

Aiming to become a “Frontrunner” that helps our customers and local community

The Juroku Bank Ltd. was established in October 1877. Since its establishment, The Juroku Bank has continued growing together with the local community for 144 years.

Then on October 1, 2021, The Juroku Bank established Juroku Financial Group, Inc. for the purpose of transforming its business model to a provider of comprehensive financial services to the region, and made a transition to a holding company structure.

The transition to a holding company structure marked a major reorganization that can be described as a second founding. What prompted the decision to make this transition was the changing environment surrounding regional institutions.

The environment surrounding regional financial institutions has changed significantly, with the prolonging low-interest policy, intensifying competition across industries and business categories, and increasing uncertainty. Amid these factors, it has become difficult to accurately anticipate what lies ahead, and financial institutions are being required to conduct management by assuming that they cannot anticipate the future. In such circumstances, it is becoming difficult to expect the so-called deposit and loan business which has supported our growth to achieve high growth, in terms of both revenue and function. In a prolonged low-interest environment, banks are facing difficulty in increasing revenue for businesses centered on deposits and loans. Meanwhile, regarding growth as simply

procuring funds and aiming at business expansion is a thing of the past.

Given a shrinking population and the imminent maturity phase, regional institutions are required to not only lend money, but also to mull over the customer's vision together with them and provide added value, in order to demonstrate the value of our existence.

We believe that, going forward, it will be vital to make efforts for the growth of our customers and the local community through the initiatives for sustainability, carbon neutrality, SDGs, and regional revitalization, as well as the provision of comfortable services that support digital transformation (DX), by not only demonstrating our financial intermediary functions but also leveraging the strengths of a regional financial institution consisting of regional human resources, information and network.

Through the transition to a holding company structure, we strive to expand our business domain such as by establishing new businesses, strengthen collaboration and optimize the allocation of resources within the Group by reforming the thinking and behavior of our officers and employees, enhance auditing and supervisory functions, and accelerate business execution.

By leveraging the benefits of such a holding company structure and becoming a “Frontrunner” that helps our customers and the local community, we will contribute to the realization of a sustainable society.



Juroku Financial Group, Inc.
Naoki Ikeda
Representative Director and President

Our Mission is to “Achieve Growth and Prosperity for Our Customers and the Local Community”

In making a transition to a holding company structure, we inherited the basic philosophy of The Juroku Bank and newly formulated our group management philosophy.

As the basic philosophy of The Juroku Bank had long been inherited, our group management philosophy is placed as the fundamental spirit of the Juroku Financial Group and the foundation for all of our officers’ and employees’ activities so that it will be inherited for many decades.

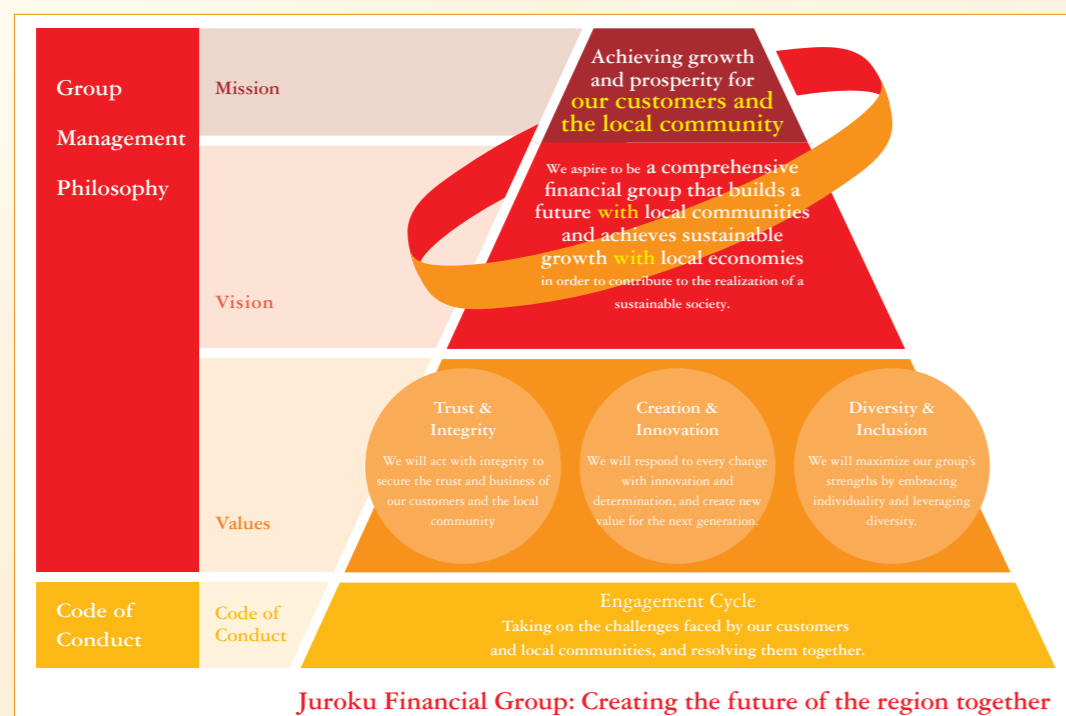
Our Mission as the highest concept, which is also the purpose of the Juroku Financial Group in the region, would be “achieving growth and prosperity for our customers and the local community.” Considering the Group’s purpose in the region, it is to contribute to the sustainable growth and development of our customers and the local community. We will not survive if we are not needed by the local community. In order to express our commitment to our customers and the local community, we made our Mission to be “achieving growth and prosperity for our customers and the local community.”

Our Vision for achieving our Mission is to be a

“comprehensive financial group that builds a future with local communities and achieves sustainable growth with local economies.” With the recent rise in momentum toward SDGs and ESG, initiatives for sustainability have become important. We set our Vision to be a “comprehensive financial group that builds a future with local communities and achieves sustainable growth with local economies” in order to contribute to the realization of a sustainable society or to make proactive efforts on a Group-wide basis.

In addition, our Values, the organization’s common values which form the foundation of our Mission and Vision, consist of “Trust & Integrity,” “Creation & Innovation,” and “Diversity & Inclusion.”

Regional financial institutions and local communities share the same destiny. We believe that it is important to act as though the matter is our own concern so as to contribute to “achieving growth and prosperity for our customers and the local community” with our group management philosophy as the foundation at all times.



To be Needed and Respected by the Local Community

Many of our customers in Gifu and Aichi prefectures, the main areas where the Group operates, prefer sound management. As such, we are required to provide them not only cash flow support programs but also core business support tailored to their individual situations.

In particular, in the current situation where a post-COVID-19 pandemic world is anticipated, we feel that expectations for the Group are shifting to support other than the provision of funds.

For example, in the region concerned where manufacturing

thrives, many customers face the challenge of business succession as they lack successors. From about 20 years ago, The Juroku Bank has been supporting business succession. Looking at the present situation, we believe that we need to further enhance this service.

In addition, we feel that recently there has been an increasing number of customers who are aware of carbon neutral issues and require support. The Group entered into a business alliance with a consulting firm that has knowledge in carbon neutrality matters and started providing consulting services to support customers’ decarbonization management.

Other than these issues, we will grasp the needs of our customers

as a regional comprehensive financial group to provide detailed custom-made responses to solve issues, including responses to SDGs and human resource referrals.

The Group proactively takes such initiatives because it has a sound sense of urgency that the Group will not be able to survive in this region going forward unless it is “needed and respected by the local community.”

We believe that it is essential for us to share issues of interest with customers in a timely manner, such as business succession, carbon neutrality and SDGs, and appropriately provide services, also for the purpose of our own sustainable growth.

Expanding Business Domains to Take on New Challenges

In order to be “needed and respected by the local community,” we are seeking to be the “Frontrunner” of the region while aiming at helping our customers and the local community more than ever.

Under the holding company structure, the Group has worked to support its customers’ core businesses by concentrating the Group’s management resources, while at the same time creating a business structure that can respond flexibly to changes in the business environment as a “Frontrunner” of the region.

On April 1, 2021, ahead of the transition to a holding company structure, NOBUNAGA Capital Village Co., Ltd. was established as a company specializing in investment for the purpose of actively supporting and nurturing venture companies.

In addition, on March 1, 2022, Juroku Computer Service Co., Ltd. was made a joint venture with Densan System Holdings Co., Ltd. and commenced operations as the digital transformation company Juroku Densan Digital Service Co., Ltd., with the aim of promoting digitalization and digital transformation of regional companies and local governments and improving the Group’s digital transformation capabilities.

Moreover, on April 1, 2022, the community development company Kanda Machi Okoshi Co., Ltd. was established with a view to further promoting consulting for regional total design and regional revitalization. Through these and other initiatives, the Group has steadily created a business structure to expand its business domains.

Juroku Densan Digital Service and Kanda Machi Okoshi were both established with a license of a non-banking service enhancement company stipulated in the amended Banking Act which took effect in November 2021, and will be able to engage in a wider range of operations.

We firmly believe that these companies which were established around the time of transition to a holding company structure will definitely grow to become companies that help customers and the local community.

Now that the Group has developed its business structure, we intend to use the fruits of our efforts to take on the challenge of various financial businesses to achieve growth and prosperity for our customers and the local community.



Nurturing Human Resources to Break Out of the Shell of Banking

We believe that, in order to break out of the conventional business model centered on the deposit and loan business and maximize group synergy to evolve into a “provider of comprehensive financial services to the region,” it is paramount to nurture “human resources” since they comprise the Group’s largest and constant management resource.

We need to further nurture human resources that can endeavor to build strong relations with customers and solve a wide range of issues, such as human resources that can work actively for the sake of customers by involving many people both within and outside of the Group.

It is certainly convenient to have non-face-to-face contact points such as online interviews which have been widely conducted following the spread of COVID-19. However, we are

intent on nurturing human resources whom people would like to meet and consult in person.

To that end, we are focusing our efforts on “nurturing human resources that can build relationships of trust with customers” through training sessions for young and mid-career employees, including shifting from the conventional input-type to output-type approach.

In addition, we will carry out “active inter-Group personnel exchange including young and mid-career employees,” and the “active and appropriate appointment to higher posts,” in an effort to revitalize the organization and further strengthen Group cooperation.

Upon the start of operations of Juroku Densan Digital Service and Kanda Machi Okoshi, in-house job posting was implemented mainly for young employees. As a result, a total of 130 people applied for the two companies, far exceeding the capacity limit.

Seeing these results, we feel very encouraged by how highly motivated employees were to advance their careers. In addition, we also realized that the message that the Group is breaking out of the shell of the banking-centered business with the aim to become a “provider of comprehensive financial services to the region” is spreading among young employees as well.

Going forward, it will be essential to nurture a large number of human resources to “break out of the shell of banking,” and to that end, it is necessary to “nurture human resources that broke out of the shell of conventions.” We will engage in these efforts as the most important management task.



Enhancing Sustainability of Local Communities

Words like sustainability, carbon neutrality and SDGs have now become common around the world, and we are being required to meet various social expectations in our activities as a regional comprehensive financial group.

The Group has formulated the Sustainability Policy as its basic policy on sustainability initiatives.

In addition, in the Juroku Financial Group SDGs Declaration that was established to coincide with the establishment of the Company, five key challenges (Materiality) were established to promote various initiatives in line with the declaration.

Sustainability Policy

The Juroku Financial Group recognizes sustainability initiatives to be an important management issue. We will strive to solve various social issues such as climate change through our core business of a “provider of comprehensive financial services to the region” and contribute to “achieving growth and prosperity for our customers and the local community,” which is our group management philosophy, while aiming at sustainable growth and enhancing corporate value of the Group.

The proactive promotion of these initiatives by officers and employees together will likely lead to enhanced sustainability of society and achievement of growth and prosperity for our customers and the local community.

Putting into broad perspective “how daily activities affect the whole society” will make companies and individuals recognize their own purpose.

We are now at a major 50-year turning point in the industrial structure centered on carbon neutrality, and all officers and employees will make every effort to conduct activities that enhance the sustainability of the local community.

Growing Together with Partners in the Relationship of Trust and Mutual Understanding

We recognize that there are several patterns of a growth strategy that regional financial institutions will likely follow to expand businesses.

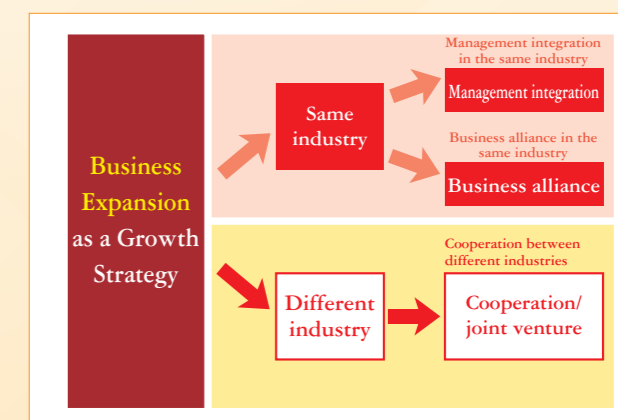
One pattern is management integration in the same industry that expands scale through a merger with other banks and other means. The other pattern is a business alliance in the same industry to find synergies in the alliance with another bank. These strategies are chosen by various regional financial institutions. We have chosen the third path of cooperation between different industries that deepens alliance with different industries with a view to achieving growth through business cooperation and establishment of joint ventures.

We believe that such cooperation between different industries is an essential strategy for aiming at becoming a more sustainable and stronger regional comprehensive financial group that breaks out of the shell of the conventional business model centered on the deposit and loan business, while leveraging our major strengths. These strengths consist of an “extensive and deep customer base,” “information accumulated on a daily basis,” and the “extensive human network” which we have built over the course of our history.

For example, Juroku Tokai Tokyo Securities Co., Ltd. (“Juroku TT Securities”) commenced operations through a joint venture with Tokai Tokyo Financial Holdings, Inc. in June 2019. While

putting into practice high-value-added proposals through bank-securities cooperation with The Juroku Bank, Juroku TT Securities has produced strong results, such as substantially increasing both the number of accounts and the deposit asset balance.

Going forward, we will enhance corporate value as a “Frontrunner” that helps our customers and the local community through cooperation with partners with whom we can grow together based on a relationship of trust and mutual understanding.



Risky to Change. Riskier Not to Change.

Amid substantial changes in the environment surrounding regional financial institutions, our ability to respond to the uncertain changes in environment is being put to the test.

We will not be able to ride out the waves of change with the half-hearted approach which we have taken so far of keeping what is good and changing what needs to be changed. As a “Frontrunner” of regional reform, we need to be prepared to change the status quo without hesitation and bring about new innovations based on flexible ideas free from preconceived notions.

“Risky to change. Riskier not to change.” These are the words of John W. Young, an astronaut who reached the moon in the Apollo Program, which was a moon landing project proposed by U.S. President John F. Kennedy in 1961.

We believe that, as a regional comprehensive financial group, we may be exposed to greater risk if we do not change in this day and age. Although we may fail if we take on a new challenge, we need to change in order to become a sustainable organization.

The Apollo program was thought to be unviable at the time but the aspirations of the American people were brought together to successfully achieve the goal.

This “Moon Shot” was able to unify the aspirations of the American people because the project was highly original and innovative, and also the goal was appealing and inspiring.

In an age of the new normal, social demands toward corporate activities are expected to rise in the future. However, it is in these times that we need to keep asking ourselves what our purpose is.

We have a major goal of “achieving growth and prosperity for the people of this region where we were born, brought up and supported.”

Although this is a grand and highly impactful goal, toward this goal, we will aim to become a “Frontrunner” that helps our customers and the local community with a sense of joy and pride that we can achieve this ourselves by using backcasting in our daily activities.

We ask you to look forward to “the Juroku Financial Group creating the future of the region together” and also would greatly appreciate your continued support.