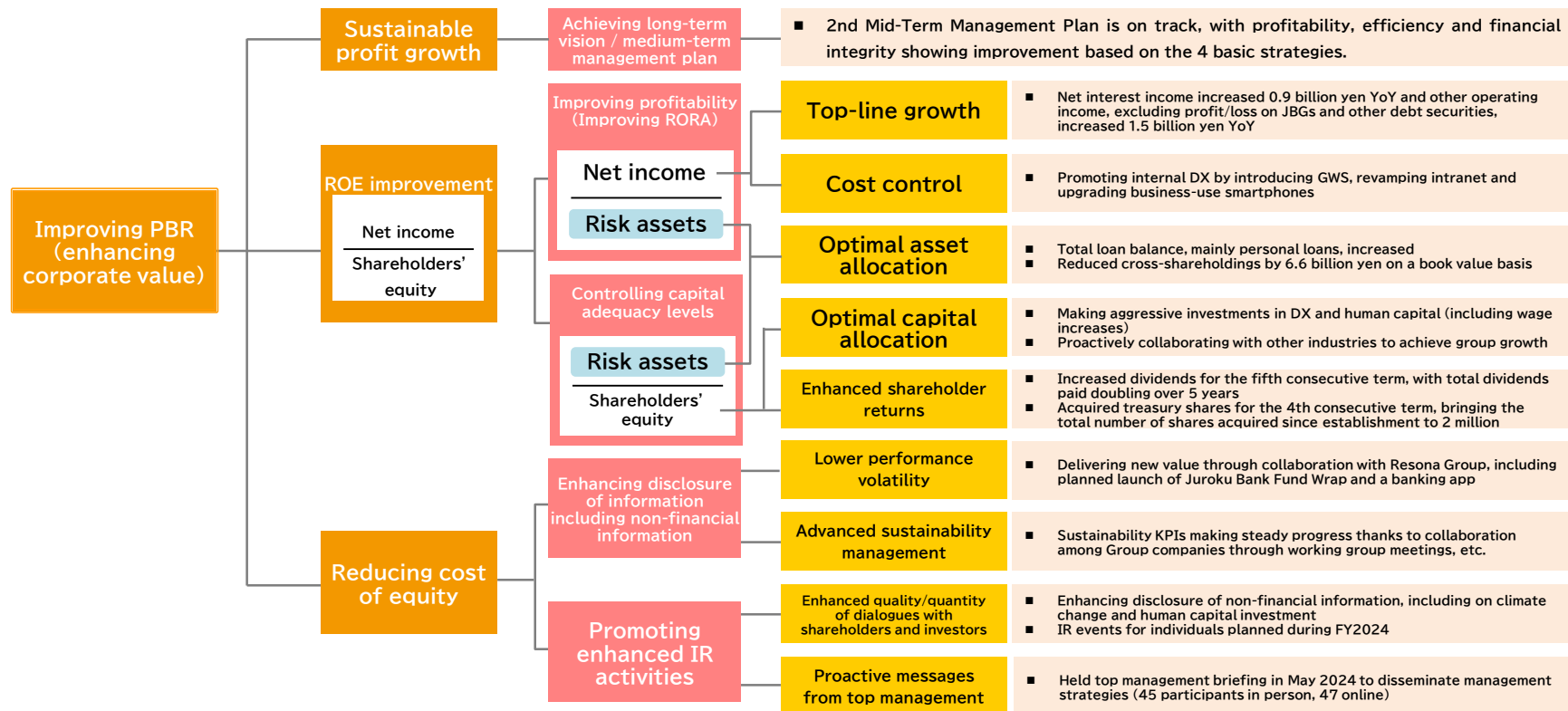
**Section II: Initiatives for Enhancing Corporate Value**

Section III: Initiatives for Sustainability



# Initiatives to Improve PBR

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

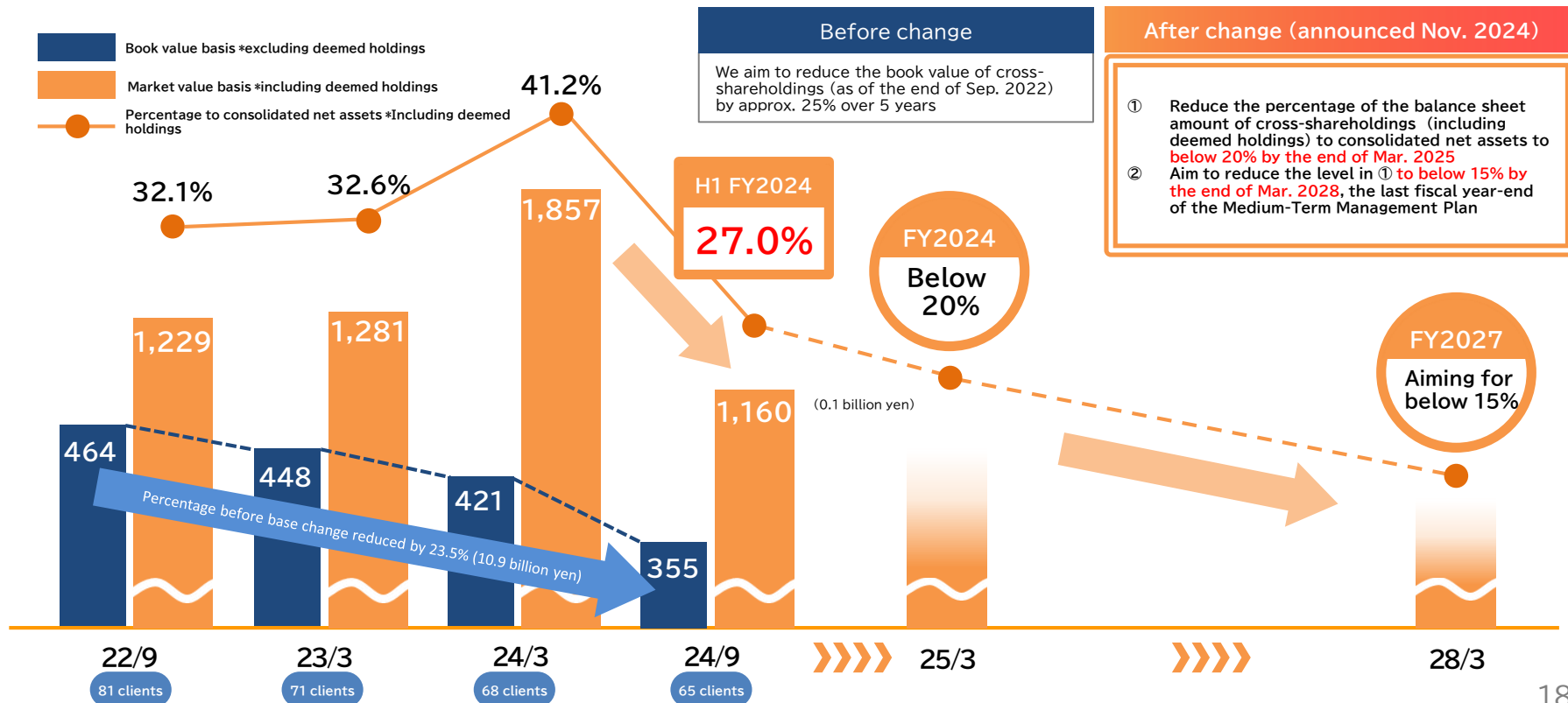


# Cross-shareholdings

- ◆ The target index for the reduction of cross-shareholdings has been changed from a book value basis to the percentage of the balance sheet amount (including deemed holdings) to consolidated net assets.
- ◆ In H1 FY2024, the percentage to consolidated net assets was 27.0%, down 14.2 points from to the previous term; we aim to reduce it to below 20% by the end of FY2024.

## ■ Cross-shareholdings (book value / market value basis)

## ■ Reduction target



# Shareholder Returns

◆ Acquired treasury shares for the 4th consecutive year, bringing the total number of shares acquired since the Oct. 2021 establishment to 2 million

## Shareholder returns

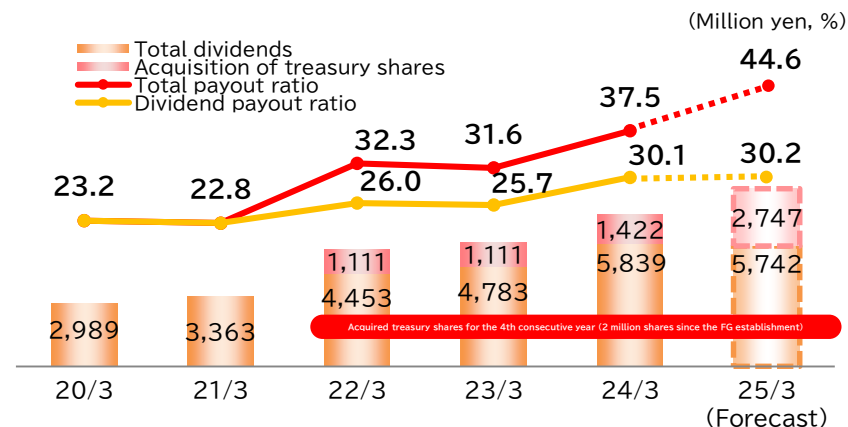
	20/3	21/3	22/3	23/3	24/3	25/3 (Forecast)
Dividends per share (Parenthesis indicate interim dividends)	80 yen (35 yen)	90 yen (35 yen)	120 yen (50 yen)	130 yen (60 yen)	160 yen (70 yen)	160 yen (80 yen)
Total dividends	2,989 million yen	3,363 million yen	4,453 million yen	4,783 million yen	5,839 million yen	5,742 million yen
Dividend payout ratio	23.2%	22.8%	26.0%	25.7%	30.1%	30.2%
Acquisition of treasury shares	-	-	1,111 million yen	1,111 million yen	1,422 million yen	2,747 million yen
Total payout ratio	23.2%	22.8%	32.3%	31.6%	37.5%	44.6%

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

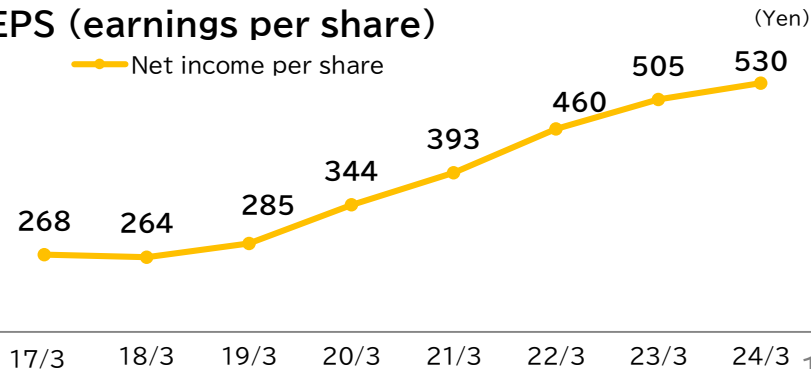
## Shareholder return policy

### Shareholder return policy (published in 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%.**



## EPS (earnings per share)



# Composition of the Yen Balance Sheet and Optimal Management in a World with Interest Rates

- ◆ Building the most effective balance sheet possible in order to achieve further growth of our Group in a world with interest rates.

## <Management side>

### Increase in loans for SMEs

- ✓ Working to expand customer contact by increasing the amount of sales activity per each individual
- ✓ Fully leveraging comprehensive financial service functions
- ✓ Expanding solution menu

### Increase in housing loans

- ✓ Empowering contractors to win orders efficiently
- ✓ Expanding non-face-to-face sales by going online, etc.
- ✓ Improving operation efficiency through AI-OCR

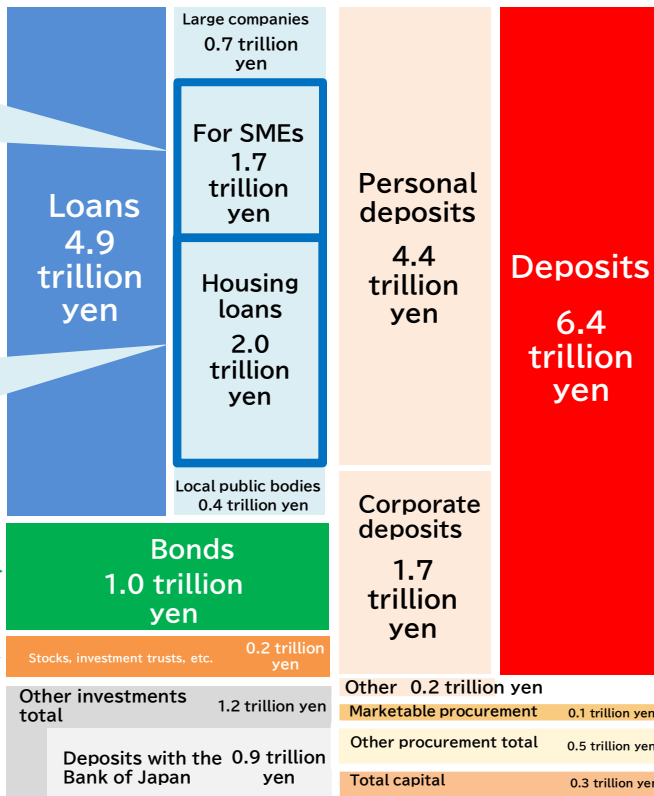
### Improvement in securities investment

- ✓ Building highly liquid portfolio diversified across assets, time and area

### Reduction of cross-shareholdings

- ✓ Steadily achieve new reduction target set in Nov. 2024

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



## <Procurement side>

### Increase in deposits, mainly individual deposits

- ✓ Acquiring personal deposit customers through banking app
- ✓ Expanding the use of bank accounts through credit card transactions
- ✓ Encouraging customers to use Juroku Bank as their main bank for their salary transfers, pensions, housing loans, etc.
- ✓ Supporting asset succession to prevent deposit outflows

### Asset formation support for customers

- ✓ Broadening the customer base for asset forming support through the Juroku Bank Fund Wrap
- ✓ Promoting NISA account acquisition and increased account utilization
- ✓ Expanding product line-up

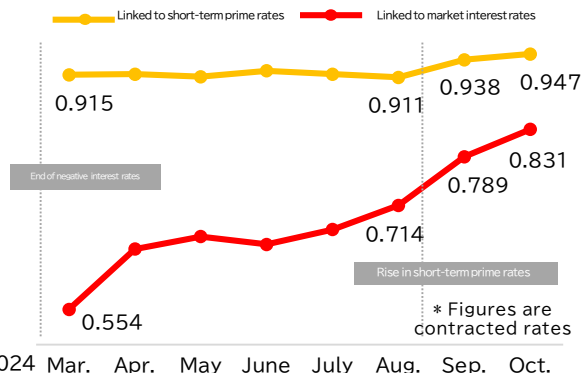
### Capital utilization to improve ROE

- ✓ Implementing aggressive investments in DX and human capital
- ✓ Enhancing shareholder returns through dividend increases, etc.
- ✓ Flexible acquisition of treasury shares to improve EPS

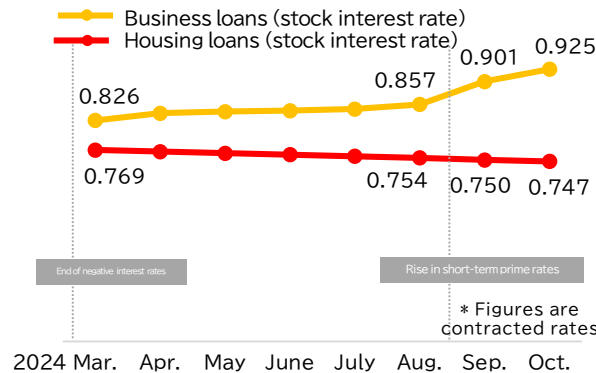
# Impact of Rising Yen Interest Rates on Loan Interest Rates

- ◆ Interest rates for both loans linked to short-term prime rate and market interest rate are expected to rise steadily, while interest rates for housing loans are expected to improve from January next year.

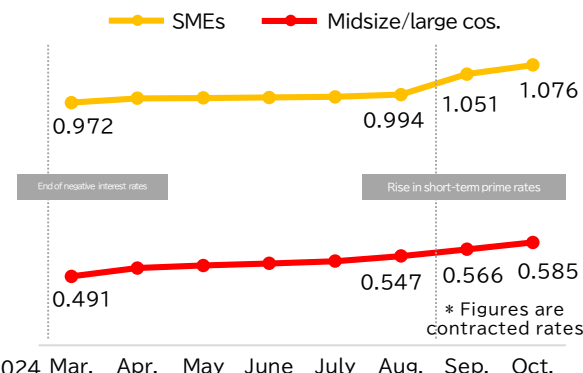
## Loan rates by reference rate (%)



## Rates for business loans and housing loans (%)



## Loan rates by company size (%)



### Composition of loans

#### Individual

Total 2.3 trillion yen (48%)

Of which, short-term prime and other rates 1.8 trillion yen (37%)

Fixed interest rate 0.5 trillion yen (11%)

Up 0.15% from Jan. 2025

Linked to short-term / new long-term prime rates  
50.5%

Individual

Fixed interest rate  
40.4%

Companies

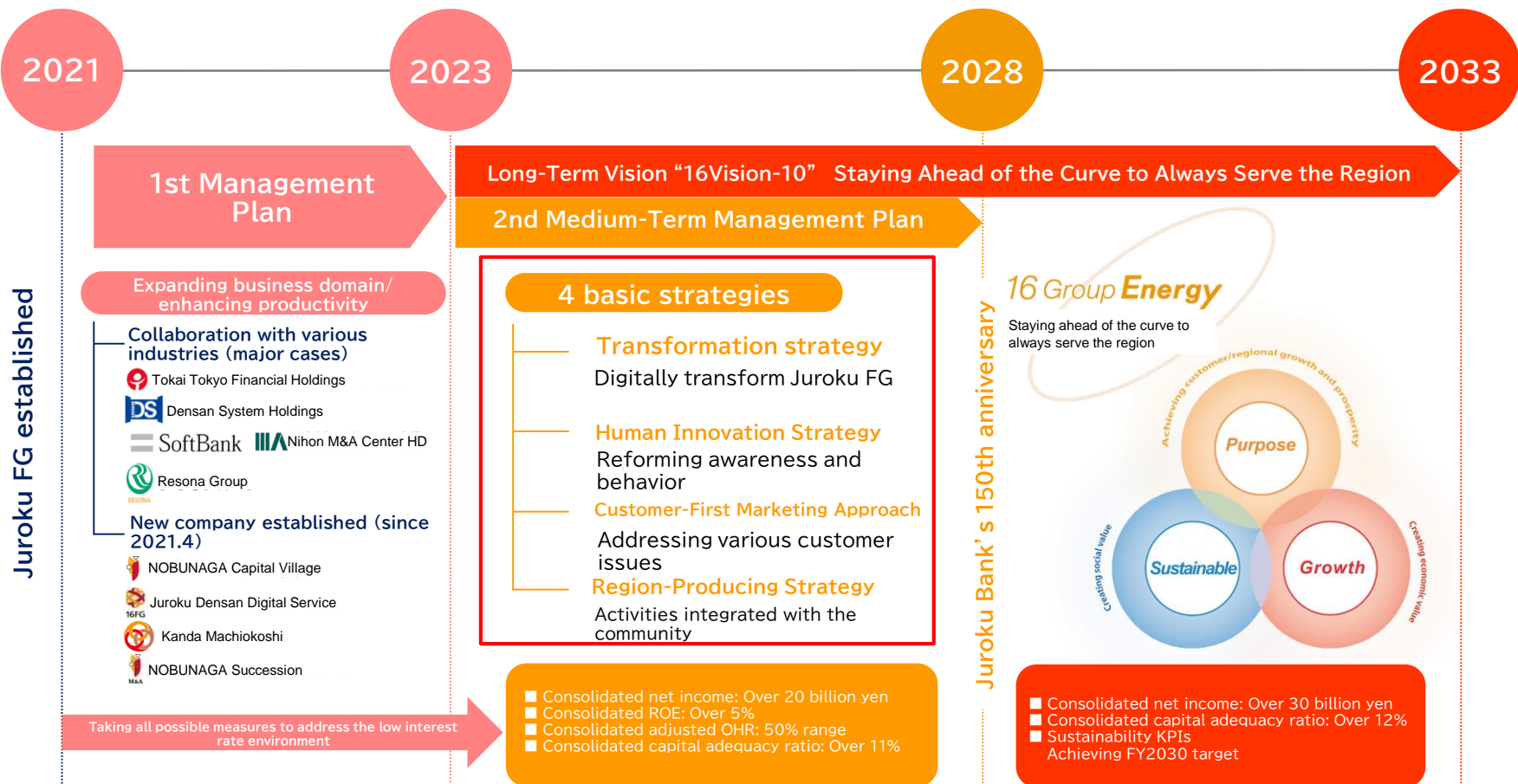
Linked to market interest rates  
9.1%

<Balance as of end of Sep. 2024: 4.9 trillion yen>

#### Companies

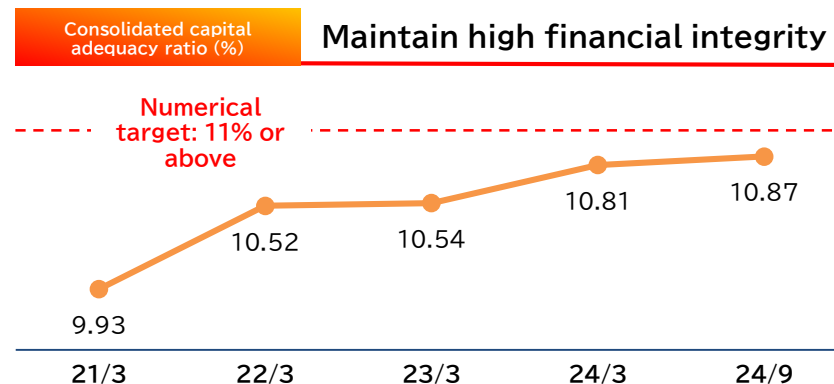
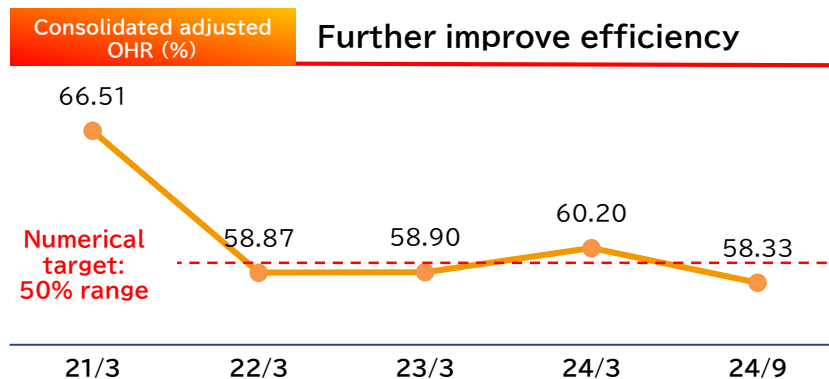
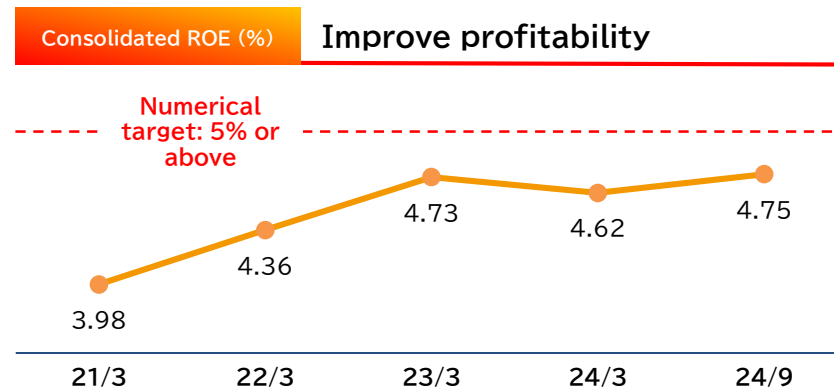
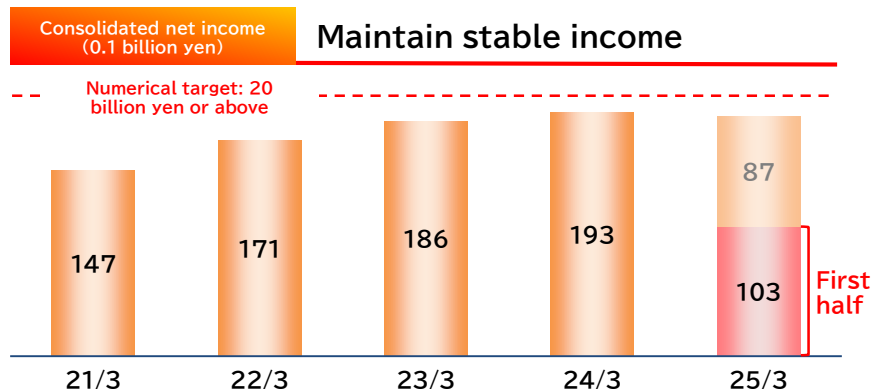
Total 2.5 trillion yen (52%)  
fixed interest rate 1.4 trillion yen (29%)  
Market interest rate 0.4 trillion yen (9%)  
Short-term prime and other rates 0.6 trillion yen (14%)

# Action Strategy Based on Long-Term Vision (the 2nd Medium-Term Management Plan)



# 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 financial integrity.

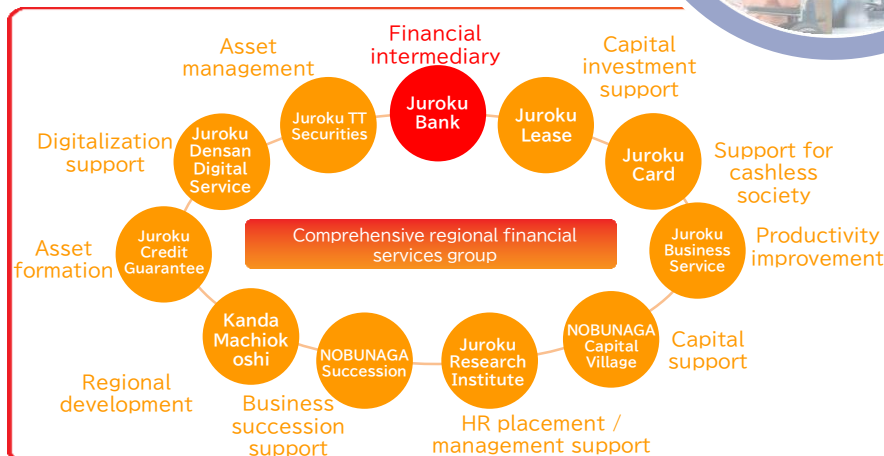


Businesses that have a competitive advantage  
and can only grow within our Group

Businesses that are expected to be increasingly  
demanded by the community

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

Cross-industry collaboration  
/ joint ventures



## Cross-industry collaborations (major cases)

### Securities

Tokai Tokyo Financial Holdings

### Digitalization

Densan System Holdings

### DX

SoftBank

### Business succession

Nihon M&A Center HD

### Retail

Resona Group





- ◆ Actively collaborate with highly specialized companies in other industries to provide high-quality financial services that are not available in the region

## Collaboration with SoftBank

Transformation  
Customer-First Marketing  
Approach

### Introduction of Google Workspace

- Standardized Google Workspace (GWS) as groupware in all 12 group companies under full DX cooperation from SoftBank
- Embarked on "true transformation" to improve operating efficiency and productivity by revamping communication between directors and employees



### Participation in Station Ai as the lead sponsor

- Became the highest-level program sponsor of Station Ai, which was opened in Nagoya in Oct. 2024 as the largest incubator facility in Japan operated by a Softbank subsidiary



- A consultation desk has been set up to strengthen initiatives to "develop entrepreneurs, match them with companies and create open innovation" in coordination with start-ups.

### Staff exchanges

- Since May 2022, we have accepted 5 workers from SoftBank.
- In Apr., July and Oct. 2024, one employee was sent to STATION Ai and two to SoftBank, with the aim of gaining know-how and building a network for young digital talent development and startup support.

## Collaboration with Resona Group

Customer-First Marketing  
Approach

### Launch of Juroku Bank Fund Wrap

- Working together with Resona Group and sharing expertise to maximize the strengths of both companies
- Launched Juroku Bank Fund Wrap, the first collaboration project, in Nov. 2024
- Enhancing asset formation support for customers



### Launch of banking app (planned for spring 2025)

- Banking app to be launched in spring 2025
- Resona Group's banking app has high user ratings and strong competitive advantage.
- Optimizing management resources while reducing the cost and time of in-house development
- Providing high-quality financial services that had not been available in the region



### Staff exchanges

- Planning to send one employee in charge of banking app development to Resona Group

# Competitive Advantage Based on Group Synergy

- ◆ Promoting the Group's integrated sales activity by applying the know-how in new business domains acquired by each Group company to the Bank's deposit and lending business

## Juroku Card x NOBUNAGA Capital Village

Customer-First Marketing Approach

- In Nov. 2024, Juroku Card began collaboration with miive, a company that provides cashless employee welfare services.
- The aim is to address the problems faced by local companies in securing human resources and improving employee benefits.
- In Sep. 2024, investment company NOBUNAGA Capital Village invested in Juroku Card.



## Juroku Bank x Juroku Densan Digital Service

Region producing

- In June and July 2024, vocational training sessions to improve information and financial literacy were held at the Gifu Prefectural Vocational Ability Development School for Disabled Persons.
- For information literacy, Juroku Densan Digital Service, which provides DX support, held a seminar on the knowledge and technology required for digital solutions, and for financial literacy, Juroku Bank's retail division held the Juroku MONEY COLLEGE.



## Juroku Bank x Kanda Machiokoshi

Region-producing

- Kanda Machiokoshi, a town development company, provides business support through OCOS, a local crowdfunding platform, in collaboration with Juroku Bank's about 150 main and branch offices.
- The crowdfunding project, launched in July 2024 to attract people to Gifu Prefecture through Gifu's local specialty ayu (sweet fish), raised more than 9 times the target amount.



An OCOS project

## Juroku Bank x NOBUNAGA Succession

Customer-First Marketing Approach

- NOBUNAGA Succession, a business succession support company, visits Juroku Bank to offer its services to the bank's customers and to hold study sessions for the bank's employees.
- The number of consultations rose to 875, of which 540 were related to M&A and 57 to advisory contracts.
- We have held Management Succession Seminar by President Suguru Miyake of Nihon M&A Center HD at 4 venues in Gifu Prefecture since May 2024.

No. of consultations	875
(Of which, M&A)	540
(Of which, advisory agreements)	57

(Total as of the end of H1 FY2024)



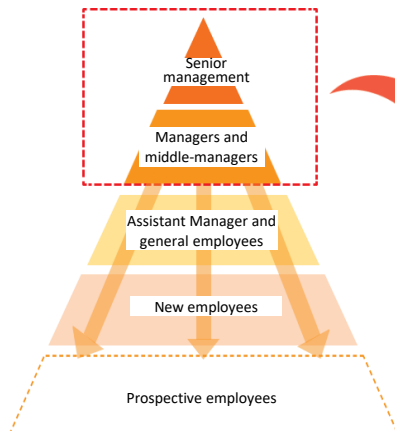
# HR Strategy and Management

- ◆ Cultivating a growth-oriented mindset through “leadership” that leads change, “management” that implements goals and “talent development”
- ◆ Committed to empowering women and advancing governance, which contributes to sustainable business growth and solving local problems

## Cultivation of growth-oriented mindset

### Human Innovation

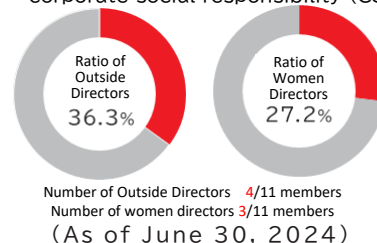
- A total of 6 Leadership Study Sessions were held for middle management, including the Bank's branch managers and directors of Group companies.
- Cultivating growth-oriented mindset to build trust with customers
- In a World with Interest Rates, we were quick to put in place a system that focuses on the deposit and loan business.



## Women empowerment and advanced governance

### Human Innovation

- Appointed a female employee, who started her career with us after graduating, to the position of Director and Executive Officer in June 2024 (the first regional bank to make such an appointment in the Tokai region).
- There are now 3 female directors (27.2% of the total), contributing to the diversity and effectiveness of the Board.
- Improving the quality of risk management and decision making by incorporating views from a wide range of sources, thereby ensuring corporate social responsibility (CSR) and sustainable growth (SDGs).



### «Developing the next generation of women leaders»

- Actively implementing initiatives to promote women into management positions with the aim of increasing the proportion of female managers to 20% by FY2030
- Cultivating an independent career mindset by providing next-generation leader training
- Provided loan operations training, in which female branch managers with little experience in loan operations were assigned to the loan department for 3 months and then transferred to sales branches (the 4th cycle started in Apr. 2024 and 7 managers have completed the training)

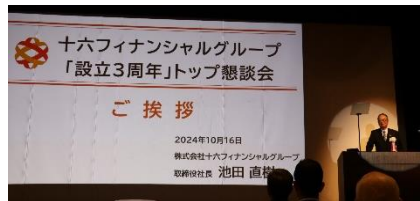
# Stakeholder Engagement

- ◆ Implementing initiatives to improve engagement with all stakeholders, including customers, shareholders, directors and employees, as well as local communities

## Engagement with customers

Customer-First Marketing Approach

- The Juroku FG's third anniversary top-level meeting was held in Oct. 2024, with the aim of deepening relationships with the top management of client companies and the leaders of local public bodies.
- Presented the initiatives of our Group, which has broadened its business model by moving to a holding company structure
- Held over 2 days in Nagoya and Gifu, attended by around 1,000 top management of client companies



## Engagement with Group directors and employees

Human Innovation

- Sustainability Meetings are held where the Presidents of Juroku FG and Juroku Bank discuss sustainability issues directly with Group employees.
- Since the Meeting began in Aug. 2022, 31 sessions have been held and 181 employees have participated by Sep. 2024.
- Each session is held in small groups of around 5 to 6 people and allows employees to share their honest opinions with senior management.



## Engagement with local communities

Region producing

- The Juroku Foundation for Regional Promotion provides financial support for young people, who will lead Gifu and Aichi prefectures, to obtain educational opportunities; a total of 236 people have received 342 million yen in grants to date.
- In Oct. 2024, a certificate presentation ceremony was held for 12 students who entered university this spring and received scholarships from the Juroku Foundation for Regional Promotion.



## Engagement with local communities

Region producing

- We participate every year in the Takahashi Naoko Cup Gifu Seiryu Half Marathon, the largest sporting event in Gifu Prefecture, as a major sponsor.
- In Apr. 2024, 107 runners from our Group, including the President, participated.
- Around 1,000 volunteers also took part, including the Juroku Community Revitalization Team and new employees.





# Maximizing Investment Returns (Local Communities / DX)

- ◆ At the new headquarters, scheduled to open in 2027, we aim to rebuild a network to support the Group's integrated business structure.
- ◆ We will innovate our business model based on transformation, while strategically implementing DX investments that lead to improved productivity.

## New headquarters "16 FG Office & Park"

Region producing

### Opening in 2027 (planned)

- An important project that embodies the Group's management philosophy of "Achieving growth and prosperity for our customers and the local community"
- The whole area is designed to be a local place of relaxation, with cafes, restaurants and parks with roofs that let in the wind and sunlight.
- Centralizing headquarters functions to create the Group's integrated business promotion structure
- Aimed at rebuilding a network between the headquarters and sales offices



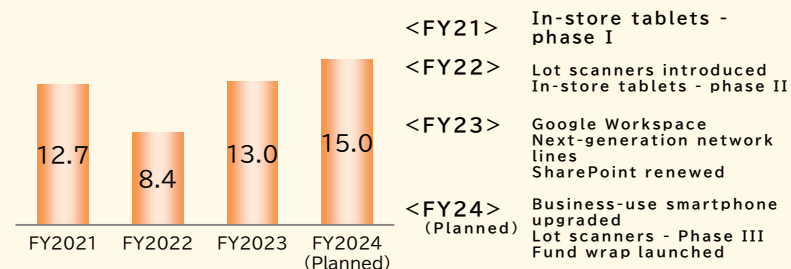
## DX investment strategy

Transformation

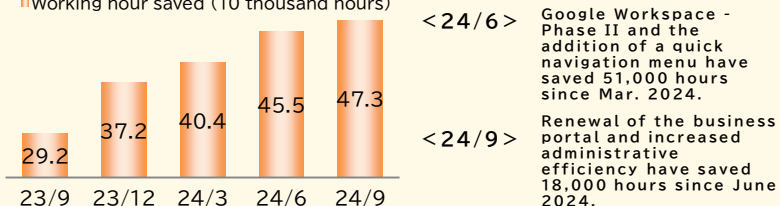
- In collaboration with SoftBank, we aim to create a virtuous cycle for our core businesses by improving operational efficiency and productivity of our directors and employees through DX.

### IT investment (100M yen)

Main strategies / streamlining projects



### Working hour saved (10 thousand hours)





# Improving Disclosure of Sustainability Information

- ◆ ESG (Environmental, Social and Governance) data is prepared to enhance sustainable corporate value through improved risk management and transparency.



## ESG data preparation

- ESG (Environmental, Social and Governance) data is prepared to enhance sustainable corporate value through improved risk management and transparency.
- Published on the Juroku FG's website (Japanese only) and the Annual Report 2024



### Disclosure items

[16fg.co.jp/sdgs/esg/](https://16fg.co.jp/sdgs/esg/) (in Japanese)

### E Environment

- Energy consumption
- Greenhouse gas (GHG) emissions
- Environmental finance

### S Social

- Human capital (such as diversity)
- Human capital (human resources / talent development)
- Health Management
- Other

### G Governance

- Board of Directors
- Management Advisory Board (Personnel Affairs Committee, Compensation Committee)
- Audit & Supervisory Committee
- Compliance and prevention of corruption

Please refer to the Juroku FG's website for the details of ESG data (Japanese only).

### ESGデータ

#### 環境 (Environment)

項目	単位	2021年度	2022年度	2023年度
エネルギー使用量				
総消費電力 (LPG)	千kWh	74	79	104
CO <sub>2</sub>	kg	18	19	17
電力	kg	497	493	438
CO <sub>2</sub>	kg	17,499	17,762	16,708
CO <sub>2</sub>	kg	725	7,762	2,234

項目	単位	2021年度	2022年度	2023年度
Scope1 (直接排出)	kg	1,235	1,488	1,241
Scope2 (間接排出)	kg	6,354	6,829	6,133
Scope3 (間接排出)	kg	7,879	7,388	7,400

項目	単位	2021年度	2022年度	2023年度
Scope1 (直接排出)	kg	12,991	14,234	14,761
Scope2 (間接排出)	kg	3,405	3,974	3,199
Scope3 (間接排出)	kg	1,348	1,339	1,447
Scope4 (間接排出)	kg	1,495	1,839	1,837
Scope5 (間接排出)	kg	56	64	66
Scope6 (間接排出)	kg	146	152	138
Scope7 (間接排出)	kg	1,106	1,193	2,140
Scope8 (間接排出)	kg	—	—	—
Scope9 (間接排出)	kg	—	—	—
Scope10 (間接排出)	kg	—	—	—
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Scope35 (間接排出)	kg	—	—	—
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Scope56 (間接排出)	kg	—	—	—
Scope57 (間接排出)	kg	—	—	—
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Scope64 (間接排出)	kg	—	—	—
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Scope66 (間接排出)	kg	—	—	—
Scope67 (間接排出)	kg	—	—	—
Scope68 (間接排出)	kg	—	—	—
Scope69 (間接排出)	kg	—	—	—
Scope70 (間接排出)	kg	—	—	—
Scope71 (間接排出)	kg	—	—	—
Scope72 (間接排出)	kg	—	—	—
Scope73 (間接排出)	kg	—	—	—
Scope74 (間接排出)	kg	—	—	—
Scope75 (間接排出)	kg	—	—	—
Scope76 (間接排出)	kg	—	—	—
Scope77 (間接排出)	kg	—	—	—
Scope78 (間接排出)	kg	—	—	—
Scope79 (間接排出)	kg	—	—	—
Scope80 (間接排出)	kg	—	—	—
Scope81 (間接排出)	kg	—	—	—
Scope82 (間接排出)	kg	—	—	—
Scope83 (間接排出)	kg	—	—	—
Scope84 (間接排出)	kg	—	—	—
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Scope86 (間接排出)	kg	—	—	—
Scope87 (間接排出)	kg	—	—	—
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Scope89 (間接排出)	kg	—	—	—
Scope90 (間接排出)	kg	—	—	—
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Scope92 (間接排出)	kg	—	—	—
Scope93 (間接排出)	kg	—	—	—
Scope94 (間接排出)	kg	—	—	—
Scope95 (間接排出)	kg	—	—	—
Scope96 (間接排出)	kg	—	—	—
Scope97 (間接排出)	kg	—	—	—
Scope98 (間接排出)	kg	—	—	—
Scope99 (間接排出)	kg	—	—	—
Scope100 (間接排出)	kg	—	—	—

項目	単位	2021年度	2022年度	2023年度
Scope1 (直接排出)	kg	1,235	1,488	1,241
Scope2 (間接排出)	kg	6,354	6,829	6,133
Scope3 (間接排出)	kg	7,879	7,388	7,400

株式会社金沢市 (全労働者)	%	40.2	43.6	46.0
子会社 近畿南信濃労働者	%	64.8	66.1	67.3
子会社 パーソナル印刷労働者	%	63.8	62.2	60.3
新卒採用人数	人	75	72	108
子会社採用人数	人	36	40	56
課長以上者数増減	%	2.4	2.6	2.7
管理役職者数	人	496	477	493
子会社管理職数	人	33	37	45

Section I: Interim Results for FY2024

Section II: Initiatives for Enhancing Corporate Value

**Section III: Initiatives for Sustainability**

# Progress in Sustainability KPIs

◆ All Sustainability KPIs set in May 2022 have made steady progress.

## ■ Targets by FY2030

Key challenges	Item	Numerical targets	Sep. 2024 results (progress rate (*3))	
Revitalization of the local economy	Sustainable finances provided (of which, environment field)	2,000 billion yen (800 billion yen)	(*) 578.6 billion yen 211.1 billion yen	28.9% (26.3%)
	Balance of group assets in custody	550 billion yen	481.7 billion yen	87.5%
Sustainable Development of Local Communities	Social impact investment	2 billion yen	(*) 0.47 billion yen	23.5%
	DX-support consultations	3,000 cases	(*) 578	19.2%
Environmental conservation and climate change actions	CO <sub>2</sub> emissions (vs. FY2013 level)	100% reduction	(*) 42.7% reduction	42.7%
	Paper use (vs. FY2019 level)	50% reduction	35.1% reduction	70.2%
Empowerment of diverse human resources	Percentage of female managers	20%	10.2%	51.0%
	Percentage of paid leave claimed	80%	28.4%	35.5%

## ■ On-going targets

Advanced governance	Initial response training for emergency preparedness	At least twice a year	4	200.0%
	Dialogue with investors	At least 10 times a year	25	250.0%

(\*)1 Cumulative total from Apr. 2022 (\*)2 End of Mar. 2024 results (based on verification values by SOKOTEC)

(\*)3 Progress rate is calculated based on "Sep. 2024 results / FY2030 target."

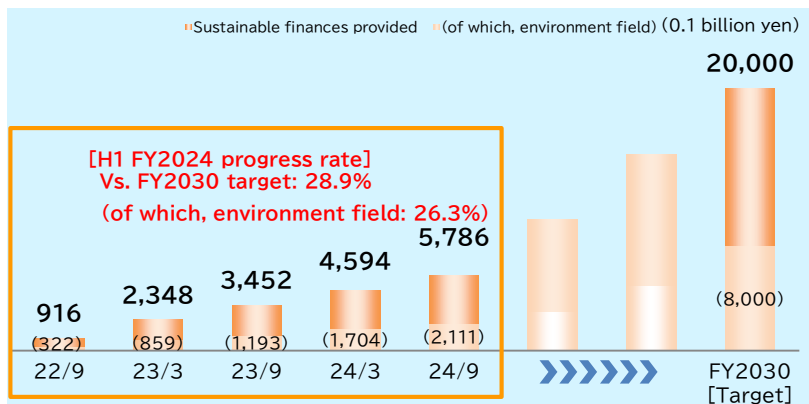


# Materiality: Revitalization of the Local Economy

- ◆ Sustainable finances totaled 578.6 billion yen as of Sep. 2024, achieving 28.9% of the FY2030 target.
- ◆ The balance of Group assets in custody as of Sep. 2024 reached 481.7 billion yen, achieving 87.5% of the FY2030 target.

## Sustainability KPIs

### Sustainable finances provided



[Definition]

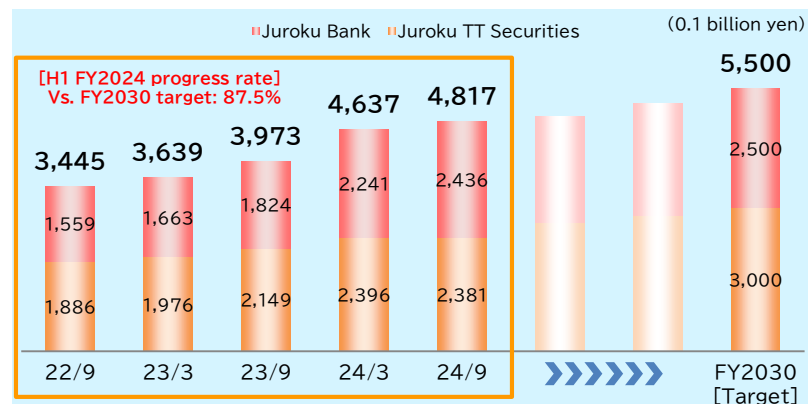
Sustainable finances: Investments and loans for SDGs and ESG initiatives that contribute to realizing a sustainable society

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

- Provided sustainable finances totaling 578.6 billion yen (of which, 211.1 billion yen in environment field) as of the end of Sep. 2024, achieving 28.9% (of which, environment field: 26.3%) 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 SGDs, 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.

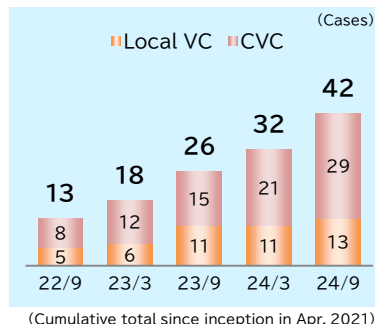
- The balance of our Group assets in custody reached 481.7 billion yen as of the end of Sep. 2024, achieving 87.5% of the FY2030 target.
- Of the total, Juroku Bank accounted for 243.6 billion yen (approx. 51%) and Juroku TT Securities 238.1 billion yen (approx. 49%).
- For stable asset formation support, 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.
- ◆ 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. Active financial literacy activities are also underway.

## [NOBUNAGA Capital Village] Investment in local VCs and CVC investment

- 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.
- In collaboration with Station Ai, we have strengthened contacts with promising startups gathering in Aichi Prefecture from all over Japan.



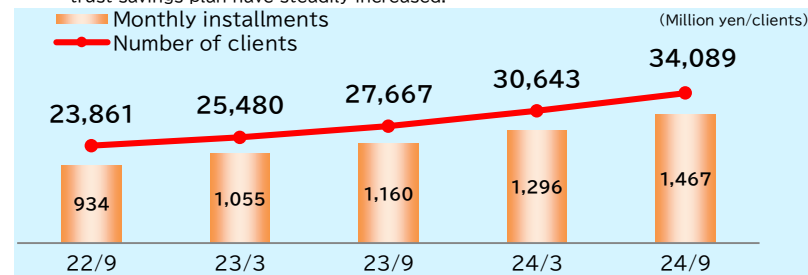
## «Supporting business creation and startups through NOBUNAGA 21»

- NOBUNAGA 21, a private-sector venture support network operated by Juroku Bank, Nomura Securities and Deloitte Touche Tohmatsu LLC., provides support for startups.
- Hosted a business exchange event using “pickleball” as a communication tool, as well as a pitch event with 6 startups with STATION Ai in July 2024



## [Juroku Bank] 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, monthly savings and customers numbers for investment trust savings plan have steadily increased.



## «Financial literacy education»

- Conducting Juroku MONEY COLLEGE seminars that provide a systematic financial education menu aimed at increasing financial literacy
- Through Nobunaga Money Study, a financial board game, we provide upper grade elementary school students with an opportunity to learn about finance and their hometown while having fun.

Education activity (as of end of Sep. 2024)	Sessions held to date	Total number of students
Juroku MONEY COLLEGE	65	9,130
Nobunaga Money Study	8	556

- ◆ Kanda Machiokoshi has boosted the amount of donations made through CoLoRs, a hometown tax donation matching service for companies, to over 100 million yen.
- ◆ ITEMs, a hometown tax donation matching service for companies based on goods donations, was launched in Oct. 2024.

## 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
2024 (As of end of Sep. 2024)	0.47 billion yen (Progress rate: 23.5%)

[Kanda Machiokoshi] Launched ITEMs, a hometown tax donation matching service for companies (goods donation type)

- Launched ITEMs, which is based on goods donations, in addition to CoLoRs which is based on monetary donations
- ITEMs, based on the "reverse fair trade style," matches companies that want to donate their products with municipalities that want to receive needed goods.



### «ITEMs partner municipalities»

Partnered with 7 municipalities in Gifu and Aichi prefectures

- Gifu Prefecture
- Within Gifu Prefecture (cities, towns, villages)  
Gifu City, Gero City, Nakatsugawa City, Seki City, Kasamatsu Town
- Within Aichi Prefecture (cities, towns, villages)  
Okazaki City

(As of end of Oct. 2024)

## «Kanda Machiokoshi activity»

Local crowdfunding platform OCOS		Hometown tax donation matching service for companies CoLoRs	
Cumulative total (as of end of Sep. 2024)		Cumulative total (as of end of Sep. 2024)	
No. of projects posted	82	Partner municipalities	37
No. of purchases made	7,716	No. of donations	144
Total amount of purchases	101.06 million yen	Amount of donations	130.62 million

- OCOS, a local crowdfunding platform, and CoLoRs, a hometown tax donation matching service for companies, have grown to become top-tier regional bank-affiliated services.

## Participation in the "Shirakawa-mura no Kura," a Japanese sake brewery building project

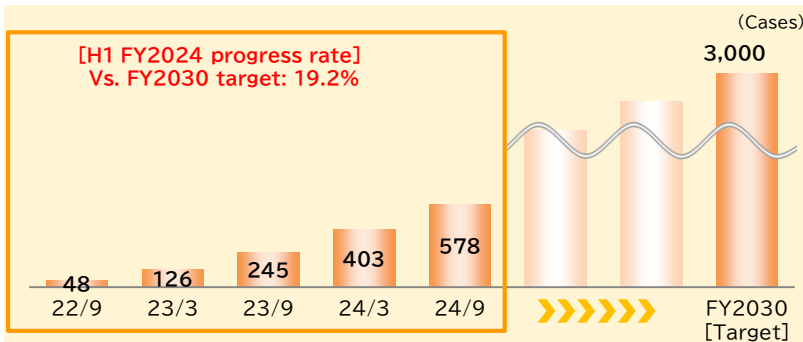
- Signed Comprehensive Cooperation Agreement for Regional Revitalization with Shirakawa Village in Gifu Prefecture in May 2024
- Participating in the "Shirakawa-mura no Kura," a regional development project by Shirakawa Village and Watanabe Sake Brewery to establish a sake brewery, since Oct. 2024
- Started brokering hometown tax donation for companies, with the aim of building a sake brewery to be completed and in operation in 2026
- Providing financial resource development support for the entire project as the public-private partnership advisor for Shirakawa Village



- ◆ In H1 FY2024, Juroku Densan Digital Services received 175 orders for business streamlining and other projects, contributing to the DX of local companies.
- ◆ Serving as the designated financial institution for Gifu Prefecture from April 2025, we are committed to making prefectural services more convenient and achieving sustainable development of the local economy through the Group's concerted efforts.

## Sustainability KPIs

### DX-support consultations



(Cumulative total from Apr. 2022)

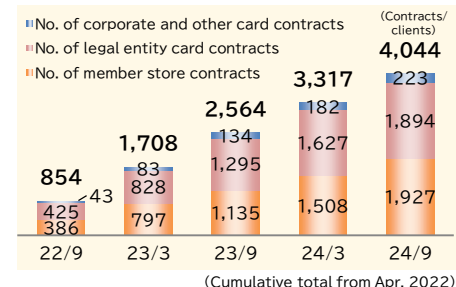
- Juroku Densan Digital Services received 175 orders in H1 FY2024 through referrals from Group companies and external collaborations.

#### Breakdown of DX support consultations (H1 FY2024)

Whole operations	63	Production	15
Sales	10	Infrastructure	29
Accounting	13	Other	23
HR / general affairs	22	Total 175	

## Cashless support

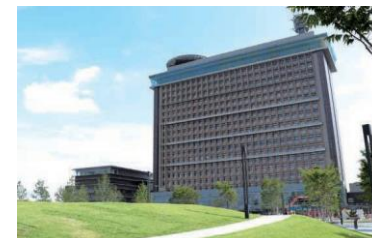
- Educating clients on the efficiency of expense paperwork and compliance with the Electronic Books Maintenance Act, and suggesting introduction of legal entity cards, corporate cards, etc.
- Promoting cashless transactions at municipalities, schools, etc., where cashless needs are anticipated



## Collaboration with municipalities

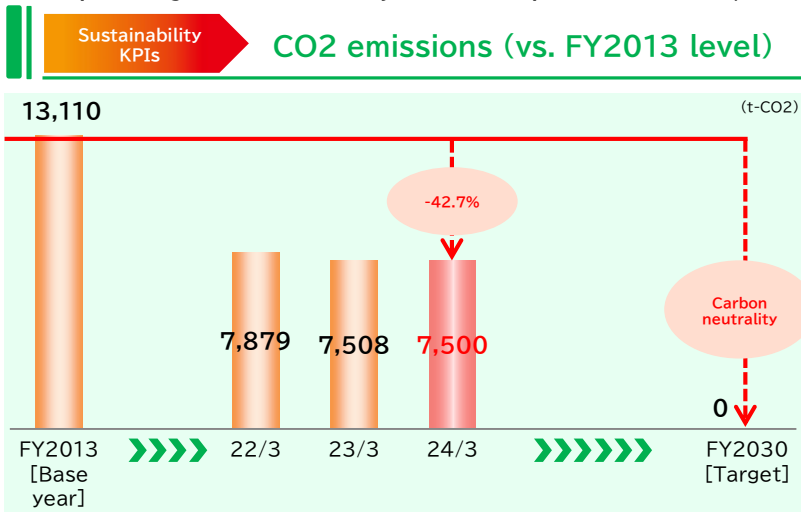
### Gifu Prefecture Designated Financial Institution

- Juroku Bank has been appointed as the designated financial institution for Gifu Prefecture for a period of 5 years from Apr. 2025 to Mar. 2030.
- We will make Group-wide efforts to offer more convenient services for Gifu residents and achieve sustainable development of the local economy.

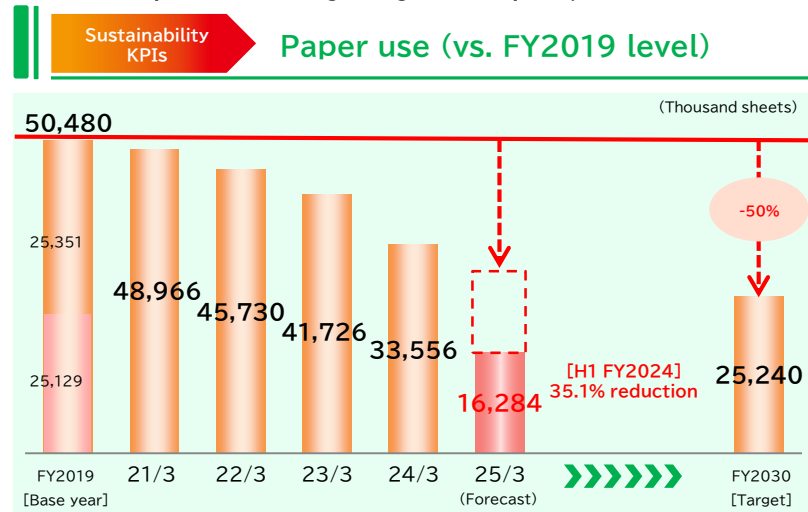


# Materiality: Environmental Conservation and Climate Change Actions

- ◆ 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.
- ◆ Paper usage was reduced by 35.1% compared to FY2019, due to the digitization of operations using Google Workspace, etc.



- CO2 emissions (Scope 1 and 2) as of Mar. 2024 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.
- Introduced CO2-free electricity in 87 branches of Juroku Bank, 2 loan service centers and 4 training centers from June 2024
- Participated in the carbon credit market in Oct. 2024
- Ongoing upgrades to building air-conditioning systems and LED retrofits



- Digitalized operations by introducing Google Workspace, etc.
- Paper use in H1 FY2024 was 35.1% lower compared to the FY2019 base level

## Conversion of sales fleet to HV/EVs

- Gradually shifting to clean energy vehicles, with the aim of achieving 50% HV/EVs in sales fleet by FY2030
- HV/EVs accounted for 15.3% of the sales fleet in Sep. 2024.

- ◆ With an expanded menu of decarbonization support and enhanced decarbonization advisory services, our support to local companies in calculating GHG emissions and setting reduction targets has grown significantly.
- ◆ Juroku Lease has been certified as an excellent ESG lease company for building a decarbonized society.

## Decarbonization support for local companies

### [Juroku Bank] Decarbonization management support for business partners

No. of orders	FY2021	FY2022	FY2023	H1 FY2024
Carbon Neutral Navigator	47	91	79	81
SBT certification support	2	43	109	41
TriaNet Zero	Launched in August 2023		161	72
Carbon offset certification support	Launched in March 2024			4

\* SBT (Science Based Targets): Medium to long-term GHG emission reduction targets of companies in line with the standards required by the Paris Agreement. Companies commit to reducing emissions to a certain level compared to a base year set by each company.

\* TriaNet Zero: A system that continuously calculates accurate GHG emissions to support creation of a climate transition plan and emissions reduction implementation

- To date, a total of 298 orders have been received for the Carbon Neutral Navigator Supported by WasteBox, which is a consulting service for the visualization, reduction target, etc. of GHG emissions.
- The number of companies obtaining “SBT certification” through the decarbonization consulting service has risen significantly.

### « CDP Supply Chain Japan Summit 2024 »

- Discussions on the importance of future supplier engagement from the perspective of risks and opportunities not only related to Scope 3, but also to nature as a whole
- Our Director and Executive Officer took part in a panel discussion on “Future Value Chain Management.”



### [Juroku Lease] Certified as an excellent ESG lease business.

- Through the first carbon neutral program of a regional bank-affiliated lease company, Juroku Lease is promoting initiatives to realize a decarbonized society through its one-stop support service that covers: visualizing CO2 emissions ⇒ reducing CO2 emissions through energy conservation, energy generation, and fuel conversion ⇒ offsetting CO2 emissions that cannot be reduced.
- In Aug. 2024, Juroku Lease was certified by the Ministry of the Environment as an excellent ESG lease business.





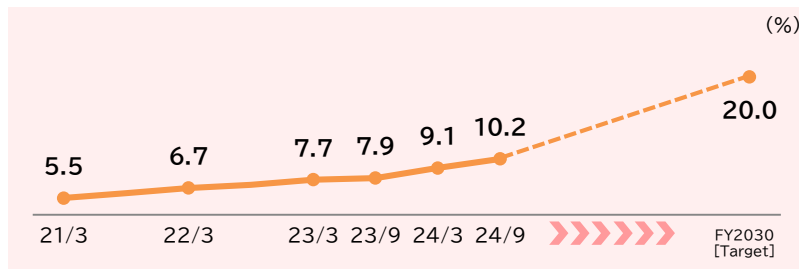
# Materiality: Empowerment of Diverse Human Resources

- ◆ The ratio of female managers as of Sep. 2024 was 10.2%, up 2.3 percentage points YoY.
- ◆ The paid leave utilization rate was 28.4% (5.40 days) in H1 FY2024 as a result of work-life balance promotion.

## Sustainability KPIs

### Percentage of female managers

- The ratio of female managers rose to 10.2% as of Sep. 2024 due to our proactive efforts to promote women into management positions.
- Training programs have also been expanded to improve career awareness and provide skills support.



### <New graduate recruitment activity>

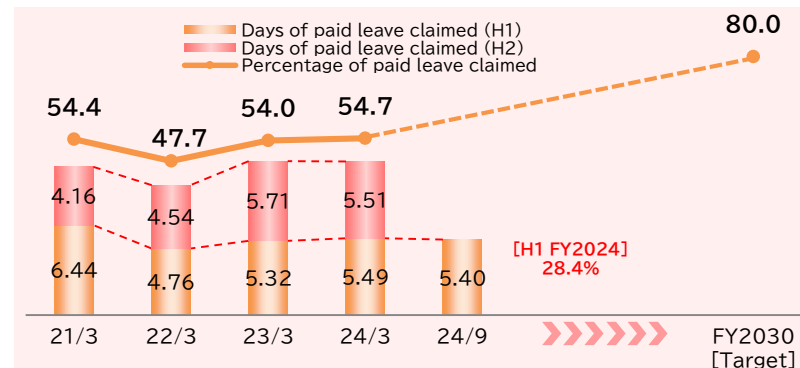
- To ensure a diverse workforce rooted in the community that can maximize their skills for the community, we have increased starting pay for new hires to 260,000 yen from FY2024.
- We plan to hire 150 new graduates in FY2025, up from 126 in FY2024.

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

## Sustainability KPIs

### Percentage of paid leave claimed

- The number of days taken as paid leave in H1 FY2024 was 5.40 days (utilization rate: 28.4%).



### Childcare support

- The rate of male employees taking Spousal Maternity Leave System for childcare participation in FY2023 is 92.3%.
- A total of 104 employees used the retention system in FY2023.

\* Retention system

Employees can choose to work either 6 or 7 hours per day between 8:30am and 5:15pm (in 15-minute increments); the system is available until the child completes the 3rd year of elementary school.

- ◆ 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.
- ◆ Annual training hours and the number of trainees have increased as we focus on developing human resources that can maximize their skills for the community.

## Use of human resources

- Based on strategic support for employees who take on challenges for the community, we 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, an internal recruiting system is used to assign personnel to Group companies and partner companies in different industries.
- In FY2023, 14 out of 128 applicants were placed in positions of their choice.
- In H1 FY2024, recruitment is underway for 9 broad job categories, including banking app-related work.

### «Job Return System»

- Under the Job Return System, for which we have started accepting applications in line with the new HR system, we hired one applicant for the IT department and one for a sales office.

## Qualification acquisition incentive program

- To support employee growth and proactive challenges, we have established a qualification acquisition incentive program and provide an incentive payment when employees pass the specified qualification/certification exams.
- Covering a wide range of official qualifications related to digital technology
- In Apr. 2024, we increased the incentive amount for high-level qualification/certification exams.

Cases used

481

Total incentive amount

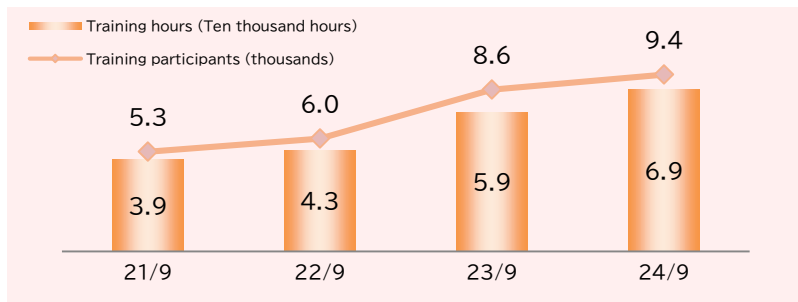
6.586 million yen

(FY2023)

## Talent development

- Providing group training opportunities for a wide range of employees as a first step in knowledge acquisition and to provide motivation for learning
- Promoting human capital investment by increasing training by job level and job type
- Both the total number of training hours and participants have increased.

### «Total annual training hours / total number of trainees»



### «Carbon Accounting Advisor Level 3»

- Targeting to have 500 employees certified as Carbon Accounting Consultants Level 3 in order to develop specialist human resources

	Certified applicants
Carbon Accounting Consultants Level 3	134



# Materiality: Advanced Governance

- ◆ In H1 FY2024 we held 4 sessions of the initial response training for emergency preparedness (progress rate: 200%) and 25 dialogue sessions with investors (progress rate: 250%).

## Sustainability KPIs

### Initial response training for emergency preparedness

- Held 4 initial response training sessions in H1 FY2024 against a target of at least 2 per year

On-going targets	At least twice a year
H1 FY2024	4 sessions (Progress rate: 200%)
Training contents	BCP training for wind, flood and earthquake scenarios, cyberattack exercise, etc.

#### « Cyberattack exercise ISAC FIRE 2024 »

- Aimed at preventing cyber security incidents and the spread of damage.
- Cyber-attack exercises are conducted twice a year as part of our incident response training, with the participation of the responsible director, Group company employees, external vendors, etc.



## Customer-oriented business policy

- Developed and published the Policy on Customer-Oriented Business Conduct in order to thoroughly implement customer-centric initiatives
- As specific initiatives based on this policy, Juroku Bank and Juroku TT Securities have established the Customer-Oriented Initiative Policy and have been implementing since Apr. 2024.
- In June 2024, Juroku Bank's "Three Pledges for Customer Asset Formation" became the guidelines of the Juroku FG.

## Sustainability KPIs

### Dialogue with investors

- Conducted 25 dialogues sessions in H1 FY2024 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
H1 FY2024	25 times (Progress rate: 250%)

#### « Breakdown of 30 individual meetings held in FY2023 »

Type	Company responders	Times held
Small meeting	President, Director and Executive Officer, Group Planning & Coordination Dept. General Manager	Once [10 institutional investors]
One-on-one meeting		4
	Group Planning & Coordination Dept. General Manager	25

Topic	
Management strategy	12
Exercise of voting rights	13
Cross-shareholdings	5

Meeting with	
New investors	2
Existing investors	28

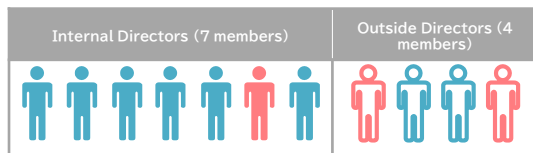
- ◆ Self-assessment of the Board's effectiveness was conducted in the form of a questionnaire with advice from an external organization, and we confirmed that effectiveness is ensured.
- ◆ In June 2024, our first female internal director was appointed.

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

- Conducting an annual self-assessment and analysis of the effectiveness of the Board in order to improve the functioning of the Board, etc.
- An assessment was conducted in Mar. 2024 in the form of a questionnaire, with advice from an external organization, and discussed at a Board meeting after consultation with the Management Advisory Council.
- Based on the results of the analysis and assessment 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.
- We will continue to review the content and volume of Board meeting materials and work to improve communication with internal and outside directors as well as executive departments.

## Composition of the Board

- Ensuring that the Board has a well-balanced structure with diverse knowledge or expertise
- At least one-third of the total number of Directors consist of Independent Outside Directors to enhance not only management supervision but also the Board's objectivity and rationality in decision-making.
- In June 2024, our first female internal director was appointed.



Percentage of  
outside  
directors  
36.3%

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

- Implementing 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 affairs/Risk management	HR	Regional revitalization	ESG/sustainability
Directors who are not Audit & Supervisory Board members	Yukio Murase	Chairman (Representative Director)	●	●	●	●	●	●	
	Naoki Ikeda	President (Representative Director)	●	●	●	●	●		●
	Akihide Ishiguro	Director and Deputy President	●	●	●		●		
	Yukiyasu Shiraki	Director and Senior Managing Executive Officer	●	●				●	●
	Yoshiaki Bito	Director and Managing Executive Officer	●	●		●			
	Tomoko Shiozaki	Director and Executive Officer	●	●				●	●
	Satoko Ito	Outside Director						●	●
Directors who are Audit & Supervisory Board members	Yasushi Ueda	Outside Director	●	●		●			
	Akito Yamashita	Director	●	●	●				
	Shinji Ishihara	Outside Director				●	●		
	Satoe Tsuge	Outside Director			●				●