



JUROKU Financial Group

2024

ANNUAL REPORT

Message from the President



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N. Ikeda

Building on Our Traditions to Pioneer a New Era as a Regional Comprehensive Financial Services Group

The Juroku Bank was founded in Gifu-shi by local merchants, industrialists, and landowners in October 1877 as the 16th National Bank. The spirit of our corporate plaque, “Being Integrity Brings Prosperity,” which was donated by Mr. Eiichi Shibusawa upon the completion of the former Head Office, has been handed down through generations of officers and employees to the present day.

Building on more than 140 years of the history, we established the Juroku Financial Group and transitioned to a holding company structure in October 2021, transforming our business model to become a regional comprehensive financial services group. Today, the Group is composed of 12 companies, including Juroku Financial Group, Inc. and its core company, The Juroku Bank, Ltd.

The environment surrounding the Group is undergoing substantial change against the backdrop of technological advances and rising sustainability awareness, in addition to the issues faced by present-day society such as declining birthrates, the aging population, and labor shortages. In this environment, the Group is endeavoring to expand its business domains through “collaboration with other industries” and the “establishment of new companies.” We are using these efforts as a base to engage in swift transformation under our Long-Term Vision “16Vision-10” and 2nd Medium-Term Management Plan “Staying Ahead of the Curve to Always Serve the Region: First Stage,” launched in April 2023.

We will leverage the strength of the Group’s broad range of business domains to boldly and flexibly engage in tactical and behavioral Change, continue to take on Challenges aimed at the formation of sustainable local communities, and contribute to “achieving growth and prosperity for our customers and the local community” through proactive Communication with all of our stakeholders. Through these endeavors, we aspire to evolve into a regional comprehensive financial services group, building on our traditions to pioneer a new era.

Being Integrity Brings Prosperity.

This corporate plaque, painted and donated to The Juroku Bank by Mr. Eiichi Shibusawa upon the completion of the former Head Office in April 1931, is still displayed in the executive conference room today.

The words “Being Integrity Brings Prosperity.” (“junri sokuyu” in Japanese) mean that living in accordance with reason and truth will lead to prosperity. They are known as Mr. Shibusawa’s motto, and the Group’s employees have carefully passed them down from generation to generation.

Utilizing the Holding Company to Transform the Business Model

More than two-and-a-half years have passed since the establishment of Juroku Financial Group, Inc., and I feel that we have made substantial progress on the three pillars we set forth at the time of its establishment: the expansion of business domains, optimal allocation of Group management resources, and more sophisticated governance.

Regarding the expansion of business domains, first of all, we have been able to swiftly create operating subsidiaries to address the issues faced by companies and local communities, such as DX, urban development, and management succession. We have also actively pursued alliances with highly specialized companies in other industries, generating substantial results. It is significant that our partners are the top-class companies in their industries in Japan. It is only by establishing relationships of trust that we are able to provide high-quality services. In this era of transformation, staying “Staying Ahead of the Curve” enables us to win the trust of our customers. We will strive to leverage the know-how we have acquired in new business domains to enable our customers to understand the changes we have made and gain a solid sense of our new value.

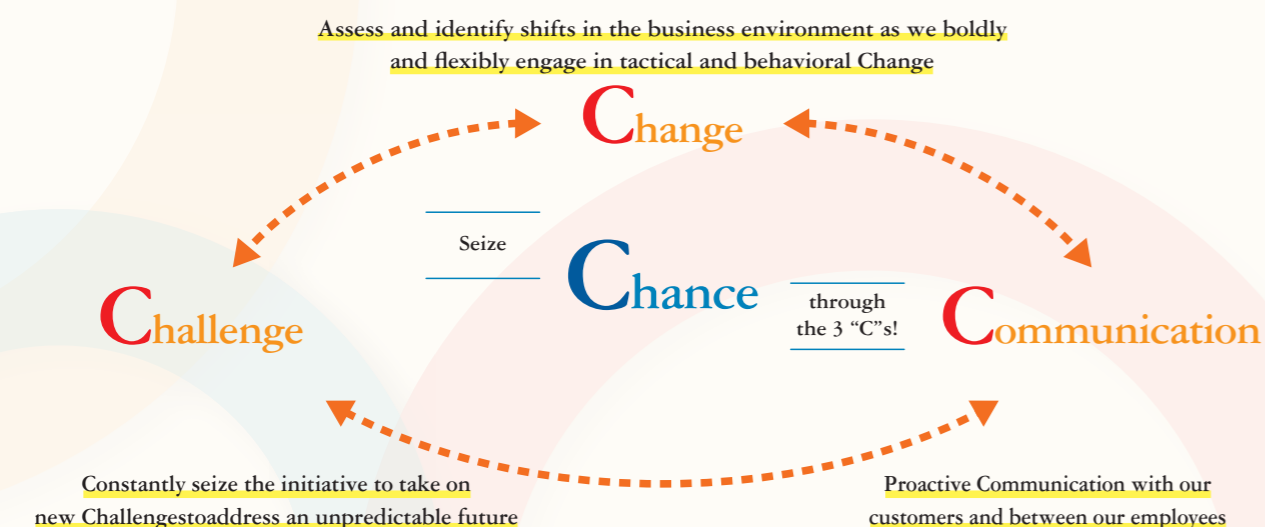
Next, regarding the optimal allocation of Group management resources, we introduced a new human resources (HR) system in April 2023. At the same time, all employees transferred to the holding company. By introducing a system where employees declare “My Vision” (what they aspire to be) and their “Commitment” (target) to achieve this vision, we have enabled them to demonstrate their high individual expertise and hidden talents beyond the limits of the banking business. Our business domains have expanded, giving our diverse workforce more opportunities to play an active role in the region. We will listen to each employee’s aspirations for the kind of contributions they want to make to the region and support them in taking challenges.

Regarding more sophisticated governance, in FY2023, we conducted an evaluation of the effectiveness of the Board of Directors through the involvement of a third-party agency, confirming that the Board of Directors is operating appropriately. We hope to continue to improve the quality of decision-making by incorporating the various views and perspectives of members from diverse backgrounds, aiming to further enhance corporate value.

Staying Ahead of the Curve: the Four “C”s

In this era of increasing uncertainty, we are looked upon to prove our true value as a regional financial institution. Under the new business model we have launched through the Group’s transition to a holding company structure, we will assess and identify shifts in the business environment as we boldly and flexibly engage in tactical and behavioral Change, constantly seize the initiative to take on new Challenges to address an

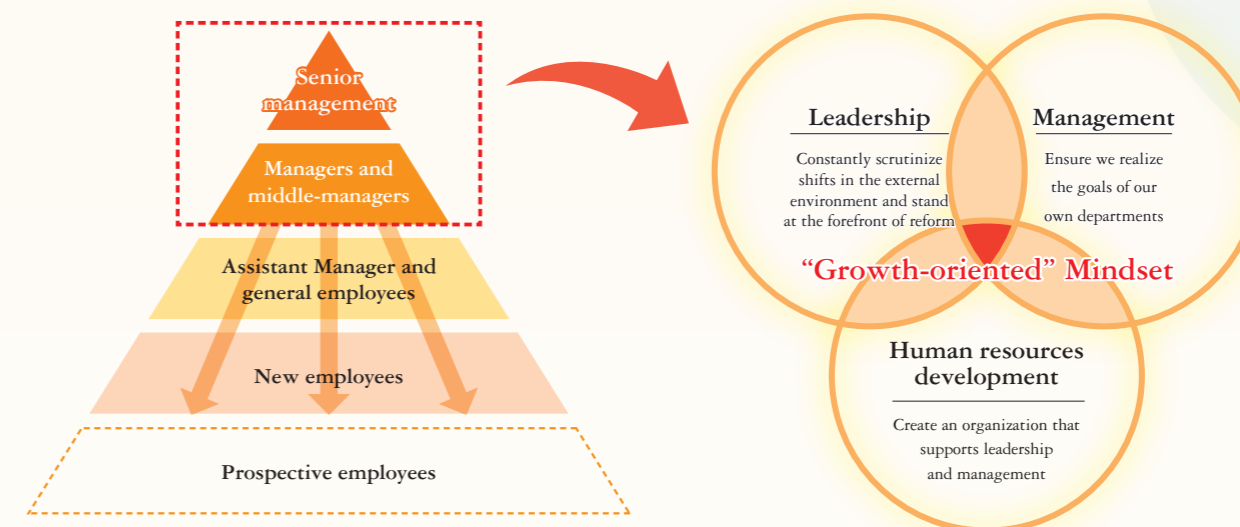
unpredictable future, and aim for proactive Communication with our customers and between our employees. Through a resolute and unified Group-wide approach to these three “C”s, we will capture our Chance to stay ahead of the curve, steadily advancing as a regional comprehensive financial services group that serves the region as a frontrunner in the local community and society.



Cultivating a “Growth-oriented” Mindset

The reform of employees’ mindset is essential to the implementation of these three “C”s. Customer trust is our starting point: it supports all of our activities. To build relationships of trust with our customers, it is vital for all our employees to be highly motivated to engage in thorough dialogue with customers. To maintain this high level of motivation, it is crucial that each individual employee develops a positive, “growth-oriented” mindset. With the return of positive interest rates, especially, we must display the “leadership” to constantly scrutinize shifts in the external environment and stand at the forefront of reform, as well as the “management” to ensure we realize the goals of our own departments. At the same time, through “human resources development” to support these endeavors, we must cultivate a “growth-oriented” mindset within our organization. To this end, one of the first things we did this year was to establish “leadership workshops” for middle-management employees such as branch managers of The Juroku Bank and the corporate officers of Group companies. Through

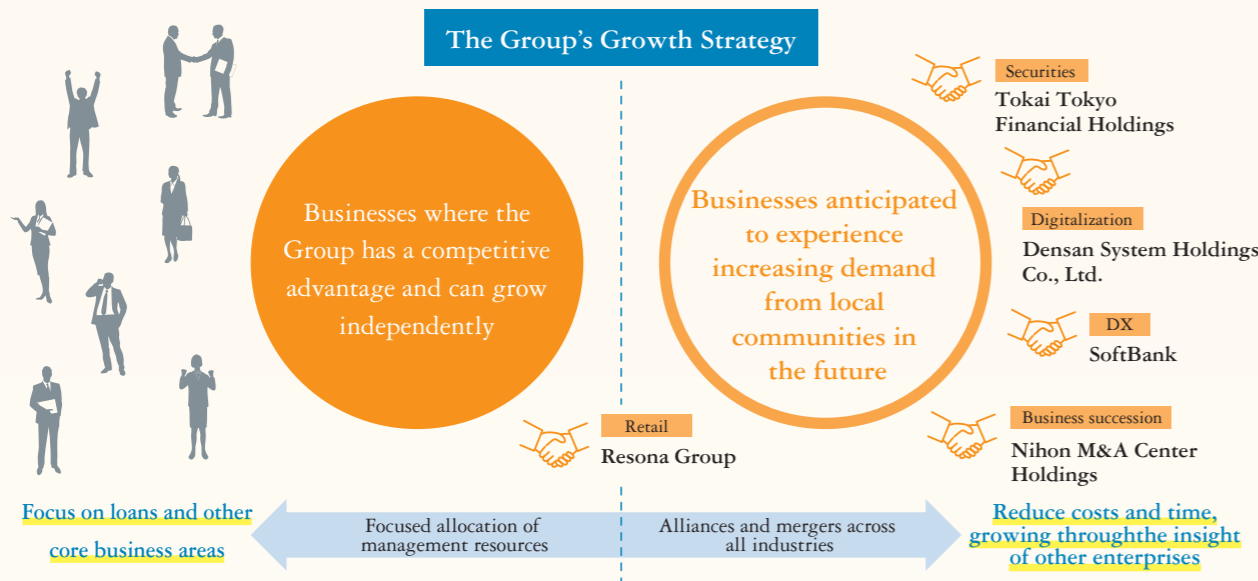
six sessions of lectures, group work, and presentations, we have been able to unify the direction of the Group’s vision while also establishing a structure that will enable us to focus on our core business as Japanese society returns to a world of positive interest rates.



The Group’s Growth Strategy

The Group’s growth strategy is to focus on allocating management resources to our core business, including loans and deposits, where we have a competitive advantage and can grow independently. At the same time, for businesses anticipated to experience increasing demand from local communities in the future, we will achieve growth without expending costs or time, engaging in alliances and mergers across all industry sectors. A customer-first marketing approach will be crucial to demonstrate the true value of our core business: we must engage in thorough dialogue with our customers to ascertain the needs and issues they face and

provide them with high-value-added services to address these needs. We will endeavor to deepen our core business through the broad, deep customer base developed by The Juroku Bank over more than 140 years in business while also reaping the maximum returns from the know-how accumulated by Group companies in new business domains, to achieve Group-wide integrated sales activities for our core business. With the return of positive interest rates, we aim to know our customers as well as we know ourselves, by giving attention to, connecting with, and closely supporting them.



Providing High Added Value through Alliances with Other Industries

<Earnestly engaging in important, pressing issues for the region>

In July 2023, we established NOBUNAGA Succession Inc., a joint venture with Nihon M&A Center Holdings Inc., to support management succession among small and medium-sized enterprises in the region. Gifu Prefecture, where the rates of population decline and aging exceed the national average, is seeing a marked increase in the number of enterprises closing down as their representatives get old and no successor is forthcoming. The potential management succession needs are limitless. We have avoided using the word “Juroku” in the company name and separated it from the business operations of the Bank itself, to enable us to stay close to the sentiments of business managers who might find it difficult to talk about succession issues with a bank they borrow from on a daily basis. We connect the deep and heartfelt wishes of business managers with people who love the region and will earnestly engage in managing their enterprises.

<Providing high-quality financial services unprecedented in the region>

In February 2024, we launched a new alliance with the Resona Group in the retail field. We aim to leverage our mutual know-how to make maximum use of the strength of both corporate groups. In fall 2024, The Juroku Bank will begin to offer a mutual fund wrap as we endeavor to enhance our support for customers’ asset formation. In spring 2025, we plan to launch a banking app. The banking app offered by Resona Group, especially, is well evaluated by users and boasts significant competitive advantages. Utilizing this app as our own product is expected to enable us to capture customers across all demographics in the region. We envisage an era when our customers will carry around The Juroku Bank in their pockets, as an app on their

smartphones. In addition to optimizing management resources while reducing the cost and duration of internal development, we will be able to provide our customers with higher-quality financial services, unprecedented in the region.

<Boosting productivity to optimize the creativity of our employees>

In collaboration with SoftBank, we are striving to improve the operational efficiency and productivity of the Group’s officers and employees through DX, with the aim of achieving a virtuous cycle for our core business. Through the full cooperation of five SoftBank employees, including employees at the level of general manager and deputy general manager, who have been seconded to the Group, The Juroku Bank introduced the new groupware Google Workspace (GWS) in September 2023. In March 2024, we went on to unify groupware across all 12 Group companies. We are taking up the challenge to bring about “true reform” by reinventing the way we communicate. The Start-up Support Hub “STATION Ai” (the largest incubator facility in Japan), operated by a subsidiary of SoftBank, will commence operation in Aichi Prefecture in October 2024. Through our connection with SoftBank, we have dispatched one employee from the Group to this facility, starting in April 2024. NOBUNAGA Capital Village, the Group’s dedicated investment company, has held events including three consultation sessions in the STATION Ai facility since October 2023 in preparation for its opening. We are strengthening our contact points with the promising start-up companies gathering in Aichi Prefecture from across Japan. We will actively cooperate with these start-ups to jumpstart the creation of global innovations from Aichi Prefecture.

Initiatives for Enhancing Corporate Value

We endeavor to engage in constructive dialogue with shareholders and investors with the aim of achieving sustainable growth for the Group and enhancing its medium- and long-term corporate value. In FY2023, we focused on creating more contact points with stakeholders, holding a total of 30 small meetings and one-on-one meetings, twice as many as in the previous fiscal year. The requests received through this dialogue were reported to the Board of Directors and other relevant bodies, which discussed future initiatives to enhance corporate value.

Based on these discussions, we amended our shareholder returns policy from a “total payout ratio of at least 25%” to a “dividend payout ratio of at least 30%,” aiming for more substantial shareholder returns. In addition to achieving our sixth consecutive fiscal year of profit growth, we raised our dividends for the fifth consecutive fiscal year. As a result, total dividends have more than doubled over the past five years, and the number of shareholders is also increasing steadily. In FY2023, we also reduced our cross-shareholdings at a faster pace than planned under the Reduction Policy of Cross-shareholdings. At the same time, we are actively engaged in climate change countermeasures, including enhancing our disclosure based on the TCFD recommendations and bringing forward our target for carbon neutrality from 2050 to 2030.

Looking ahead, we aim to ensure a consolidated ROE of 5% or more. Higher ROE is crucial to improving PBR, and we intend to utilize the capital invested in the Group by our shareholders to grow our businesses in the medium and long term.

In addition to demonstrating the true value of our core business amid the return of positive interest rates, it is important that we steadily boost revenues from a medium- and long-term perspective. We will do this by actively implementing measures such as investments linked to the Group’s growth, including alliances with other industries, and investments aimed at business streamlining through DX. To accomplish this, it is essential that we procure stable deposits from our customers in the region. We will therefore also ensure we achieve our target capital adequacy ratio, which is a measure of financial stability and soundness. I believe it as my personal role and responsibility to clearly set forth and steadily implement a roadmap to achieve this enhancement of corporate value.



Backing Employees to Undertake Diverse Challenges

One year and three months have passed since we introduced our first new HR system in 22 years, transferring all our employees to the holding company as we aim to optimize Group management resources. As a result, the Group's management philosophy has penetrated more thoroughly through our workforce. By looking back over their progress from the time when they joined the Group to the present, employees have gained more opportunities to think deeply about how they can contribute to our customers and the region, and

act on this awareness. Our emphasis on integrated Group management has encouraged employees to perceive secondment to non-bank Group companies, which previously had a negative image, in a positive light. When establishing several new companies, we have utilized the in-house open recruitment system to enable employees to take a career challenges in a broad range of business domains. For example, in response to openings for around 10 employees each for the companies we have set up in recent years, we received 48 applications for Juroku Densan Digital Service Co., Ltd., 83 applications for Kanda Machiokoshi Co., Ltd., and 61 applications for NOBUNAGA Succession Inc. These numbers bear witness to the high degree of interest among employees.

Upon seeking the values common to our employees, we found that many employees "hope to continue to live in the region they were born and raised in." In other words, many employees joined the Group because they wanted to work in the local area. The common quality shared by these employees is a passionate desire to "be helpful to the region." We will provide strategic support to enable the employees with this desire to utilize their individuality in autonomously taking challenges for the region.

Additionally, from the perspective of D&I and under a "positive evaluation" approach, supervisors have become receptive to the aspirations and individuality of their subordinates and engage in two-way dialogue that extends beyond work to include matters such as hobbies, special skills, and social contribution activities, which enable them to achieve rich lives as members of society and consumers in the region. This change in employees' way of interacting with their supervisors can also be cited as a result of our new HR system. Going forward, we will continue to cultivate an organizational culture that enables each individual to play a highly motivated, active role.

Leading the Region with the Appointment of a Female Career Employee as a Director

The Group has actively promoted women to management positions and systematically engaged in human resources development for female leaders expected to rise to management positions in the future. As part of these efforts, we appointed a female career employee to the position of Director and Executive Officer in June this year, the first such promotion by a regional bank in the Tokai region. This female Director has advanced knowledge and executive ability with regard to sustainability and other issues. Her involvement in decision-making is expected to facilitate the generation of innovative ideas and creative solutions from the female perspective, enhancing corporate performance. Her presence as a role model will also serve

as a great encouragement for young female employees, embodying their future aspirations and leading to the development of a mindset focused on working in the Group over the long term.

By increasing the forums for female participation and advancement, companies are able to boost the vitality of their entire organizations. In this region, where the declining population has become an issue, the participation and advancement of women, especially, is essential. By creating environments that make it easier for female employees to build their careers, we hope to contribute to the sustainable development of local communities.

Group-wide Participation in Gifu Prefecture's Largest Sporting Event

Each year, the Group is involved as a major sponsor in The Takahashi Naoko Cup / Gifu Half Marathon. A total of 107 runners participated in this year's race, and approximately 1,000 employees and family members participated as volunteers and supporters. In 2017, the 140th anniversary of the founding of The Juroku Bank, all the Directors ran with the aim of completing the course. Ever since then, I have personally participated each year as a runner. I have a lot of fun interacting with our business partners and other acquaintances along the way.



The race is an important event for nurturing a sense of regional solidarity through sport. It is also a perfect opportunity for visitors from outside the prefecture to understand the goodness of Gifu. The Group's runners wore T-shirts imprinted with an image of "Juroku's Momo," played by the actress Momoko Fukuchi in our corporate commercials. They ran with the message "Let's create the future of our beloved town" on their backs. Our volunteers and supporters, wearing orange T-shirts, the color of the Juroku Financial Group, delivered smiles and cries of encouragement to the runners as the "Region energize team"

I feel that this participation in a major local event made many employees aware of just how wonderful it is to place oneself amid the scenery of this region. It's important for the officers and employees of a financial institution rooted and active in the region to experience first-hand the values of running and supporting runners in the region where they were born and where their friends and family are. Therein lies the significance of our Group-wide participation in this event, which began with all the Directors entering as runners.

Towards Realizing a Sustainable City

The Juroku Bank will celebrate its 150th anniversary in 2027. In this milestone year, we plan to construct a new headquarters building, the "16FG Office & Park." This is an extremely important project that will embody the Group's management philosophy of "achieving growth and prosperity for our customers and the local community." The project is based on two main concepts. The first is the creation of a "beautiful and comfortable common space" to provide added value to everyone in the region. The second is to establish a base with a "workplace that is ahead of its time," centralizing our headquarters functions to enable an integrated Group-wide business promotion system. The first to third floors will feature an atrium, where we plan to build a roofed park filled with natural light and breeze. We aim to create a stylish space for nature and people to gather: the kind that will live on in the memory as, for example, a place one used to visit on the way home from high school. We are also considering making this a smart office building. Although I'm not sure how much we will be able to achieve, I would like to endeavor to create an attractive workplace utilizing digital and robotic technologies that will make students from the region want to return to their hometown to work. Based on these concepts, we will realize the "formation of spaces to



gather the bustle which is the source of vitality and support the creation of prosperity to achieve a sustainable city," a goal set by the Gifu municipal government.

The Group only exists because of the trust placed in us by customers and the region. In this context, the Group's Purpose of "achieving growth and prosperity for our customers and the local community" represents a universal value. All our employees will work together across the entire organization with this value at heart, aiming for our vision of where we want to be in 10 years: a regional comprehensive financial services group that stays ahead of the curve to always serve the region.

We ask for your further support in the future.

Dialogue between
Chairperson
and
Female Directors

Tomoko Shiozaki

Director and
Executive Officer
(Dialogue facilitator)

Yukio Murase

Chairperson
(Representative Director)

Satoko Ito

Outside Director

Satoe Tsuge

Outside Director
(Audit & Supervisory
Committee Member)

The Future Being Opened Up by Female Leaders

～ Company growth and local community development resulting from diversity ～

The dialogue was held on the theme of “promotion of women’s active participation in the workforce and advanced corporate governance” for facilitating sustainable growth for companies and resolving regional issues.

Trends for the Promotion of Women’s Active Participation in the Workforce in Global and Local Communities

Shiozaki: Female leadership in global and local communities is being viewed with increasing importance. Could you please share your view on the reasons for this?

Tsuge: As a global trend, there is growing recognition that female leadership promotes gender neutrality and contributes to improvement in social welfare. Scandinavian nations that have been progressive in adopting gender quota systems have become comfortable countries to live for everyone due to the advancement of gender-neutral societies. For conflict resolution and peace building as well, female leadership is regarded as effective, and its importance is growing.

Ito: Even in local communities, the active participation of women is seen as important. In Japan, “the worker shortage and market contraction” is inhibiting the nation’s growth, with female participation in the workforce essential. Therefore, we must establish environments that enable women, who have experienced childbirth and raising children, to balance both work and family and ensure that they do not have to sacrifice either the rewards from working or the joy of motherhood.

Shiozaki: Yes. I believe that the promotion of women’s active participation in the workforce is essential in Japan, where the declining population is a serious issue, and particularly in regional areas. Concrete initiatives are needed to support women’s return to work and career continuity, just like in Scandinavian nations that have for many years implemented policy to aid women’s social advancement. Initiatives focused on

the work-life balance, including childcare leave and the promotion of flexible working arrangements, are probably key.

Ito: Yes; the creation of a gender-neutral system must continue. Shorter working schedules also lead to a sense of unfairness when applied only to women and conversely, work to keep women saddled with a sense of shame. I think we must strive for greater efficiency and skills diversification to ensure this applies to all workers regardless of gender.

Tsuge: It’s also necessary to foster a corporate culture to enable use of systems by anyone, regardless of gender.

Murase: Against that backdrop, in the Global Gender Gap Index for 2024, which was released in June of this year, Japan ranked 118th among 146 countries and scored the lowest of the G7 nations. Notably, Japan continued to perform poorly in the political and economic fields and reconfirmed that Japan is still

yet to close the gap between women and men. Japan must strengthen policies to support women’s active participation in society while referencing advanced initiatives taken by countries focusing on advancing gender neutrality.

Ito: Exactly. I believe that the future is in danger unless we can spark innovation now that incorporates the varying perspectives of women.

Tsuge: This is the time that “women’s advancement,” which is our theme today, is needed. I believe that by women taking leadership it will improve the diversity of organizations and society as a whole and enable even more comprehensive decision making. There is also the benefit of being able to implement even more effective initiatives with fresh ideas by reflecting different perspectives and experiences.



Murase: In order to do so, there must be changes in the corporate culture as well as in-house ways of thinking. Companies that have established systems and environments enabling women to build their careers ultimately attract diverse human resources and have higher corporate competitiveness. Flexible work styles, including the adoption of flex-time systems and remote work, and the expansion of childcare leave, must be actively supported.

Significance and Necessity of Promoting Female Officers and Managers (Impact on Companies and Communities)

Shiozaki: Next, I'd like to ask about the significance and necessity of promoting female officers and managers. What type of impact do female leaders have on companies and communities?

Ito: For academic performance, I think Japanese women are at the top level in the world. Today, with SDGs intimately connected with management, uniquely female empathy, communication capabilities, environmental awareness and social contribution perspectives are essential, and therefore, there is a strong need for the leadership of female officers and managers.

Tsuge: A company's competitiveness is created from having highly talented women involved in decision making, as you mention, but in Japan the percentage of women in executive and managerial roles is still low and the majority of companies are starting out by appointing women as outside directors. I believe that at such organizations, this will not translate to nurturing female employees who aim to be managers or officers in the future.

Ito: That's because young female employees need a "close example."

Tsuge: Against such a backdrop, I think that Ms. Shiozaki becoming "Juroku Financial Group's first female director who has moved up through its ranks" holds considerable

significance. I have high hopes that you will be a "great role model" who helps increase the numbers of female workers empowered to strive to be a manager or officer.

Shiozaki: Thank you. I hope that by having more women in executive and managerial roles will spur female employees to take up the challenge and prompt greater motivation to advance their careers. With the positive impact spreading through the organization, there is potential for even further growth as a company. I will continue to work to establish an environment where women can flourish and to nurture the next generation of leaders.

Ito: It's excellent, isn't it? In regional areas, there is a strong unconscious bias about "what women are supposed to be" and the loss of career-focused women from regional areas in search of job satisfaction is a major challenge faced. There are also probably many women who feel a sense of hopelessness. Amid this, if female managers and officers can be produced from local companies, I think that hopelessness could turn to hope and that more women would stay in regional areas.

Tsuge: I anticipate others will be influenced by Juroku Financial Group and we will see "moves to promote female officers who have moved up the ranks" spreading even to other regional companies.

Murase: Listening to all of your comments, I am struck by "how vital a role that female officers and managers play in the sustainable growth of companies and regional economies." Especially in Gifu Prefecture, where the population is declining at a faster pace than the national average, if a framework could be put in place to flexibly utilize highly talented women from local communities in a variety of ways, it would invigorate the labor market and lead to economic development. Against this backdrop as well, the Group, which is actively appointing women, has been first to establish an environment making it easy for female workers to advance their careers, and we must broadcast this model to local communities.

Creating Systems for Promoting Female Officers

Shiozaki: I'd like to discuss the Group's initiatives for promoting the active participation of women. To begin with, please share your views on what you rate highly.

Ito: In order to promote female officers and managers in quick succession on the heels of Ms. Shiozaki, more women must acquire the skills and experience appropriate for such roles. In this respect, I have a good impression of the female leadership training program and as well as of the training provided to learn about financing operations.

Tsuge: I think it's excellent that the advancement of flexible working styles is being realized due to the new human resources

(HR) system. The fact that the retention system*¹ and job return system*² are actually being utilized is testament to the establishment of an environment enabling employees to balance work and family with peace of mind.

Shiozaki: As of March 2024, 11.8% of officers were women, an increase of 1.8 percentage points over the past three years. The Company is providing training in a systematic manner not just for managers but for female human resources expected to be promoted to managerial roles in the future. Also under the new HR system, 104 employees made use of the retention system in FY2023 alone, which was due in part to lengthening the period for the shorter working hours for childcare and improvements in its flexible operation. Furthermore, there were two applicants under the job return system. Going forward, I think there is a need to achieve further enhancement of the systems.

Murase: Also from the perspective of the advancement of ESG and human capital management, the ratio of female managers has important meaning as an indicator vividly showing the success of women. Companies with high ratios are not only meeting their social responsibilities but are also improving organizational performance. I also look forward to an innovative approach to solving the issues faced by local communities through the leadership of women.

Tsuge: From that viewpoint, the activities of Juroku Financial Group's female project team Jewelia along with events by NOBUNAGA Capital Village designed to nurture female entrepreneurs are extremely meaningful.

Shiozaki: Yes; female employees are actively involved in both, and I think this sends a positive message to local communities. Next, I'd like to ask for your honest opinion about "issues."

Tsuge: I want the Group to strive for a higher ratio of female managers. While it is vital to create an in-house structure to continue to promote women, women who have given birth face unclear career paths after returning to work after childcare leave and their concerns about limitations on promotion opportunities need to be allayed.

Ito: Exactly. I think it is also important to consider a job-based structure whereby employees are evaluated correctly for their skills and track record, with no negative impact on evaluations and no harm to career advancement. Invisible pre-set notions must not be allowed to close off careers.

Murase: These are compelling issues, and concrete support initiatives and a change in employee thinking is needed.

Shiozaki: Personally, I also think that "acquiring the skills and experiences appropriate to become a female officer or manager" is an issue for the Company, as Ms. Ito expressed earlier. Human resources development with a long-term view and reforms for

gender-neutral work styles are essential, in my view.

Ito: Yes. Care needs to be taken to ensure that motivation of women who have been promoted does not wane and that the organization stops functioning well upon hearing dissatisfaction voiced by male employees as to "why did that woman get promoted?" In addition to "creating a gender-neutral system," "long-term human resources development plans" will be absolutely necessary.

Shiozaki: The next step needs to be the establishment of a scheme supporting women advancing their careers to the managerial level. It's important to introduce a promotion process that is fair and transparent, ensuring that for instance, a female employee who has stepped away from work for two years, is promoted similarly to a male colleague after she returns to work. Developing an environment where women are able to advance their career with confidence is the key to realizing true gender neutrality.

Murase: In summarizing the issues, first of all, clarification of career paths after returning from childcare leave and creation of a structure to actively support employees is probably key. It is important to assuage concerns held by female employees and encourage them to engage in work with confidence. Also needed are specific measures such as abolishing gender-based roles, as set out in the Company's human resources development plan, creating opportunities to build a broad range of work experiences also for women, including in financing and public relations, and presenting career plans aiming for managerial roles. The penetration of these structures through the organization will be important in order to continue promoting female officers.



*1 Retention system: Systems for shorter working hours for childcare and for exemptions from overtime can be utilized until a child completes the third grade of elementary school. Working hours can also be set according to individuals, enabling employees to balance work and childcare with peace of mind.

*2 Job return system: A system to re-employ former employees who had to leave the Company due to life events such as marriage and childbirth.

Messages and Advice for the Next Generation of Female Leaders

Murase: Finally for this theme, I'd like to ask you all as female directors to send a message or words of advice to young female employees working in regional communities.

Ito: There may be some among you who think "I don't have the confidence, even if appointed to a managerial role. Shouldering such responsibility is hard work and I have concerns that when things get busy, I'll have to sacrifice my family or managing my health." However, for Juroku Financial Group to "continue to support the community" it needs the support of women. In order to realize this philosophy, please express your candid thoughts without fear, including "what you feel are the obstacles, or what could be done to make things easier." Also in a household, child rearing and housework is undertaken by both the husband and wife. It is also important to respect each other and build a relationship of support.

Tsuge: The promotion of women's active participation in the workforce has only just begun in Japan but I feel that little by little, steady progress is being made. Due to the rapid adoption and spread of remote working, work systems are in place that enable flexible responses to changes in women's work styles as a result of marriage or childbirth. I'd like you to also definitely make use of these systems, to feel fulfillment in your own work and design your career plan. Please consider various ways on "how to continue working" without having to sacrifice your own work for child rearing. If there are shortfalls with systems to do so, I ask you to proactively make suggestions to the Company.



Shiozaki: Going forward, I will strive to create a company where women can continue working and are also able to advance their careers, like their male counterparts. In order to do so, I'd like female employees to actively take up the challenge of new work or roles where they have no experience.

The Company is working to achieve its KPI of increasing the ratio of female managers to 20% by FY2030. In the future, it will be easier for young women to envision their own future and striving for a managerial role will no longer be something special due to women in managerial roles with varying careers. I intend to increase opportunities for women in this Company to demonstrate their leadership and broadcast their performance to the regional community.

Governance Translating to Enhanced Corporate Value

Shiozaki: Next, I'd like to hear your opinions on the appropriate operation of the Board of Directors and issues that need to be improved by the Group from your standpoint as Chairperson of the Board of Directors for Mr. Murase, and from your standpoints as outside directors for Ms. Ito and Ms. Tsuge.

Murase: In order to further enhance corporate value, the operation of the Board of Directors is extremely important. As Chairperson of the Board of Directors, I am strengthening the structures for confirming that the effectiveness of the Board is secured. In FY2023, we conducted a questionnaire for evaluating the effectiveness of the Board of Directors on the advice of an external institution. Based on these results, I will strive to further improve the functioning of the Board of Directors and invigorate discussion.

Ito: For the Board of Directors, there is a sense that outside directors like us who have differing backgrounds are able to speak freely and discussions are unfettered. For evaluations of the effectiveness of the Board of Directors, because the questionnaire is conducted anonymously by an external institution, a structure is in place for receiving candid opinions as well as for enabling speedy improvements.

Tsuge: Yes; an environment has been created that makes it easy for outside directors to share their opinions and ask questions, and I feel discussions are free and unrestricted. Also, for matters for deliberation and matters to be reported, documents are prepared in great detail and sent to us ahead of time, which is a great help.

Murase: The results of the questionnaire confirmed that the Board of Directors overall is functioning appropriately, but I think it is necessary to review the content of Board of Director materials and further enhance opportunities for communication between internal and outside directors and the executive departments.

Tsuge: Indeed, I feel there is room for improvement, including simplification of materials and explanations that zero in on key points when dealing with complicated details for items on the agenda.

Ito: Additionally, as issues specific to the Company, which is

enhancing collaboration with companies in other industries, and amid the creation of a string of new group companies, there must be an awareness that differing corporate cultures and visions between the Company and joint venture target companies could translate to considerable risk. I think it would be good if there were opportunities to report to the Board of Directors as to "what the situation is, are there any issues, and if so, what action should be taken."

Tsuge: Another point that concerns me as an issue that the Group should improve is in regard to customer service at branches following improvement in banking operational efficiencies. As seen at other banks, "branch use now tends to be inconvenient." For the Group's The Juroku Bank, I would like to see a continuation of operations rooted in the community and closely tied to customers.

Murase: For the sustainable growth of the Group and to enhance medium- and long-term corporate value, I will continue to further lift the effectiveness of the Board of Directors by enhancing discussion of important matters for management as well as include outside directors and make continuous improvements in the operation of the Board of Directors.

Board Diversity and Strengthening of Functions

Shiozaki: Finally, I would like to hear your opinions about initiatives to improve the diversity and effectiveness of the Board of Directors going forward.

Tsuge: Firstly from the standpoint of diversity of the Board of Directors, I believe that selecting outside directors from distinct fields is effective in lifting effectiveness. On the other hand, when it comes to internal directors, members are heterogeneous given that they are all bankers, and so, I think being able to tweak selection to ensure opinions from even slightly new perspectives would be effective.

Murase: I see. Having members with diverse backgrounds in the Board of Directors is vital for sustainable growth of a company. By incorporating various opinions, the quality of risk management and decision making is improved. In particular, the appointment of female directors also contributes substantially to corporate social responsibilities (CSR) and sustainability (SDGs). In that sense, our expectations for Ms. Shiozaki are high.

Shiozaki: As a member of the Board of Directors as well as from the viewpoint of sustainability, for which I am responsible, I intend to actively put forward suggestions in order to improve corporate value. Additionally, a diverse Board of Directors not only increases company competitiveness but also contributes to the growth of each individual employee. I will work to ensure a



contribution to the creation of a pleasant working environment where all employees can readily express their own opinion.

Ito: In order for deeper discussions by outside directors, I think it is important to ask questions and give frank opinions from an objective position on a variety of issues after thoroughly learning about what type of discussions have taken place within the company. For outside directors as well, I feel that the opportunity to connect with various stakeholders, including shareholders, and hear their opinions will enable effective comments for even greater effectiveness of the Board of Directors.

Tsuge: I'm of the same opinion. I would be grateful for the opportunity to deepen my understanding outside of regular Board meetings. I think it is important to thoroughly discuss long-term management strategy also at such times.

Ito: I believe the Board of Director meetings must be a place to discuss the "forest" rather than the "trees." I wonder if the subject of the broad direction could be regularly discussed and details about the direction of discussions by the Board of Directors could somehow be refined so as to be shared with employees. If each employee has an awareness of management and becomes a matter for self-improvement and team building, I believe it could translate to the growth of the entire Group.

Murase: To summarize everyone's opinions, in order to improve the effectiveness of the Board of Directors, there is room for improvement insofar as incorporating diverse opinions, having more active discussions with a long-term view and enhancing communication beyond the Board of Directors. I will take this into consideration. Let's indicate the direction we should follow as a result of decisions by the Board of Directors and work together with all employees to achieve the same goals.

Shiozaki: Thank you for this long and lively discussion. I believe that strengthened functions of the Board of Directors are indispensable for sustained company growth. Again, I will take up the challenge on this new stage.

Operational and Financial Highlights



The Juroku Bank
Akihide Ishiguro,
President

(Deputy President, Juroku Financial Group, Inc.)

main business base of the Group, production and exports picked up, mainly in transportation machinery, one of the main industries, despite temporary downward pressure caused by quality fraud issues in automobiles. While personal consumption continued to pick up as human flow recovered to pre-COVID levels, there has been a growing tendency to refrain from consumption due to inflation exceeding wage increases.

In such an economic environment, the Group demonstrated its comprehensive capabilities and made efforts to provide a broad range of support to its customers, including cash flow support and core business support, while engaging in high-value-added consulting activities, among others.

As a result, consolidated core gross operating profit decreased by ¥1.2 billion year on year to ¥73.3 billion due to a decrease in other operating profit associated with increased foreign currency funding costs and other factors, despite an increase in net interest income.

Consolidated core net operating profit decreased by ¥1.4 billion year on year to ¥29.2 billion, as expenses increased by ¥0.2 billion year on year to ¥44.1 billion mainly due to strategic DX investments.

Due to a decrease in credit-related costs and an increase in profit on equities, ordinary profit increased by ¥0.7 billion

year on year to ¥27.9 billion and net income attributable to owners of the parent increased by ¥0.7 billion year on year to ¥19.3 billion, both representing increases in profits for the sixth consecutive term.

The Juroku Bank, the core company of the Group, reported core gross operating profit of ¥64.2 billion, a decrease of ¥1.5 billion year on year, mainly due to a decrease in other operating profit associated with increased foreign currency funding costs, despite an increase in net interest income caused by increases in loan interest and interest and dividends from securities. Expenses increased by ¥0.2 billion year on year to ¥37.3 billion, and core net operating profit decreased by ¥1.7 billion year on year to ¥26.8 billion. While profit on JGBs and other debt securities decreased due to write-offs of foreign bonds and investment trusts, profit on equities increased due to the sale of cross-shareholdings, resulting in ordinary profit of ¥26.0 billion, an increase of ¥0.5 billion year on year, and net income of ¥18.7 billion, an increase of ¥0.8 billion year on year, both representing increases in profits for the seventh consecutive term.

As for major account balances, loan balance increased by ¥145.4 billion year on year to ¥4,870.4 billion, and deposit balance, etc. increased by ¥126.0 billion year on year to ¥6,440.3 billion, both showing steady growth

Performance for FY2023

The Japanese economy in the current fiscal year saw progress in normalization of socioeconomic activities, as COVID-19 was reclassified as a Class 5 infectious disease under the law and human flow recovered. This led to solid corporate performance primarily owing to a recovery in consumption of services such as the lodging and dining, an increase in inbound demand, as well as increased production of

automobiles, which has a broad base of related industries, as the impact of shortages of materials such as semiconductors mitigated. In the financial environment, the Bank of Japan decided to end its negative interest rate policy in March 2024 and took steps to normalize monetary policy, thus marking a major turning point for the Japanese economy.

In both Gifu and Aichi prefectures, which make up the

Summary of Consolidated Financial Results of the Juroku Financial Group

(Billions of Yen)

	March 2024	(Year-on-year)
Consolidated core gross operating profit	73.3	(1.2)
Net interest income	52.8	1.7
Fees and commissions	18.5	(0.2)
Other operating profit (Excluding profit on JGBs and other debt securities)	1.8	(2.9)
Expenses	44.1	0.2
Personnel expenses	23.4	(0.1)
Non-personnel expenses	17.8	0.4
Consolidated core net operating profit	29.2	(1.4)
Profit on JGBs and other debt securities	(14.2)	(6.5)
Consolidated net business profit	14.9	(8.0)
Credit-related costs	0.9	(0.7)
Profit on equities	13.3	9.7
Ordinary profit	27.9	0.7
Net income attributable to owners of the parent	19.3	0.7

The Juroku Bank Summary of Non-consolidated Results

(Billions of Yen)

	March 2024	(Year-on-year)
Core gross operating profit	64.2	(1.5)
Net interest income	54.0	2.2
Fees and commissions	12.5	(0.1)
Other operating profit (Excluding profit on JGBs and other debt securities)	(2.3)	(3.4)
Expenses	37.3	0.2
Personnel expenses	17.8	(0.3)
Non-personnel expenses	16.9	0.6
Core net operating profit	26.8	(1.7)
Profit on JGBs and other debt securities	(14.2)	(6.5)
Net business profit	12.5	(8.3)
Credit-related costs	0.5	(0.9)
Profit on equities	13.3	9.7
Ordinary profit	26.0	0.5
Net income	18.7	0.8

Business Projections for FY2024

In FY2024, we expect consolidated core gross operating profit to increase by ¥2.5 billion year on year to ¥75.8 billion, taking into consideration future trends in monetary policy and foreign exchange rates following the Bank of Japan's lifting of negative interest rates and interest rate hike in March 2024. Meanwhile, we conservatively estimate credit-related costs, and expect ordinary profit of ¥27.5 billion, a decrease of ¥0.4 billion year on year, and net income attributable to owners of the parent of ¥19.0 billion, a decrease of ¥0.3 billion year on year, maintaining profit levels on par with last year.

Juroku Financial Group Consolidated Business Projection

(Billions of Yen)

	March 2025(Projected)	(Year-on-year)
Consolidated core gross operating profit	75.8	2.5
Net interest income	53.4	0.6
Fees and commissions	18.4	(0.1)
Other operating profit (Excluding profit on JGBs and other debt securities)	4.0	2.2
Expenses	44.7	0.6
Consolidated core net operating profit	31.1	1.9
Ordinary profit	27.5	(0.4)
Net income attributable to owners of the parent	19.0	(0.3)

Review of the 2nd Medium-Term Management Plan

As for the 2nd Medium-Term Management Plan, which began in April 2023, we engage in four basic strategies of “Transformation Strategy,” “Human Innovation Strategy,” “Customer-First Marketing Strategy,” and “Region-Producing Strategy.” under the theme of “Staying Ahead of the Curve to Always Serve the Region: First Stage.”

As a result of activities during the first year of the 2nd Medium-Term Management Plan, consolidated net income increased for the sixth consecutive term and consolidated capital adequacy ratio grew to 10.81%, both figures showing solid progress toward the numerical targets for FY2027.

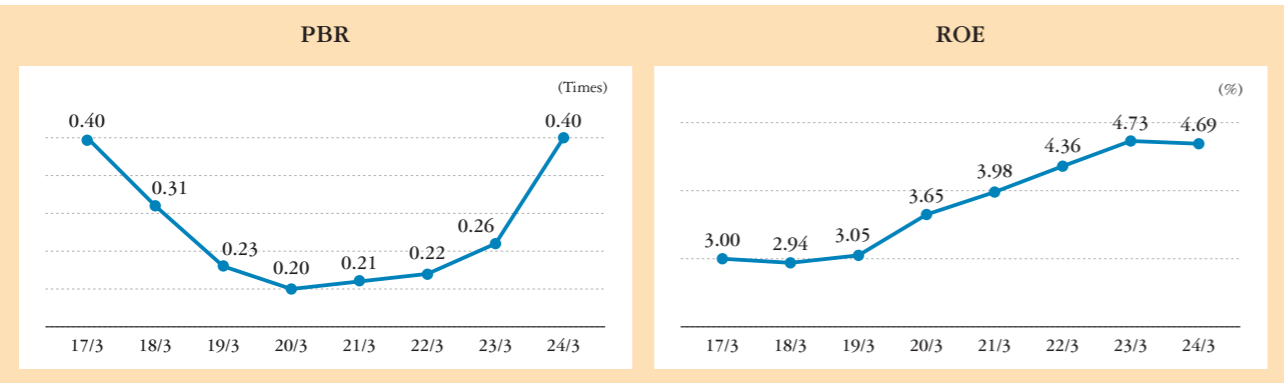
	Profitability		Efficiency	Fiscal integrity
	Consolidated net income	Consolidated ROE	Consolidated adjusted OHR	Consolidated capital adequacy ratio
Numerical target for FY2027	¥20.0 billion or higher	5% or higher	50% range	11% or higher
Results for FY2023 (first year of the plan)	¥19.3 billion	4.62%	60.20%	10.81%

Initiatives for Enhancing Corporate Value

Trends in PBR and ROE

While PBR was low amid increasing headwinds in the financial business environment since the introduction of negative interest rates, the Company has been working to improve profitability and reform its cost structure through expansion of business areas, collaborations and joint ventures with different industries and other measures.

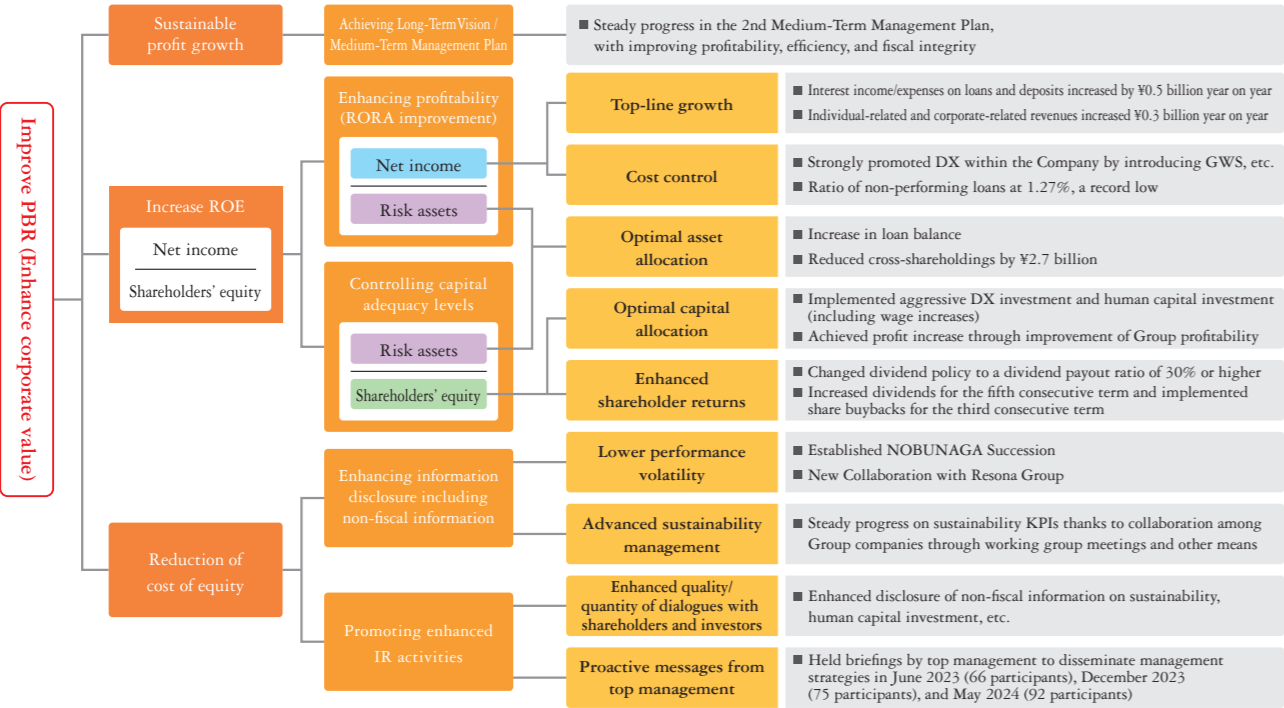
In addition to the recent improvement in ROE, PBR improved significantly in FY2023, partially due to rising expectations of improved earnings for the financial industry.



(*) Figures prior to the second quarter of the March 2022 term are based on the consolidated financial results of The Juroku Bank Group, the parent company of which is Juroku Bank

Approach to Improving PBR

Aiming to further increase corporate value, the Group is implementing initiatives to improve PBR, leading to “sustainable profit growth,” “increasing ROE,” and “reduction of cost of equity” based on the logic tree.



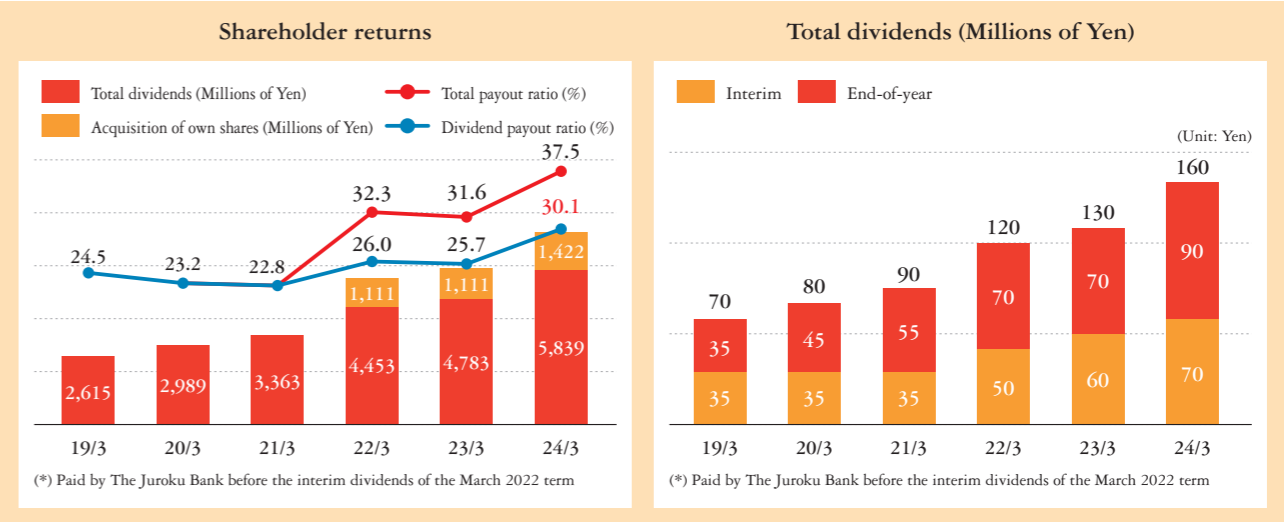
Shareholder Returns

In order to further enhance the return of profits to shareholders, we have changed our shareholder return policy from a “total payout ratio of 25% or higher” to a “dividend payout ratio of 30% or higher,” and since the March 2024 term, the Company has determined that shareholder returns will aim to achieve a dividend payout ratio of 30% or higher.

In FY2023, based on this approach, the Company paid an annual dividend of ¥160 per share, an increase of ¥30 from the previous fiscal year.

Before change Total payout ratio: **25% or higher**
(Total payout ratio: dividends + share buybacks)

After change Dividend payout ratio: **30% or higher**
(Dividend payout ratio: dividends only)
*Effective from the March 2024 term



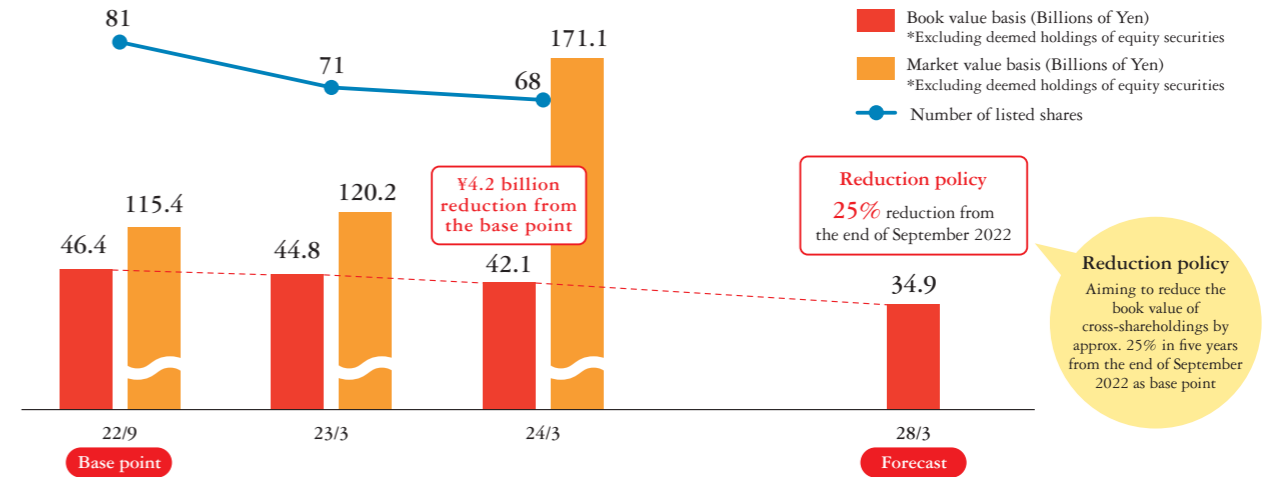
Reduction Policy of Cross-shareholdings

The Group's reduction policy of cross-shareholdings is to aim to reduce the book value of cross-shareholdings by approx. 25% in five years from the end of September 2022 as base point.

The book value of cross-shareholdings steadily decreased to ¥42.1 billion as of March 31, 2024, a reduction of ¥4.2 billion on a cumulative basis from the base point, representing a progress rate of 36.7%.

Going forward, we will continue to promote dialogue with all customers who hold listed cross-shareholdings, aligning with the purpose of the Corporate Governance Code, and will continue to reduce our cross-shareholdings, taking into consideration the environment surrounding each of them.

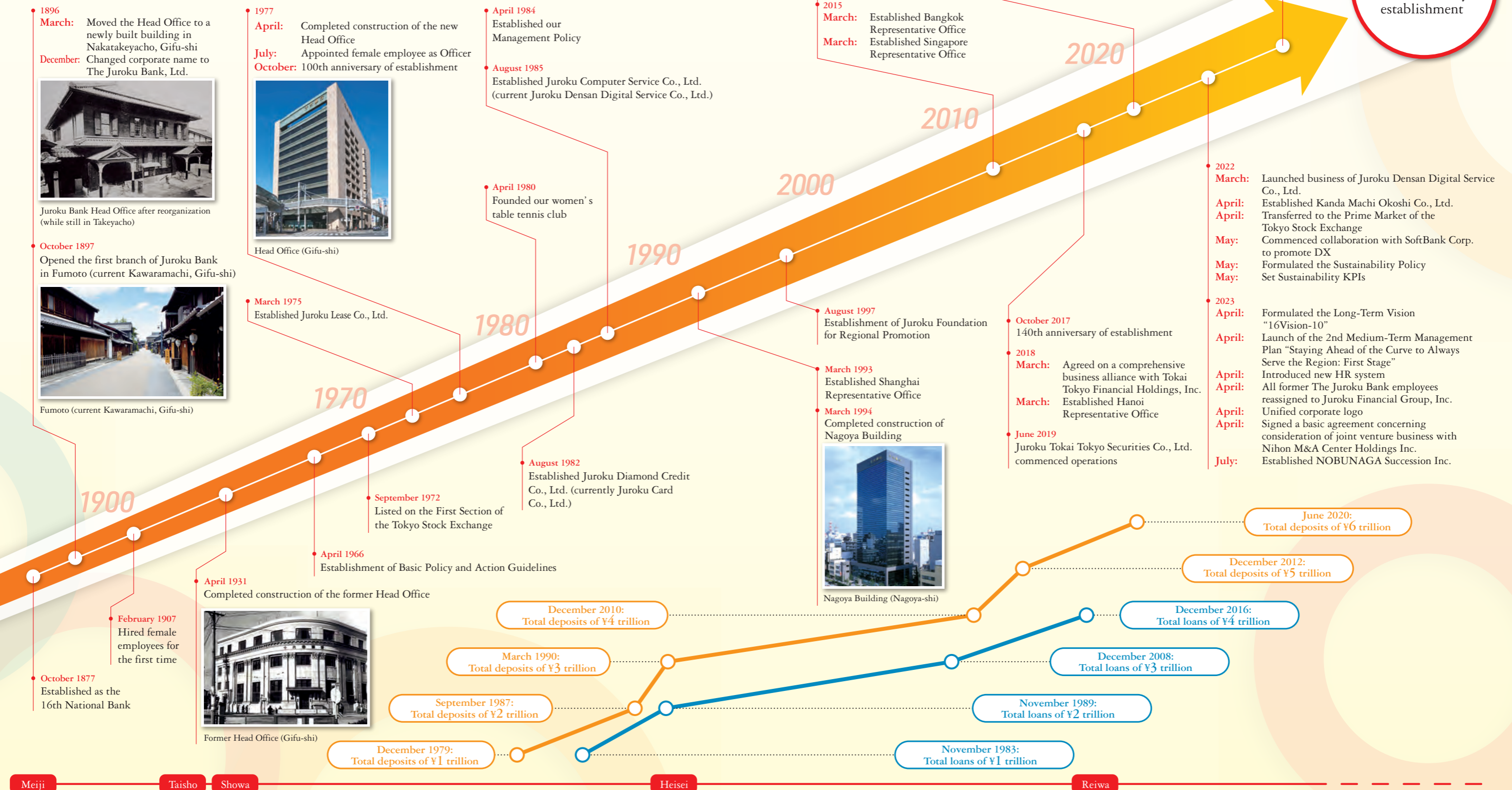
Cross-shareholdings (book value basis and market value basis)



History of Juroku

Since our establishment as the 16th National Bank in October 1877, Juroku Bank has grown steadily and earned the deep trust of people of the local community.

In October 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. We are contributing to the sustainable growth of the local community by demonstrating the Group's comprehensive capabilities and solving problems for customers and the local community.



Source of Value Creation

Strength 1 Group's Comprehensive Strength

Intellectual Capital

Since transitioning to a holding company structure, we have been working to expand our business domains by entering new businesses, strengthening group collaboration, optimizing the allocation of group management resources by reforming the awareness and behavior of our officers and employees, strengthening auditing and supervision functions, as well as improving the speed of business execution.

(as of March 31, 2024)

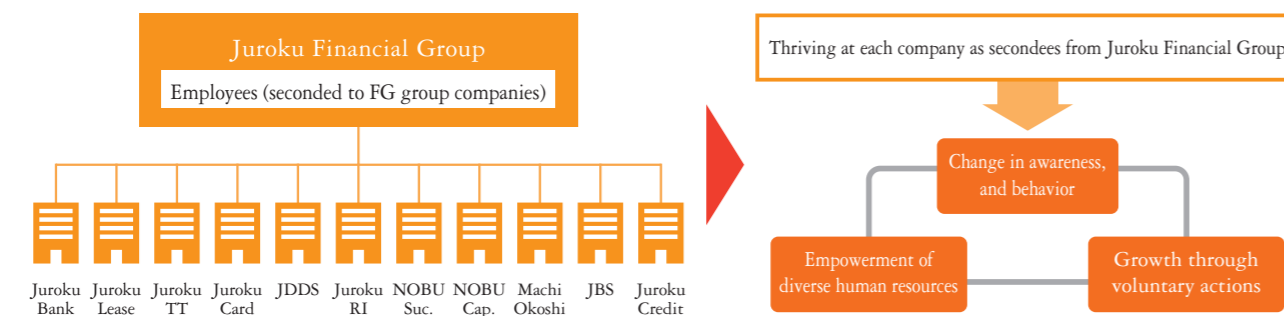
Juroku Financial Group, Inc.	Investment ratio (Financial Group/Bank)	Business Lines
The Juroku Bank, Ltd.	100%	Banking service
Juroku Business Service Co., Ltd.	100%	Clerical work service
Juroku Credit Guarantee Co., Ltd.	100%	Credit guaranty service
Juroku Research Institute Co., Ltd.	100%	Survey and research service, business consulting service
Juroku Tokai Tokyo Securities Co., Ltd.	60%	Financial instruments service
Juroku Card Co., Ltd.	100%	Credit card flotation service
Juroku Lease Co., Ltd.	100%	Leasing service
Juroku Densan Digital Service Co., Ltd. <i>Started operations in March 2022</i>	60%	Payments and digital solutions service
NOBUNAGA Succession Inc. <i>Established in July 2023</i>	60%	Management succession and M&A advisory service
NOBUNAGA Capital Village Co., Ltd. <i>Established in April 2021</i>	100%	Operation and management of Investment business limited partnership
Kanda Machi Okoshi Co., Ltd. <i>Established in April 2022</i>	99%	Consulting services related to local revitalization

Strength 2 Organization where Every Employee Can Succeed

Human Capital

In line with the implementation of the new human resources system, all Juroku Bank-registered employees were transferred to the Company, enabling the optimal human resources allocation to group companies, including the bank, and personnel shifts based on employees' individuality and talents.

Except for those working at the Company, the transferred employees are currently working actively at various group companies, including the bank, where they have been seconded.



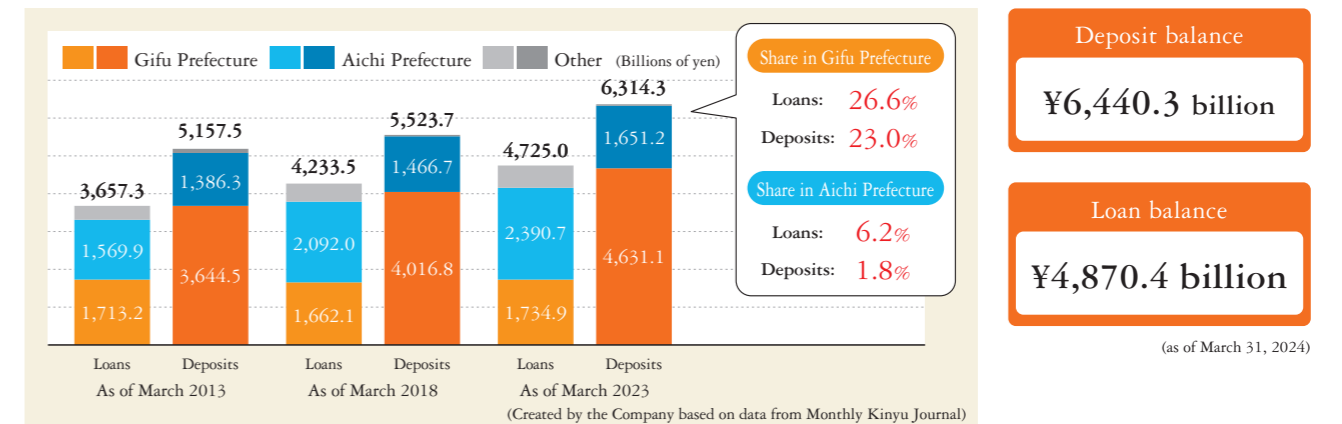
Juroku TT: Juroku Tokai Tokyo Securities, JDDS: Juroku Densan Digital Service, Juroku RI: Juroku Research Institute, NOBU Suc.: NOBUNAGA Succession, NOBU Cap.: NOBUNAGA Capital Village, Machi Okoshi: Kanda Machi Okoshi, JBS: Juroku Business Service Juroku Credit: Juroku Credit Guarantee

Strength 3 Solid Customer Base

Financial Capital

Social Capital

With a wide and deep customer base that The Juroku Bank has developed over more than 140 years, coupled with the daily accumulation of information and an extensive personal network, the Group boasts the number one share of deposits and loans in Gifu Prefecture.



Strength 4 Network

Social Capital

We are building a network centered on Gifu and Aichi prefectures and working to solve local issues.

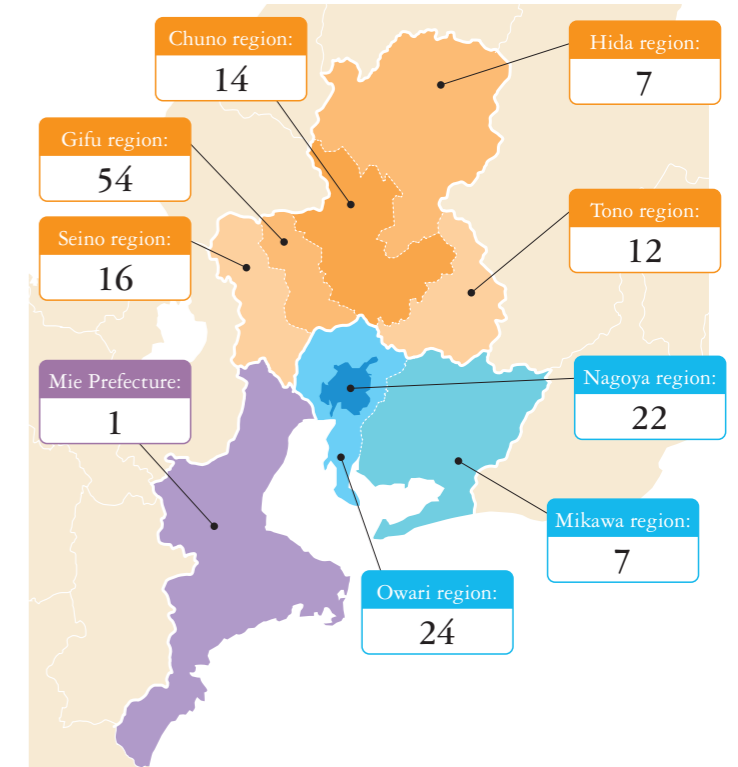
We have representative offices in Shanghai, Singapore, Bangkok and Hanoi to support our clients in expanding their businesses overseas.

Number of offices in the three Tokai prefectures

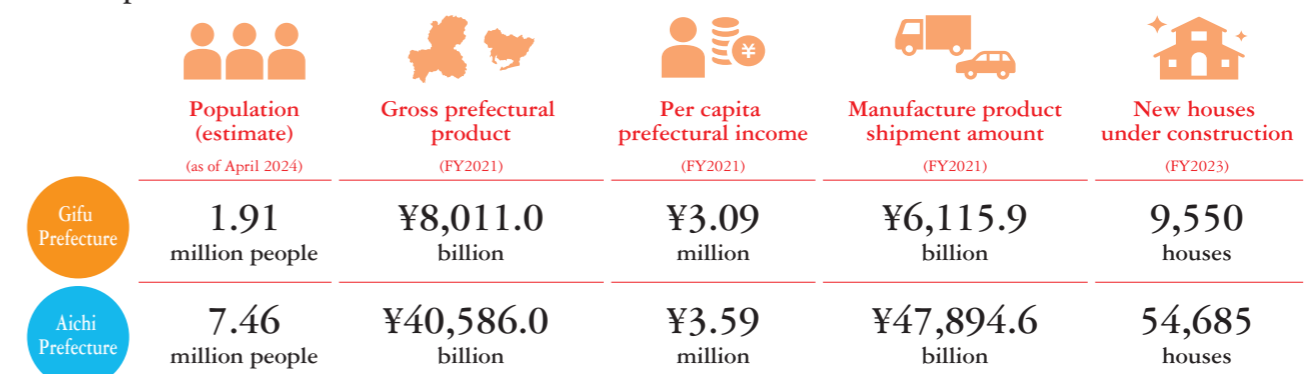


Other regions

- Tokyo Branch
- Shanghai Representative Office
- Osaka Branch
- Representative Office Registered in Singapore
- Virtual office (3)
- Bangkok Representative Office
- Hanoi Representative Office

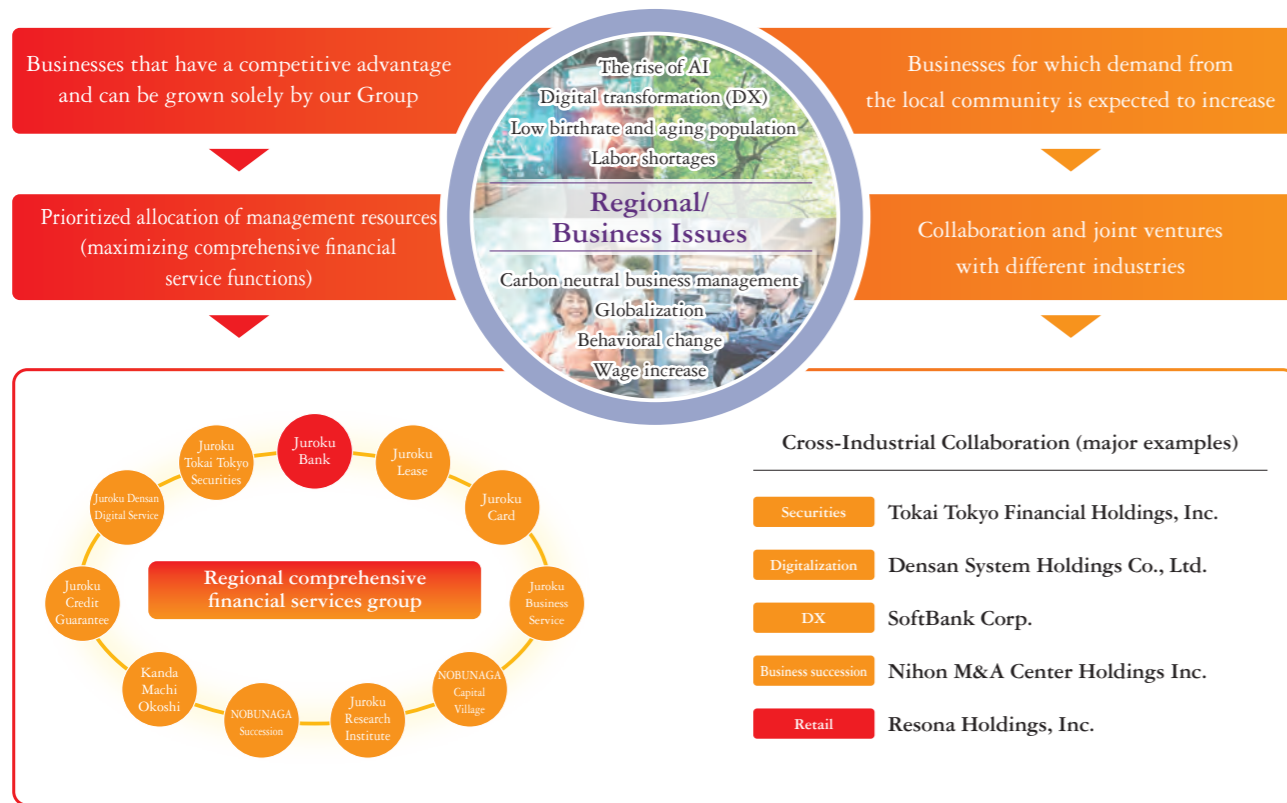


Market potential



Potential of Juroku Financial Group

Growth Strategy through Cross-Industrial Collaboration



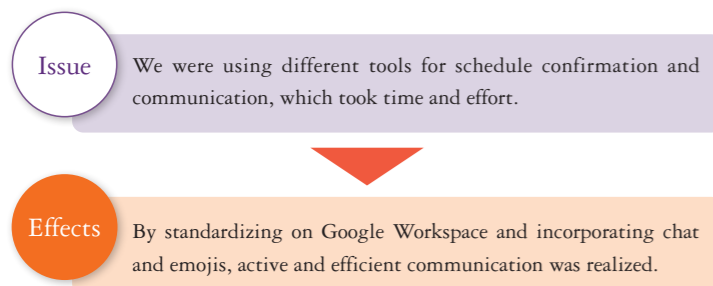
Collaboration with SoftBank Corp. – Introduction of Google Workspace –

Cross-Industrial Collaboration

To promote digital transformation, The Juroku Bank introduced Google Workspace in September 2023 with the full cooperation of SoftBank Corp., aiming to improve productivity through the new groupware.

We aim to expand its use to all companies in the Group by March 2024, as we take on the challenge of achieving “true transformation” by innovating communication.

In addition to utilizing Google Meet and other tools for diverse internal and external communication environments, we plan to expand its use to internal smartphones in the future, and we will work to realize flexible working styles by utilizing remote work capabilities, such as while out of the office, on the move, and by utilizing spare time.



Google Workspace



Google Workspace is a trademark of Google LLC.

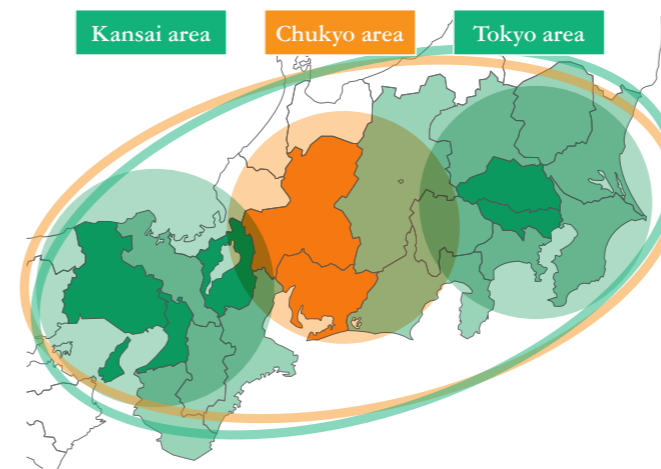
Strategic Business Alliance with Resona Holdings, Inc. in the Retail Sector

Cross-Industrial Collaboration

On February 7, 2024, we signed a business alliance agreement with Resona Holdings, Inc.

We will cooperate with the Resona Group, whose long-term vision is to be “Retail No. 1,” in both the real and digital worlds, mutually leveraging information and expertise to further contribute to the local economy and achieve sustainable growth, while working together toward shaping a new ideal form for retail banking.

Going forward, while each continues to operate as an independent financial institution, and in light of the sophistication and diversification of customer needs and changes in the financial market environment, both groups will aim to build a strong cooperative relationship in digitalization to improve services provided to customers and strengthening business competitiveness, as well as in regional revitalization of their respective business areas.



Purpose and objectives of the partnership

- The Resona Group, which has a solid customer base in the Tokyo metropolitan area and Kansai areas and offers excellent solutions,. We will receive products and services from the Resona Group and provide customers in the Chukyo area, our business areas, with these products and services that were not previously available in the Chukyo area, which is our sales area, this area through the Juroku Financial Group.
- We will promote this alliance as a pillar of our retail strategy while working to further deepen the core business of the Juroku Bank, the core of our Group.

Real World

Solution services such as business succession/M&A, business matching, syndicated loans, support for overseas business expansion, sustainable finance, corporate pensions, real estate utilization, trust services such as inheritance-related services, asset formation business/fund wrap, and other support for regional revitalization

Digital World

Strengthening DX/non-face-to-face business for SMEs and individual customers using banking apps, digital marketing, business efficiency improvements, etc.

Human Resource Development

Joint hosting of rank-based training programs and various seminars, as well as human resource exchanges, etc.

Release Schedule

- Fall 2024: Fund wrap

Asset building segment

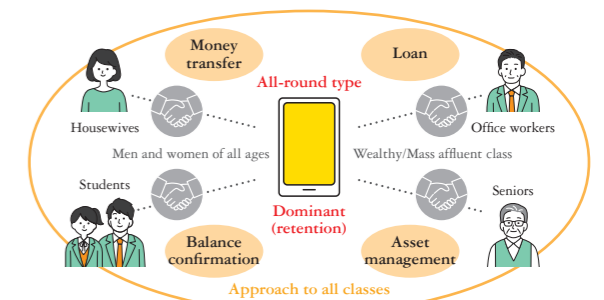
Target segmentation

Wealthy class

Resona Fund Wrap

十六TT証券
16FG
Juroku Tokai Tokyo Securities

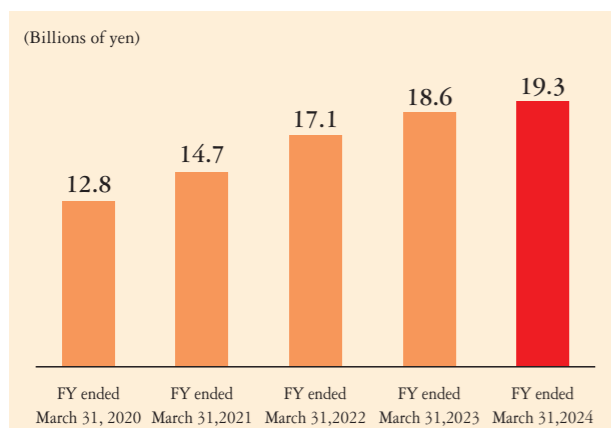
- Spring 2025: Banking apps



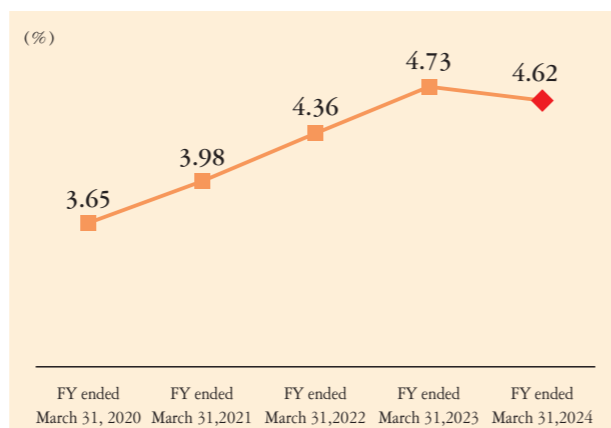
Juroku Financial Group in Figures

Financial Highlights

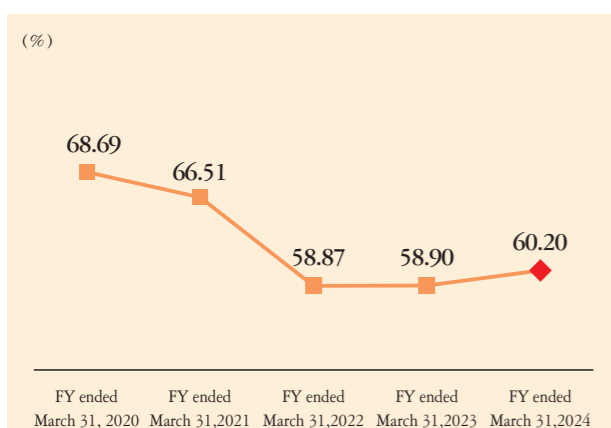
Consolidated net income: **¥19.3 billion**



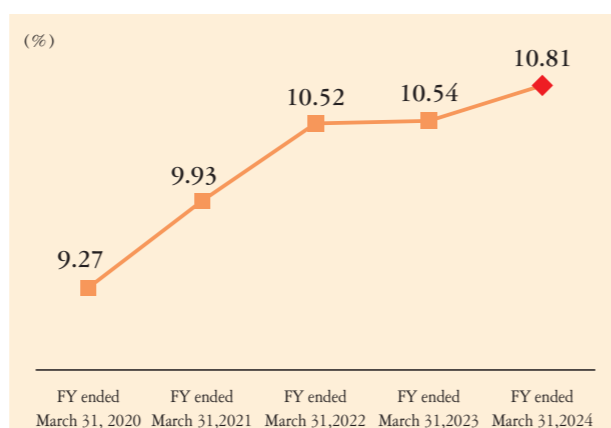
Consolidated ROE: **4.62%**



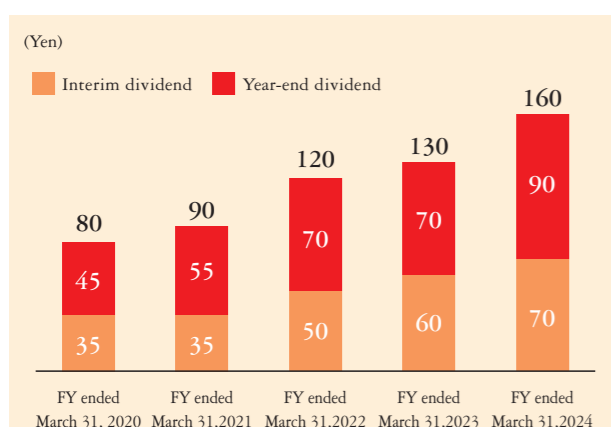
Consolidated adjusted OHR: **60.20%**



Consolidated capital adequacy ratio: **10.81%**



Dividend per share: **¥160**

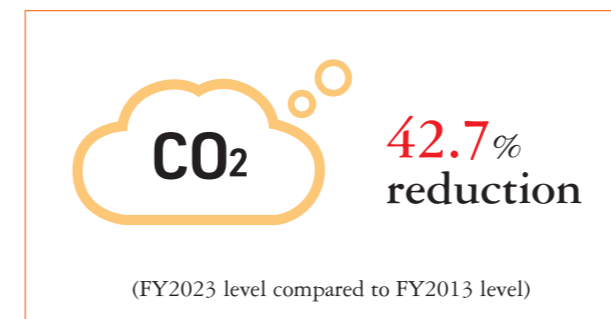


Rating



Non-financial Highlights

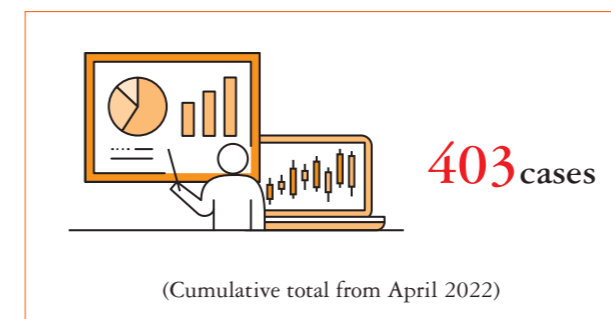
CO2 emissions reduction rate



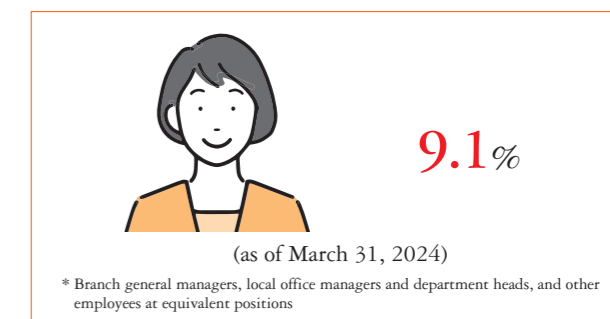
Sustainable finances provided



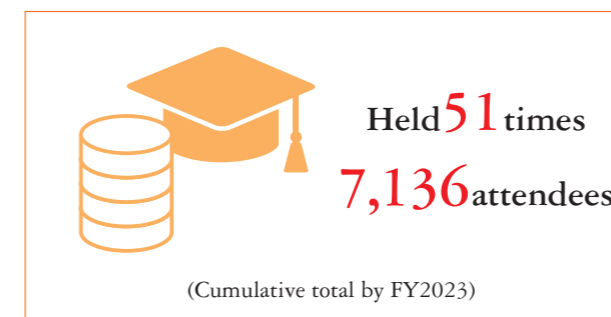
DX-support consultation cases



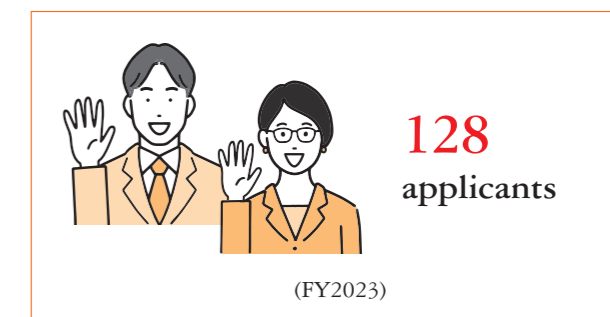
Ratio of female managers*



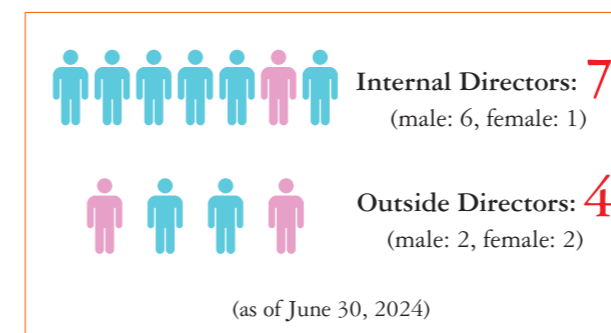
Juroku MONEY COLLEGE



Number of applicants to the career-challenge system



Composition of the Board of Directors



Support for environmental initiatives



Initiatives for Sustainability

Formulation of the Sustainability Policy

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

Sustainability Policy

The Juroku Financial Group recognizes sustainability initiatives to be an important management challenge. 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 the corporate value of the Group.



(*) Definition of sustainability: Creating a society that facilitates the growth and prosperity of customers and local communities, and passing it over to future generations

Procedures for Identifying Materiality

1 [Identifying issues]

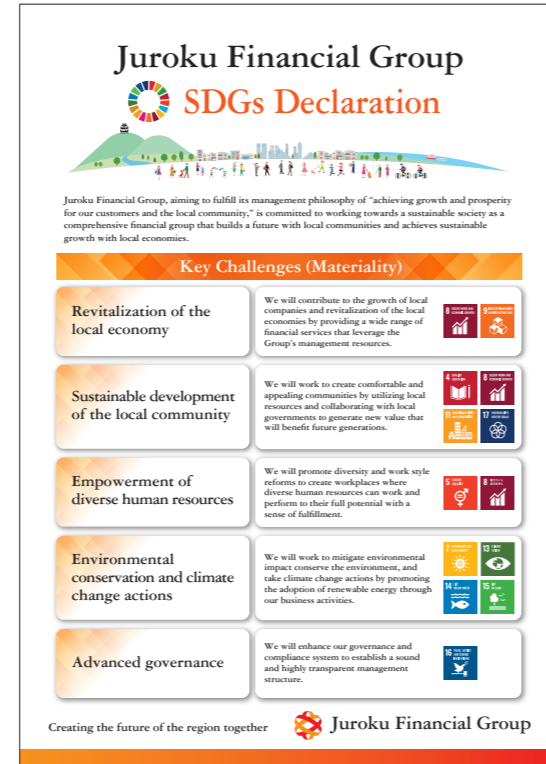
Identify multiple issues by considering SDGs, ESG (environment, society, governance), regional issues, etc.

2 [Narrow down the priority issues]

Narrow down the priority issues based on our management philosophy, the business areas of each group company, the characteristics of the regions that are our operating base, and engagement with stakeholders

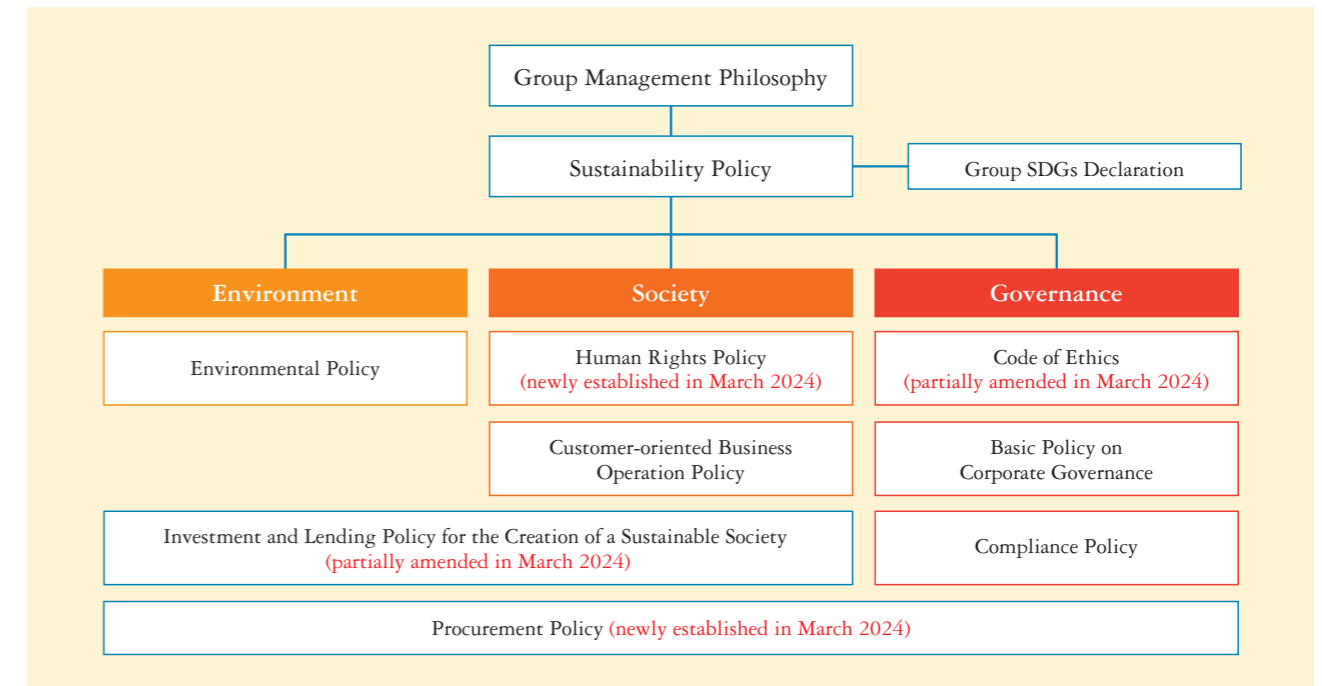
3 [Identifying materiality]

Priority issues are grouped and the top five materiality issues are identified and reported to the Board of Directors



Positioning of Major Sustainability Policies

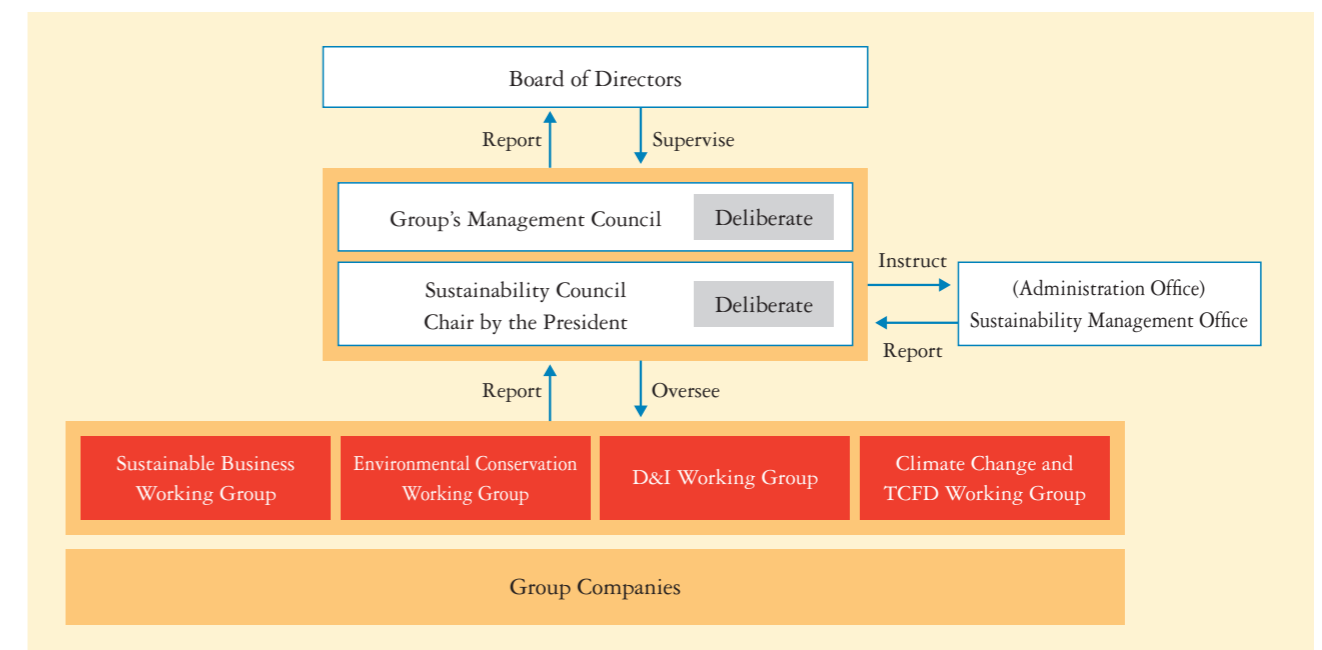
The Group has established the Sustainability Policy as the basic policy for our sustainability-related initiatives and has established various policies regarding the “environment,” “society,” and “governance.”



Governance System for Sustainability

Various sustainability-related initiatives are deliberated at the Sustainability Council, which is chaired by the President.

The content of these deliberations is reported to the Board of Directors at least once every three months, and the Board of Directors supervises the activities of the Sustainability Council.



Initiatives for Sustainability

Juroku Financial Group, aiming to fulfill its management philosophy of “achieving growth and prosperity for our customers and the local community,” is committed to working toward a sustainable society as a comprehensive financial group that builds a future with local communities and achieves sustainable growth with local economies.

Addressing 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' core business operations and management succession to contribute to their growth Supporting asset formation to achieve enriched living  
	Sustainable development of the local community	<ul style="list-style-type: none"> Creating comfortable and appealing communities Using local resources to create value that will benefit future generations Promoting digital transformation of local companies and local governments    
	Environmental conservation and climate change actions	<ul style="list-style-type: none"> Supporting local companies' carbon neutral business management Implementing initiatives for environmental conservation and environmental impact mitigation Responding to climate change and disclosing information in line with TCFD    
Management	Empowerment of diverse human resources	<ul style="list-style-type: none"> Building a corporate culture that boasts diversity as a strength Implementing work style reform to provide a good work-life balance Creating workplaces that facilitate the 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 

Juroku Financial Group

SDGs Declaration



Main Initiatives	Sustainability KPIs			
	Item	Quantitative target	March 2024 results (progress rate) *2	
<ul style="list-style-type: none"> Startup support by NOBUNAGA Capital Village Collaboration with local VCs and CVCs Startup and venture support through NOBUNAGA21 Support for efforts to solve social and environmental issues New NISA initiatives Long-term proposals that fit customers' life plans Business succession seminars 	Sustainable finances provided (including environment-related finances)	¥2 trillion (¥800 billion)	¥459.4 billion (¥170.4 billion) *1	22.9% (21.3%)
	Balance of Group assets on deposit	¥550.0 billion	¥463.7 billion	84.3%
<ul style="list-style-type: none"> Comprehensive partnership agreement with Shirakawa Village, Gifu Prefecture, for regional revitalization Support local businesses using food catalog gifts Sustainable urban development through Kanda Machiokoshi DX support consulting by Juroku Densan Digital Services Initiatives toward cashless payments Revitalize the local economy through cashless payments Activities by the Juroku Foundation for Regional Promotion Host the Economics Koshien Gifu Tournament Support the promotion of sports 	Social impact investments	¥2 billion	¥0.37 billion *1	18.5%
	DX-support consultation cases	3,000 cases	403 cases *1	13.4%
<ul style="list-style-type: none"> Presentation of case studies at the event commemorating the visit of the CEO of the international environmental NGO CDP to Japan Decarbonization consulting Awarded the Environment Minister's Award for Best Practice (regional category) of the Principles for Financial Action for the 21st Century Support for decarbonization by Juroku Lease Expand the introduction of CO2-free electricity Disclosure based on TCFD recommendations Acquisition of external ESG evaluations Participation in initiatives 	CO2 emissions (vs. FY2013 level)	100% reduction	42.7% reduction	42.7%
	Paper use (vs. FY2019 level)	50% reduction	33.5% reduction	67.0%
<ul style="list-style-type: none"> Active appointment of women to managerial positions New graduate recruitment Job return system Active personnel exchanges with different industries Promotion of paid leave and reduction of overtime work Promotion of healthy management Return value to employees/improve financial wellness Childcare support Human resource development policy, in-house environment improvement policy, and human resource development cycle Human capital investment by expanding training opportunities Expansion of the self-development qualification acquisition subsidy system Development of IT/DX human resources Skill guidelines Career challenge system Expert system 	Ratio of female managers	20%	9.1%	45.5%
	Ratio of paid leave claimed	80%	54.7%	68.3%
<ul style="list-style-type: none"> Cybersecurity management system Education and training Dialogue with shareholders Establishment of the Human Rights Policy Initiatives in line with the Human Rights Policy 	Initial response training for emergency preparedness	No less than twice a year	8 times	400%
	Dialogue with investors	No less than 10 times a year	30 times	300%

*1 Cumulative total from April 2022 *2 Progress rate is calculated by dividing March 2024 results by FY2030 target

Environmental Conservation and Climate Change Actions

VISION

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

Key Items

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

Environmental Policy



The Juroku Financial Group (the corporate group consisting of the Company and its consolidated subsidiaries) recognizes that making efforts for environmental conservation is a duty that should be fulfilled by society as a whole. As the responsibility of a good corporate citizen serving the community, we will contribute to the building of a sustainable society as well as creating corporate value by sincerely addressing environmental issues through our business activities.



1. We comply with environment-related laws, regulations, agreements, and other rules.
2. Recognizing that the initiative for environmental conservation is one of our management priorities, we strive to disclose information about our activities.
3. We accurately grasp the impact on the environment of our corporate activities, and strive to reduce the environmental impact through energy-saving, resource-saving and other measures.
4. We support customers' environmental conservation efforts by developing and providing environmentally friendly financial products and services.
5. Taking a long-term perspective, we promote social contribution activities in collaboration and cooperation with society at large.
6. We conduct awareness raising and education to increase the environmental awareness of each and every officer and employee.

Supporting Local Companies' Carbon Neutral Business Management

Presentation of case studies at the event commemorating the visit of the CEO of the international environmental NGO CDP to Japan

We presented examples of our corporate initiatives on the theme of "The role of financial institutions in decarbonization" at the event in Japan commemorating the visit of Ms. Sherry Madera, CEO of CDP, a non-profit organization that operates a global environmental information disclosure system for companies, investors, and local governments.



国際環境NGO CDP CEO
Sherry Madera氏
来日記念イベント

「環境」に関するグローバルトレンド
Sherry Madera氏
CDP 最高経営責任者 (CEO)

炭素会計アドバイザー協会 資格説明
炭素会計アドバイザー協会 代表理事
一般社団法人 炭素会計アドバイザー協会 代表理事

企業取り組み事例発表
エネルギーの脱炭素化
・企業環境と ESG 投資の活用
・脱炭素化に向けた取り組み
・脱炭素化に向けた取り組み
・脱炭素化に向けた取り組み

開催日
2024年 5/22 水

時間
15:30 ~ 17:30

会場
会場：アロハビル4階
会場：アロハビル4階
会場：アロハビル4階

対象
企業 80名
一般 200名

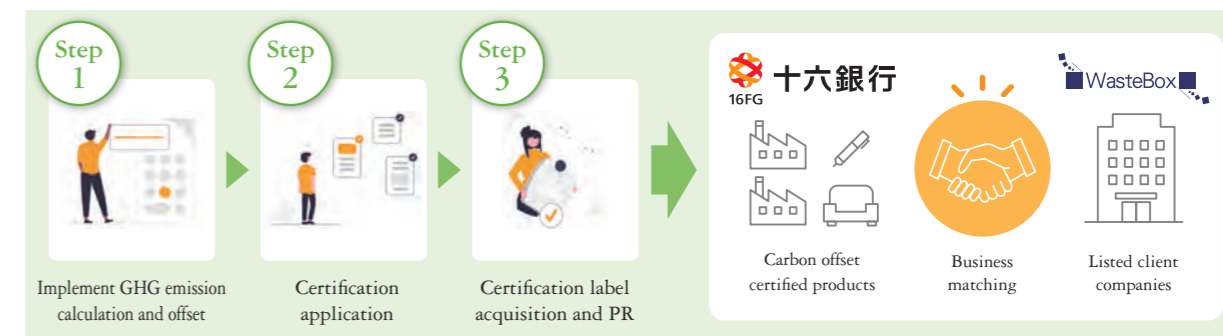
参加方法
無料

Decarbonization consulting

In order to provide one-stop support for customers' carbon neutral business management, The Juroku Bank is offering the following support menu through business co-creation with Wastebox Inc., a company with a 10-year record in tracking environmental impacts and greenhouse gas emissions.

- Since August 2021: Carbon Neutral Navigator Supported by WasteBox
- Since February 2023: Decarbonization Management Transition Plan review
- Since August 2023: Greenhouse gas emissions management system "Trianet Zero"
- Since March 2024: Carbon offset certification acquisition support

We ensure that greenhouse gas emissions are calculated and offset appropriately for the products our customers manufacture and sell, and assist in obtaining certification.



Awarded the Environment Minister's Award for Best Practice (regional category) of the Principles for Financial Action for the 21st Century

In recognition of our efforts, such as expanding our decarbonization support menu and providing decarbonization consulting, we were awarded the 2023 Environment Minister's Award for Best Practice (regional category) of the Principles for Financial Action for the 21st Century in March 2024. This award is the highest level given by the Principles for Financial Action for the 21st Century Secretariat to initiatives that are in line with the core business of financial institutions, selected and recognized from those solicited as contributing to the creation of a sustainable society.



Supporting decarbonization by Juroku Lease

As the first regional bank-affiliated lease company to introduce a "Carbon Neutral Program," we provide one-stop support for visualizing CO2 emissions ⇒ reducing CO2 emissions through energy conservation, energy creation, and fuel conversion ⇒ offsetting CO2 emissions that cannot be fully reduced.

In addition, we have participated in the Tokyo Stock Exchange's Carbon Credit Market since December 2023.

Initiatives for Environmental Conservation and Environmental Impact Mitigation

Expanding introduction of CO2-free electricity

From June 2024, the company has switched to CO2-free electricity at 87 branches, two loan service centers, and four training facilities of The Juroku Bank, the group's core company, in Gifu Prefecture.

CO2-free electricity has already been introduced at The Juroku Bank's head office building since November 2021 and The Juroku Bank's computer center and administrative center building since October 2023. The proportion of renewable energy in the Group's annual electricity consumption is expected to be approximately 60%.

Environmental Conservation and Climate Change Actions

Disclosure Based on TCFD Recommendations

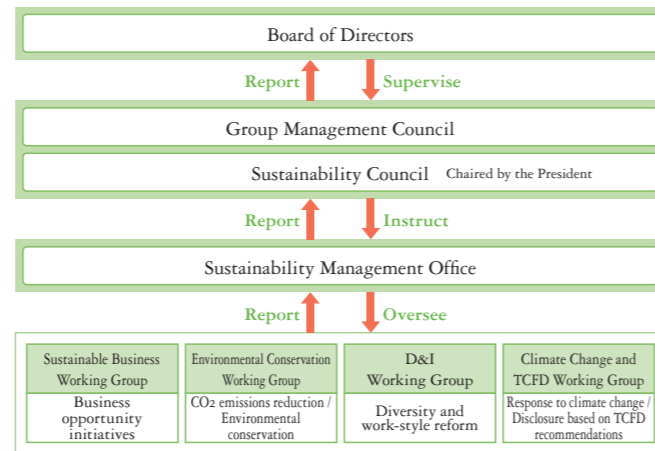
<Governance>

Sustainability management structure

As stated in the Sustainability Policy, the Juroku Financial Group recognizes sustainability initiatives (e.g. on climate change) as an important management challenge. “The Juroku Financial Group SDGs Declaration” lists “revitalization of the local economy,” “sustainable development of the local community,” “environmental conservation and climate change actions,” “empowerment of diverse human resources,” and “advanced governance” as key challenges.

In order to address these challenges appropriately, the Group has set up the Sustainability Council, which is chaired by the President and consists of Group Management Council members, Division General Managers and the head of the Sustainability Management Office. The Council generally meets at least once every 3 months to deliberate key challenges (e.g., drawing up a policy for implementing initiatives on climate change and other sustainability issues, setting targets and checking progress), and reflects the results to management strategies and risk management. The content of deliberation at the Council is regularly reported to the Board of Directors at least once every three months for appropriate supervision.

In addition, four working groups have been established under the Sustainability Council with responsibilities for Sustainable Business, Environmental Conservation, D&I, and Climate Change and TCFD. The working groups are composed of cross-organizational members from each Group company, including the executive director in charge, and generally meet at least once a month to discuss challenges that line up with respective responsibilities and report details to the Sustainability Management Office.



<Strategy>

Opportunities and risks associated with climate change

The Juroku Financial Group analyses risks and opportunities associated with climate change in the timeframes of “short term,” “mid-term” and “long term.” The results of analyzing scenarios are used to organize active dialogue (Engagement) for supporting customers who are working toward a decarbonized society, and reinforce financial support in the forms of sustainable financing and transition financing to create business opportunities and reduce risks.

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

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

Responding to business opportunities associated with climate change

With the transition to a decarbonized society, customer demand for funds is expected to increase, and business restructuring and demand for new financial instruments and services are expected to grow, creating more business opportunities for the Group. The Juroku Financial Group will proactively work to provide various financing and solutions utilizing financial and non-financial functions to solve customers' problems.

Financing to solve environmental issues

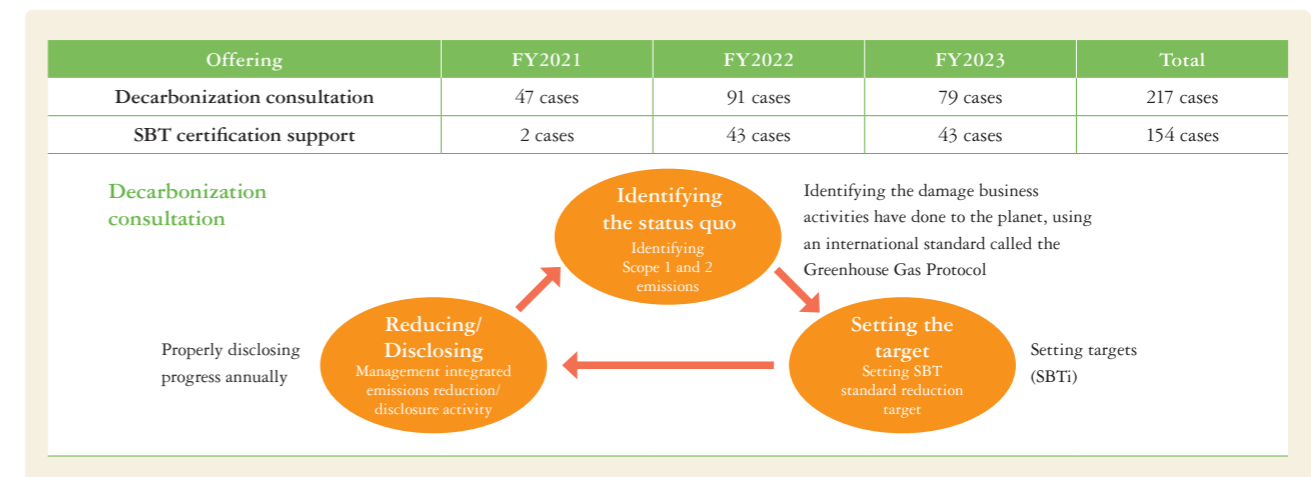
We offer a full range of financing products to meet our customers' financing needs for carbon-neutral business management and green initiatives.

Green loan and green private placement bond
These financing products limit the use of funds to those that contribute to solving environmental issues, such as the introduction of renewable energy generation facilities or the switch to highly energy-efficient equipment. The scheme of obtaining a second opinion from an external organization allows the company to communicate its environmental initiatives to society and stakeholders.
Sustainability linked loan
This financing product sets sustainability performance targets (SPTs), which are business goals related to SDGs and ESG, and offers preferential interest rates and other loan terms based on the degree to which the SPTs are achieved. We support our customers' efforts for carbon-neutral business management by setting greenhouse gas emission reduction targets consistent with the levels required by the Paris Agreement.
Positive impact finance
This financing product comprehensively analyzes and evaluates the impact of corporate activities on either environmental, social, or economic aspects, and establishes KPIs that contribute to creating positive impact and reducing negative impact. We continue to support our customers' efforts through monitoring of KPI achievement.

Supporting local companies to achieve carbon neutrality

We support carbon management by providing consultation services to help customers visualize their greenhouse gas emissions and set reduction targets.

Since the service was launched in August 2021, we have provided decarbonization consultation services to 217 companies. We are also working to support our customers in obtaining SBT certification (for SMEs), and 154 companies have been certified with the support of Juroku Financial Group.



Furthermore, we have built a continuous support system to help our customers achieve decarbonization management, including helping them prepare decarbonization management transition plans and providing a system environment for calculating emissions.

Environmental Conservation and Climate Change Actions

Examples of risks associated with climate change

The Juroku Financial Group organizes climate change risk into four categories. For physical and transitional risks arising from climate change, the following examples are assumed.

Risk category	Definition	Examples of physical risks	Timeframe	Examples of transitional risks	Timeframe
Credit risk	Risk of incurring losses due to the decrease or loss of asset value including off-balance assets caused by deterioration of customers' financial condition	Deterioration in customers' business performance associated with an increase and intensification in the severity of abnormal weather, and degradation in loan asset value resulting from damage to collateral value	Short- to long-term	Degradation in loan asset value resulting from deterioration in customers' business performance, associated with such factors as climate change regulatory reinforcements, failed investment in low-carbon technologies, and changes in consumer behaviors	Mid- to long-term
Market risk	Risk of incurring losses from the fluctuation of the value of assets and liabilities (including off-balance assets and liabilities), as a result of changes in various market risk factors such as interest rates, foreign exchange rates, and stocks, as well as the risk of incurring losses due to fluctuations in the income generated from assets and liabilities	Deterioration in investee companies' business performance due to increased and more severe extreme weather events, causing a decline in prices of securities holdings	Short- to long-term	Deterioration in investee companies' business performance due to climate-related regulation tightening, failed investment in low-carbon technologies, and changes in consumer behaviors, causing a decline in prices of securities holdings	Short- to long-term
Liquidity risk	Risk of incurring losses due to difficulties in securing necessary funds or being forced to raise funds at significantly higher interest rates than usual because of a mismatch between investment and financing periods or unexpected outflow of funds as well as risk of incurring losses due to the inability to trade in the market or being forced to trade at a significantly unfavorable price than usual because of market disruption	Deposit outflows due to the occurrence of demand for funds from customers affected by extreme weather events	Short- to long-term	Deterioration in the financing environment and outflow of deposits due to deterioration in the Group's creditworthiness resulting from delays in addressing climate change risk	Short- to long-term
Operational risk	Risk of incurring losses due to inappropriate business processes, activities of officers and employees, or systems, or external events	Work suspension occurring as a result of emergencies affecting the Group's sites or officers and employees	Short- to long-term	Losses from fines and lawsuits due to inappropriate responses to climate change, etc.	Short- to long-term

Scenario analysis

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

	Physical risks	Transitional risks
Scenario	IPCC/RCP8.5 scenario (4°C scenario)	IPCC/RCP2.6 scenario (2°C scenario) IEA/NZE scenario (1.5°C scenario)
Risk event	Large-scale flooding	Transition to a decarbonized society
Analysis target	Borrowers in Gifu/Aichi prefectures Collateral of real estate (buildings) in Gifu/Aichi prefectures (excluding secured home loans)	Electric power sector Automotive sector
Analysis content	Deterioration of business performance due to customers' business suspension/stagnation Damage to the Group's real estate (buildings) collateral	Deterioration of customers' business performance due to cost increase and sales decline
Analysis period	Up to 2050	Up to 2050
Analysis results	Increase of credit-related costs: Up to approx. ¥7.0 billion	Increase of credit costs: Cumulative total of approx. ¥2.5 billion

*IPCC: Intergovernmental Panel on Climate Change
*IEA: International Energy Agency

Physical risks

Rain-prone Japan experiences heavy precipitations each year, causing rivers to swell and triggering flooding. In recent years, the number of heavy localized rainstorms has become more common, causing significant damage to many areas including the Group's sales territories.

In terms of physical risks, we have anticipated an increase in the frequency of large-scale flooding due to climate change, and calculated the impact of climate-attributable large flooding in Gifu and Aichi prefectures on the Group's credit-related costs on the premise of the RCP8.5 scenario (4 °C scenario). The result points to a cost increase of approx. 7.0 billion yen.

Transitional risks

Following a qualitative analysis of sectors with large credit exposure and the carbon-related sectors defined in the TCFD recommendations, we have identified the “electric power sector” and “automotive sector” as sectors of significant transitional risks for the Group.

In terms of transitional risks, on the premise of the RCP2.6 scenario (2 °C scenario) and NZE scenario (1.5 °C scenario), we calculated the impact on the Group's credit-related costs in view of the increased cost of transition into a decarbonized society such as the introduction of the carbon tax, a decline of net sales and future market trends. The result points to a cost increase of approx. 2.5 billion yen.

Analysis results are calculated under specific preconditions.

The impact on the Group's finances has been found to be limited within the scope of this analysis, but we will continue to enhance the scenario analysis.

Carbon-related assets

For carbon-related assets for which the TCFD recommendations recommend disclosure, the following table shows the loan balance by sector and the percentage of total sector loans.

Ratio of carbon-related assets against the loan balance
(as of the end of March 2023)

*Loan balance = Total of loans, foreign exchange, acceptance and guarantee, etc.
*Electric power & utilities sector excludes the water and renewable energy power sectors

Sector	Loan balance (Millions of Yen)	Ratio
Oil & gas	36,562	0.7%
Electric power & utilities	45,424	0.9%
Air transportation	17,038	0.3%
Marine transportation	3,091	0.1%
Land transportation	105,679	2.1%
Automotive	78,241	1.6%
Metals & mining	96,370	2.0%
Chemicals	24,913	0.5%
Construction materials & capital goods	216,628	4.4%
Real estate management & development	417,768	8.5%
Beverages & food	61,552	1.2%
Agriculture	2,674	0.1%
Paper & forestry	30,697	0.6%
Total	1,136,636	23.0%

<Risk Management>

Climate change risk identification and assessment process

The Juroku Financial Group considers risks that could have a significant impact on management to be top risks. From the perspective of probability and degree of impact, the Board of Directors selects the risk events that may have a significant impact on our financial year, as top risks. Eleven top risks were selected by the Board of Directors in March 2023, one of which is the risk related to climate change. The selection was made in light of the increase in extreme weather events and natural disasters and the growing international momentum to address climate change, and we have implemented proactive management and risk control measures based on the risk scenario of deteriorating business performance and business model obsolescence of the borrower due to delays in responding to climate change and decarbonization.

Climate change risk management process

An integrated risk management framework is in place at the Group, categorizing into and managing the Group's overall financial risks as “credit risk,” “market risk,” “liquidity risk” and “operational risk.” Climate change risk is recognized as a driver of financial risk, and is managed with the framework for managing risks such as credit and operational risks.

We have also introduced a risk appetite framework (RAF) from the perspective of organically combining earnings, risk, and capital to enhance corporate value through integrated management. With respect to climate change risk, we are working to manage it appropriately, with our Risk Appetite Policy stating that we will deepen our efforts and promote engagement.



Environmental Conservation and Climate Change Actions

Formulating an investment and lending policy

The Group has the Investment and Lending Policy for the Creation of a Sustainable Society.

Basic policy

Juroku Financial Group (the corporate group consisting of the Company and its consolidated subsidiaries) strives to contribute to medium- to long-term enhancement of corporate value and sustainable growth of customers by vigorously supporting initiatives to resolve environmental and social issues through investment and lending.

Moreover, the Group strives to mitigate or avert the impact of investment and lending that may pose a significant risk or have a negative impact on the environment and society by subjecting any such investment and lending to meticulous consideration.

Investments and loans prohibited across all sectors

The Group will not invest in or extend loans to companies that are found to be directly or indirectly involved in human rights violations, such as child labor, forced labor, or human trafficking.

Sector-specific policies

Coal-fired thermal power generation	Coal-fired power generation is said to emit more greenhouse gases and harmful substances than other power generation methods, potentially leading to significant negative impacts on the environment, including climate change and air pollution. The Group will not invest in or extend loans to projects that involve building new coal-fired thermal power stations or expanding existing power generation facilities, while taking a prudent approach in considering exceptional cases in response to emergencies or in projects in line with the Japanese government's energy policy.
Inhumane weapons manufacturing	The Group will not invest in or extend loans to companies that manufacture weapons, regardless of fund usage, in view of the inhumane nature of cluster bombs, anti-personnel landmines, and biological/chemical weapons.
Palm oil plantation development	While palm oil is a crucial raw material used in products essential to everyday life, the development of palm oil plantations can have negative impacts on climate change, local residents and communities, and ecosystems, and may also lead to human rights violations such as illegal logging and child labor. For investments or loans related to palm oil plantation development, the Group will carefully consider the impact on the local economy and the environment, after assessing the clients' efforts to address environmental and social concerns.
Deforestation	Large-scale deforestation could potentially have major negative impacts on climate change, local residents and communities, as well as ecosystems. The Group will not invest in or extend loans to projects that involve large-scale deforestation, illegal logging, or forest incineration. Moreover, investment and loans where the funds are used for operations that involve deforestation will be considered carefully in view of their impact on the local economy and the environment.

<Metrics and targets>

CO2 emissions results (t-CO2)

Calculation item			FY2022	FY2023
Scope 1		Direct emissions	1,488	1,347
Scope 2		Indirect emissions	6,020	6,153
Total of Scope 1 and 2			7,508	7,500
Scope 3	Category 1	Purchased goods and services	14,234	14,761
	Category 2	Capital goods	3,976	7,199
	Category 3	Fuel- and energy-related activities not included in Scope 1 and 2	1,536	1,467
	Category 4	Upstream transportation and distribution	1,839	1,857
	Category 5	Waste generated in operations	64	50
	Category 6	Business travel	192	236
	Category 7	Employee commuting	3,193	2,940
	Category 8	Upstream leased assets	—	—
	Category 9	Downstream transportation and distribution	—	—
	Category 10	Processing of sold products	—	—
	Category 11	Use of sold products	—	—
	Category 12	End-of-life treatment of sold products	—	—
	Category 13	Downstream leased assets	426	428
	Category 14	Franchises	—	—
	Category 15	Investment (listed equity securities and Japanese corporate bonds)	—	353,201
Investment (business loans)		9,011,285	3,153,964	
Total of Scope 3			9,036,745	3,536,103

For the emissions results for FY2022, we obtained independent third-party assurance for all Scope 1, 2 and 3 emissions to ensure the reliability of the values, and have revised the figures from the previously published preliminary figures to the finalized values for which assurance was obtained. The FY2023 results are preliminary figures, and we plan to obtain independent third party assurance for those results.

With regard to Scope 3 Category 15 emissions, from FY2023, calculations are made for listed equity and corporate bonds, in addition to business loans. Also, the emission factors used have been changed from FY2023 in accordance with the recommendations on emission factors published by PCAF. If the same emission factors are used as in FY2022, the emissions related to business loans in FY2023 would be 7,994,579 t-CO2.

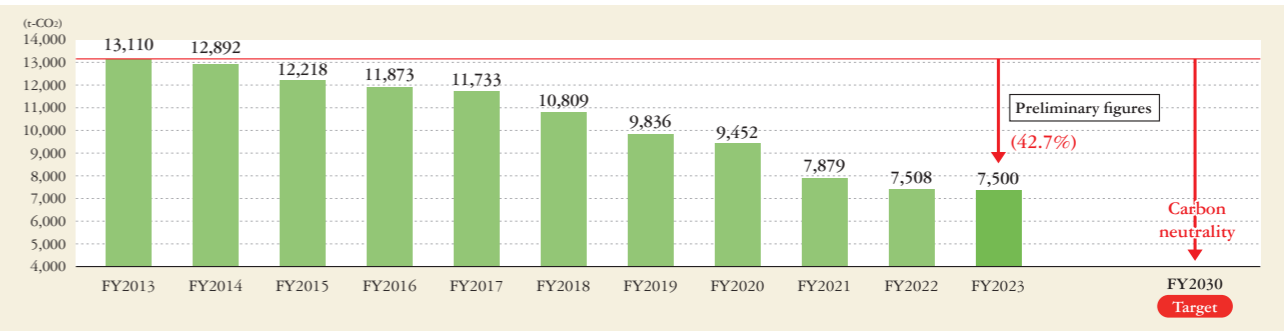
Juroku Financial Group's CO2 emissions reduction targets and results

With regard to CO2 emissions generated by the Group's energy use (Scope 1 and 2), the Group originally set the goal to “halve CO2 emissions by FY2030 from the FY2013 level and achieve carbon neutrality by FY2050.” However, in September 2023, we revised this target upward to achieve carbon neutrality by FY2030.

Target

Achieve carbon neutrality by FY2023

CO2 emissions (Scope 1 and 2)



CO2 emissions in FY2023 were reduced by 42.7% compared to FY2013. By switching to LED lighting in stores and upgrading to high-performance air conditioning equipment, we were able to reduce electricity consumption by 3.5% compared to the previous fiscal year. In addition to The Juroku Bank's head office building, we have also introduced CO2-free electricity at The Juroku Bank's computer center building and administrative center building, as we strive to increase our renewable energy ratio. However, CO2 emissions only decreased slightly compared to the previous fiscal year due to an increase in the electricity emission factor (a value published by electric power companies that indicates the amount of CO2 emissions per kWh of electricity used). We will continue to work toward reducing CO2 emissions by considering measures such as expanding the introduction of CO2-free electricity, introducing environmentally friendly stores, and converting our company vehicles to hybrid vehicles (HVs) and electric vehicles (EVs).

Roadmap to carbon neutrality

The roadmap for carbon neutrality is as follows. We will promote various measures to achieve carbon neutrality by FY2030.

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Scope1	Switching company vehicles to eco-friendly vehicles (from gasoline-powered vehicles to HVs and EVs)							
Scope2	Implementing energy-saving measures (switching to LED lighting in stores, upgrading air conditioning equipment)							
	Converting our own contracted electricity to renewable energy (gradually expanding the number of locations where it is introduced)*							
	Planning and implementing environmentally friendly store introduction (achieving ZEB standards when relocating or rebuilding of sales offices)							
	Planning and implementing solar power generation equipment installation							
	Planning and implementing the use of PPA (on-site and off-site)							
Carbon offset	Considering and implementing carbon offset introduction							

*We introduced renewable energy at The Juroku Bank's head office building in November 2021, at The Juroku Bank's computer center and administrative center building in October 2023, and at 87 branches of The Juroku Bank and others in Gifu Prefecture in June 2024.

Environmental Conservation and Climate Change Actions

Calculation of the CO2 emissions of investees and borrowers (scope 3 category 15)

Since indirect emissions (Scope 3 Category 15) through investments and loans account for a large share of CO2 emissions of financial institutions, it is important to promote efforts to calculate, monitor, and reduce these emissions. The Group utilizes the PCAF standard calculation method to calculate CO2 emissions for loans to domestic corporate clients.

CO2 emissions of investees and borrowers (Scope 3)

Sector	CO2 emissions (t-CO2)		applicable assets	Listed equity and corporate bonds	Business loans (loans to domestic corporations)
	Listed equity and corporate bonds	Business loans			*Excluding loans to borrowers with insufficient financial data
Oil & gas	2,661	463,246	CO2 emissions calculation method		CO2 emissions = \sum (Emissions of each borrower x Contribution of the Group's loans) * Emissions of each investment and loan recipient are calculated using Scope 1 and 2 data disclosed by the companies. When data is unavailable, estimates are made using the emission factors per unit of sales by developed country and sector from the PCAF database. * Contribution ratio = The Group's investment and loan balance / The investment and loan recipients total funding
Electric power & utilities	231,236	115,910			
Air transportation	96	33,287			
Marine transportation	1,682	20,507			
Land transportation	19,335	190,947			
Automotive	8,729	25,626			
Metals & mining	8,511	258,512	Reference date		Investment and loan balance As of March 31, 2024 Financial and emissions data of investment and loan recipients Latest financial period data held by the Group as of March 31, 2024
Chemicals	5,967	99,844			
Construction materials & capital goods	36,448	456,872			
Real estate management & development	330	4,629			
Beverages & food	6,277	856,882	Data quality score	1.5	3.6
Agriculture	0	22,893			
Paper & forestry	459	76,386	Coverage		90.1% (Listed equity and bonds of calculation targets / Total of listed equity and corporatebonds)
Other	31,470	528,423			
Total applicable assets	353,201	3,153,964			
Total	3,507,165				

We will continue to work toward expanding the scope of CO2 emissions calculation and improving the data quality score.

The results of this calculation may change significantly in the future due to clarification of international standards, sophistication of estimation, and other factors.

Sustainable finance targets

The following targets are set on sustainable finances in order to support, through our core business, customers' initiatives for solving environmental issues and to contribute to achieving a decarbonized society.

	Target amount for FY2030 (cumulative for 9 years)	Amount provided in FY2022	Progress rate
Sustainable finances provided	¥2 trillion	¥459.4 billion	22.9%
of which, environment-related finances	¥800 billion	¥170.4 billion	21.3%

- Sustainable finances: investment and lending for SDGs / ESG initiatives that contribute to building a sustainable society
- Environment-related finances: investment and lending for initiatives to reduce environmental impact

<ESG-related External Evaluation>



FTSE Blossom Japan Sector Relative Index

The Company has been selected as a constituent of the TSE Blossom Japan Sector Relative Index.

The FTSE Blossom Japan Sector Relative Index is one of the ESG indices developed by FTSE Russell, a global index provider. It reflects the performance of Japanese companies that excel in responding to environmental, social and governance (ESG) issues within each sector.



S&P/JPX Carbon Efficient Index

The Company has been selected as a constituent of the S&P/JPX Carbon Efficient Index.

The S&P/JPX Carbon Efficient Index uses the TOPIX, a representative stock price index that shows trends in the Japanese market, as its universe. It determines the weighting of constituent stocks by focusing on the disclosure of environmental information and the level of carbon efficiency.

<Participation in Environmental Initiatives>



CDP Climate Change Program

We have received a “B” rating from CDP 2023, an international environmental non-profit organization that evaluates companies' initiatives to address environmental issues. A “B” rating is the third-highest out of a total of eight ranks.



Task Force on Climate-Related Financial Disclosures

In March 2022, we endorsed the Task Force on Climate-related Financial Disclosures and are working to disclose climate-related risks and opportunities.



PCAF

In March 2023, we joined the Partnership for Carbon Accounting Financials (PCAF), an international initiative launched with the aim of standardizing the measurement and disclosure of greenhouse gas emissions from recipients of investments and loans. We use the knowledge and database provided by PCAF to measure and disclose the GHG emissions of investment and loan recipients.



Principles for Financial Action Towards a Sustainable Society

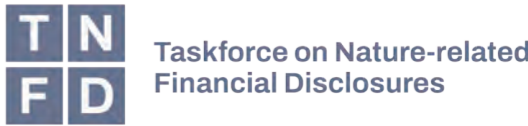
We have signed the Principles for Financial Action Towards a Sustainable Society, led by the Ministry of the Environment. Through the creation of a positive impact on the environment, society, and economy, and supporting problem-solving efforts, we will fulfill our responsibilities and roles necessary to creating a sustainable society.



GX League

In April 2024, we participated in the GX League announced by the Ministry of Economy, Trade and Industry.

We support the GX League's goal of achieving carbon neutrality by 2050 in collaboration with government and academia, and we will strengthen various initiatives aimed at carbon neutrality.



Nature-related Financial Disclosure Task Force Forum

In April 2024, we endorsed the efforts of the Taskforce on Nature-related Financial Disclosures (TNFD) and participated in the TNFD Forum. Through our participation in the TNFD Forum, we will contribute to building a framework for disclosing nature-related financial information.



Initiatives to respect human rights

Establishment of the Human Rights Policy

As awareness of human rights grows both domestically and internationally, we established our Human Rights Policy in March 2024 in accordance with the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

This policy applies to all officers and employees of Juroku Financial Group, and we also declare our commitment to respecting the human rights of our customers, suppliers, and other stakeholders in line with the spirit of this policy.

Human Rights Policy

Juroku Financial Group (the corporate group consisting of the Company and its consolidated subsidiaries) recognizes that respecting human rights is an important management task in order for us to “achieve growth and prosperity for our customers and the local community” as stated in our Group Management Philosophy. We have established this Human Rights Policy (hereinafter, “this Policy”) to promote initiatives to respect human rights in our business activities.

1. Respect for International Norms

Juroku Financial Group complies with laws and regulations applicable in each country and region where it conducts business. With regard to human rights, we respect international norms such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

2. Scope

This Policy applies to all officers and employees of Juroku Financial Group. We also expect our customers, suppliers, and other stakeholders to respect human rights in line with the spirit of this Policy.

3. Action Guidelines

Response to officers and Employees

Juroku Financial Group does not tolerate discrimination of any kind based on race, nationality, origin, creed, religion, age, sex, sexual orientation, gender identity, physical characteristics, disability, or health condition. Likewise, we do not tolerate harassment, including sexual harassment and abuse of authority, or human rights violations such as forced labor and child labor.

In accordance with the Labor Standards Act and other laws, we strive to prevent excessive work and reduce overtime, provide a healthy and safe working environment for workers, guarantee wages equal to or exceed the legal minimum wage, and respect freedom of association and the right to collective bargaining. We also work to ensure that each and every employee gains a correct and deeper understanding and awareness of human rights by implementing human rights awareness training.

Response to Customers

Juroku Financial Group respects the human rights of its customers and strives to prevent discriminatory treatment when providing products and services. We recognize that our business activities, including investments and loans, may cause or contribute to a negative impact on human rights, or may be directly related to such impacts through business dealings. In the event of negative impacts on human rights, we will urge our clients to take appropriate measures and promote initiatives to respect human rights.

Response to Suppliers

Juroku Financial Group urges its suppliers to respect human rights and avoid infringing upon them in order to eliminate any negative impacts on human rights in its supply chain.

4. Human Rights Due Diligence

Juroku Financial Group strives to prevent or mitigate negative impacts on human rights resulting from its business activities through human rights due diligence.

5. Remedial Action

Juroku Financial Group takes appropriate steps to provide remedial action in the event it is found that any of its officers and employees or the products or services it provides have caused or contributed to a negative impact on human rights, or are directly related to such impact through business dealings.

We accept human rights consultations from customers and other stakeholders via telephone and our website. For officers and employees, we establish whistleblowing and consultation channels for issues such as discrimination and harassment, and respond appropriately to anonymous consultations.

6. Governance

Resolutions regarding the establishment and revision of this Policy will be made at meetings of the Board of Directors following deliberation at the Group Management Meeting.

7. Information Disclosure and Dialogue with Stakeholders

Juroku Financial Group discloses its human rights initiatives on its website and strives to enhance and improve its initiatives to respect human rights through dialogue with stakeholders.

◆ Initiatives for officers and Employees

<Promotion of health management>

In addition to thoroughly enforcing regular health checkups, promoting health initiatives in cooperation with the health insurance union, implementing stress checks, and providing mental support through a consultation services, we are also working to establish set days when employees can leave work on time and encourage the use of vacation days to enrich their leisure time and help them balance work and family life. These initiatives have been recognized, and the Company has been certified as a “Certified KENKO Investment for Health Outstanding Organization (Large Corporation Category)” by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

<Prevention of discrimination and harassment>

Our human rights policy clearly states that we will not tolerate any form of discrimination or harassment, including sexual harassment and abuse of authority. Additionally, our ethical policy is reinforced through training to ensure that each employee fully understands its importance. We also encourage managers to attend seminars on the theme of LGBTQ+ issues as part of their training to promote understanding, in order to create a workplace environment that accepts diversity and where everyone can work with peace of mind.

<Promoting the advancement of women>

In order to foster a corporate culture that leverages diversity as a strength, we are actively appointing women to managerial positions, with the goal of achieving a 20.0% ratio of female managers by FY2030. We also systematically implement human resource development programs for female senior employees who are expected to be promoted to managerial positions.

<Human rights awareness training/human rights awareness testing>

We provide human rights awareness training in the course of our rank-based training programs, so that each and every officer and employee can get a deeper and correct understanding and awareness of human rights. Twice a year (in May and November), all employees participate in study sessions with provided learning materials and take a “human rights awareness test.”

<Whistleblowing system/human resources hotline>

Our whistleblowing system serves as a channel for receiving reports and consultations regarding compliance violations, including inappropriate labor management and harassment, and is designed to ensure the early detection and correction of misconduct. We have consultation services not only within the company but also through an external law firm. The human resources hotline is available for employees to discuss personal concerns, including work-related issues, interpersonal conflicts, family troubles, financial matters, health issues, and more. Anonymous consultations are also available.



◆ Initiatives for Customers (individuals)

<Customer-oriented business operations>

We have established a Group-wide “Customer Protection Management Policy” and are working across the entire Group to protect our customers and improve their convenience. The Juroku Bank and Juroku TT Securities have formulated and published a “Customer-Oriented Business Operation Policy” and are working to further improve the quality of their products and services from a customer-oriented perspective.

<Customer information management>

We are fully aware of various risks such as leakage and loss of information to external parties with regard to customer information acquired by each group company. As such, we have established the “Information Security Management Rules” to ensure proper handling of customer information, and also disclose a “Personal Information Protection Policy” (Privacy Policy).

<Financial literacy education>

In January 2023, we created Juroku MONEY COLLEGE, a systematic menu on financial literacy. We are working to improve financial literacy in the local community by leveraging the expertise of each group company and systematically offering seminars on topics such as asset formation, entrepreneurship, cashless payments, loans, and other topics, targeting a wide range of age groups from elementary school students to seniors.

<Creating a universal environment>

In recent years, Juroku Bank’s newly built or relocated branches have been designed with the concept of universal design. We are creating an environment where customers can use our branches with peace of mind by making them barrier-free, displaying pictograms, and installing ATMs for the visually impaired.

◆ Initiatives for Investment and Loan Recipients

In March 2024, we revised our “Investment and Lending Policy for the Creation of a Sustainable Society” to state that we will not invest in or extend loans to companies that are found to be directly or indirectly involved in human rights violations, such as child labor, forced labor, or human trafficking, across all sectors. In the future, we will consider how to inform investment and loan recipients and reflect this information in our credit decisions.

Please refer to our website for details on Juroku Financial Group’s investment and loan policies.
<https://www.16fg.co.jp/syakaikeisei.html> (in Japanese only)



◆ Initiatives for Suppliers

We established a “Procurement Policy” in March 2024, which stipulates our basic approach to respecting human rights in our procurement activities and our expectations of suppliers. In the future, we will consider ways to inform this to suppliers and methods for their selection.

Please refer to our website for details on Juroku Financial Group’s Procurement Policy.
<https://www.16fg.co.jp/choutatsu.html> (in Japanese only)



Corporate Governance

Basic Concept

The Company and its subsidiaries (hereinafter the “Group”) shall, under the “group management philosophy” representing the Group’s fundamental spirit that guides all officers and employees, serve our customers and local communities as an entity essential to their welfare based on our hitherto earned tradition and trust, thereby contributing to materializing sustainable growth and affluent future. Meanwhile, we have formulated our long-term vision as guidance for the future group management in the belief that it is essential to envision the desirable shape of our future based on such management philosophy and to proactively reform ourselves toward materializing such future.

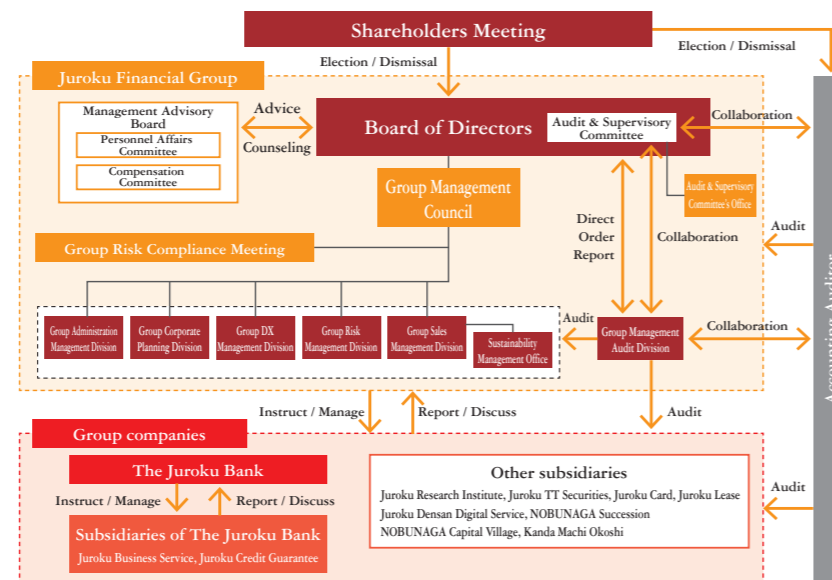
Corporate Governance System

Juroku Financial Group is a company with an Audit & Supervisory Committee, and the functions of the Board of Directors are strengthened not only in its decision-making functions but also in its auditing and supervisory functions.

By separately electing Executive Directors and Directors who are Members of the Audit & Supervisory Committee, we have enhanced the audit system of Group-wide business management and the supervision system of Executive Directors by Members of the Audit & Supervisory Committee.

In addition, we are working to further enhance our corporate governance system by monitoring the status of business execution, the status of risk management, and the compliance system of group companies, and striving to build a Group-wide business management system.

Group companies are striving for efficient business operations by preparing business plans based on Group-wide management policies, and by making prompt management decisions and speeding up business execution.



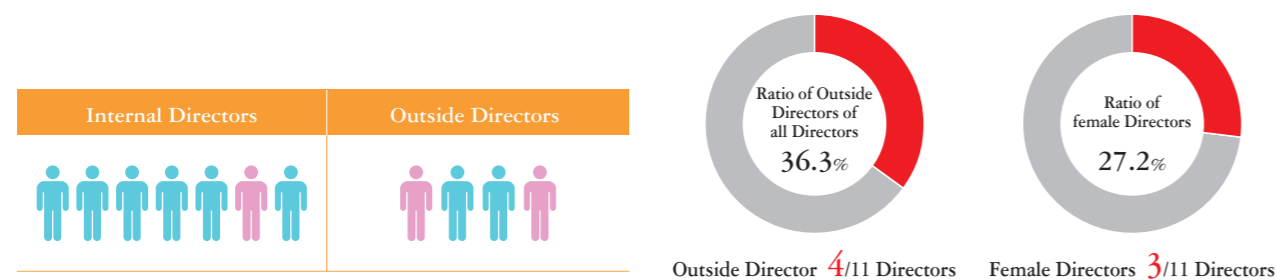
Composition of the Board of Directors

The Group strives to ensure that the Board of Directors has a well-balanced structure with diverse knowledge and expertise.

In order to enhance the objectivity and rationality of decision-making by the Board of Directors in addition to supervising management, we appoint Independent Outside Directors so that they consist of more than one-third of the total number of Directors.

Incidentally, the Company appointed in June 2024 the first female internal Director in its history.

(as of June 30, 2024)



Activities and Composition of the Board of Directors

The Board of Directors deliberates and decides on the matters as required by laws and regulations as well as important management-related matters, while Executive Directors report to the Board of Directors regarding the status of execution of their duties at least once in three months pursuant to Article 363, Paragraph 2 of the Companies Act, ensuring the Board’s supervision of execution of Directors’ duties.

The meetings of the Board of Directors held in FY2023 (11 meetings) debated and deliberated in particular on the subjects concerning capital policy and shareholder return policy (at the meetings held in May, June, October, December 2023 and March 2024), the initiatives for sustainability (at the meetings held in July 2023 and March 2024), and the financial results as well as the progress in achieving budget (at the meetings held in April, July, November 2023 and January 2024).

Attendance of each Director in FY2023 is as indicated on the right.

Name	No. of meetings held	No. of meetings attended (attendance ratio)
Yukio Murase	11	11 (100%)
Naoki Ikeda	11	11 (100%)
Akihide Ishiguro	11	11 (100%)
Yukiyasu Shiraki	11	11 (100%)
Yoshiaki Bito	11	11 (100%)
Hiroyuki Ota	11	11 (100%)
Satoko Ito	11	11 (100%)
Yasushi Ueda	9	9 (100%)
Naohiko Ishikawa	11	11 (100%)
Shinji Ishihara	11	11 (100%)
Satoe Tsuge	11	11 (100%)

Management Advisory Board

In order to further ensure transparency and fairness of the Board of Directors’ decision-making activities, we have established the Management Advisory Board, which consists of two committees, the Personnel Affairs Committee and the Compensation Committee, as an advisory body to the Board of Directors.

Management Advisory Board consists of the Personnel Affairs Committee and the Compensation Committee that provide advice on the matters shown in the table on the right.

In FY2023, the Personnel Affairs Committee and the Compensation Committee held two meetings each. In reference to attendance of each committee member, all members attended all meetings registering 100% attendance ratio.

Personnel Affairs Committee	
1	Matters concerning the determination of candidates for Director
2	Matters concerning selection and dismissal of Executive Directors, etc.
Compensation Committee	
1	Matters concerning compensation for Directors
2	Matters concerning the evaluation of the effectiveness of the Board of Directors
3	Other important matters related to management

Evaluation of the Effectiveness of the Board of Directors

The Company annually conducts self-evaluations and analysis of the effectiveness of the Board of Directors, as a measure for improving the administration of the Board of Directors. In FY2023, we carried out self-evaluations with the advice from an external institution, results of which were submitted for a consultation to the Management Advisory Board, an advisory body to the Board of Directors, and then deliberated at the Board of Directors.

<Method for evaluating the effectiveness of the Board of Directors for FY2023, and the summary of the results of evaluation>

(1) Method for evaluating the Board effectiveness

- Anonymous questionnaire was conducted for all (11) Directors in March 2024.
- The questionnaire was comprised comprehensively of 31 multiple-choice questions for five grade evaluation as well as nine written-type questions on the composition, administration and other matters regarding the Board of Directors.

(2) Results of analysis

As a result of the analysis and evaluation of the questionnaire, the Company confirmed that the Board of Directors was appropriately administered and that the overall effectiveness of the Board of Directors has been secured.

All parties concerned shared the determination that the Board of Directors shall, with a view to further strengthening the Board’s function and reinvigorating its debate, be engaged in continuous efforts for reviewing the contents and quantity of the reference materials for the Board meetings, and enhancing the opportunities for communication between Internal/Outside Directors and the executive departments.

We will continue with our efforts to enhance discussions on important management issues for the sustainable growth of the Group and the enhancement of corporate value over the medium to long term. Furthermore, we will further enhance the effectiveness of the Board of Directors by continuously reviewing the operation of the Board of Directors with Outside Officers.

Status of Audit by the Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three Members of the Audit & Supervisory Committee (one of the three is a full-time Member of the Audit & Supervisory Committee, as of June 20, 2024), including two Members of the Audit & Supervisory Committee who are Outside Directors, and meets once a month in principle. In addition, the Audit & Supervisory Committee's Office has been established to assist Members of the Audit & Supervisory Committee in their duties, thereby ensuring the objective monitoring and auditing functions of the management's business execution.

In accordance with the audit policy, audit plan, and allocation of duties established by the Audit & Supervisory Committee, the full-time Member of the Audit & Supervisory Committee audits the execution of duties by Directors by attending important meetings such as those of the Board of Directors, Group Management Council, Group Risk Compliance Meeting, and Sustainability Council, inspecting important documents, and interviewing Representative Directors and other Directors. Part-time Outside Members of the Audit & Supervisory Committee communicate and collaborate with the full-time Member of the Audit & Supervisory Committee to conduct audits based on discussions at Audit & Supervisory Committee meetings and other meetings. Satoe Tsuge, an Outside Member of the Audit & Supervisory Committee, is qualified as certified public accountant holding financial and accounting expertise.

The Audit & Supervisory Committee also reviews the status of the development and operation of the internal control system, the decision on the appointment of Directors other than Members of the Audit & Supervisory Committee, the decision on the compensation of Directors other than Members of the Audit & Supervisory Committee, the suitability for reappointment of the Accounting Auditor, the agreement on the amount of compensation for the Accounting Auditor, and prior approval of the non-assurance services by the Accounting Auditor, and exchanges opinions with the internal audit department and the Accounting Auditor in order to enhance the effectiveness of audits.

In FY2023, the Company held 11 meetings of the Audit & Supervisory Committee, and the attendance of individual Members of the Audit & Supervisory Committee is shown in the above table.

Name	Position	No. of meetings held	No. of meetings attended	Attendance ratio
Naohiko Ishikawa	Member of the Audit & Supervisory Committee (Full-time)	11	11	100%
Shinji Ishihara	Member of the Audit & Supervisory Committee (Outside)	11	11	100%
Satoe Tsuge	Member of the Audit & Supervisory Committee (Outside)	11	11	100%

Remuneration for Officers

Remuneration, etc. for Directors of the Company comprises three components that are fixed remuneration, performance-linked remuneration and stock-type remuneration, based on the resolution at the 1st Annual General Meeting of Shareholders held on June 17, 2022. Meanwhile, remuneration for Outside Directors and Directors who are Members of the Audit & Supervisory Committee consists solely of fixed remuneration with a view to enhancing their neutrality and independence.

Fixed remuneration			
The aggregate amount of fixed remuneration for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) payable commensurate with their roles and responsibilities shall not exceed ¥330 million per year, while the aggregate amount of fixed remuneration for Directors who are Members of the Audit & Supervisory Committee shall not exceed ¥80 million per year.			
Performance-linked remuneration			
Performance-linked remuneration is intended to provide incentive for contributing to improving the Group's business performance for each fiscal year, and is geared to the Group's bottom line performance criterion, namely, net income attributable to owners of the parent (consolidated). The aggregate amount of performance-linked remuneration for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be paid within the ceilings in the table below, apart from the fixed remuneration.			
Performance-linked remuneration			
Net income attributable to owners of the parent (consolidated)	Ceiling of remuneration	Net income attributable to owners of the parent (consolidated)	Ceiling of remuneration
¥4.0 billion or less	—	More than ¥12.0 billion but not exceeding ¥14.0 billion	¥70 million
More than ¥4.0 billion but not exceeding ¥6.0 billion	¥30 million	More than ¥14.0 billion but not exceeding ¥16.0 billion	¥80 million
More than ¥6.0 billion but not exceeding ¥8.0 billion	¥40 million	More than ¥16.0 billion but not exceeding ¥18.0 billion	¥90 million
More than ¥8.0 billion but not exceeding ¥10.0 billion	¥50 million	More than ¥18.0 billion but not exceeding ¥20.0 billion	¥100 million
More than ¥10.0 billion but not exceeding ¥12.0 billion	¥60 million	More than ¥20.0 billion	¥110 million
Stock-type remuneration			
Restricted stock-type remuneration is intended to provide incentive for continuously enhancing the Company's corporate value while further promoting value-sharing between Directors and shareholders, which once a year in principle delivers to Directors restricted shares with transfer restriction period. Remuneration to be used for delivering restricted shares shall be monetary claims, which shall, in the aggregate but apart from the fixed remuneration and performance-linked remuneration, not exceed ¥80 million per year while the total number of shares to be allotted in a year shall not exceed 40,000 shares.			

The guidelines for the distribution ratio of these three types of remuneration for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be 100, 50, and 15 between fixed remuneration, performance-linked remuneration, and stock-type remuneration, respectively (if fully paid as scheduled, and including remuneration from consolidated subsidiaries if involving concurrent service as Directors at consolidated subsidiaries).

Reason for nominating Outside Officers (function and role of Outside Directors in the corporate governance of the Company)

Outside Director Satoko Ito

Ms. Satoko Ito has extensive experience and knowledge in a wide range of domains such as environment, energy, regional revitalization, ESG and sustainability gained through her career as an anchorperson for news and information programs and a university professor. Although she has not been involved in corporate management other than through serving as Outside Director or External Corporate Auditor, the Company believes that, by utilizing her extensive experience and a wide range of knowledge, she will contribute to further ensuring transparency and fairness of the decision-making function and further strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium- to long-term corporate value, and has nominated her.

Outside Director Yasushi Ueda

Mr. Yasushi Ueda has been engaged in corporate management as Senior Managing Executive Officer and Group CRO of Meiji Yasuda Life Insurance, and has gained extensive experience and a wide range of insight in the financial sector, including risk management. The Company believes that, by utilizing his extensive operational experience and a wide range of knowledge, he will contribute to further ensuring transparency and fairness of the decision-making function and further strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium- to long-term corporate value, and has nominated him.

Outside Director (Audit & Supervisory Committee Member) Shinji Ishihara

As a lawyer, Mr. Shinji Ishihara has a wealth of experience and specialized knowledge of legal affairs in general, and has been serving as the managing partner of Ishihara Law Office since 2011. The Company believes that, by utilizing his extensive experience and a wide range of knowledge, he will contribute to further ensuring transparency and fairness of the decision-making function and further strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium- to long-term corporate value, and has nominated him.

Outside Director (Audit & Supervisory Committee Member) Satoe Tsuge

As a certified public accountant, Ms. Satoe Tsuge has expertise in finance and accounting, and is the representative of Tsuge CPA Office, which was established in 1999, and the representative director of La Vida Planning Co., Ltd., which was established in 2007. The Company believes that, by utilizing her extensive experience and a wide range of knowledge, she will contribute to further ensuring transparency and fairness of the decision-making function and further strengthening the supervising function of the Board of Directors from an objective standpoint independent from the management team in order to promote the Group's sustainable growth and improve its medium- to long-term corporate value, and has nominated her.

Major skills and experience, etc. of Directors of the Company

(including Directors who are Members of the Audit & Supervisory Committee) (skill matrix)

(as of June 30, 2024)

	Name	Current position at the Company	Major skills and experience, etc. of Directors						
			Corporate management	Financing	Finance / Accounting	Legal affairs / Risk management	Human resources	Local revitalizatio	ESG / Sustainability
Directors who are not Members of the Audit & Supervisory Committee	Yukio Murase	Chairperson (Representative Director)	●	●	●	●	●	●	
	Naoki Ikeda	President (Representative Director)	●	●	●	●	●		●
	Akhide Ishiguro	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	Director Outside						●	●
	Yasushi Ueda	Director Outside	●	●		●			
Directors who are Members of the Audit & Supervisory Committee	Akito Yamashita	Director	●	●	●				
	Shinji Ishihara	Director Outside				●	●		
	Satoe Tsuge	Director Outside			●				●

*The table does not represent all expertise and experience possessed by each person.

Board of Directors and Executive Officers

Directors

Yukio Murase | Chairperson (Representative Director)
(and Chairperson of The Juroku Bank)



Apr. 1979 Joined The Juroku Bank

Jun. 1993 General Manager, Hong Kong Branch, The Juroku Bank

Feb. 1994 General Manager, Nagoya-Ekimae Branch, The Juroku Bank

Apr. 1998 General Manager, Human Resources Division, The Juroku Bank

Jun. 2004 Managing Director, The Juroku Bank

Jun. 2009 Senior Managing Director, The Juroku Bank (Representative Director)

Sep. 2013 President and CEO, The Juroku Bank (Representative Director)

Jun. 2021 Chairperson and President, The Juroku Bank (Representative Director)

Oct. 2021 Chairperson, the Company (Representative Director) **current position**

Chairperson, The Juroku Bank (Representative Director) **current position**

Naoki Ikeda | President (Representative Director)
(and Director of The Juroku Bank)



Apr. 1980 Joined The Juroku Bank

Apr. 2005 General Manager, Takayama Branch, The Juroku Bank

Jun. 2008 Director and General Manager, Nagoya Branch, The Juroku Bank

Apr. 2012 Director and General Manager, Nagoya Main Office, The Juroku Bank

Jun. 2013 Managing Director and General Manager, Operations Administration Division, The Juroku Bank

Sep. 2013 Managing Director, The Juroku Bank

Jun. 2014 Deputy President, The Juroku Bank (Representative Director)

Oct. 2021 President, the Company (Representative Director) **current position**

Director, The Juroku Bank **current position**

Satoko Ito | Director (Outside)



Oct. 1989 Started activities as an anchorperson for news and information programs

Apr. 2010 Visiting Professor, Graduate Institute for Entrepreneurial Studies **current position**

Apr. 2015 Part-time Lecturer, Niigata University **current position**

Jun. 2020 Director, The Juroku Bank

Oct. 2021 Director, the Company **current position**

Yasushi Ueda | Director (Outside)



Apr. 1988 Joined Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company)

Apr. 2013 General Manager, Profit Management & Actuarial Department, Meiji Yasuda Life Insurance Company (hereinafter "Meiji Yasuda Life Insurance")

Apr. 2017 Executive Officer and General Manager, Profit Management & Actuarial Department, Meiji Yasuda Life Insurance

Apr. 2018 Executive Officer, Meiji Yasuda Life Insurance

Apr. 2019 Managing Executive Officer, Meiji Yasuda Life Insurance

Apr. 2020 Managing Executive Officer, Group Chief Actuary, Meiji Yasuda Life Insurance

Apr. 2021 Managing Executive Officer, Group CRO, Meiji Yasuda Life Insurance

Jun. 2023 Director, the Company **current position**

Apr. 2024 Senior Managing Executive Officer, Group CRO, Meiji Yasuda Life Insurance **current position**

Akihide Ishiguro | Deputy President (and President and CEO of The Juroku Bank)



Apr. 1987 Joined The Juroku Bank

Jun. 2009 General Manager, Tokai Branch, The Juroku Bank

Oct. 2011 Manager, Human Resources Division, The Juroku Bank

Apr. 2014 Deputy General Manager, Human Resources Division, The Juroku Bank

Jun. 2016 General Manager, Corporate Administration Division, The Juroku Bank

Jun. 2017 Executive Officer and General Manager, Corporate Administration Division, The Juroku Bank

Jun. 2018 Director and Executive Officer and General Manager, Corporate Administration Division, The Juroku Bank

Jun. 2019 Director and Executive Officer and General Manager, Corporate Planning Division, The Juroku Bank

Jun. 2020 Director and Managing Executive Officer, The Juroku Bank

Oct. 2021 Deputy President, the Company **current position**

President and CEO, The Juroku Bank (Representative Director) **current position**

Yukiyasu Shiraki | Director and Senior Managing Executive Officer
(and President of Juroku Lease Co., Ltd.)



Apr. 1985 Joined The Juroku Bank

Apr. 2010 General Manager, Hashima Branch, The Juroku Bank

Mar. 2012 General Manager, Kakamigahara Branch, The Juroku Bank

Jun. 2014 Executive Officer and General Manager, Ichinomiya Branch, The Juroku Bank

Jun. 2016 Managing Executive Officer and Chief General Manager, Aichi Business Division, The Juroku Bank

Jun. 2017 Director and Managing Executive Officer and Chief General Manager, Aichi Business Division, and Deputy Chief General Manager, Business Integration Division, The Juroku Bank

Apr. 2019 Director and Managing Executive Officer and Chief General Manager, Business Integration Division, The Juroku Bank

Apr. 2021 Director and Managing Executive Officer and Chief General Manager, Business Support Division, The Juroku Bank

Oct. 2021 Director and Senior Managing Executive Officer and General Manager, Group Sales Management Division, the Company **current position**

President, Juroku Lease Co., Ltd. (Representative Director) **current position**

Akito Yamashita | Director
(Audit & Supervisory Committee Member)



Apr. 1988 Joined The Juroku Bank

Jan. 2013 Manager, Corporate Planning Division, The Juroku Bank

Oct. 2014 Deputy General Manager, Kakamigahara Branch, The Juroku Bank

Jun. 2016 General Manager, Kuroko Branch, The Juroku Bank

Jan. 2018 General Manager, Seki Branch, The Juroku Bank

Apr. 2019 General Manager, Okazaki Branch, The Juroku Bank

Jun. 2019 Executive Officer and General Manager, Okazaki Branch, The Juroku Bank

Oct. 2020 President (Representative Director), Juroku Business Service Co., Ltd.

Oct. 2021 Full-time Auditor, The Juroku Bank

Jun. 2024 Director (Member of the Audit & Supervisory Committee), the Company **current position**

Shinji Ishihara | Director (Audit & Supervisory Committee Member, Outside)



Apr. 1985 Registered as an attorney-at-law and joined Ishihara Law Office

Aug. 2011 Managing partner, Ishihara Law Office **current position**

Apr. 2016 Chairman, Aichi Bar Association and vice chairman, Japan Federation of Bar Associations

Jun. 2018 Auditor, The Juroku Bank

Oct. 2021 Director (Member of the Audit & Supervisory Committee), the Company **current position**

Yoshiaki Bito | Director and Managing Executive Officer (and Director and Managing Executive Officer of The Juroku Bank)



Apr. 1988 Joined The Juroku Bank

Oct. 2014 Section Manager, Global Business Division, The Juroku Bank

Jun. 2017 General Manager, Audit & Supervisory Board Members Office, The Juroku Bank

Apr. 2019 General Manager, Treasury and Investment Division, The Juroku Bank

Apr. 2021 General Manager, Market Operations Division, The Juroku Bank

Jul. 2021 Researcher (treatment as General Manager), Internal Audit Division, The Juroku Bank

Oct. 2021 Executive Officer and General Manager, Group Management Audit Division, the Company

Jun. 2022 Director and Managing Executive Officer and General Manager, Group Risk Management Division, the Company **current position**

Director and Managing Executive Officer, The Juroku Bank **current position**

Tomoko Shiozaki | Director and Executive Officer (and Executive Officer of The Juroku Bank)



Apr. 1995 Joined The Juroku Bank

Jun. 2017 General Manager, Tanui Branch, The Juroku Bank

Jun. 2018 General Manager, Hoshigaoka Branch, The Juroku Bank

Apr. 2021 General Manager, SDGs Promotion Office, Regional Revitalization Division, The Juroku Bank

Oct. 2021 Manager, Group Sales Management Division, the Company

General Manager, SDGs Promotion Office, Regional Revitalization Division, The Juroku Bank

Apr. 2022 General Manager, Sustainability Management Office, the Company

General Manager, Sustainability Promotion Division, The Juroku Bank

Jun. 2023 Executive Officer and General Manager, Sustainability Management Office, the Company

Executive Officer and General Manager, Sustainability Promotion Division, The Juroku Bank **current position**

Jun. 2024 Director and Executive Officer and General Manager, Sustainability Management Office, the Company **current position**

Satoe Tsuge | Director
(Audit & Supervisory Committee Member, Outside)



Apr. 1990 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Nagoya Office

Apr. 1995 Registered as a certified public accountant

Jan. 1999 Representative, Tsuge CPA Office **current position**

Jun. 2007 Representative director, La Vida Planning Co., Ltd. **current position**

Oct. 2021 Director (Member of the Audit & Supervisory Committee), the Company **current position**

Executive Officers

Koichi Tokoro	Managing Executive Officer	(and Director and Senior Managing Executive Officer of The Juroku Bank)
Eiji Kodama	Managing Executive Officer	(and Director and Managing Executive Officer of The Juroku Bank)

Tsutomu Niimi	Managing Executive Officer	(and Director and Managing Executive Officer of The Juroku Bank)
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Hiroataka Asai	Executive Officer	(and Managing Executive Officer of The Juroku Bank)
Motoyasu Fukui	Executive Officer	(and President of NOBUNAGA Succession Inc.)
Katsutoshi Hirano	Executive Officer	(and Executive Officer of The Juroku Bank)

Tomoatsu Kaku	Executive Officer	(and Managing Executive Officer of The Juroku Bank)
Kyohei Tanemura	Executive Officer	(and Executive Officer of The Juroku Bank)
Haruyuki Miyoshi	Executive Officer	(and Executive Officer of The Juroku Bank)

(as of July 1, 2024)

Risk Management Structure and Compliance System

Ethics Policy

The Group has established its “ethics policy” with a view to establishing unshakable confidence from society through establishing high business ethics and thorough permeation of the spirit of legal compliance.

The ethics policy consists largely of two sections, namely, “business ethics of the Group” and “code of conduct for officers and employees of the Group.” The former manifests sense of ethics and values which the Group as a corporation must adhere to for materializing its management philosophy, while the latter is a compilation of the code which the officers and employees of the Group must follow in conducting business based on the aforementioned business ethics.

Group-wide Risk Management Structure and Compliance System

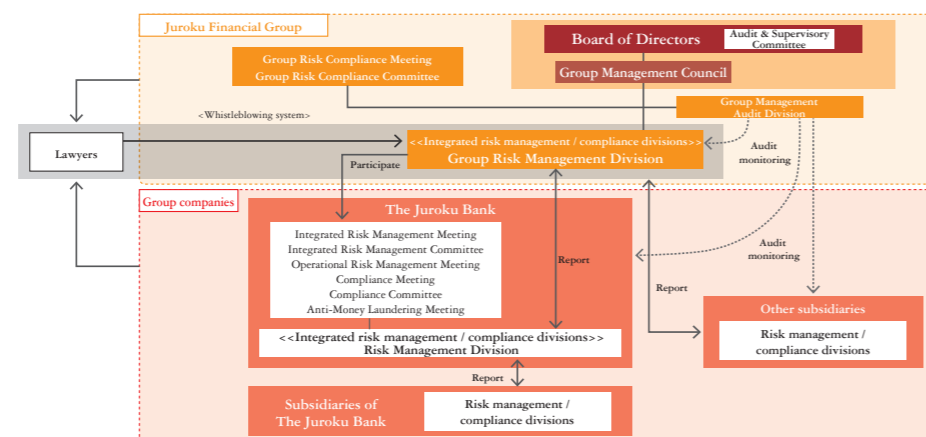
We have established the Group Risk Management Division to oversee risk management and compliance, and are working to improve the risk management structure and compliance system of the Group, while senior management actively involves in the process of risk management for verifying and monitoring its effectiveness and adequacy.

Specifically, the Group Risk Compliance Meeting chaired by the President has been organized to grasp the status of risk management and compliance within the Group, engaging in deliberation or debate on the analysis, evaluation, and activities for improvement thereof. Officer in charge of the Group Risk Management Division reports to the Board of Directors on the status of risk management and other matters on a bi-annual basis or as appropriate if required, to ensure that the adequacy

and effectiveness of risk management as well as status of compliance system are appropriately deliberated and verified.

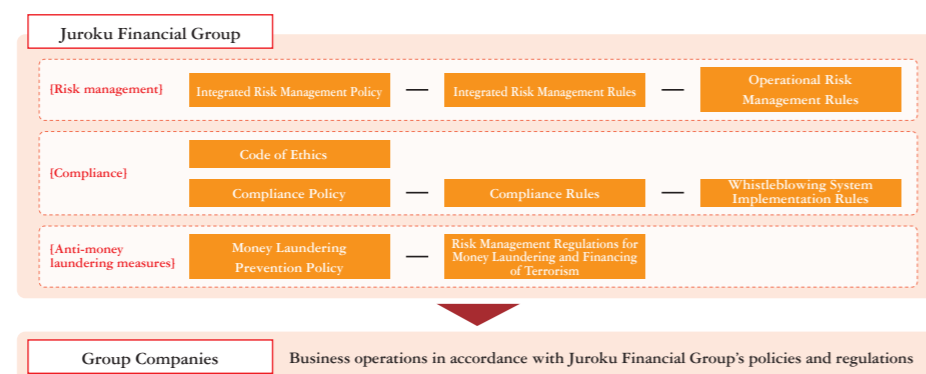
Meanwhile, the Group Management Audit Division, which is the internal audit department, is committed to verifying and improving the adequacy and effectiveness of risk management structure, while conducting audit of the compliance system of the Group as a whole.

Risk management structure / compliance system



The Company positions risk management and compliance as an important duty to ensure the soundness and safety of group management, and has established policies and regulations related to risk management and compliance. Each group company has also established its own policies and regulations based on the Company’s policies and regulations, and strives to conduct appropriate business.

Risk management and compliance-related policies and regulations, etc.



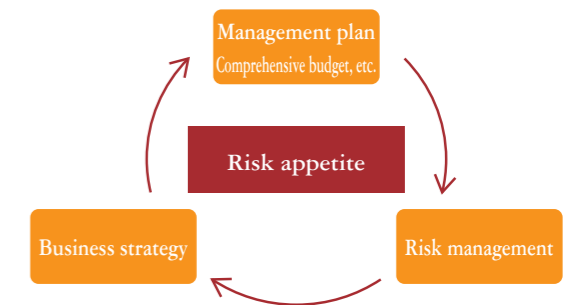
<Risk Management Structure>

Risk Appetite Framework

The Group has clarified the type and amount of risk to be taken appropriately as “risk appetite,” and introduced a “Risk Appetite Framework (RAF)” for business and risk management using the risk appetite as a starting point.

In order to achieve our “Vision” in the Group management philosophy, we seek to “optimize profits, risks and capital” through RAF management, and enable the pursuit of more profit opportunities and more appropriate risk control. By doing so, we are improving the effectiveness of our business strategies including management plans and comprehensive budgets.

Overview of the Risk Appetite Framework



Recognition of Top Risks

From the perspective of probability and degree of impact, the Board of Directors has chosen as top risks for the Group the “risk events that may have a significant impact on our financial position and business performance, such as disrupting our business strategy and reducing profitability within the next year.” We are taking necessary measures in advance to control such risks, and striving to manage them in order to respond dynamically even if they manifest.

In addition, all employees are regularly kept informed on the top risks through meetings and other means.

Risk event	Risk scenario
Intensified competition in the market environment where interest-bearing financing has become the reality after decades of absence	<ul style="list-style-type: none"> Intensified competition for attracting borrowers as well as savers Soaring acquisition cost for deposits and increase in liquidity risk
Recession and disturbance in the financial market	<ul style="list-style-type: none"> Deterioration in valuation gains and losses of securities due to increase in interest rate and downturn in stock market Recession attributable to recurrent inflation and real estate slump in China and the U.S.
Political and geopolitical risks	<ul style="list-style-type: none"> Division of the world attributable to emerging homeland-first ideology, and tariff hike resulting from the U.S.-China friction War in Ukraine, tension in the Middle East Possible outbreak of military conflict between China and Taiwan as well as that in the Korean Peninsula
Climate change risks	<ul style="list-style-type: none"> Degradation of the Group’s corporate value due to failure to catch up with the trend of decarbonization Business interruption and deterioration of collateral value due to extreme weather Deterioration of business results and increased credit-related expenses due to delay in the transition to decarbonization
Natural disaster risks	<ul style="list-style-type: none"> Impairment of assets and difficulty in business continuity due to large-scale earthquake, windstorm and flood
Cyber-attacks, rapid progress of DX	<ul style="list-style-type: none"> Decline in customer confidence due to cyber-attacks Intensified competition with other industries due to progress in digitization and digitalization
Increase in credit-related expenses	<ul style="list-style-type: none"> Rising raw material cost attributable to recurrent inflation, and deterioration of business results due to manpower shortage
Personnel and compliance risks	<ul style="list-style-type: none"> Degradation of the Group’s corporate value due to inappropriate conduct
Inadequate response to antisocial forces and anti-money laundering measures	<ul style="list-style-type: none"> Loss of credibility due to transactions with antisocial forces Administrative disposition and loss of credibility due to failure in anti-money laundering measures and violations of foreign exchange laws and others
System failure risks	<ul style="list-style-type: none"> Decline in customer confidence due to system failure

Risk Management Structure and Compliance System

<Compliance System>

Compliance Structure

The Company has designated the Group Risk Management Division to oversee compliance and manage the status of compliance for the entire Group.

Every fiscal year, the division formulates a Group Compliance Program, a concrete action plan for compliance, and conducts appropriate compliance risk management for the entire Group. The division is engaged in confirming that the Group is properly practicing compliance, as well as monitoring the progress in the Group Compliance Program and status of compliance including whistleblowing and corruption*¹, while holding meetings of the Group Risk Compliance Meeting and the Group Risk Compliance Committee regularly and as needed for deliberation and instruction on the compliance system. The content of the deliberations at the Group Risk Compliance Meeting is reported to the Board of Directors to ensure appropriate supervision by the Board of Directors.

Procedures*² to be followed by officers and employees who discovered a compliance violation or other conduct that could be considered as such are specified in the Compliance Rules and Compliance Manual, as part of the framework for fact-finding and investigation of this type of wrongdoing.

For the purpose of fermenting compliance awareness across the Group, the ethics policy is being thoroughly permeated among all concerned, while training for officers including Outside Directors as

well as training or study sessions for all employees (including part-timers and temporary workers) are continually organized, presenting case study of the questionable conducts recently reported at corporations involving compliance, such as legal compliance violations, wrongdoings, corruption and harassment.

- *1 Bribery, embezzlement and giving and receiving entertainment/gift beyond social norms
- *2 Procedures to be followed in the event of discovery of a compliance violation or other conduct that can be considered as such (summary)
- (1) [Report of occurrence] The person who discovered the compliance violation or the like must report to the Group Risk Management Division, or alternatively report to or consult with the external lawyer designated for this purpose according to the internal reporting system.
- (2) [Report to the Group Management Council, etc.] The Group Risk Management Division shall report to Group Management Council, etc., as appropriate.
- (3) [Fact-finding and investigation] The Group Risk Management Division shall instruct or execute fact-finding. Specific procedure or method for investigation, etc. shall follow the Incident Response Manual.
- (4) [Report] Follow-up report shall be made to the Compliance Meeting, etc. as appropriate based on the results of the fact-finding exercise.
- (5) [Remedial measures and recurrence prevention measures] Report shall be made to the Board of Directors, etc. on the remedial measures and recurrence prevention measures based on the results of the investigation.

Internal Reporting System

The Company has established a whistleblowing system for the entire Group. In order to early detect, correct and prevent compliance violations (such as legal compliance violations, wrongdoings, corruption, violation of internal rules, and harassment), the Company and other group companies have each set up whistleblowing contact points.

The whistleblowing system applies to all officers, employees and part-time workers, etc. (including those who were Executive Officers, employees, part-time workers before resignation or retirement less than one year ago) of the Company and its consolidated subsidiaries, and expressly guarantees that whistleblowing/consultation by the whistleblower be kept strictly confidential, that the whistleblower should under no circumstances be disadvantageously treated because of his/her act of whistleblowing/consultation, and that any such

disadvantageous treatment if actually done at all should be dealt with in a rigorous fashion, to ensure that all officers and employees can use this system with peace of mind. In addition to internal contact points, we are working to enhance and improve our whistleblowing system via designated external lawyers as contact points for reporting and consultation.

We have appointed a Chief Whistleblowing Officer as the general manager of the whistleblowing system, and are working to raise awareness of the whistleblowing system among officers and employees throughout the Group.

The whistleblowing system and how it works are broadly communicated across the Group via the internal intranet, while being made viewable by smartphones for business use.

Customer Protection

The Company has established a Group-wide “Customer Protection Management Policy,” and is striving to protect customers and improve convenience for the whole Group. The Juroku Bank and Juroku TT Securities have planned and announced a “Customer-oriented Business Operation Policy,” and are working to further improve the quality of their products and services from a customer-oriented perspective.

The “Customer Protection Management Policy” is aimed at protecting customers and improving convenience through the following measures.

- Giving appropriate explanations and providing information on products and services to customers
- Appropriately handling customer requests, consultations, inquiries, complaints, etc.
- Appropriately managing customer information
- Appropriately managing outsourced business
- Appropriately managing conflicts of interest in order to prevent unduly infringement on the interests of customers

• Designated dispute resolution organization

The Juroku Bank has concluded an agreement with the following designated dispute resolution organizations. By involving a neutral and fair third-party organization, we are appropriately responding to the financial ADR system, which are procedures intended for simple and swift dispute resolution without resorting to litigation.

Contact for consultations, inquiries, opinions and complaints about the Bank	[Hours of operation] Monday through Friday, 9:00 a.m. to 5:00 p.m. (excluding national holidays and bank holidays)
Designated dispute resolution organizations with which The Juroku Bank has an agreement	Japanese Bankers Association (Contact: JBA Customer Relations Center) Telephone: +81-3-5252-3772 Trust Companies Association of Japan (Contact: Trust Consultation Center) Telephone: +81-3-6206-3988

Customer Information Management

The Company recognizes the secure management of customer information as one of its most important issues.

We are fully aware of various risks such as leakage and loss of information to external parties with regard to customer information acquired by each group company. As such, we have established the “Information Security Management Rules” to ensure proper handling

of customer information, and also disclose a “Personal Information Protection Policy” (Privacy Policy).

Based on these regulations, we have appointed a Chief Information Officer as the general manager of the protection of information assets, and designated responsible divisions according to the type of information assets, as efforts to protect information assets more effectively.

Elimination of Antisocial Forces

The Company has established the “Basic Policy against Antisocial Forces” for the entire Juroku Financial Group, and the Group as a whole has developed systems to firmly confront and exclude relationships with antisocial forces that threaten the order and safety of society.

Specifically, we work closely with external expert organizations and other institutes, and enhance effectiveness through training for officers and employees and other measures.

Initiatives to Prevent Money Laundering, etc.

There is a growing threat of international terrorism, and fund transfers by criminal organizations and terrorists are spreading and becoming international. As such, there is a stronger international demand for financial institutions to prevent money laundering, financing of terrorism, and proliferation financing (hereinafter “money laundering, etc.”).

The Company’s Group Risk Management Division oversees the Group’s overall anti-money laundering, etc. measures, and each group company appoints a person responsible for anti-money laundering, etc. measures from among its officers.

• Risk management system

We have positioned the prevention of money laundering, etc. as a top management issue, and we have built an effective risk management system and are working to further enhance it.

• Risk assessment documents

We identify and assess risks we are facing associated with money laundering, etc., and plan “documents prepared by specified companies (risk assessment documents),” in order to implement mitigation measures commensurate with the risks.

• Training for officers and employees

We continuously implement training for officers and employees, so that they can gain deeper knowledge and understanding regarding measures against money laundering, etc., and improve their expertise and adaptability according to the roles of various divisions.

• Audits on compliance status

The Audit Division conducts internal audits from an independent perspective on a regular basis and as necessary. Based on the results of these audits, we strive to further improve our systems.

Initiatives for Prevention of Corruption

The Company prohibits in its ethics policy all corrupt practices regardless of whether in Japan or overseas or whether directly or indirectly, including bribery involving public officials and/or all stakeholders concerning the Group’s business, embezzlement, breach of trust, receiving or giving money and kind or entertainment and other benefits, in an effort to eliminate corruption.

With a view to eliminating corruption including bribery, embezzlement, giving and receiving of entertainment/gift beyond social

norms, the Company has had its ethics policy thoroughly permeated within the Group, and continually implements training or study sessions for all officers and employees on the matters including prevention of corruption.

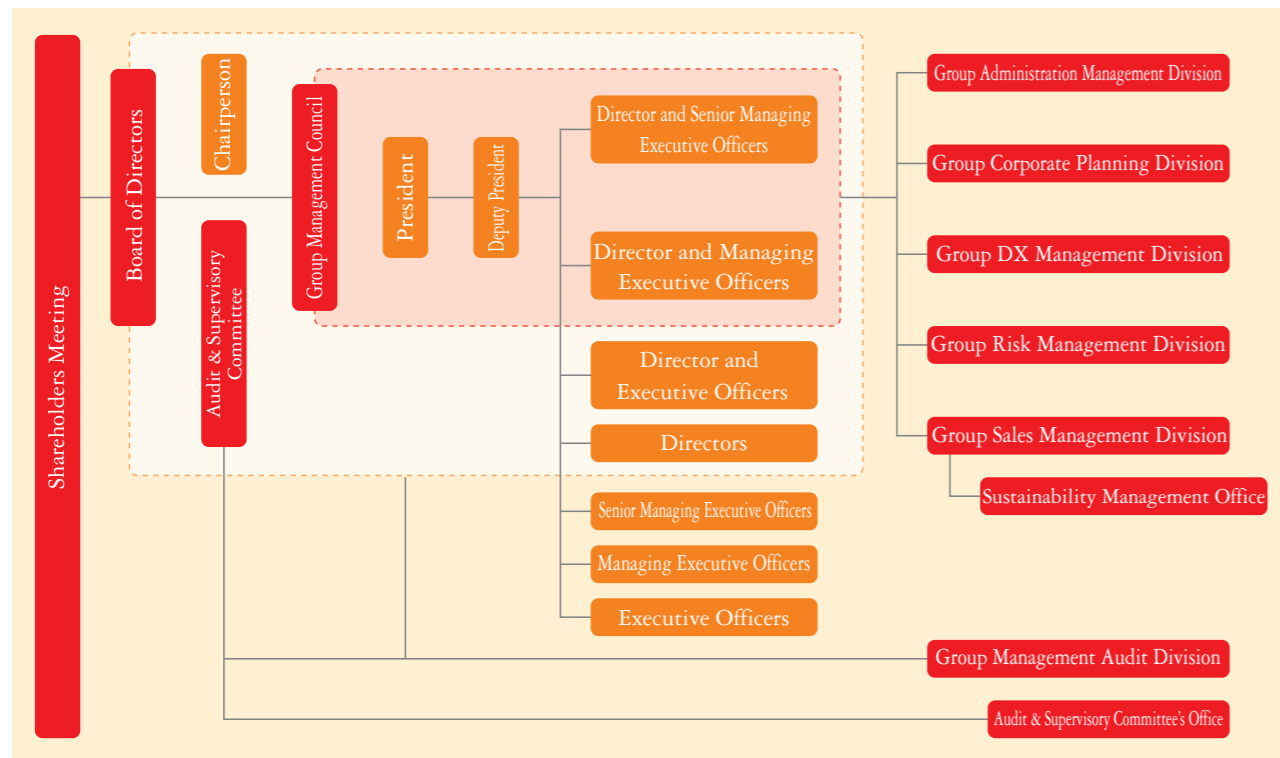
Furthermore, the Company conducts internal inspection of payments to third parties and other expenditures as needed, while preparing accurate and complete ledgers and records to maintain and administer them appropriately.



Corporate Data

Organizational Structure

(as of June 30, 2024)



Group companies

(as of June 30, 2024)

Company name	Location	Business lines
The Juroku Bank, Ltd.	8-26 Kandamachi, Gifu-shi +81-58-265-2111	Banking service
Juroku Research Institute Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-266-1916	Survey and research service, business consulting service
Juroku Tokai Tokyo Securities Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-266-4516	Financial instruments service
Juroku Card Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-263-1116	Credit card flotation service
Juroku Lease Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-262-3116	Leasing service
Juroku Densan Digital Service Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-262-1116	Payments and digital solutions service
NOBUNAGA Succession Inc.	7-12 Kandamachi, Gifu-shi +81-58-266-9161	Management succession and M&A advisory service
NOBUNAGA Capital Village Co., Ltd.	6-11-1 Kandamachi, Gifu-shi +81-58-264-5516	Operation and management of investment business limited partnership
Kanda Machi Okoshi Co., Ltd.	6-11-1 Kandamachi, Gifu-shi +81-58-262-1613	Consulting services related to local revitalization
Juroku Business Service Co., Ltd.	34 Nakatakeyacho, Gifu-shi +81-58-266-2682	Clerical work service
Juroku Credit Guarantee Co., Ltd.	7-12 Kandamachi, Gifu-shi +81-58-266-1616	Credit guarantee service

大好きなこの街の
未来をつくろう。

CMギャラリーは
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JUROKU Financial Group

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Company website: <https://www.16fg.co.jp/english/>