

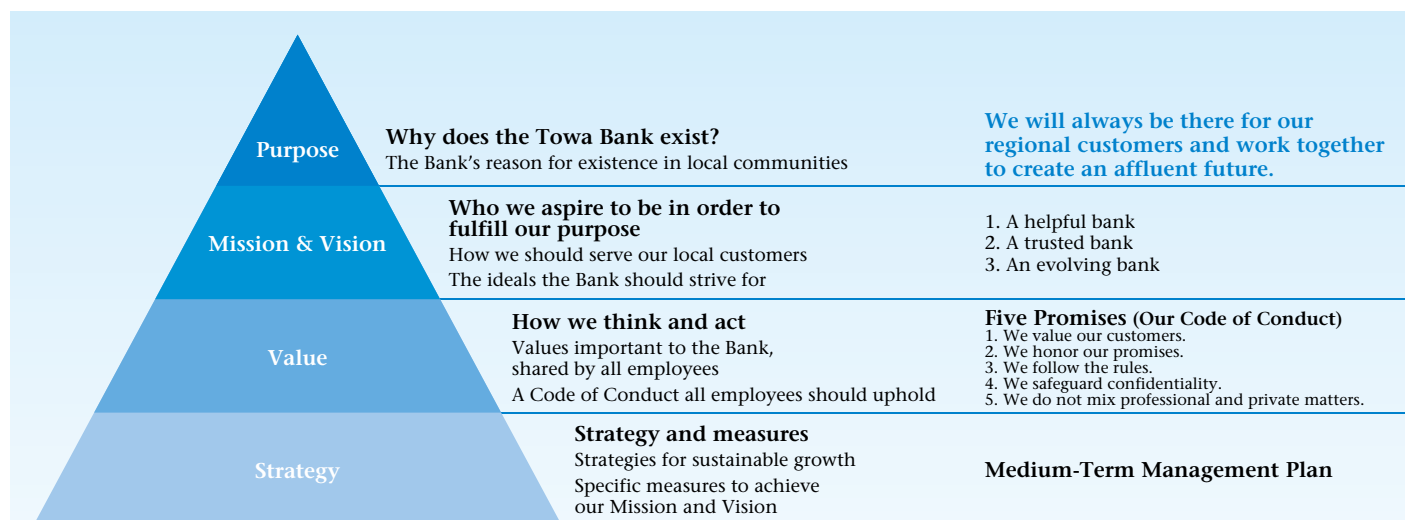
FINANCIAL STATEMENTS

2025

TOWA

THE TOWA BANK, LTD.

Profile



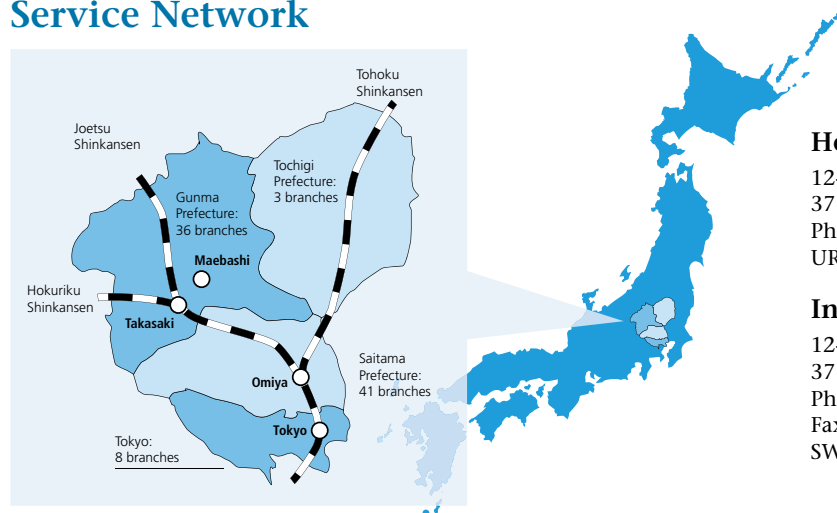
Formulation of Purpose and Contribution to Communities

In May 2024, in conjunction with its new medium-term management plan, the Towa Bank formulated its purpose to clearly define the Bank's reason for existence and to build consensus among all employees. The purpose was decided from the bottom up, taking into account the opinions of the entire workforce.

The Towa Bank has operational bases primarily in Gunma and Saitama prefectures, where it has developed alongside the regional economy. Gunma Prefecture is known as a "manufacturing prefecture" with a thriving transportation equipment industry. Saitama Prefecture boasts the fifth largest population in Japan and is home to well-developed commercial businesses and inland industries.

We remain committed to contributing to economic, social, and cultural development as a financial institution that supports our customers and the regional economy. Looking ahead, we will continue to support affluent living by deepening our relationships of trust with communities and society.

Service Network



Head Office:

12-6, Honmachi 2-chome, Maebashi, Gunma
 371-8560, Japan
 Phone: +81-27-234-1111
 URL: <https://www.towabank.co.jp>

International Department:

12-6, Honmachi 2-chome, Maebashi, Gunma
 371-8560, Japan
 Phone: +81-27-234-1959
 Fax: +81-27-230-1735
 SWIFT: TOWA JPJT

Corporate Data (As of March 31, 2025)

| | | |
|---------------|---|----------------------------|
| Established: | June 11, 1917 | |
| Head Office: | 12-6, Honmachi 2-chome, Maebashi, Gunma | 371-8560, Japan |
| Phone: | +81-27-234-1111 | |
| URL: | https://www.towabank.co.jp | |
| Capital: | ¥38.6 billion | |
| Total assets: | ¥2,372.9 billion | Number of branches: 91 |
| Deposits: | ¥2,156.3 billion | Standalone ATMs: 78 |
| Loans: | ¥1,609.2 billion | Number of employees: 1,203 |



A Message from the President

The fiscal year ended March 31, 2025 was the first year of phase 1 of the newly launched medium-term management plan, TOWA Future Plan I. It was a year in which all officers and employees worked together to support our customers' core business operations and help them resolve issues, primarily through TOWA Customer Support Activities. As a result, net interest income increased, driven by a steady rise in loans to small and medium-sized enterprises (SMEs), one of our priority areas, and by progress in shifting to loans linked to market interest rates. In addition, by significantly reducing credit costs through support for customers' management improvement and business rehabilitation, we secured net income above the level of the previous fiscal year.

The economic environment has continued to see phases of rising uncertainty due to factors such as a return to a world with interest rates and changes in international conditions. Notably, in Gunma Prefecture, our primary business area, trends in the automobile industry have a significant impact on the regional economy. For this reason, the Bank is strengthening close support provided alongside customers to assist with their business continuity, including gathering information on U.S. tariff policies and developing a consultation framework. In this tumultuous environment, while carefully assessing the risks and opportunities associated with change, the Head Office and branches will work as one to provide optimal support tailored to each customer's situation so that customers can fully focus on their business with peace of mind.

The basic strategies set out in the medium-term management plan are all progressing steadily. We took steps to strengthen the framework supporting the business model, such as introducing a division of labor in customer relations at branches, investing in human capital, promoting active roles for women, and accelerating digital transformation (DX). As a result, we are seeing tangible results in terms of enhancing operational specialization and creating a more supportive and productive work environment. In particular, in the area of DX, we enhanced the functions of the Towa Bank app for customers, and we introduced generative AI and deployed smartphones to internal operations. In addition, by promoting automation and efficiency within the Bank, we are achieving both higher productivity and greater convenience for customers.

Although these results were achieved in the first year of the medium-term management plan, we recognize that

acquiring highly stable deposits remains an important issue carried over into the current fiscal year. As the interest rate environment undergoes seismic shifts, acquiring highly stable deposits is extremely important. We will work to strengthen our customer transaction base by providing

accounts featuring preferential services based on transaction conditions and deposit campaigns.

The Bank regards improving capital efficiency and enhancing shareholder returns as key priorities. In the fiscal year ended March 31, 2025, we increased dividends and acquired our own shares. Going forward, while maintaining stable dividends, we will work to increase our corporate value over the long term, targeting a total return ratio of 30% or more.

As part of its Long-Term Vision, the Bank has set the following targets for the end of March 2033: ROE at a level above 7%, core net business profit of ¥12.0 billion or more, and a capital adequacy ratio at the 10% level. To achieve the Long-Term Vision, the Bank will steadily promote TOWA Customer Support Activities centered on the Towa Shinseikai Business Meeting, a voluntary member organization of client companies that serves as a crucial foundation supporting the Bank's competitiveness. By doing so, we believe that the Bank will be able to achieve the Long-Term Vision earlier than planned.

In the future, we will continue to give top priority to ensuring that both our customers and the Bank grow together, thereby leading to enhanced value for all stakeholders. We look forward to your continued understanding and support.



March 2025

A handwritten signature in black ink, appearing to read 'H. Ebara'.

Hiroshi Ebara

Representative Director,
President & Chief Executive Officer

Roles of the Long-Term Vision and Medium-Term Management Plan

About the Long-Term Vision

Vision realization: End of March 2033

The Towa Bank launched TOWA Customer Support Activities in 2012. Ever since, the Bank has been building relationships of trust with regional customers. In 2021, the Bank also began offering essential cash flow support, further strengthening and deepening these activities.

Currently, the Bank has adopted “Work together to create an affluent future” as a theme of its Long-Term Vision. By providing optimal solutions to regional customers, the Bank will contribute to the realization of a sustainable society.



Long-Term Targets

Financial KPIs

| Capital efficiency | Profitability | Soundness |
|-------------------------|------------------------------|------------------------|
| ROE (consolidated) | Core net business profit | Capital adequacy ratio |
| A level above 7% | ¥12.0 billion or more | 10% level |

Sustainability KPIs

Human capital SDGs

Medium-Term Management Plan Phase 1 “Towa Future Plan I”

Concept

- By implementing TOWA Customer Support Activities, a customer-centric business model, the Bank aims to contribute to the sustainable growth of regional customers, while increasing the Bank’s corporate value.
- To realize a sustainable regional society, the Bank will work to solve various social issues by maximizing its financial intermediary functions and through TOWA Customer Support Activities. Additionally, to develop human resources capable of solving these issues, the Bank will strengthen its efforts to improve human capital.

Basic Strategies

| Basic Strategy I | Essential cash flow support | Support for customers’ management improvement and business rehabilitation |
|--|---|---|
| Strengthen and deepen TOWA Customer Support Activities | Support for customers’ core business operations | Support for customers’ asset formation |
| Basic Strategy II | Selection and concentration of business operations | Promotion of DX |
| Strengthen the platform supporting the business model | Efforts to improve human capital | SDGs measures |
| Basic Strategy III | Efficient branch management | |
| Establish low-cost operations | Alliances with partners in different industries and other banks | |
| Basic Strategy IV | Strengthen the governance structure | Enhance IR and integrated reports, etc. |
| Establish a responsible management structure | Strengthen the risk management structure | |

Financial KPIs

| | Capital efficiency | Profitability | Soundness | Operating efficiency |
|------------------|--------------------|--------------------------|------------------------|----------------------|
| | ROE (consolidated) | Core net business profit | Capital adequacy ratio | OHR |
| FY2025/3 Results | 4.97% | ¥4.7 billion | 9.71% | 71.8% |
| FY2027/3 Targets | 3.70% | ¥6.3 billion | 8.64% | 65.1% |

Basic Strategies and Sustainability KPIs

| Measure | Main goals | KPI | Medium-term management plan target (April 2024 to March 31, 2027) |
|----------------------------------|--|--|---|
| TOWA Customer Support Activities | Increase customers' sales, reduce their costs and meet related goals | Number of established business matches (3-year cumulative total) | 1,450 |
| | | Number of business support proposals (3-year cumulative total) | 6,100 |
| | Create regional employment and offer related support | Number of staff referral matches (3-year cumulative total) | 300 |
| | | Number of business succession and M&A support projects (3-year cumulative total) | 360 |
| | Stabilize cash flow and improve financial condition | Achievement rate of evaluation targets for key support recipients (final fiscal year) | 70.0% |
| | | Number of management plan formulation and support projects in collaboration with external specialized bodies (3-year cumulative total) | 220 |
| | Enhance assets owned by individuals | Increase in investment trust balance (3-year cumulative total) | ¥10.0 billion |
| | | Housing loan disbursed amount (3-year cumulative total) | ¥77.0 billion |

Roles as a Regional Financial Institution

The environment surrounding companies has entered a period of major upheaval, driven by factors such as the transition to a decarbonized society to achieve carbon neutrality, changes in the interest rate environment, the need to address digitalization and digital transformation (DX), and a shrinking working population. The issues faced by companies have also become increasingly diverse and complex. Under these conditions, regional financial institutions are expected to demonstrate the ability to respond to customers' issues in ways that go beyond merely providing financing. The Bank provides financial intermediary functions that enhance the efficiency of regional economies, while offering both financial and non-financial support by implementing TOWA Customer Support Activities to solve the issues faced by companies.

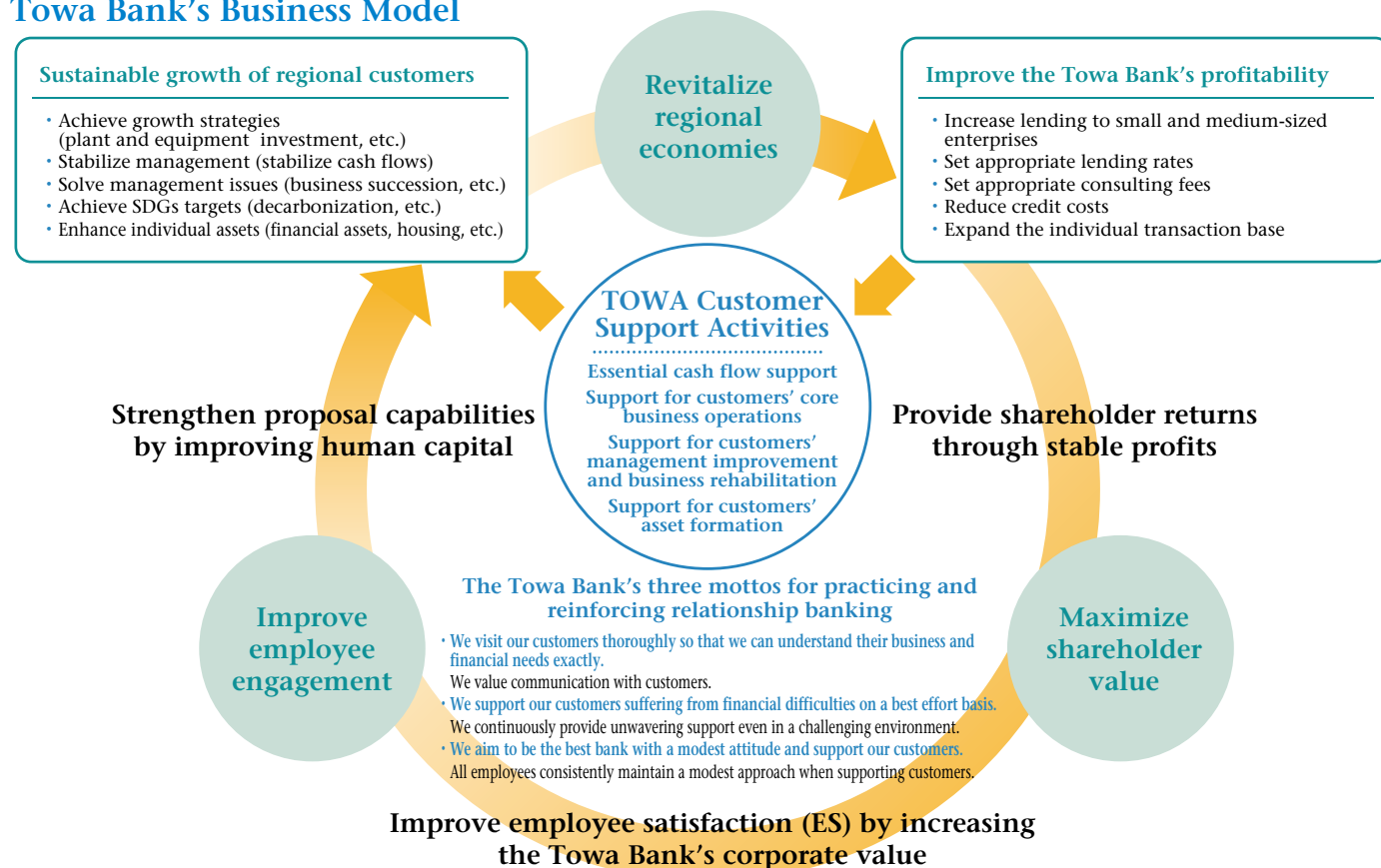
As we provide such support, we seek to deepen relationships with customers through attentive, in-person communication. These efforts have led to a better understanding of customers and the proposal of optimal solutions.

In addition, based on the belief that the Bank can contribute to regional community relationships and revitalization by leveraging regional traditions and culture, we actively support regional culture and related priorities.

Looking ahead, the Bank will continue to serve communities as a regional financial institution that contributes to sustainable regional development.



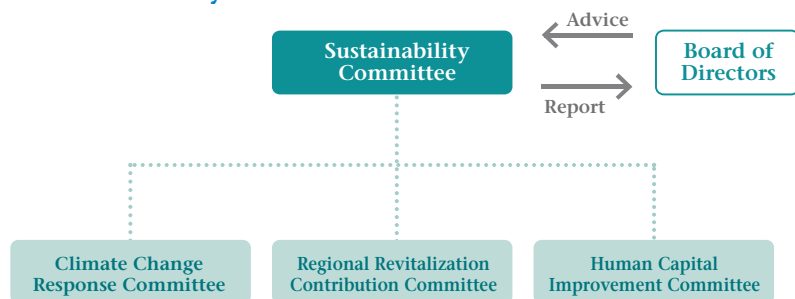
Towa Bank's Business Model



Promoting the SDGs

In accordance with the Towa Bank SDGs Declaration (issued in April 2019), the Basic Policy on Sustainability (issued in March 2022), and so forth, the Bank will establish a governance structure for sustainability and implement various measures for customers, as well as measures to achieve its own SDGs declarations, among other activities.

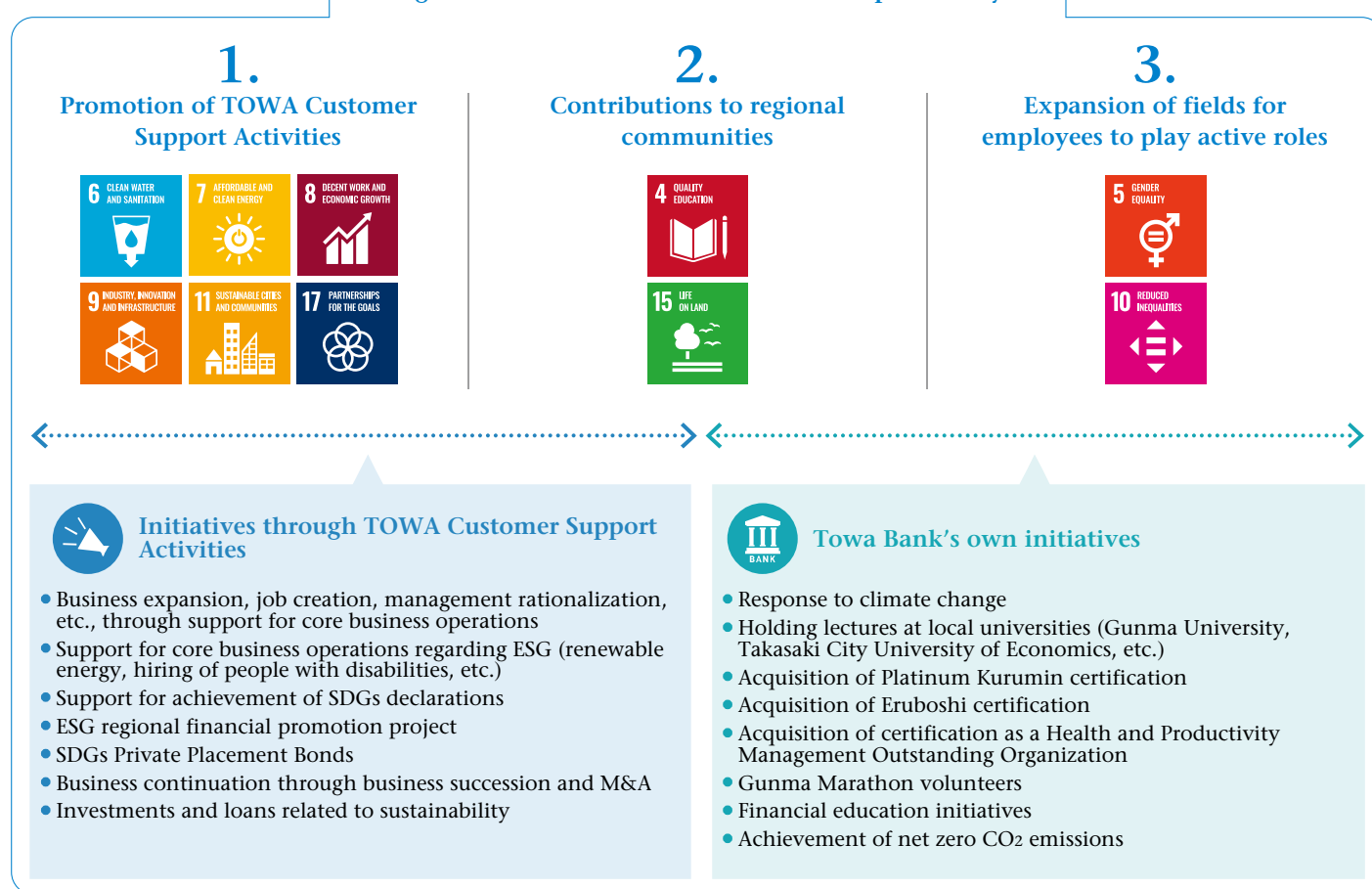
Sustainability Structure



Establishment of Structure

- ✓ Provide disclosure in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, while also establishing a governance system to address climate change responses and related issues
- ✓ Hold meetings of the Sustainability Committee every six months, in principle, and additional meetings as necessary; report on issues and progress of measures, etc., and incorporate advice from the Board of Directors to formulate various measures

Segments in which the Towa Bank works proactively

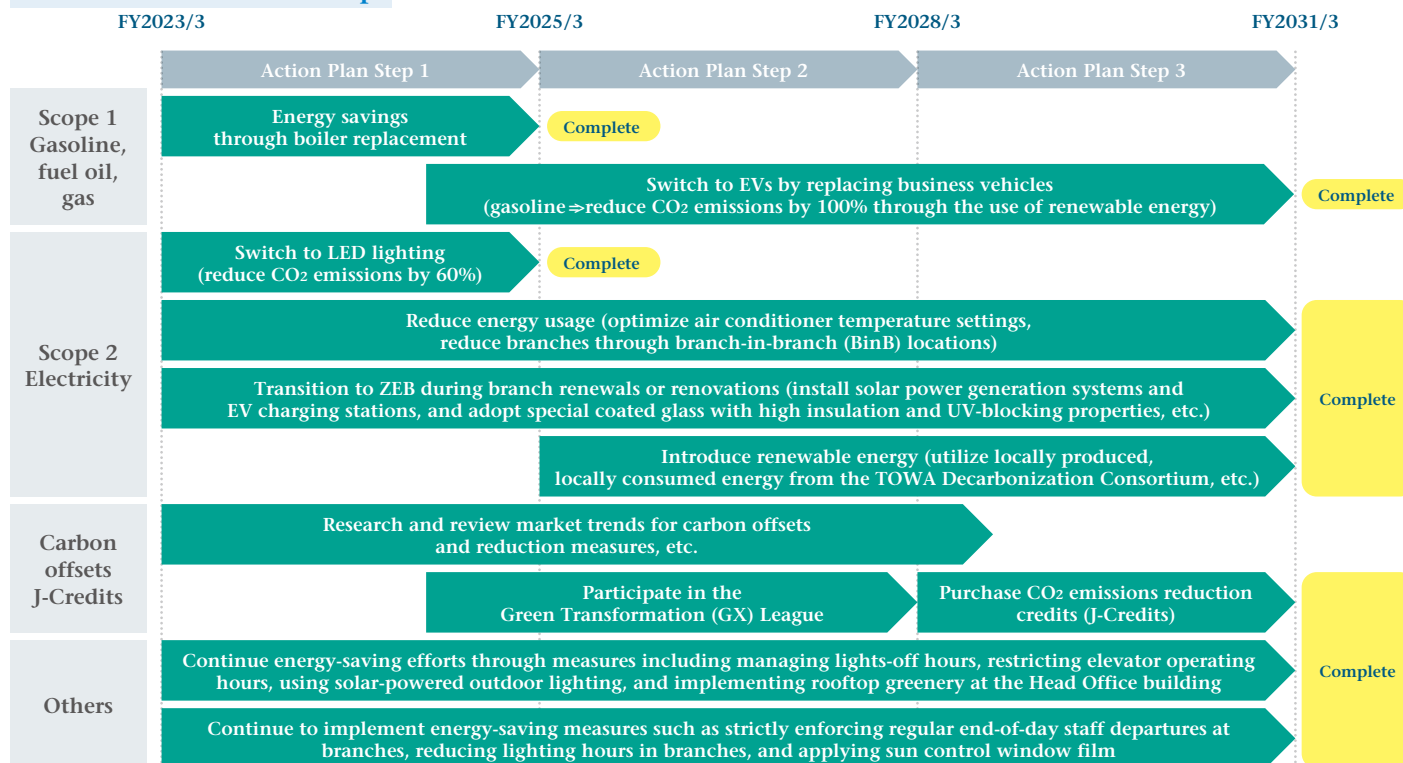


| Sustainability KPIs | Result | Target |
|---|-----------------------|-----------------------|
| | End of March 2025 | End of March 2031 |
| Investments and loans related to climate change and other sustainability issues | <u>¥112.9 billion</u> | <u>¥300.0 billion</u> |
| CO ₂ emissions reduction target | <u>44.73%</u> | <u>Net zero</u> |

Formulation of Decarbonization Roadmap for Net Zero CO₂ Emissions

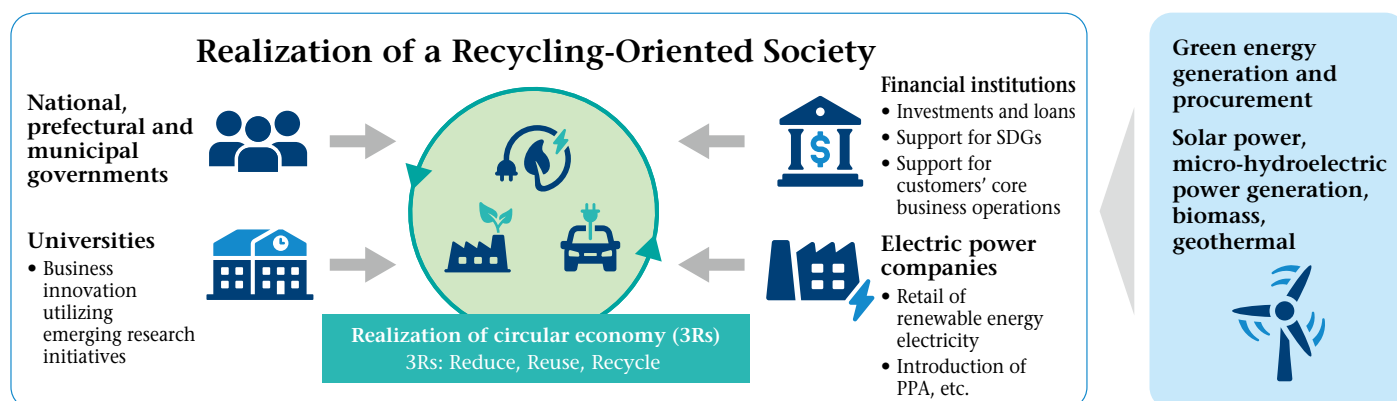
- ✓ The Bank has formulated a roadmap to reduce greenhouse gas (GHG) emissions and is planning various related measures.
- ✓ The Bank has established investment and loan targets related to climate change and other sustainability issues. It aims to achieve these targets by promoting sustainable finance and offering preferential interest rates for funds used to acquire eco-friendly housing and electric vehicles.

Decarbonization Roadmap



TOWA Decarbonization Consortium

In February 2022, we played a central role in establishing the TOWA Decarbonization Consortium, with the aim of supporting customers wishing to engage in decarbonization efforts. In December 2022, the realization of a circular economy through the 3Rs (reduce, reuse, and recycle) and efforts to improve member companies' knowledge of decarbonization were added to the consortium's activities. We have also been holding study sessions and other such events. Starting in FY2024, we began providing CO₂ emissions visualization tools to member companies, thereby accelerating our support for management aimed at decarbonization.



Sustainability Approach and Initiatives

Initiatives to Address Climate Change and Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations

In recent years, climate change-related response has become an important issue as extreme weather conditions worldwide and damage from large-scale natural disasters are becoming increasingly severe. This response to climate change is becoming a factor that will have a significant impact on the business environment and management itself. In October 2021, the Bank expressed its support for the TCFD recommendations as part of its efforts to strengthen its response to climate change and environmental issues.



Governance

In addition to promoting disclosure in line with the TCFD recommendations, the Bank has adopted a structure under which deliberations related to climate change response and important matters are conducted in the Sustainability Committee and the content of these discussions is reported to the Board of Directors.

Our Sustainability Committee is chaired by the President, with the director in charge of the Integrated Planning Department as deputy chair, and its members consist of directors attending Board of Managing Executive Officers' meetings.

As subcommittees of the Sustainability Committee, the Climate Change Response Committee discusses environmental issues including climate change, the Regional Revitalization Contribution Committee discusses regional economic and social issues including the promotion of regional industries, and the Human Capital Improvement Committee discusses human capital and diversity issues, including the strengthening of human resource capabilities. The Sustainability Committee convenes every six months in principle and whenever else necessary to deepen their discussions on sustainability-related matters through deliberation of issues and planning of measures.



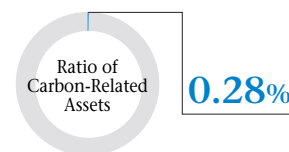
Strategy

The Bank is working under the Towa Bank SDGs Declaration and the Basic Policy on Sustainability to increase our customers' corporate value and revitalize regional economies, and to achieve shared value creation aiming to strengthen the Bank's earning capabilities.

Looking ahead, we will continue to position environmental preservation, including response to climate change, as an important management theme in order to realize a sustainable society, and promote initiatives from the perspectives of both opportunity and risk.

Carbon-Related Assets

The Bank's electric power and energy-sector exposures (excluding water services business and renewable energy power generation business) accounted for **0.28%** of its carbon-related assets as a percentage of its total credit balance as of March 31, 2025.



Opportunities and Risks

| Classification | Envisaged impact | Timeline |
|------------------|--|--|
| Opportunities | By engaging in initiatives such as green finance for renewable energy projects and so forth, as well as transition finance for shifting to decarbonization or low-carbon business models, we will support regional communities and our customers. | Short term to long term (5-30 years) |
| Physical risks | The occurrence of natural disasters and so forth due to climate change is expected to increase credit risks for our customers whose assets or business activities are affected, and to create operational risks for the Bank's branches affected by disasters. | Medium term to long term (10-30 years) |
| Transition risks | With climate-related regulatory tightening and the advance of technological innovation for decarbonization, our customers whose business activities are affected are expected to present an increased credit risk. | Short term to long term (5-30 years) |

Scenario Analysis

For physical risks, we have conducted scenario analysis up to 2050 based on representative climate change scenarios, with reference to the scenarios published by the Intergovernmental Panel on Climate Change (IPCC). Since the results of the analysis are estimates based on certain assumptions, we will continue to work on improving and refining scenario analysis and related methods. In addition, we will consider how to assess transition risks, such as by referring to scenarios published by the International Energy Agency (IEA) and other organizations.

Analysis Results of Physical Risks

| Risks | Damage to collateral real estate | Financial impact of business suspension |
|----------------------|--|--|
| Scenario | IPCC RCP2.6 scenario (2°C scenario), RCP8.5 scenario (4°C scenario) | |
| Subjects of analysis | Real estate collateral collection location (buildings for business loans, excluding home loans, etc.) | Business regions of the Bank, mainly in Gunma and Saitama prefectures |
| Analysis details | Analysis of increase in credit-related costs due to damage to collateral real estate (building) resulting from water-related disasters | Analysis of the increase in credit-related costs due to damage to production and business-related facilities and business suspensions as a result of water-related disasters |
| Analysis period | Calculation of expected cumulative damage amount due to a flood of a scale that occurs once in a century by 2050 | |
| Risk indicators | Credit costs due to collateral damage | Credit costs due to deterioration of debtor classification as a result of declining sales |
| Analysis result | 4°C scenario: Maximum increase of ¥1.6 billion | 4°C scenario: Maximum increase of ¥1.4 billion |

Notes: 1. Based on the Ministry of Land, Infrastructure, Transport and Tourism Hazard Map “Manual for Economic Survey of Flood Control Investment,” the depth of inundation of the property in question was measured, and the amount of damage was calculated according to the depth.
 2. IPCC is an organization established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) for the purpose of conducting comprehensive assessments of anthropogenic climate change, impacts, adaptation, and mitigation measures from scientific, technical, and socioeconomic perspectives.
 3. RCP stands for Representative Concentration Pathway scenario and is outlined below.

| Scenario name | Scenario summary |
|---------------|--|
| RCP2.6 | Lowest emissions scenario developed with the goal of limiting future temperature increase to below 2°C |
| RCP8.5 | Scenario corresponding to maximum GHG emissions in 2100 |



Risk Management

The Bank recognizes climate change-related risks as important risks that have an impact on its business and financial position. We strive to build a system to manage them based on our Basic Policy on Risk Management.

The Bank has formulated the Basic Policy on Sustainability Conscious Investments and Loans for investments and loans that have the potential to impact the environment and society from a perspective of climate change countermeasures and realizing a sustainable society.



Metrics and Targets

The Bank is strengthening its initiatives to reduce GHG emissions by promoting local production of green energy for local consumption through the TOWA Decarbonization Consortium. We have adopted a CO₂ emissions reduction target of net zero CO₂ emissions by FY2030.

CO₂ Emissions Reduction Target and Results

| CO ₂ emissions reduction vs FY2013 | Target | March 31, 2025 |
|---|----------|---|
| FY2030 (March 31, 2031) | Net zero | 3,357 t-CO ₂ (44.73% reduction) |

Targets for Investments and Loans Related to Climate Change and Other Sustainability Issues

| Cumulative execution amount | Target | March 31, 2025 |
|-----------------------------|----------------|----------------|
| FY2030 (March 31, 2031) | ¥300.0 billion | ¥112.9 billion |

Note: Scope 1 (direct emissions) and Scope 2 (indirect emissions) standards aggregated in accordance with the periodic reporting standard of the Act on the Rational Use of Energy FY2013 results (base year): 6,074 t-CO₂ ⇒ March 31, 2025: 3,357 t-CO₂.

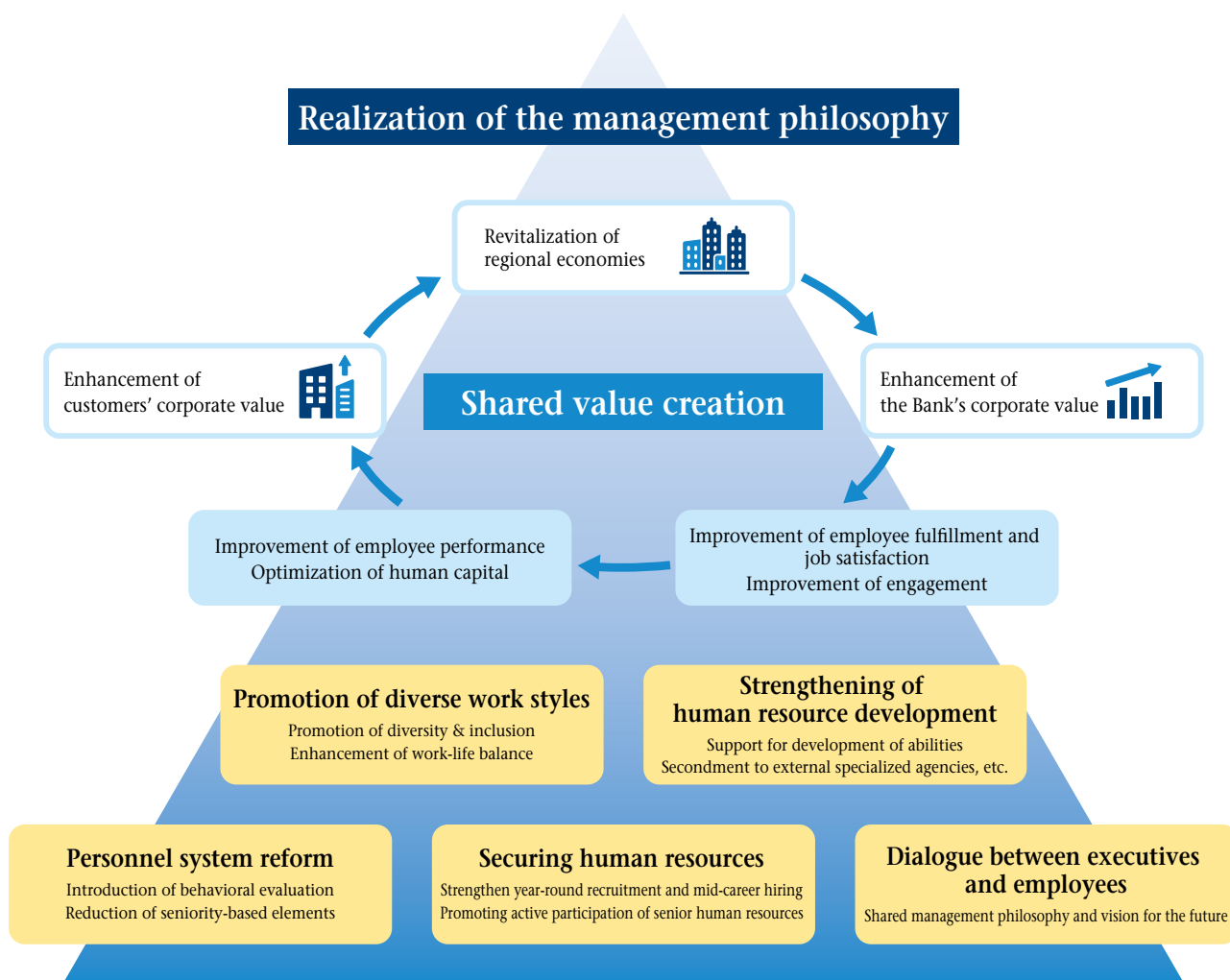
Efforts to Improve Human Capital

The Bank views its employees as human capital that serves as a source of value creation and works to strengthen human resource capabilities. At the same time, we aim to achieve sustainable development of regional communities as the selected financial institution in those communities. In the midst of changes in the market and surrounding environment, it is important for each employee to adapt their mindset and behavior to quickly resolve issues faced by regional customers and provide valuable services to them. The Bank aims to improve employee performance and job satisfaction by encouraging all executives and employees to think and act on their own initiative.

Human Resource Strategy

- Promote diverse work styles by promoting diversity & inclusion and enhancing work-life balance
- Strengthen human resource development through secondment to external specialized agencies, etc., and support for development of abilities
- Strive to entrench the new personnel system and build an environment where everyone can play active roles
- Secure talented human resources by promoting active participation of senior human resources and strengthening year-round recruitment and mid-career hiring
- Provide opportunities for dialogue between executives and employees and make everyone aware of the management philosophy and vision

Initiatives to Improve Human Capital: Human Capital Model



Specific Human Resource Strategy Measures

We will strengthen human resource capabilities to meet increasingly complex customer needs and challenges. Furthermore, we are committed to fostering diversity and inclusion by creating an environment where women and senior employees can play active roles. Additionally, we will realize an environment that fosters well-being by strengthening our employee engagement efforts.

Diversity & Inclusion

Efforts to Promote Active Roles for Women

The ratio of women in management positions increased from 13.0% (70 employees) in FY2013 to 20.6% (103 employees) in FY2024, demonstrating significant strides in the advancement of women over the past 10 years. Under the revised personnel system, all female employees are now career-track employees and are able to take on the challenge of higher-level positions and expanding their fields of participation more than ever before, and we are actively committed to the career development of female employees.

Response in the Event of Pregnancy of Female Employees Engaged in Business Promotion

The Bank assigns women with ambition to core business operations at the Head Office such as credit and corporate planning departments, while actively promoting them to the Customer Relations Division. In April 2022, we introduced a system that allows female employees engaged in customer relations to switch to less physically demanding work if they become pregnant, while remaining in their familiar current division.



Metrics of Women's Active Participation (Results)

| | FY2023/3 | FY2024/3 | FY2025/3 |
|--|------------|------------|------------|
| Average years of service for women | 13.2 years | 13.3 years | 13.3 years |
| Percentage of female employees in management positions | 19.8% | 19.8% | 20.6% |
| Percentage of female employees | 39.8% | 40.4% | 40.7% |

Health and Productivity Management Initiatives

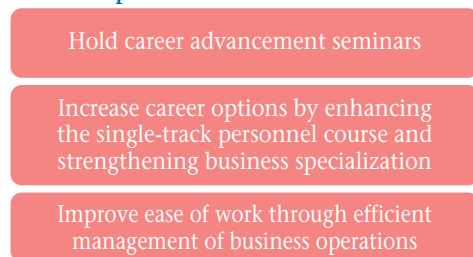
Based on the belief that the health and vitality of every employee support the core of truly valuable financial services, the Bank positions health and productivity management as one of its key management strategies. With the president serving as the chief officer for promoting health and productivity management, we have established a Bank-wide framework that fosters collaboration among all relevant divisions, including the Human Resources Department, industrial physicians, public health nurses, and the employee union. Under this framework, the Bank strives to maintain and improve employees' mental and physical health through follow-ups after health checkups, stress checks, and other measures, and to enhance the work environment through initiatives such as increasing the utilization rate of paid leave.



In addition, we began initiatives to further improve the work environment by conducting 360° evaluations in FY2024. Furthermore, in FY2025, we carried out an employee engagement survey. Going forward, we will continue efforts to foster a well-being-oriented work environment.

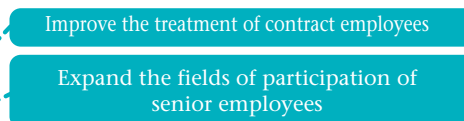
| Metrics of health and productivity management | FY2023/3 | FY2024/3 | FY2025/3 |
|---|----------|----------|----------|
| Percentage of employees who received a regular health checkup | 100% | 100% | 100% |
| Percentage of employees who received follow-up or specialized health checkups | 84.0% | 82.8% | 83.6% |
| Percentage of employees who received a stress check | 93.2% | 95.1% | 92.2% |

Efforts to promote active roles for women

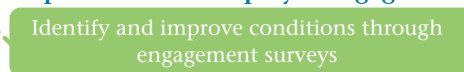


Diversity & Inclusion
Well-being

Promotion of active roles for senior human resources



Improvement of employee engagement



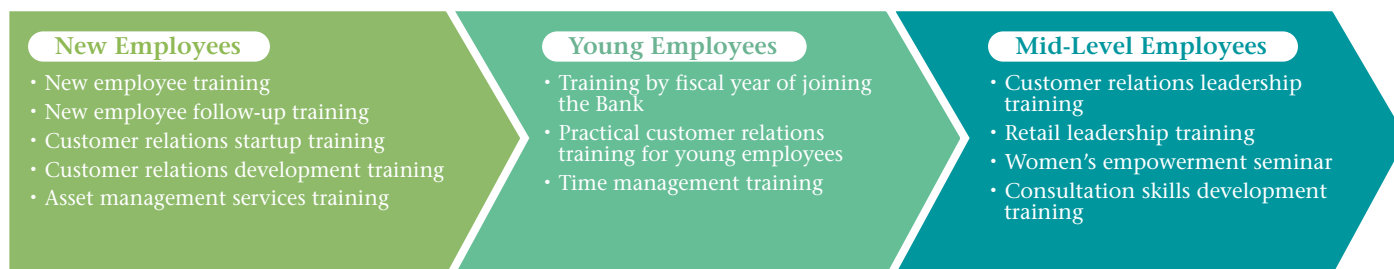
Strengthening of Human Resource Capabilities

Human Resource Development

As the issues and needs of our customers grow increasingly complex and diverse, the Bank is working to strengthen our human resource capabilities. In order to develop human resources with the necessary consulting skills to meet customers' expectations and enhance the sustainability of our business model "TOWA Customer Support Activities," we encourage our employees to acquire high-level qualifications, offer them e-learning programs to deepen their knowledge in specialized areas, implement a trainee system in which branch employees are dispatched to the Head Office for a certain period of time, and send employees to external specialized agencies on dispatch or secondment assignments.

Rapid Development Based on Our Human Resource Development Program

In order to quickly resolve customer issues and provide valuable services, we are committed to the rapid development of our employees through extensive training programs for each rank based on our human resource development program.



Diversification of Recruitment Methods

The Bank is diversifying its recruitment methods to secure talented human resources. In March 2024, as part of its new graduate recruitment activities, the Bank established a professional human resources course aimed at recruiting students with specialized knowledge as professional human resources. These recruits are expected to engage in system-related, securities investment, and consulting operations, among other fields. Furthermore, in August 2024, the Bank commenced referral recruitment to secure outstanding human resources who fit our culture through the connections of its executives and employees.



| Sustainability KPIs | Result | Target |
|--|-------------------|-------------------|
| Diversity & inclusion items | End of March 2025 | End of March 2027 |
| Percentage of female employees in management positions | 20.6% | 22.0% |
| Average years of service for women | 13.3 years | 13.6 years |
| Percentage of male employees taking childcare leave | 77.8% | 100.0% |
| Well-being items | End of March 2025 | End of March 2027 |
| Gender wage gap (based on full-time employees) | 61.3% | 63.0% |
| Paid leave utilization rate | 74.9% | 78.0% |
| Human resource development items | End of March 2025 | End of March 2027 |
| Holders of advanced qualifications* | 45 | 65 or more |
| Holders of decarbonization advisor qualification | 50 | 100 |

* Advanced qualifications refer to Small and Medium sized Enterprise Consultants, 1st grade Certified Skilled Workers of Financial Planning, Labor and Social Security Attorneys, Certified Public Tax Accountants, and Securities Analysts.

Promoting DX

The DX Promotion Committee considers various aspects of measures related to digital transformation (DX), including planning and proposal as well as progress management. It is a cross-organizational body comprising members from different departments, such as customer support, systems, and planning. Under this committee, the Bank will advance the DX of customer services and internal operations.

Sustainability KPIs

March 2027

| | |
|---|------------------|
| Number of accounts registered with the Towa Bank app (total number of accounts) | ▶ <u>105,000</u> |
| Share of transactions converted to electronic banking (EB) | ▶ <u>86.0%</u> |
| IT Passport certification holders (total number of holders) | ▶ <u>300</u> |

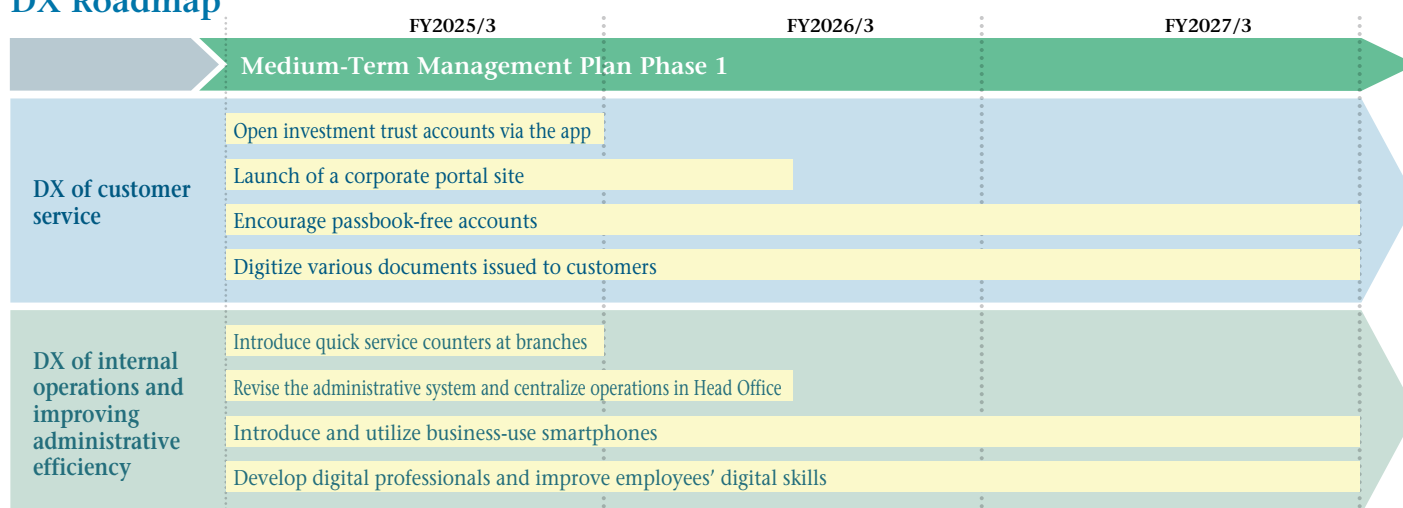
DX of customer services

- **Strengthen virtual channels**
Enhance customer convenience by providing the Towa Bank app and services that utilize Web functions
- **ICT consulting services**
Provide hands-on support for DX aimed at increasing customers' operating efficiency

DX of internal operations and improving administrative efficiency

- **Optimally allocate management resources**
Streamline Head Office and branch operations through measures such as a fundamental overhaul of administrative workflows and the use of AI
- **Develop digital professionals**
Develop digital professionals by leveraging external institutions, conduct mid-career recruitment and new graduate recruitment through a professional human resources career course, and encourage acquisition of IT Passport to enhance digital literacy

DX Roadmap



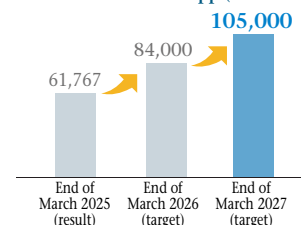
Key Initiatives and KPIs

Enhance App Functions for Individuals

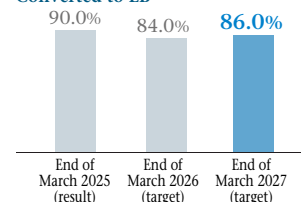
Discussions on enhancing the functions of the Towa Bank app are being held across Head Office departments in the DX Promotion Committee. Efforts are being made to steadily improve the convenience of these functions. Looking ahead, the Bank will continue striving to enhance the app's functions to strengthen the virtual channel, while continuing to expand functionality with the aim of making the app more user-friendly for customers.



Number of accounts registered with the Towa Bank app (Cumulative)



Share of Transactions Converted to EB



Direct Service for Companies

Towa Bank Direct Service, an electronic banking (EB) service available over the Internet, offers customers services such as balance and transaction history inquiries and external transfers, internal transfers, and bulk transfers of funds. Promoting the use of EB significantly enhances customer convenience and improves internal operating efficiency. For this reason, the Bank has been encouraging the adoption of EB by enhancing its functions and running various campaigns. Through these efforts, the Bank will work to increase the share of EB transactions in customer transaction activity.

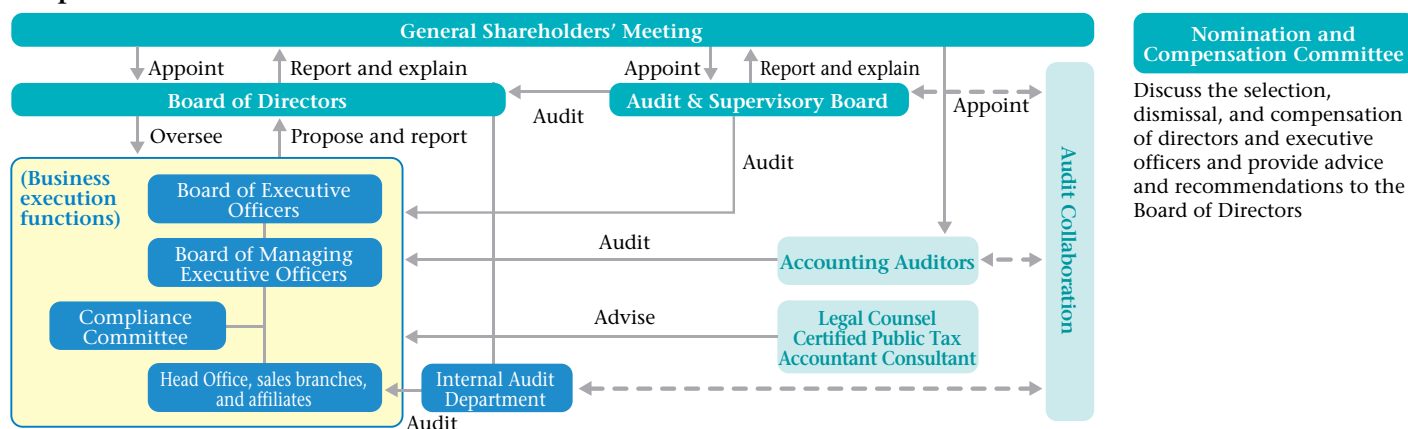
Corporate Governance

Based on TOWA Future Plan I, a new medium-term management plan that started in April 2024, the Bank aims to contribute to the sustainable development of regional customers while increasing its corporate value. This will be achieved by implementing TOWA Customer Support Activities, in which the Bank works to provide essential cash flow support, support for customers' management improvement and business rehabilitation, support for customers' core business operations, and support for customers' asset formation. In addition, to realize a sustainable regional society, the Bank will work to solve various social issues by maximizing its financial intermediary functions and through TOWA Customer Support Activities. To develop human resources capable of solving these issues, the Bank will strengthen its efforts to improve human capital. Along with this, the Bank views strengthening corporate governance, which serves as a platform supporting its business model, as one of its key priorities. Keeping this viewpoint in mind, the Bank will strive to continuously increase its corporate value.

The Bank has adopted the Company with an Audit & Supervisory Board system and has appointed four Audit & Supervisory Board members. The four Audit & Supervisory Board members consist of two full-time Audit & Supervisory Board members with extensive operational experience at the Bank, and two outside Audit & Supervisory Board members, comprising a certified public accountant and a certified public tax accountant. Meetings of the Board of Directors are attended by all Audit & Supervisory Board members, while meetings of the Board of Managing Executive Officers are attended by full-time Audit & Supervisory Board members. In these meetings, the Audit & Supervisory Board members oversee management's decision-making process and business execution. The Bank has determined that this oversight ensures audit transparency and effectiveness, as well as the effective operation of management audit functions.

Regarding outside directors, the Bank has had one outside director since June 2007, two outside directors since June 2010, and three outside directors since June 2020. These outside directors were appointed to ensure a transparent and appropriate decision-making process by allowing the Bank to obtain appropriate recommendations on management and business execution from an impartial and fair standpoint. Currently, all three individuals are independent outside directors.

Corporate Governance Structure Chart



Description of Governing Bodies

Board of Directors

Regarding directors, the Bank established the Executives' Ethics Guidelines as ethical standards for executives in October 2007 and made the Directors' Business Execution Declaration in November 2007, which affirms that statements made by all members of the Board of Directors are equal. The term length for directors was reduced from two years to one year at the General Shareholders' Meeting held in June 2008. Of the seven directors, three independent outside directors were appointed (including one woman). The Board of Directors has received appropriate recommendations on management and business execution from the outside directors based on their impartial and fair standpoint. In this manner, efforts are made to ensure a transparent and appropriate decision-making process within the Board of Directors.

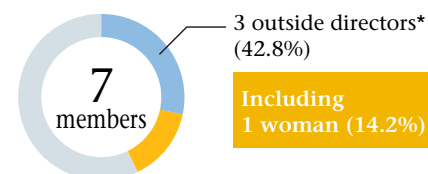
Audit & Supervisory Board

Regarding the Audit & Supervisory Board members, the Audit & Supervisory Board currently has four members (including two outside Audit & Supervisory Board members, one of whom is a woman), exceeding the statutory requirement for the number of members. Given the importance of ensuring the independence of Audit & Supervisory Board members, the appointed individuals include members with experience as executive directors and outside third parties who can appropriately express their opinions to the directors without hesitation. Of the two selected outside Audit & Supervisory Board members, one is a certified public accountant with expertise in finance and accounting, while the other is a certified public tax accountant with expertise in corporate accounting operations.

The Audit & Supervisory Board members conduct both accounting audits and operational audits appropriately. This includes attending meetings of the Board of Directors, Board of Managing Executive Officers, and other relevant forums, where they state their opinions as necessary. They also perform duties such as examining and reviewing various authorization documents. Through these efforts, the Audit & Supervisory Board members strive to fulfill their supervisory and checking roles in relation to management.

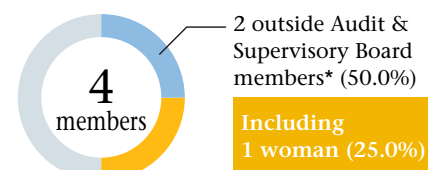
Furthermore, the Bank has established the Audit & Supervisory Board Members' Office to strengthen the management audit structure for the Audit & Supervisory Board members. One individual has been appointed as an assistant to the Audit & Supervisory Board members. Additionally, in case of a vacancy in the Audit & Supervisory Board members, the Bank has appointed a substitute Audit & Supervisory Board member since FY2012.

Composition of the Board of Directors



* All of the outside directors are independent outside directors.

Composition of the Audit & Supervisory Board



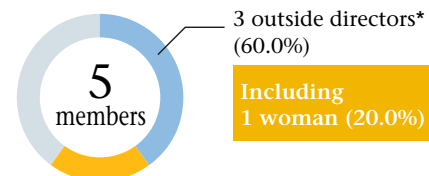
* All of the outside Audit & Supervisory Board members are independent outside Audit & Supervisory Board members.

Nomination and Compensation Committee

The Bank has established the Nomination and Compensation Committee, consisting of outside directors (three members) and representative directors (two members), as an advisory body to the Board of Directors. This committee was formed to strengthen the fairness, transparency, and objectivity of procedures related to the nomination, compensation, and other matters concerning directors and executive officers.

In the Nomination and Compensation Committee, an independent outside director serves as the committee chair, with independent outside directors comprising most of the members, thereby enhancing its independence and objectivity. Moreover, the Nomination and Compensation Committee assumes the role and has the authority to deliberate on matters such as the appointment and dismissal of directors (including outside directors) and executive officers, the selection and dismissal of representative directors, and the compensation of directors (including outside directors) and executive officers (includes stock options).

Composition of the Nomination and Compensation Committee



* All outside directors are independent outside directors.

Board of Executive Officers

The Bank has introduced an executive officer system to clearly establish the division of roles between management monitoring and oversight functions and business execution functions, aiming to accelerate decision-making and enhance management efficiency. As a result, the Board of Directors is structured to focus solely on management decision-making and oversight of business execution.

Board of Managing Executive Officers

The Bank has established the Board of Managing Executive Officers under the Board of Directors as a business execution body to ensure that directors execute their duties efficiently. The Board conducts business execution in a timely and appropriate manner in accordance with the provisions governing the division of duties for each operation and the job execution authority for each project.

Establishment of the Internal Control System

At the Bank, the Board of Directors decides on business execution and oversees the execution of directors' duties. To ensure the efficient execution of the directors' duties, the Board of Executive Officers and the Board of Managing Executive Officers have been established as business execution bodies under the Board of Directors. Audit & Supervisory Board members are permitted to attend important management meetings and briefing sessions, including those of the Board of Directors, Board of Executive Officers, Board of Managing Executive Officers, Branch Manager meetings, where they may express their opinions and provide recommendations.

Subsidiaries have also established boards of directors and appointed Audit & Supervisory Board members to ensure the appropriateness of business decisions and execution. The Internal Audit Department conducts audits from an independent standpoint to ensure that business operations are carried out appropriately in accordance with the division of duties and job authority, and it also conducts audits of subsidiaries from an independent standpoint.

Internal Audits and Audit & Supervisory Board Members' Audits

Through audits by the Internal Audit Department, the Bank seeks to strengthen its internal control system and enhance how the organization functions as a bank. The Internal Audit Department is structured with nine members in charge of auditing sales branches and nine members in charge of auditing the Head Office. It assesses each department's compliance status, risk management conditions, and related matters to verify consistency with various laws and regulations and internal rules, etc., and their effectiveness. Additionally, it assesses and verifies, from a management perspective, whether business activities, operations, management, and so forth are structured to appropriately generate profits, reporting these findings to the Board of Directors. The Audit & Supervisory Board members, accounting auditors, and Internal Audit Department deepen their mutual collaboration through ongoing exchanges of information and opinions as needed, while striving to ensure the effectiveness of audits.

Status of Accounting Audits

The name of the audit corporation that performed auditing duties is as follows.

Name of audit corporation

PricewaterhouseCoopers Japan LLC

The assistants involved in the Bank's accounting audit duties were 4 certified public accountants and 14 others.

Consolidated Balance Sheets

The Towa Bank, Ltd. and Consolidated Subsidiaries

| March 31, | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 2) |
|---|--------------------------|------------|---------------------------------------|
| | 2025 | 2024 | 2025 |
| Assets: | | | |
| Cash and due from banks | ¥ 167,707 | ¥ 195,486 | \$ 1,121,640 |
| Call loans and bills purchased | 867 | 454 | 5,800 |
| Money held in trust | 2,994 | 3,992 | 20,027 |
| Securities | 535,044 | 557,317 | 3,578,416 |
| Loans and bills discounted | 1,606,700 | 1,576,961 | 10,745,720 |
| Foreign exchange | 620 | 3,065 | 4,148 |
| Other assets | 36,625 | 37,367 | 244,954 |
| Tangible fixed assets | 23,884 | 22,466 | 159,738 |
| Buildings | 6,027 | 4,438 | 40,313 |
| Land | 15,529 | 15,878 | 103,860 |
| Lease assets (tangible) | 61 | 57 | 413 |
| Construction in progress | 33 | 536 | 227 |
| Other tangible assets | 2,231 | 1,554 | 14,923 |
| Intangible fixed assets | 3,458 | 3,564 | 23,133 |
| Software | 3,212 | 2,227 | 21,487 |
| Other intangible assets | 246 | 1,337 | 1,646 |
| Retirement benefit asset | 4,557 | 4,745 | 30,479 |
| Deferred tax assets | 2,916 | 3,470 | 19,508 |
| Customers' liabilities for acceptances and guarantees | 3,678 | 3,843 | 24,604 |
| Reserve for possible loan losses | (6,302) | (7,080) | (42,155) |
| Total assets | ¥2,382,753 | ¥2,405,654 | \$15,936,018 |

Notes: 1. Yen figures have been rounded omitting numbers below the million mark, in accordance with the Financial Instruments and Exchange Act of Japan and generally accepted accounting principles and practices in Japan.

2. The United States dollar amounts represent conversions of Japanese yen, for convenience only, at the exchange rate of ¥149.52 to US\$1.00, the rate prevailing on March 31, 2025.

| March 31, | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 2) |
|---|--------------------------|------------|---------------------------------------|
| | 2025 | 2024 | 2025 |
| Liabilities: | | | |
| Deposits | ¥2,155,574 | ¥2,152,798 | \$14,416,630 |
| Borrowed money | 121,490 | 120,390 | 812,533 |
| Foreign exchange | 101 | 139 | 679 |
| Other liabilities | 7,393 | 6,654 | 49,446 |
| Accrued employee bonuses | 471 | 449 | 3,155 |
| Net defined benefit liability | 59 | 53 | 396 |
| Reserve for director retirement benefits | 1 | 0 | 9 |
| Reserve for reimbursement of dormant deposits | 97 | 133 | 649 |
| Reserve for contingent loss | 657 | 580 | 4,398 |
| Deferred tax liabilities | 8 | 8 | 58 |
| Deferred tax liability for land revaluation | 2,047 | 1,997 | 13,695 |
| Acceptances and guarantees | 3,678 | 3,843 | 24,604 |
| Total liabilities | 2,291,582 | 2,287,048 | 15,326,258 |
| Net assets: | | | |
| Capital stock | 38,653 | 38,653 | 258,519 |
| Capital surplus | 17,500 | 17,500 | 117,041 |
| Retained earnings | 59,241 | 72,512 | 396,212 |
| Treasury stock, at cost | (284) | (139) | (1,902) |
| Total shareholders' equity | 115,111 | 128,526 | 769,871 |
| Valuation difference on available-for-sale securities | (28,336) | (15,104) | (189,517) |
| Land revaluation account | 2,082 | 2,147 | 13,930 |
| Remeasurements of defined benefit plans | 1,525 | 2,251 | 10,204 |
| Total accumulated other comprehensive income | (24,727) | (10,705) | (165,382) |
| Stock acquisition rights | 256 | 249 | 1,718 |
| Non-controlling interests | 531 | 535 | 3,551 |
| Total net assets | 91,171 | 118,605 | 609,759 |
| Total liabilities and net assets | ¥2,382,753 | ¥2,405,654 | \$15,936,018 |

Consolidated Statements of Income

The Towa Bank, Ltd. and Consolidated Subsidiaries

| For the years ended March 31, | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 2) |
|--|--------------------------|---------|---------------------------------------|
| | 2025 | 2024 | 2025 |
| Income: | | | |
| Interest on loans and discounts | ¥20,075 | ¥18,527 | \$134,260 |
| Interest and dividends on securities | 3,297 | 3,079 | 22,056 |
| Other interest income | 320 | 75 | 2,141 |
| Fees and commissions | 6,827 | 6,494 | 45,665 |
| Other operating income | 64 | 676 | 432 |
| Other income | 7,229 | 5,283 | 48,353 |
| Total income | 37,815 | 34,138 | 252,909 |
| Expenses: | | | |
| Interest on deposits | 1,314 | 105 | 8,789 |
| Interest on call money and bills sold | 0 | (0) | 1 |
| Interest on borrowings and rediscounts | 75 | 37 | 506 |
| Other interest expenses | 0 | 0 | 0 |
| Fees and commissions | 3,955 | 3,460 | 26,452 |
| Other operating expenses | 1,251 | 486 | 8,369 |
| General and administrative expenses | 20,471 | 19,735 | 136,913 |
| Other expenses | 4,598 | 6,015 | 30,754 |
| Total expenses | 31,667 | 29,839 | 211,788 |
| Income before income taxes | 6,148 | 4,298 | 41,121 |
| Income taxes: | | | |
| Current | 886 | 638 | 5,931 |
| Deferred | 744 | 124 | 4,978 |
| Total income taxes | 1,631 | 763 | 10,909 |
| Profit | 4,517 | 3,535 | 30,211 |
| Profit attributable to non-controlling interests | (3) | 4 | (25) |
| Profit attributable to owners of parent | ¥ 4,520 | ¥ 3,530 | \$ 30,236 |
| Profit attributable to owners of parent per share (in yen and U.S. dollars): | | | |
| Basic | ¥122.36 | ¥ 89.84 | \$ 0.81 |
| Diluted | 113.01 | 56.00 | 0.75 |

Consolidated Statements of Comprehensive Income

The Towa Bank, Ltd. and Consolidated Subsidiaries

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 2) |
|---|--------------------------|---------|---------------------------------------|
| | 2025 | 2024 | 2025 |
| <i>For the years ended March 31,</i> | | | |
| Profit | ¥ 4,517 | ¥ 3,535 | \$ 30,211 |
| Other comprehensive income (loss): | | | |
| Valuation difference on available-for-sale securities | (13,231) | (2,861) | (88,496) |
| Revaluation reserve for land | (58) | – | (394) |
| Remeasurements of defined benefit plans | (726) | 1,316 | (4,857) |
| Total other comprehensive income (loss) | (14,016) | (1,545) | (93,746) |
| Comprehensive income (loss) | ¥ (9,499) | ¥ 1,989 | \$(63,534) |
| Comprehensive income (loss) attributable to: | | | |
| Owners of parent | ¥ (9,495) | ¥ 1,985 | \$(63,508) |
| Non-controlling interests | (3) | 4 | (27) |

Consolidated Statements of Changes in Net Assets

The Towa Bank, Ltd. and Consolidated Subsidiaries

| | Millions of yen (Note 1) | | | | |
|---|--------------------------|-----------------|-------------------|----------------|----------------------------|
| | Shareholders' equity | | | | |
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at April 1, 2024 | ¥38,653 | ¥ 17,500 | ¥ 72,512 | ¥ (139) | ¥128,526 |
| Changes in items during the period: | | | | | |
| Profit attributable to owners of parent | | | 4,520 | | 4,520 |
| Dividends from surplus | | | (1,502) | | (1,502) |
| Purchase of treasury stock | | | | (16,478) | (16,478) |
| Disposal of treasury stock | | (16,294) | | 16,333 | 39 |
| Increase/Decrease for other reasons | | 16,294 | (16,288) | | 5 |
| Changes in items other than shareholders' equity during the period (net amount) ... | | | | | |
| Total changes in items during the period | – | – | (13,270) | (144) | (13,415) |
| Balance at March 31, 2025 | ¥38,653 | ¥ 17,500 | ¥ 59,241 | ¥ (284) | ¥115,111 |

| | Millions of yen (Note 1) | | | | | | |
|---|---|--------------------------|---|---|--------------------------|---------------------------|-------------------|
| | Accumulated other comprehensive income (loss) | | | | | | |
| | Valuation difference on available-for-sale securities | Land revaluation account | Remeasurements of defined benefit plans | Total accumulated other comprehensive income (loss) | Stock acquisition rights | Non-controlling interests | Total net assets |
| Balance at April 1, 2024 | ¥(15,104) | ¥2,147 | ¥2,251 | ¥(10,705) | ¥249 | ¥535 | ¥118,605 |
| Changes in items during the period: | | | | | | | |
| Profit attributable to owners of parent | | | | | | | 4,520 |
| Dividends from surplus | | | | | | | (1,502) |
| Purchase of treasury stock | | | | | | | (16,478) |
| Disposal of treasury stock | | | | | | | 39 |
| Increase/Decrease for other reasons | | | | | | | 5 |
| Changes in items other than shareholders' equity during the period (net amount) ... | (13,231) | (64) | (726) | (14,022) | 7 | (4) | (14,019) |
| Total changes in items during the period | (13,231) | (64) | (726) | (14,022) | 7 | (4) | (27,434) |
| Balance at March 31, 2025 | ¥(28,336) | ¥2,082 | ¥1,525 | ¥(24,727) | ¥256 | ¥531 | ¥ (91,171) |

| Thousands of U.S. dollars (Note 2) | | | | | |
|---|----------------------|-------------------|-------------------|-------------------|----------------------------|
| | Shareholders' equity | | | | |
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at April 1, 2024 | \$258,519 | \$ 117,041 | \$ 484,965 | \$ (933) | \$ 859,593 |
| Changes in items during the period: | | | | | |
| Profit attributable to owners of parent | | | 30,236 | | 30,236 |
| Dividends from surplus | | | (10,051) | | (10,051) |
| Purchase of treasury stock | | | | (110,213) | (110,213) |
| Disposal of treasury stock | | (108,977) | | 109,242 | 266 |
| Increase/Decrease for other reasons | | 108,976 | (108,939) | | 37 |
| Changes in items other than shareholders' equity during the period (net amount) ... | | | | | |
| Total changes in items during the period | – | – | (88,754) | (970) | (89,723) |
| Balance at March 31, 2025 | \$258,519 | \$ 117,041 | \$ 396,212 | \$ (1,902) | \$ 769,871 |

| Thousands of U.S. dollars (Note 2) | | | | | | | |
|---|---|--------------------------|---|---|--------------------------|---------------------------|-------------------|
| | Accumulated other comprehensive income (loss) | | | | | | |
| | Valuation difference on available-for-sale securities | Land revaluation account | Remeasurements of defined benefit plans | Total accumulated other comprehensive income (loss) | Stock acquisition rights | Non-controlling interests | Total net assets |
| Balance at April 1, 2024 | \$(101,023) | \$14,361 | \$15,061 | \$ (71,601) | \$1,670 | \$3,579 | \$ 793,243 |
| Changes in items during the period: | | | | | | | |
| Profit attributable to owners of parent | | | | | | | 30,236 |
| Dividends from surplus | | | | | | | (10,051) |
| Purchase of treasury stock | | | | | | | (110,213) |
| Disposal of treasury stock | | | | | | | 266 |
| Increase/Decrease for other reasons | | | | | | | 37 |
| Changes in items other than shareholders' equity during the period (net amount) ... | (88,495) | (431) | (4,857) | (93,782) | 48 | (29) | (93,762) |
| Total changes in items during the period | (88,495) | (431) | (4,857) | (93,782) | 48 | (29) | (183,484) |
| Balance at March 31, 2025 | \$(189,517) | \$13,930 | \$10,204 | \$(165,382) | \$1,718 | \$3,551 | \$ 609,759 |

Consolidated Statements of Cash Flows

The Towa Bank, Ltd. and Consolidated Subsidiaries

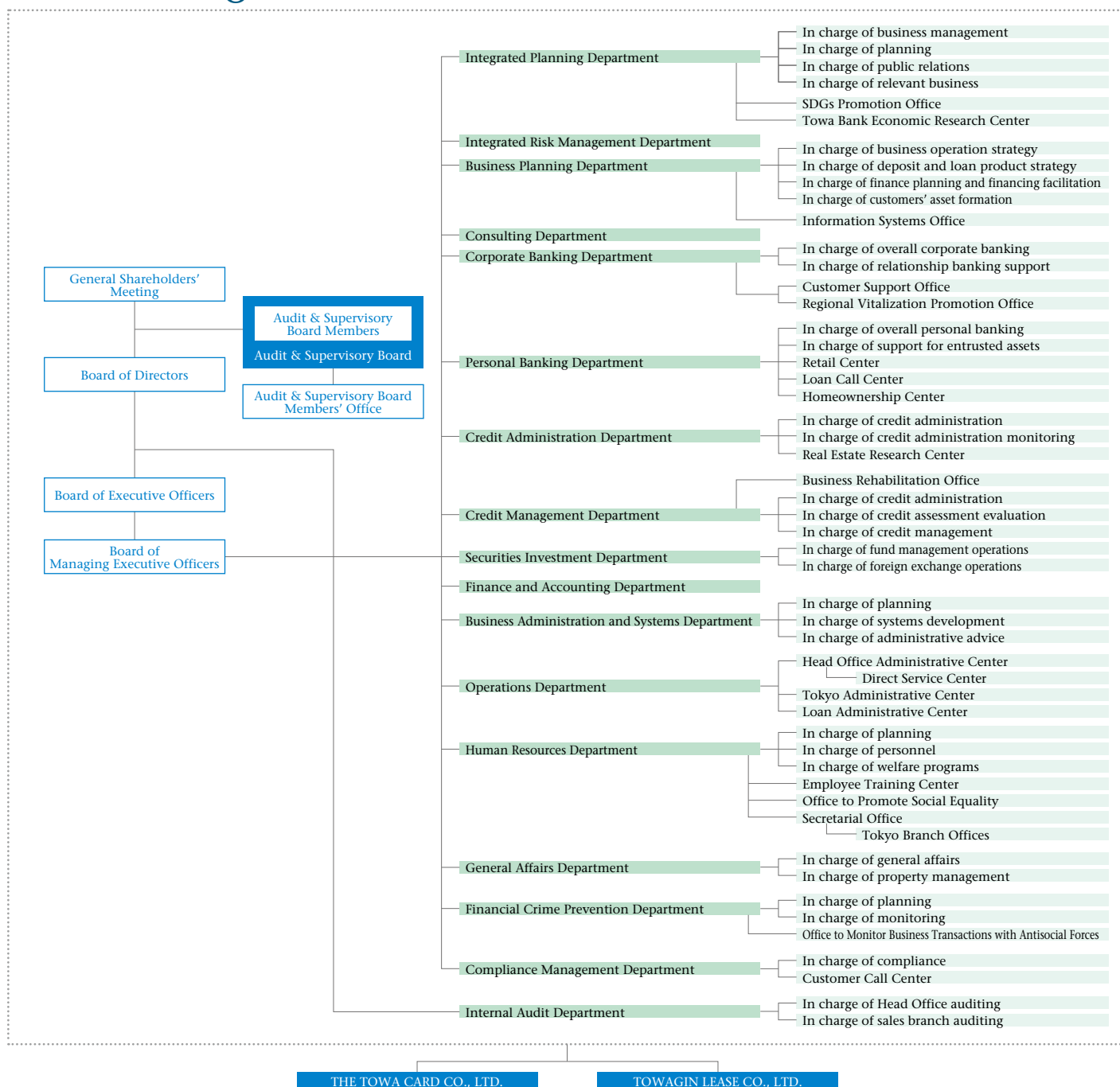
| For the years ended March 31, | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 2) |
|--|--------------------------|------------------|---------------------------------------|
| | 2025 | 2024 | 2025 |
| Cash flows from operating activities: | | | |
| Income before income taxes | ¥ 6,148 | ¥ 4,298 | \$ 41,121 |
| Depreciation and amortization | 2,070 | 1,626 | 13,845 |
| Loss on impairment of fixed assets | 236 | 12 | 1,578 |
| Increase (decrease) in reserve for possible loan losses | (777) | 85 | (5,202) |
| Increase (decrease) in reserve for employee bonuses | 22 | 2 | 151 |
| Increase (decrease) in reserve for reimbursement of dormant deposits | (36) | 8 | (242) |
| Increase (decrease) in reserve for contingent loss | 77 | 147 | 517 |
| Increase (decrease) in net defined benefit liabilities | (820) | (1,040) | (5,490) |
| Increase (decrease) in provision for directors' retirement benefits | 0 | 0 | 0 |
| Interest income | (23,692) | (21,683) | (158,459) |
| Interest expenses | 1,390 | 142 | 9,298 |
| Loss (gain) on disposal/sales of tangible/intangible fixed assets | 4 | 24 | 32 |
| Loss (gain) on securities — net | 1,173 | (148) | 7,849 |
| Loss (gain) on money held in trust | (1) | 6 | (10) |
| Foreign exchange loss (gain) — net | (24) | (573) | (163) |
| Net (increase) decrease in loans | (29,738) | (14,662) | (198,897) |
| Net increase (decrease) in deposits | 2,776 | 8,386 | 18,567 |
| Net increase (decrease) in borrowings excluding subordinated debt | 1,100 | 4,500 | 7,356 |
| Net (increase) decrease in due from banks other than the Bank of Japan | 55 | 105 | 370 |
| Net (increase) decrease in call loans and others | (412) | 654 | (2,763) |
| Net (increase) decrease in foreign exchange — assets | 2,444 | (2,402) | 16,351 |
| Net increase (decrease) in foreign exchange — liabilities | (37) | (21) | (253) |
| Interest received | 24,036 | 22,073 | 160,760 |
| Interest paid | (880) | (154) | (5,891) |
| Other | (189) | (717) | (1,264) |
| Subtotal | (15,075) | 670 | (100,827) |
| Income taxes paid | (826) | 270 | (5,526) |
| Net cash provided by (used in) operating activities | (15,901) | 941 | (106,352) |
| Cash flows from investing activities: | | | |
| Purchases of tangible fixed assets | (2,621) | (1,358) | (17,534) |
| Purchases of securities | (88,641) | (122,970) | (592,844) |
| Proceeds from sale of tangible fixed assets | — | 0 | — |
| Proceeds from sale of securities | 12,085 | 67,036 | 80,829 |
| Purchases of intangible fixed assets | (981) | (1,190) | (6,562) |
| Proceeds from redemption of securities | 85,319 | 65,926 | 570,624 |
| Payments for asset retirement obligations | — | (17) | — |
| Proceeds from decrease of money held in trust | 999 | — | 6,681 |
| Net cash provided by (used in) investing activities | 6,159 | 7,425 | 41,197 |
| Cash flows from financing activities: | | | |
| Proceeds from exercise of stock options | 0 | 0 | 0 |
| Purchases of treasury stock | (16,478) | (0) | (110,213) |
| Dividends paid | (1,502) | (1,119) | (10,051) |
| Net cash provided by (used in) financing activities | (17,981) | (1,120) | (120,265) |
| Net increase (decrease) in cash and cash equivalents | (27,723) | 7,246 | (185,419) |
| Cash and cash equivalents at beginning of year | 194,800 | 187,554 | 1,302,840 |
| Cash and cash equivalents at end of year | ¥167,076 | ¥ 194,800 | \$1,117,421 |

Supplementary Information

Consolidated Capital Ratio (Domestic Standard)

| [Basel III] | | |
|---|--------------------------|------------------------------------|
| | Millions of yen (Note 1) | Thousands of U.S. dollars (Note 2) |
| March 31, | 2025 | 2025 |
| Core capital: instruments and reserves | ¥ 117,475 | \$ 785,686 |
| Core capital: adjustment amount of instruments and reserves | 6,596 | 44,120 |
| Total qualifying capital | ¥ 110,878 | \$ 741,566 |
| Risk-adjusted assets: | | |
| On-balance-sheet assets | ¥1,090,451 | \$7,293,015 |
| Credit value adjustment amount | 2,854 | 19,093 |
| Risk-weighted credit equivalent amount | 1,093,306 | 7,312,109 |
| Amount related to operational risk-equivalent | 43,463 | 290,688 |
| Total | ¥1,136,770 | \$7,602,797 |
| Capital ratio | 9.75% | 9.75% |

Business Organization Chart (As of June 29, 2025)



Directors, Executive Officers, and Audit & Supervisory Board Members

(As of June 26, 2025)

Representative Director
President & Chief Executive Officer
 Hiroshi Ebara

Representative Director
Vice President & Executive Officer
 Isao Kitazume

Director
Senior Managing Executive Officer
 Shinichiro Suzuki

Director
Managing Executive Officer
 Susumu Okabe

Directors (Outside)
 Takeshi Mizuguchi
 Akira Maruyama
 Mikiko Saito

Managing Executive Officer
 Takahisa Wasada
 Tatsuya Ishizeki
 Hiroshi Iijima
 Masahiko Hijikata

Executive Officers
 Takashi Sato
 Masaharu Matsumoto
 Naoki Mashimo
 Hideaki Akimoto
 Noriko Iwazaki

Audit & Supervisory Board Members
 Hiroyuki Sakurai*
 Nobuyuki Sakurada*
 Shinichi Kato**
 Junko Saito**

* Full-Time Audit & Supervisory Board Member
 ** Outside Audit & Supervisory Board Member