

Message from the President

First Step To Our 150th Anniversary —A “Hop” Year Fueled by Group Strength

Our roots trace back to the 16th National Bank founded in Gifu-shi in 1877. As the sixteenth of Japan's numbered banks, we are the oldest financial institution to retain its original name. Since our founding, we have consistently shouldered the responsibility of regional finance, supporting the people of our communities and the histories of Gifu and Aichi through all periods of change.

In recent years, however, the environment surrounding the regional economy has changed at an unprecedented pace, and uncertainty has grown significantly. Recognizing these developments early on, we transitioned to a holding company structure in October 2021. Today, our Group consists of 12 companies, with The Juroku Bank at its core. As a regional comprehensive financial services group, we are leveraging our Group's comprehensive strength and cross-industrial collaboration to create new value. We are sincerely addressing the issues that matter to the region, staying ahead of the curve for our customers, and continuing to provide trusted financial services.

A symbol of these efforts is the Juroku App, launched in April this year in collaboration with the Resona Group. By putting banking functions at customers' fingertips through their smartphones tucked in their pocket, this service offers a new entry point to financial services for customers in the local community, and serves as a next-generation platform that will support our Group well into the future. By steadily building on each of these initiatives, we are making solid progress toward the future.

FY2027 will mark the 150th anniversary of our founding. As we approach this milestone, we have set out a “Hop, Step, Jump!” vision for growth over the three years starting in FY2025, aiming to achieve a giant leap forward. This fiscal year marks a strong first step—the “Hop” year. Building on tradition, the Group will unite as one to make this a year for embracing challenges, in which all employees achieve meaningful progress.

Naoki Ikeda
President (Representative Director)
Juroku Financial Group, Inc.



Group Growth Strategy to Prepare for an Era of Uncertainty

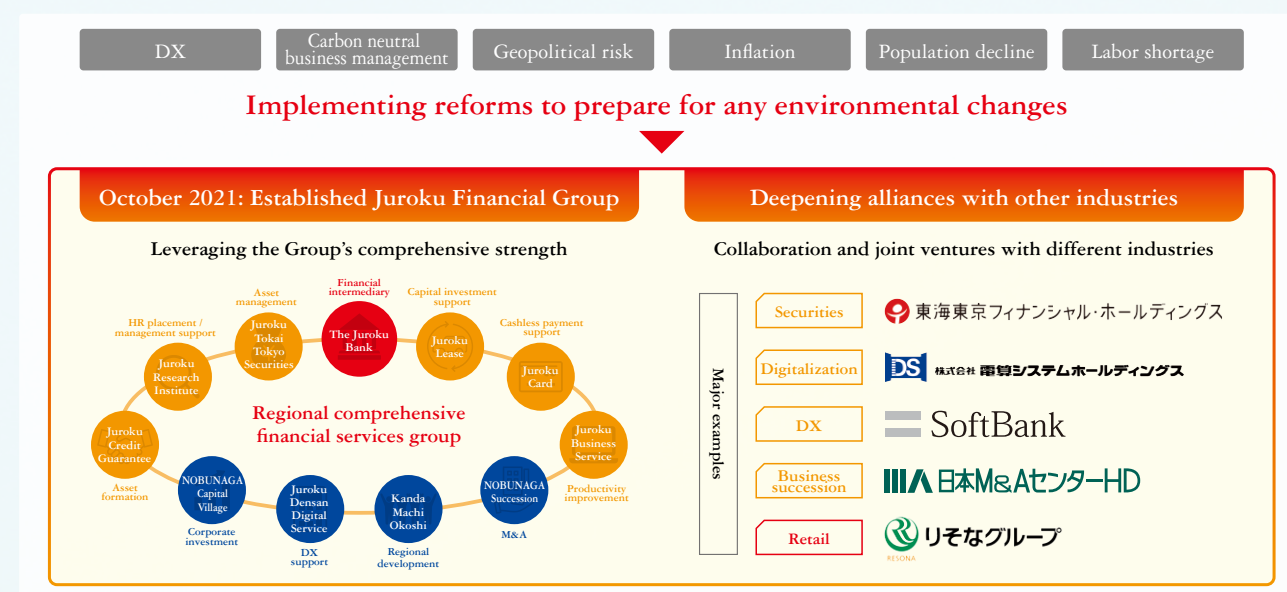
The Group has steadily executed its 2nd Medium-Term Management Plan, covering the first five years of its long-term vision launched in April 2023, which outlines where we want to be in 10 years. Two years into the Plan, consolidated net income, consolidated adjusted OHR, and consolidated capital adequacy ratio have all exceeded the target levels set for FY2027. [Refer to page 14] While we have made this progress, uncertainties in the external environment have reached unprecedented levels, driven by rapid advances in digital transformation and carbon neutral business management, rising geopolitical risks, inflation, and structural problems such as population decline and labor shortages. We have reviewed our structure and implemented reforms to prepare for any environmental changes.

The starting point was the shift to a holding company structure in October 2021. This marked the beginning of our full-scale efforts to expand our business domains. In a short period, we established four Group companies: NOBUNAGA Capital Village, supporting ventures; Juroku Densan Digital Service, aiding regional companies' digital transformation;

Kanda Machi Okoshi, driving community development; and NOBUNAGA Succession, assisting management succession. These are not just subsidiaries; they are specialized functions that address regional structural challenges head-on and support sustainable community development, forming the core of our Group's value creation.

We leverage the insights and networks gained through these new companies to further enhance our core financial services business. This exemplifies the true value of the Group's comprehensive strength—growing together with the community—and represents a management foundation unique to us.

Furthermore, to respond swiftly and accurately to advanced and specialized needs, we are also focusing on collaboration with other industries. Through collaboration with top players in various fields, including SoftBank and Resona Holdings, we are delivering value beyond finance to local communities and advancing the creation of innovative services linked to our core business.



Building on Tradition, a Giant Leap Into a New Era ~ Hop, Step, Jump! ~

These initiatives embody our commitment to staying ahead of the curve as a regional comprehensive financial services group. The accumulation of these efforts is the driving force behind our current growth.

What has made this possible is our solid history of working alongside local communities and the trust we have built through that journey. The core entity, The Juroku Bank, was founded in

Gifu-shi in 1877 as the 16th National Bank, three years after Gifu Prefecture was established. As the sixteenth of Japan's numbered banks, we have upheld community-focused finance and take pride in having the longest history in the country.

In 1931, when our head office was relocated, Mr. Eiichi Shibusawa presented us with a plaque inscribed "Junri Sokuyu." This phrase expresses the belief that living in accordance with

reason and truth will lead to prosperity. This teaching has continued to underpin the foundation of our management. It is precisely because of this history and philosophy that we chose the path of transformation. Building on decades of trust and proven results, we positioned our transition to a holding company structure in October 2021 as a catalyst for transforming our business model, marking a significant step forward.

We have now outlined a three-year growth story titled "Hop, Step, Jump!" to prepare for the bank's 150th anniversary in FY2027. FY2025 marks a strong first step—the "Hop" year. Building on 147 years of history, we have already taken the first

leap forward toward the future.

In FY2025, the true value of regional financial institutions will be tested amid rising uncertainty. Since FY2024, we have continued to engage in the "Three Cs"—Change, Challenge, and Communication—adapting flexibly to change, tackling challenges fearlessly, and building trust and empathy through dialogue. Seizing the "Chance" that lies ahead, we are committed to "staying ahead of the curve to always serve the region." Proud of our historical significance as one of Japan's numbered banks, we aim to remain a group that continually evolves toward the future.



Valuing Human Connections — The Starting Point for Cross-Industrial Collaboration

When promoting collaboration with other industries, the most important thing I focus on is building connections between people. Behind outward actions like business strategy and expansion, there is always a foundation of sincere dialogue and trust built up over time. There lies the essence of our approach to cross-industrial collaboration.

For example, our relationship with Mr. Junichi Miyakawa, President of SoftBank, began over 20 years ago when he launched an internet business in Nagoya. Since then, we have maintained an enduring and sincere engagement. This trust has led to technical collaboration and talent exchange in our ongoing DX efforts, directly resulting in operational efficiency and revitalized internal communication on the ground.

In addition, through our work with Mr. Suguru Miyake, President of Nihon M&A Center Holdings to address the shared challenge of regional management succession, we have built a relationship that allows honest and open dialogue. What

emerged from our discussions was a shared commitment to engaging seriously with local communities. That led to the establishment in July 2023 of the joint venture NOBUNAGA Succession, which has now begun functioning as a practical platform for addressing regional challenges.

While these long-standing ties exist, the partnership with Resona Group is a new relationship built through dialogue over the past few years. I have held numerous dialogues with President Mr. Masahiro Minami, building a relationship of trust. Resona Group's slogan of "Retail No.1" and President Minami's dedication to contributing to local communities as a front-runner closely align with our long-term vision: "Staying Ahead of the Curve to Always Serve the Region." This collaboration, which began with shared values, has evolved into a partnership built on trust that transcends regional boundaries.

In November last year, we launched the first phase of our collaboration by introducing The Juroku Bank Fund Wrap,

achieving steady results in supporting asset formation. In April this year, we launched the second phase with the new banking app, Juroku App, aiming to use customers' everyday financial experiences to convey our commitment to staying ahead of the

curve in the region.

The “connections with people” that we have cherished are now taking concrete form and generating new value.



Juroku App — A Pillar of the Deposit Base in an Era of Interest Rates

Juroku App is a modern financial touchpoint that offers users stress-free access to banking services using just a smartphone. This is a strategic initiative that goes beyond simply offering convenience, aiming to foster lasting customer relationships to create “sticky deposits,” ultimately ensuring a stable deposit base.

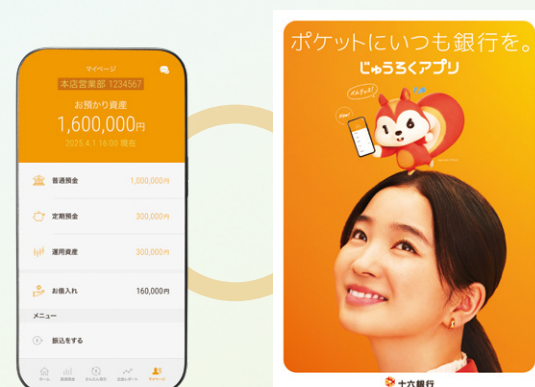
In an era of interest rates, maintaining strong connections with customers has become more important than ever for regional financial institutions. We have positioned this app as a core initiative and are promoting it across the entire organization. The close cooperation between our branches and headquarters—from promotion to implementation support—reflects our firm belief that these joint efforts will directly strengthen our deposit base.

Paradoxical though it may seem, we introduced the app specifically to ensure that our existing relationships with local customers remain unchanged. If not for the arrival of the digital era, customers in our region would likely have continued to use The Juroku Bank as a matter of course, with their loyalty naturally passing from parents to children and then to grandchildren. We will soon celebrate our 150th anniversary, and we believe people would still choose us today as the bank that their mothers and grandfathers used.

However, today, a wide range of services—including online banks and mortgage counters in commercial facilities—have become widespread even in regional areas. An increasing number

of young people are now choosing online banks as their first option. Amid these changes, we are concerned that our ties with the local community could become weaker. That is why we see the app as a way to preserve and continue the relationships we have built over the years.

The Juroku Bank operates more than 150 physical branches. But in today's environment, that alone is no longer enough to provide meaningful value to our customers. Now that smartphones are widely used across age groups, we believe regional financial institutions must offer digital touchpoints that complement their physical branches and fit naturally into customers' everyday lives. Of course, internally, we expect the app to make transaction processing more efficient and to



enhance both the quality and quantity of our consulting sales. However, our main aim is to use digital technology to

supplement customer relationships in ways that our physical branches alone cannot fully support.

“Always Having a Bank in Your Pocket” — The Juroku App Lifestyle Spreading Cross the Region

Motivated by this idea, we are now fully focused on promoting the Juroku App.

In addition to leveraging various media—such as TV commercials, online platforms, and transit advertising—for promotion, our employees are actively involved in outreach by staffing dedicated app booths at every branch and participating in local events. With a five-year goal of reaching one million users, we have already attracted 200,000 users within just two and a half months of launch—a strong start that is also helping to attract more personal deposits.

Our Group has long played an active role in revitalizing local communities and fostering vibrancy as a regional financial institution. For example, we take part every year in the Dosan

Festival, held in central Gifu-shi, as well as the Takahashi Naoko Cup / Gifu Half Marathon, one of the largest sporting events in Gifu Prefecture. Through these activities, we have consistently fostered authentic, community-based connections.

At the Gifu Half Marathon held in April this year, 109 employees—including myself—participated as runners, while more than 1,000 employees and their families joined as roadside supporters or volunteers. Wearing T-shirts featuring messages from the original squirrel mascot for the app, Juroku Applis, boosted the app's presence amid the energy of local events. With the slogan, “Always having a bank in your pocket,” we will bring the Juroku App lifestyle to more people.



Initiatives for Enhancing Corporate Value

As interest rates become a lasting feature of the market, companies are expected to focus on enhancing corporate value over the medium- to long-term, rather than prioritizing short-term profits. Our Group pursues management reforms that balance profitability, soundness, and growth under the management philosophy of “achieving growth and prosperity for our customers and the local community” with a focus on improving ROE, reducing cross-shareholdings, and optimizing capital allocation.

(1) Deepening the core business

The intrinsic value of regional financial institutions is once again under scrutiny. Supporting the sustainable growth of regional companies now requires more than just providing funding. It also means working closely with them to address both financial and non-financial management challenges. As the funding environment is changing amid rising interest rates, our Group is

responding by not only meeting funding needs but also engaging in thorough dialogue and making thoughtful proposals that take overall business into account.

We listen closely to regional companies, identify challenges and insights through daily interactions, and work together as a unified Group to enhance our ability to respond. We will continue to deepen our core business by building on these steady, day-to-day efforts.

(2) Balancing capital efficiency and financial soundness

Sustained enhancement of corporate value depends on both improving capital efficiency and maintaining financial soundness. Our Group is working to improve consolidated ROE, steadily reduce cross-shareholdings, and optimize capital allocation. We achieved steady progress in FY2024. ROE improved to nearly 5%, while the consolidated capital adequacy

ratio remained above 11%. We will continue to engage in careful dialogue as we work to reduce the cross-shareholdings ratio to below 20% by March 31, 2025 and further to below 15% by March 31, 2028. We have raised dividends for the sixth consecutive term and repurchased our own shares for the fourth consecutive term, demonstrating our ongoing commitment to stable and sustainable shareholder returns. [\[Refer to page 16\]](#)

Through these capital strategies, we will respond to the trust of the local community and aim for the sustainable enhancement of corporate value.



(3) Carbon neutral business management recognized with the Environment Minister's Award for the second consecutive year

Our Group is dedicated to supporting management initiatives centered on decarbonization, aiming to drive the region's sustainable development. In FY2024, Juroku Lease became the first regional bank-affiliated leasing company nationwide to receive the Environment Minister's Award for Best Practice under the Principles for Financial Action for the 21st Century. The Juroku Bank received the same award last year, making this the second consecutive year the Group has been recognized. The Juroku Bank also received the Bronze Prize in the Indirect Financing Category at the 6th ESG Finance Awards Japan, organized by the Ministry of the Environment. The bank's decarbonization support initiatives—carried out through close collaboration between specialized departments and branch offices—were highly praised by external evaluators. [\[Refer to page 32\]](#)

Decarbonization support is management support we offer by closely connecting with regional companies and serves as a key pillar underpinning the Group's corporate value. We will continue to focus on this angle, building trust with the community and contributing to a sustainable future.

(2) Embracing change with “Animal Spirits” —Leading with Authenticity

We are working to build an organization that prioritizes not only systems and structures, but also the human capacity to adapt and respond to change. As part of this initiative, we organized a Retreat Workshop for middle managers who volunteered to participate. The workshop was led by Professor



Mr. Kazuo Ichijo of IMD, who serves as our Group's Executive Advisor and is an internationally renowned management scholar. The workshop emphasized an approach to leadership that begins with staying true to oneself; and that connects with others through empathy, supports the team by stepping forward as a leader, and faces difficulties with the courage to lead from the front. This represents a new kind of leadership that takes initiative and inspires others to act, unconstrained by rank or title.

Personally, I believe that the true source of leadership lies in the animal spirits within each individual. Across our Group, we encourage employees to take on challenges beyond the traditional boundaries of banking. We are building a culture where people from diverse backgrounds can exercise their own unique leadership styles. We will continue to develop people and organizations that lead change under our long-term vision of staying ahead of the curve to always serve the region.

Diverse Leaders Pioneering an Era of Transformation

No matter how well-designed our systems and strategies are, it is ultimately people who bring them to life. Our Group is committed to building an organizational culture where every individual thinks for themselves, takes initiative, and keeps learning—qualities that are essential in this era of rapid change. In particular, as a leading regional financial institution, we recognize that creating an environment where a diverse workforce can excel, and developing the next generation of leaders, are both essential to increasing our corporate value.

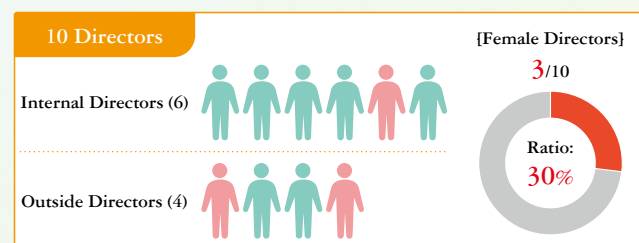
(1) The impact and future of promoting women in leadership

In June 2024, our Group became the first regional bank in the Tokai area to appoint a female career employee to the position of Director and Executive Officer. Furthermore, in June of this year, we appointed a female career employee to the position of Director and Managing Executive Officer of The Juroku Bank, the Group's core company. This shows that we are now at the stage where the efforts and growth of female employees who have continuously taken on challenges in the field are being leveraged at the core of our management.

In June 2025, women made up 30% of our Directors. By

incorporating diverse perspectives into management, we are accelerating the evolution of our corporate culture and governance, while also enhancing our ability to communicate and solve problems. [\[Refer to page 63\]](#)

To further ensure these changes take root, the President of The Juroku Bank and I regularly hold meetings for direct discussions on sustainability. In November and December of last year, we held lively discussions exclusively for female managers, focusing on the question: “What makes a company where women can succeed?” Through these initiatives, we aim to share our approach to diversity-focused management with the local community and serve as a model for positive change. We will continue to foster an environment where every employee can make the most of their unique strengths and take on new challenges, growing together with the region.



Challenge with the Region — Realizing a Sustainable City

With our 150th anniversary in sight, we have officially launched the construction of our new headquarters, the “16FG Office & Park”. We plan to complete this mixed-use building by FY2027. It will feature facilities where local residents can casually gather and spend time, as well as offices that will house our headquarters and those of Group companies. [\[Refer to page 76\]](#)

We will foster new community connections through shared spaces filled with natural light from open atriums, lush environments enhanced by water features and greenery, and lively amenities such as cafes, bakeries, bookstores, and galleries that invite people to drop by. We have developed a smart building incorporating SoftBank's expertise to support diverse work styles with comfortable office spaces. The building balances environmental considerations and disaster resilience through geothermal air conditioning and seismic isolation structures.

This project, which will serve as a new regional landmark, responds to Gifu-shi's vision of “formation of spaces to gather the bustle which is the source of vitality and support the creation

of prosperity to achieve a sustainable city.” We are also working to create a place where young people—the next generation—can feel proud to work in their hometown.

This project is set to be completed in the milestone year of our 150th anniversary. For our Group, this new hub stands as a symbol of connecting our 150-year legacy to the future and serves as the starting point for our next chapter. We will continue to build on our traditions and evolve as a company that stays ahead of the curve to always serve the region. Together with the region, we are committed to achieving sustainable growth.

We ask for your further support in the future.

