INTEGRATED REPORT 2025

CONCORDIA
Financial Group

Bank of Yokohama　HIGASHI-NIPPON BANK　KANAGAWA BANK　L&F Asset Finance

Management Philosophy

Concordia Financial Group management is based on the following management philosophy system, which is positioned as the foundation of our corporate activities.

MISSION Management Principles

As a financial group that is trusted by customers and indispensable to its region, we:

[1] Contribute to enriching the lives of our customers and growing their businesses.
[2] Contribute to the sustainable development of regional communities.
[3] Continue to be an attractive company that employees are proud to work for.
[4] Grow sustainably and enhance our corporate value.

VISION Our Vision

A solution company rooted in communities and selected as a partner to walk together

Thoughts on Our Vision

Rooted in communities	· As a regional financial institution, we will sincerely address the issues faced by our customers and local communities. · We will contribute to the sustainable development of vibrant regional communities.
Selected as a partner to walk together	· We will provide services that exceed customer expectations and become the most accessible financial institution chosen by customers. · We will continue to take pride in our position as the number one regional bank and our role as a leading regional financial institution in Japan.
A solution company	· By improving the range and the quality of our solutions and providing solutions to solve the issues faced by our customers and local communities, we will continue to be a “financial group indispensable to its region”, as stated in our management philosophy.

Thoughts of management and all employees

· Based on the idea that all of us who actually take action should be responsible for those actions, we used questionnaires and opportunities to exchange opinions with our employees to involve all of them in discussions about where we should be heading, and we have created a system that incorporates the thoughts and ideas of all employees.

VALUE Values and action guidelines to be shared by all executives and employees

[Full faith and credit] We value the maintenance and strengthening of relationships of trust with our community, customers, shareholders, and employees.
[Customer-oriented] We always act customer-first.
[Tramsformation and Challenge] We are always transformation minded in response to economic and social changes, and take on challenges without fear of failure.
[Pride] We always give it everything with unwavering pride.

Our Vision

A solution company rooted in communities and selected as a partner to walk together

From CONCORDIA Financial Group

to YOKOHAMA FINANCIAL GROUP

Concordia Financial Group will change its trade name to “Yokohama Financial Group” in October 2025.
We will make it even clearer to our stakeholders that we are a regional financial institution with the Bank of Yokohama at our core. At the same time, we will keep in mind our responsibility to carry the powerful brand name of Yokohama, and we will further contribute to the development of the region as a company rooted in and working with the local community.

Three Key Points of the Integrated Report 2025

POINT 1 Responsibility of bearing the region's name and a new future together with the region

- The Company will change its trade name to "Yokohama Financial Group" in October 2025. In the "Top Commitment," the President gave his thoughts on the trade name change and commitment to the region, and in the "Outside Directors Roundtable Discussion," our Outside Directors discussed the background leading to the trade name change and their evaluation of the change.

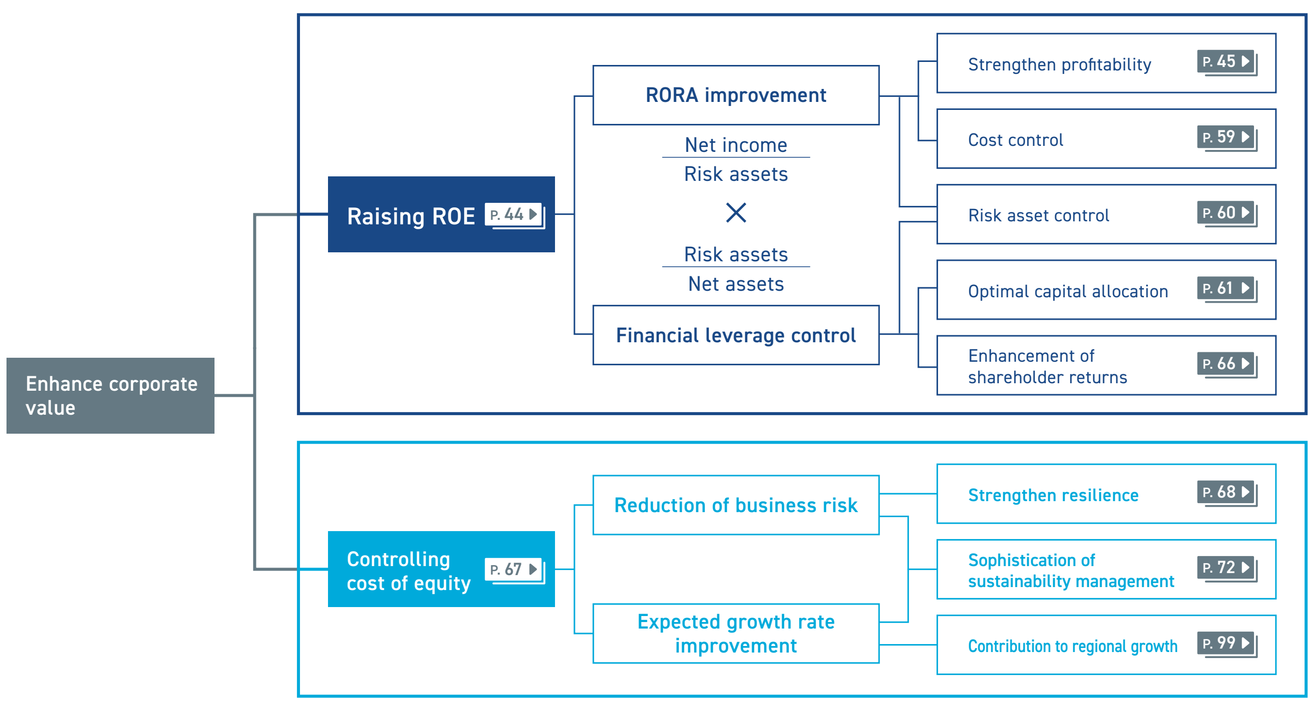
POINT 2 Initiatives to enhance corporate value, based on the logic tree

- We regard the Integrated Report as an important tool for dialogue with our stakeholders. To further enhance dialogue, we have based the structure of this report on the logic tree, as in the previous year.
- A special feature on the new medium-term management plan, which began this fiscal year, describes how the company will increase its value and our ideal state 10 years from now in detail.

POINT 3 Developing and securing human resources for the solution business

- Strengthening human capital is essential to becoming the solution company that we aspire to be. At the "Roundtable Discussion with the Officer and General Managers in Charge of the Human Assets ," the officer or general manager in charge of human assets at each bank talked about their efforts to maximize human capital and the challenges they are facing. P. 89
- The Group is also actively recruiting career personnel who will bring new perspectives. Mid-career hires, who are active in each division, discussed the Group's strengths, current issues, and prospects from an objective perspective. P. 93

Concordia FG's logic tree for enhancing corporate value



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Editorial Policy

This integrated report seeks to clearly communicate to all stakeholders our desire to remain "a financial group that is trusted by customers and indispensable to the region", and the specific initiatives we will take to achieve this. We have therefore presented both financial information and non-financial information regarding areas such as value creation and sustainability that can help fuel continuous growth. The editorial process is based on the "International Integrated Reporting Framework" and the "Value Creation Guidance" issued by the Ministry of Economy, Trade and Industry (METI).

This integrated report (main report and reference material) is a disclosure document based on Article 21 and Article 52-29 of the Banking Act. It contains statements regarding future performance, but these statements do not guarantee future performance, which may differ from actual performance due to changes in the business environment and other factors.

What the Report Covers

Period FY2024 (April 2024 - March 2025) Some information from after April 2025 is also included.

Scope The Concordia Financial Group and its subsidiaries and affiliates

For more information, please visit our website.
https://www.concordia-fg.jp/en/index.html

Concordia Financial Group | Search

Information Disclosure Communication

TOP COMMITMENT

In order to meet the expectations of all stakeholders, we will enhance our corporate value by further expanding our highly competitive financial services and steadily seizing opportunities for growth.

Concordia Financial Group
President and Representative Director

Tatsuya Kataoka

The trade name will change to "Yokohama Financial Group"

A new future together with local communities

The business integration between the Bank of Yokohama and the Higashi-Nippon Bank took place in 2016, six years before I became President and Representative Director of Concordia Financial Group. The adoption of the Latin word "concordia," which means "harmony and cooperation," was a sign of the two banks' determination to integrate their different corporate cultures.

Nine years after the business integration, a sense of togetherness as a group has been created. However, many shareholders, investors, and customers have commented that the current name does not convey the distinctive character of a regional financial institution group. In response to these opinions, we have decided to change the trade name to "Yokohama Financial Group" on October 1, 2025.

There are three reasons for choosing Yokohama Financial Group as our new company name. First, the Bank of Yokohama accounts for a significant portion of the Group's portfolio. Second, to take advantage of the international nature, diversity and regional brand power of the city of "Yokohama." The third objective is to demonstrate our commitment to achieving new growth as a financial group that provides a wide range of financial services centered on banks.

Shareholders, investors, customers, and employees have welcomed the change of trade name. This change in trade name is a new step for the Company to achieve further growth and create value through the integration that has taken place to date. By choosing "Yokohama," a strong regional brand, as our new company name, we will communicate to shareholders, investors, customers, and employees our determination to continue contributing to the home market centered on Yokohama in the Kanagawa and Tokyo areas.

YOKOHAMA
FINANCIAL GROUP

Growth opportunities and risks

Challenging the changing business environment

We have many corporate and individual customers in our home markets of Kanagawa and Tokyo, and I believe there is plenty of room for further growth. Many of our corporate clients are owner-run businesses, and in recent years we have received an increasing number of inquiries about business succession. Listed company clients are also being asked to strengthen their capital policies, including the Tokyo Stock Exchange's tightening of listing requirements and requests for a review of policy shareholding. We can provide a wide range of solutions to address these diverse challenges, and I believe that the corporate solution business will continue to be a growth driver.

With the launch of the new NISA scheme in 2024 under the banner of promoting Japan as a "leading asset management center" by the government, individual customers are increasingly interested in investment and fund management. In response to this trend, we are working to build long-term relationships of trust with our customers by utilizing a variety of fund management products, offering detailed proposals tailored to their life stage, and actively responding to inquiries about future plans such as inheritance and gifts.

In addition, the business environment has changed significantly in recent years due to growing awareness of the need to create a sustainable environment and society. We are working to resolve social issues through sustainable finance and other means, contribute to the sustainable development of local communities, and aim for sustainable growth as a group.

As such, there is a wide range of growth opportunities in our home market. On the other hand, there are various risks in the business environment. Current concerns include changes in the global free trade regime, as typified by the U.S. tariff policy. This problem could affect many customers, including those in the automobile industry.

Another operational risk for the Company is the increasing presence of new competitors, not only megabanks and regional banks but also online banks and Fintech companies.

Furthermore, in the wake of a series of scandals at financial institutions, maintaining the trust of society has become more important than ever. As I have repeatedly stated within the Company, in order to maintain the trust of society, it is essential to foster a corporate culture with a suitable amount of pressure in day-to-day operations. To this end, it is essential to establish a thorough check system as an organization and to create an environment in which communication can be conducted openly. In particular, we believe it is important for management to take an interest in each and every employee and actively deepen communication with them.

We will continue to take on the challenge of sustainable growth and value creation by seizing growth opportunities, proactively facing risks, and responding flexibly and decisively to changes in the times.

Achievements and challenges of the previous medium-term management plan

Toward further growth

In the previous medium-term management plan, which started in FY2022, we promoted the three basic themes of "Growth," "Change," and "Sustainability," and promoted initiatives for each theme. Here, I will discuss the results of these efforts and the challenges we face in the future.

Under "Growth," we have focused on the deepening and expansion of the solution business. As a result, revenue from the solution business increased significantly, and I believe that it has grown to become a strong driver of our performance.

As a strategic investment, in 2023 we made the KANAGAWA BANK, which is based in Kanagawa, a subsidiary. Since then, we have been working to build a sales structure that takes Kanagawa as its "face." As a result, we are now able to provide our community-based solution business to a wider range of customers. Furthermore, in April 2025, we acquired the stocks of Sumitomo Mitsui Trust Loan & Finance (now L&F Asset Finance) from Sumitomo Mitsui Trust

Bank and made it into a consolidated subsidiary. As a result, the Group was able to enter fields that were difficult to deal with using only banks' screening skills and know-how, and I believe that we were able to realize strategic use of capital that leads to enhancement of corporate value.

For "Change," we have been investing in human capital and improving the efficiency of our stores and over-the-counter operations. Based on the Group Human Resources Strategy formulated in April 2023, we are implementing a variety of measures centered on "Human Resource Development," "Build an Organization," and "Create an Environment." At the same time, we were able to achieve a certain degree of improvement in productivity and efficiency through a variety of initiatives, such as reviewing and consolidating our stores and reforming our in-store operations.

Under "Sustainability," in addition to promoting sustainable finance and environment finance, we have also been encouraged by the growing needs of our clients to address climate change, and we have been actively working on decarbonization within the region, such as supporting the introduction of a GHG emissions visualization platform and implementing decarbonization feasibility assessments.

Another major achievement was that we were able to take the initiative in establishing a regional decarbonization platform to contribute to promoting regional decarbonization in cooperation with local governments and other organizations. In addition to contributing to the sustainability of the regional economies and local communities, we are steadily advancing our initiatives for the sophistication of sustainability management.

Looking at the overall picture, we have achieved satisfactory results in the areas of Growth and Sustainability. On the other hand, while we have made progress in the area of Change, I feel that our human resources development is still insufficient. We have implemented various measures, however, it is difficult to achieve short-term results in human resource development and we need to work to foster a corporate culture and environment from a long-term perspective. We are still in the middle of building a human resources portfolio and increasing the number of sales personnel to expand earnings, and outside directors are also calling for us to further promote the improvement of productivity. These results and areas for improvement were fully considered and reflected in the new medium-term management plan that began in FY2025.

The new medium-term management plan looking ahead to 10 years from now

Toward steady growth in the home market

"What kind of company do we want to be in 10 years?" To face this question head-on, we conducted a survey of all employees. This was because I felt strongly that we should include the voices of the people who will still be working for our company 10 years from now in deciding what we should do.

As a result of the questionnaire, we came to a common understanding that our ideal state 10 years from now is to "Enhance corporate value supported by all stakeholders." With this recognition as the starting point for formulating the new medium-term management plan for FY2025 to FY2027, we are creating strategies based on backcasting from "Our Ideal State 10 Years From Now." In light of the challenges revealed in the last medium-term management plan, we have set out priority strategies for further strengthening the management structure.

In addition, through the questionnaire, we were able to reconfirm the employees' belief that the axis of our growth lies in the home market. Through repeated discussions with inside and outside directors, this awareness has been further solidified. We believe that further strengthening of our operations rooted in local communities and a strong approach to seizing growth opportunities will lead to enhancing corporate value.

In the new medium-term management plan, we will continue with the previous basic themes of "Growth" and "Sustainability," while revamping "Change" to "Empowerment," and will further promote investment in

human capital and improving productivity. We will continue to build on the achievements we have made to date and further strengthen areas where challenges remain. For the sake of enhancing corporate value supported by all stakeholders, we have positioned these three years as "Three years to make a leap into the future" and will steadily implement the plan.

Growth

Relationship banking and growth acceleration through strategic investment

Aiming for the sustainable growth and enhancement of corporate value for the entire Group, we are working on the deepening and expansion of the solution business. In an increasingly competitive market environment, it is more important than ever for each employee to be aware of their role and provide quality solutions.

Since I became president, I have been keenly aware that the most important factor in advancing the solution business is the relationship of trust with our customers. Based on this awareness, the new medium-term management plan has adopted the term "relationship banking" as a key element of its solution business. Although this concept has been used in the past, I believe that placing the highest priority on the relationship of trust with our customers is indispensable for the sustainable growth of our Company, even in today's rapidly changing world. By providing optimal solutions based on a relationship of trust with our customers, we aim to become the "solution company of choice."

I also expect making L&F Asset Finance a consolidated subsidiary to create synergies. As a specialty finance company with its core businesses in housing loans, apartment loans and mortgage finance, the company will be able to reach needs that we have not been able to adequately address. I expect the acquisition of new customers and expansion of transactions with existing customers to greatly improve the financial functions of the Group as a whole.

Such utilization of capital will not only expand the scope of our businesses but also contribute to the enhancement of corporate value by acquiring new revenue sources and diversifying our portfolio of businesses as a group. I also believe that this management strategy is directly linked to the stabilization of our management base and the sustainable growth of our earnings. We will continue to actively pursue strategic investment opportunities to become the financial group of choice.

Empowerment

Improving employee engagement by investment in human capital and improving productivity

We are one of the top performers among regional banking groups in terms of funds and market capitalization. I feel that staying at the top of these quantitative indicators raises employee awareness and self-confidence, as well as improves the quality of human resources. However, in order to truly become a "top regional bank," it is essential that we aim to be at the top not only in terms of management indicators but also in terms of the quality of our human resources. Therefore, I also consider improving employee engagement to be a very important theme. Creating an environment with high engagement, investing in human capital and improving productivity are essential so that everyone can work with pride as an employee of a top bank.

Our sales strategies are supported by our Human Resource Strategy. In response to the increasing mobility of human resources, we are working to clarify the image of human resources we seek, strengthen recruitment and training, systematize know-how, and create an efficient training framework. In order for the Group as a whole to achieve its goals, the cultivation of managers is also an important point.

Also, increased engagement cannot be achieved through investment in human capital alone. In particular, to improve productivity, it is necessary to ensure that managers have time to actively communicate with team members and to build relationships with customers. We have heard from employees in the branches that they do not have enough time. As we strengthen our solution business, we are faced with the challenge of how to create the time to build relationships with customers. For example, employees who used to spend only 15 minutes talking to customers can now spend 30 minutes or one hour talking to them. By doing so, they can deepen customer's trust, which leads to improving employees' own confidence and motivation.

For improving productivity, we established the "Productivity Improvement Office" and started the productivity improvement project. We are conducting a fundamental review of our business processes based on the keywords "stopping," "reducing," and "changing." In the future, management will be responsible for raising awareness and actively promoting the reduction and review of unnecessary operations. This will allow us to focus our resources on the areas where our employees need to excel.

As we reported in the Integrated Report last year, we are promoting the development of an organization in which diverse human resources work together and make the most of their opinions and ideas in order to respond to the increasingly complex issues faced by our customers. We believe that diversity, equity and inclusion (DEI) initiatives are essential for each and every employee to demonstrate their individuality and abilities and create new value from a variety of values.

In the current fiscal year, we will also focus on "working method reform," which enables employees to concentrate on value-creating work, with management assessing and "stopping" unnecessary work. We also aim to create a workplace that flexibly responds to various needs and desires, such as wanting to work in a balanced way and wanting to try new ways of working, and enables a variety of ways of working with an emphasis on a choice system.

I am convinced that innovation will be born when employees with diverse values recognize each other and work together. Improving the engagement of each and every employee is essential for our Company to continue to grow and remain a strong organization. I will continue to listen to the voices of employees and strive to create an attractive organization where everyone can play an active role.

Sustainability

Pursuing sustainable growth by strengthening governance and providing value to local communities

As "Our Ideal State 10 Years From Now," we aim to be a comprehensive financial group with advanced functions that can compete with other companies. To achieve this, it is essential to strengthen the governance structure of the entire Group.

As a concrete measure, in June 2025 we made the transition to a Company with an Audit and Supervisory Committee. This shift is intended to clarify the roles of execution, supervision, and audit, and to shift to a system in which the Financial Group (FG), as a holding company, assumes the management and supervision functions and subsidiaries such as the banks assume the execution functions. Although the functions of the FG and the Bank of Yokohama overlap in some areas at present, the FG will step by step strengthen its roles in managing and supervising the execution of business throughout the Group. Moreover, the outside director ratio has increased from 37% to 55%, increasing the objectivity and diversity of decision making and strengthening the effectiveness of governance.

In addition to strengthening governance, from the perspective of sustainable growth of the Company and sustainable development of local communities, we will promote the realization of a climate-resilient decarbonized society with "environmental conservation and protection" as one of our materiality. Since the adoption of the Paris Agreement, countries and regions around the world have been making progress in their efforts to achieve the 1.5°C target. We are working to visualize GHG emissions, set reduction targets, and propose financing for the transition, while engaging in dialogue with our customers. For the investment and loan portfolio as a whole, we have set an interim target of "2050 net zero (net zero emissions of greenhouse gases)" and are monitoring the progress.

Also, as a regional financial institution, we recognize that contributing to regional development by resolving regional issues is an important mission. In addition to supporting decarbonization, renewable energy, and biodiversity conservation, I believe that we should also support the inheritance of history and culture and the creation of local innovation as part of sustainability.

Recognizing that respect for human rights is an important corporate responsibility, we have established the Group Human Rights Policy and are working to create a society in which discrimination and harassment are not tolerated and human rights are protected. As a first step, we will continue our efforts to raise awareness of human rights. In addition to our executives and employees, we will also work to promote understanding of our Group Human Rights Policy among stakeholders as well. At the same time, we will continue to enhance our human rights due diligence system by taking measures to address human rights issues, such as establishing a remedy hotline and strengthening monitoring.

Enhancement of corporate value that meets the expectations of every stakeholdersn

Dialogue and value creation based on the logic tree

When I was elected President in the General Meeting of Shareholders in June 2022, I made a commitment to "having every stakeholder ride on the same boat to create a trade-on (reconciling even conflicting value) enhancement of corporate value." That feeling has not changed at all even now.

Although the Company's definition of "corporate value" is clearly stated in the logic tree, expectations for the Company differ by stakeholder. Therefore, we are working to enhance corporate value to meet everyone's expectations. In 2023, we published this logic tree in order to improve PBR, ROE and other indicators that are directly linked to company value, and systematically organized what we should do for enhancement of corporate value. We are now using this logic tree as a shared frame of reference for internal and external dialogue.

We will continue to increase corporate value through sustainable growth, return profits to shareholders and investors, and improve employee compensation. In addition, we will support the development of regional economies and strive to contribute to our customers and local communities.

I am confident that it is my greatest responsibility to realize the enhancement of corporate value that meets the expectations of every stakeholder. Although it is very difficult, I am determined to continue to pursue this point.

I look forward to your continued support as we build our future together.

A Message from the Director of Finance

The Group will continue to pursue high-quality growth through the deepening and expansion of the solutions business. At the same time, we will strive to make further progress and continue to meet the expectations of stakeholders to be recognized as a "leading regional bank" by balancing growth investment that contributes to the enhancement of corporate value and shareholder returns.

Concordia Financial Group
Representative Director **Nobuo Onodera**

Achieved all target indicators in the previous medium-term management plan, record-high revenue in the bottom line (excluding negative goodwill)

In the last the medium-term management plan from FY2022 to FY2024, we promoted "Deepening and Expansion of Solution Business" as a basic theme for growth and achieved various targets at a high level. ROE (shareholders' equity base) was 7.0%, well above the target of about 6.0%, thanks in part to the BOJ's shift in monetary policy. We were able to keep OHR in the lower 50% range despite wage increases by reducing system costs. Common equity Tier 1 ratio was about 11.9% against the target of mid 11%. However, it was about 11.6% considering the impact of the consolidation of L&F Asset Finance on April 1, 2025, so I believe we achieved the target.

In FY2024, the top line for the three banks combined (gross operating income) increased by 19% from the previous fiscal year to ¥244.4 billion, driven by an increase in interest on deposits and loans from domestic operations due to improvements in yield spread from deposits and loans. In the bottom line (profit attributable to owners of parent), operating income rose 23% to ¥82.8 billion, marking the fourth consecutive year of growth.

Excluding the special factor of "negative goodwill" associated with the business integration in the first year of the Group's establishment, operating income was a record high. TSE standard ROE was 6.4%, exceeding the target, and I believe that this fiscal year brought us one step closer to our vision financially.

On the other hand, the strengthening of the number of sales personnel in order to improve the earnings of the solution business, which was raised in the previous medium-term management plan, ended up falling short of the target, and we recognize it as a challenge. Although we improved the efficiency of administrative personnel operations by introducing tablet terminals and other measures to promote the shift from administrative personnel to sales personnel, the number of customers visiting stores exceeded expectations, and we needed to secure a certain number of personnel. We are also in the process of changing our employees' mindset. Under the new medium-term management plan from FY2025 to FY2027, we will continue our efforts to increase the number of sales personnel.

Three banks combined

(¥ bn)

	FY2024	YoY (amount)	YoY (%)
Gross operating income	244.4	39.1	19.0%
Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts	133.7	24.1	22.0%
Net income	80.4	31.1	63.1%

Concordia Financial Group consolidated

Profit attributable to owners of parent	82.8	15.8	23.7%

Target indicators of the previous medium-term management plan

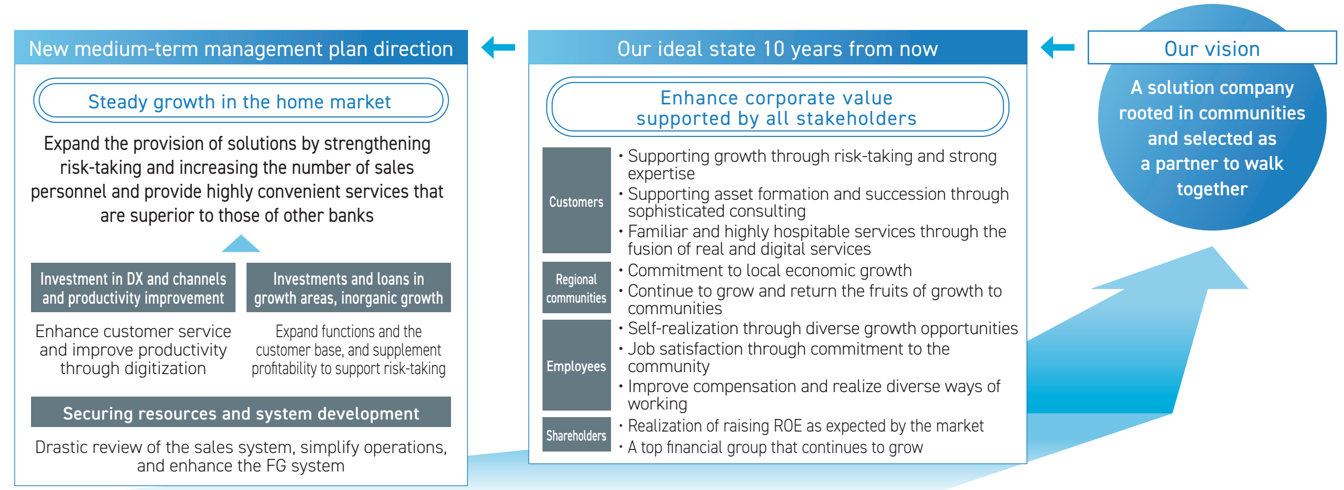
Achieved all three targets

Target indicators		FY2024 results
ROE (consolidated) *1	About 6.0%	7.0% (TSE standard 6.4%)
OHR (consolidated)	In the lower 50% range	51.5%
Common equity Tier 1 ratio (consolidated) *2	Mid 11%	About 11.9% (About 11.6% after considering the impact of the consolidation of L&F)

*1 Shareholders' equity basis
*2 On a finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

Returning to Relationship Banking for Our Ideal State 10 Years from Now

The new medium-term management plan was established by backcasting from "Our Ideal State 10 Years from Now" and from identifying issues. To achieve steady growth in the home market, we will strengthen risk-taking and the number of sales personnel to expand the number of solutions we offer. We aim to be a "community-based urban financial group" that can provide sophisticated financial services, such as investment-banking and private-banking functions, to individual customers, including small and medium sized businesses and semi-wealthy individuals, where megabanks and major securities companies have not been able to sufficiently cover the limitations of their branch networks and staffing systems. In order to realize this, we need to improve the skills of every employee. We are positioning the next three years as a period for growth. A strong relationship and excellent communication skills are required to fully understand the concerns and issues of customers. In the new medium-term management plan, we have taken the concept of "relationship banking" to heart, and we will steadily advance the plan while returning to our roots.

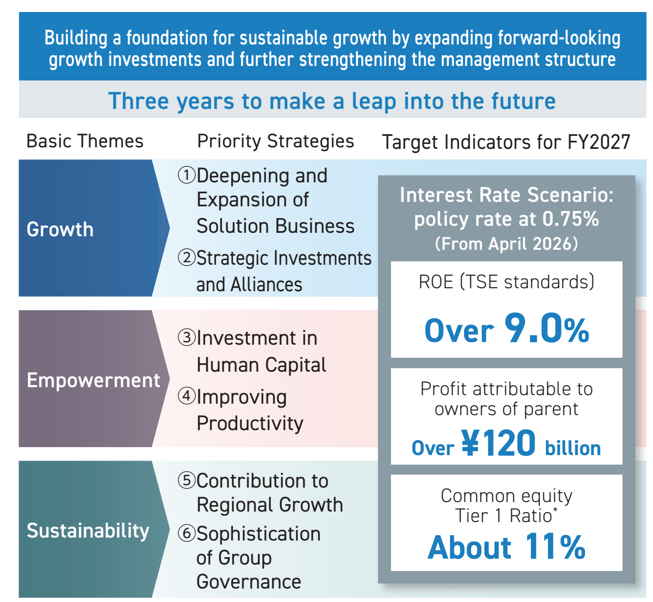


Aiming to achieve ROE (TSE standard) of over 9.0% under the new medium-term management plan

We have set "profit attributable to owners of parent" as a target indicator of the new medium-term management plan instead of OHR, which had been the target until now. The top line is increasing, and it is possible to reduce the OHR even under inflation. However, the key to raising ROE is net income, and we believe that being firmly committed to these figures is essential to winning the approval of our stakeholders.

The assumption for policy rate is 0.5% in FY2025 and 0.75% from April 2026. The target indicators for FY2027, the final year of the new medium-term management plan, are ROE (TSE standard) of over 9.0%, profit attributable to owners of parent of over ¥120 billion, and common equity Tier 1 ratio of about 11%.

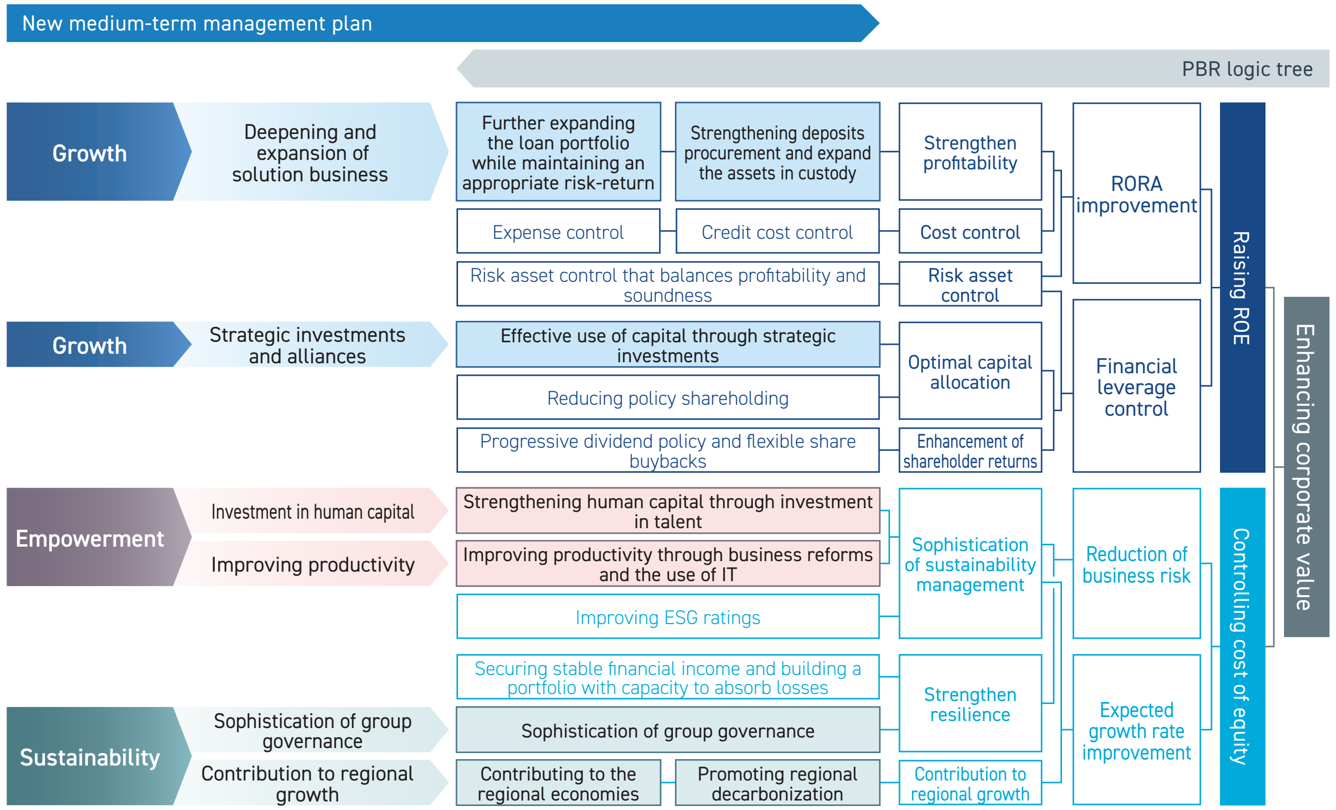
The plan's figures are not an excessive stretch. We formulated the plan on the premise that we will focus on areas where we can grow while being committed to quality. We intentionally set the FY2027 target indicator for ROE as "over" 9.0%. Even considering the highly uncertain environment, we are strongly committed to achieving a minimum of 9.0% and of reaching close to 10%.



* Finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

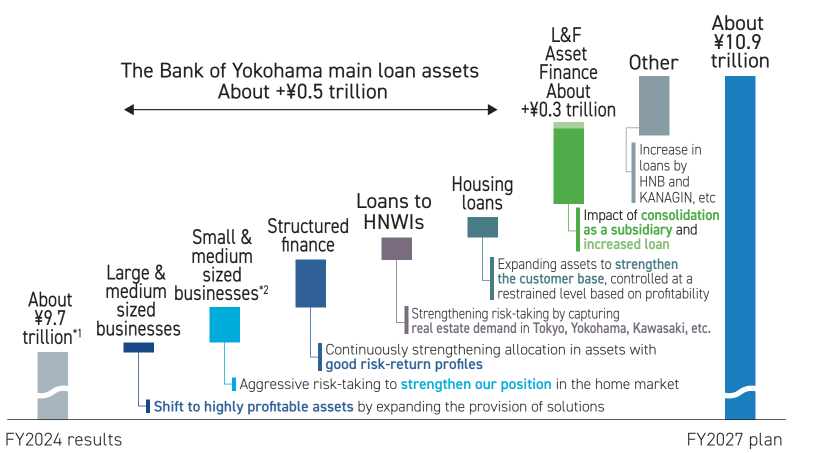
Strengthening earning power by expanding the loan portfolio while maintaining an appropriate risk-return

The Group has formulated a logic tree for enhancing corporate value and we share it with employees so that every one of them is aware of it when implementing measures. This framework is also used in dialogue with shareholders, and constructive exchanges of opinions are taking place. Key performance indicators (KPIs) have been established for each measure, and we believe that clearly indicating the status of progress has led to higher expectations from shareholders.

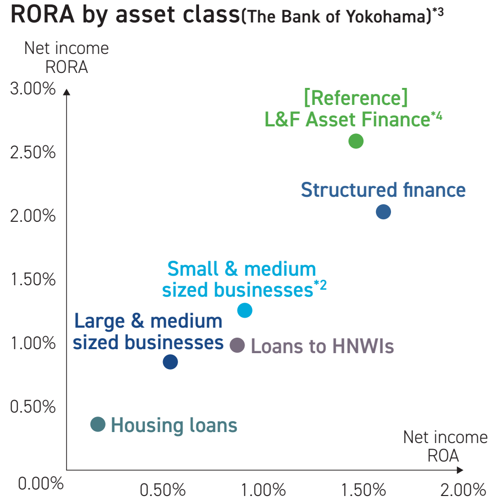


The key to enhancing ROE, which is crucial to increasing corporate value, is to expand the loan portfolio while maintaining an appropriate risk-return. To this end, we will expand our business mainly in fields with a high RORA, such as loans to small & medium-sized businesses, loans to HNWIs and structured finance. At the same time, we will selectively expand loans to large & medium-sized businesses and housing loans, where RORA is low. For loans to large & medium-sized businesses, we will strengthen the provision of solutions and promote a shift to highly profitable assets. Also, housing loans are positioned as an important product to strengthen our customer base, and we will control risk assets to a certain level with an emphasis on profitability while expanding our range.

Image of risk assets increase and decrease



RORA by asset class(The Bank of Yokohama)*3



*1 Finalized and fully implemented Basel III basis (estimated value) *2 Excluding structured finance
*3 FY2023 new issuance basis. Finalized and fully implemented Basel III basis (estimated value). Expenses, credit costs, and taxes are deducted from the total of interest margin revenue from loans and fees and commissions (management accounting standards)
*4 Calculated based on net income and risk assets (on a finalized and fully implemented Basel III basis (estimated value)) and total assets for FY2023

Enhance highly profitable assets by expanding the provision of strategic solutions

In the new medium-term management plan, we are focusing on the "deepening and expansion of solution business," a priority strategy under the basic theme of "Growth," with the aim of expanding high-quality assets. To realize this goal, it is important to provide high-value-added solutions in response to the strong demand for funds in the Tokyo metropolitan area, which is our base of operations.

Market reforms are progressing, partly due to Tokyo Stock Exchange's efforts to "realize management that is conscious of the cost of capital and stock prices." As the attention of investors, including activists, is focused on the Japanese market, corporate actions, such as moves in delisting, cancellation of parent and subsidiary listings, and M&As, are increasing. The Group does a lot of business with listed companies and is particularly strong with mid- and small-cap customers. As such needs expand, we expect to see an increase in financing opportunities, and we will continue to provide solutions that are chosen by customers.

For our individual customers, we will continue to strengthen our loans to HNWIs, particularly apartment loans. Although material prices have been rising, construction demand has remained strong, particularly in the Tokyo metropolitan area, where rents have been rising. We intend to make the most of the Group's capabilities by accurately identifying such demand for funds.

Strengthening our sticky deposits base by providing services that fit a regional financial institution

Deposits procurement is becoming increasingly important in a world with interest rates. Convenience, security and familiarity are important points for individual customers when opening an account. We believe that as a regional financial institution, we will be able to take advantage of our branch network, which is superior to those of our competitors, and we are reviewing the consolidation and elimination of bank branches carried out so far and discussing new branch strategies. In addition, as the proportion of non-face-to-face contact with customers increases, we are strengthening the functions of our in-house developed smartphone app "Hamagin 365," and the number of users has exceeded 1.41 million, leading to an increase in transactions.

Although interest rate campaigns have been conducted mainly by online banks, I believe that the trend in deposit transfers based on interest rates have already settled down. We will acquire sticky deposits by providing services that only a regional financial institution can offer. Specific examples include the payment business DX service in partnership with local schools to attract new accounts from young people and discount programs in partnership with local retail chains. We will continue to work to maintain and expand the deposit balance by emphasizing the convenience of our stores.

At the end of the previous fiscal year, for the first time in a long time, we conducted a time deposits interest rate campaign in The Bank of Yokohama targeting transfers from other banks. This time, the purpose was to verify from a marketing point of view how many deposits we could receive by running a campaign. We received more deposits than we had initially expected, and many customers stated that they wanted to use The Bank of Yokohama, which has branches close by, rather than online banks. In the future, we will focus on communication with new customers, examine the effects of these efforts, and apply the experience gained to the following measures.

We have been able to steadily increase the balance of corporate deposits as a result of our efforts to secure ordinary transactions and promote the transfer of deposits based on our strong relationships with customers. We believe that increased awareness of the significance of deposits at sales sites has also contributed to the results.

Strengthening human capital through investment in talent and improving productivity through business reforms

As we aim to become an urban financial group with strong ties to the local community, it is essential to develop and secure human resources capable of providing advanced financial services. We are upgrading the solution sales structure of the Group as a whole by visualize skills and promoting human resource development by linking OJT and group training (Off-JT), as well as by rotating experienced human resources working in head office and the highly competitive Tokyo Metropolitan area as planned. In order to retain and secure human resources, we revised our personnel system and evaluation system last fiscal year and are working to assign employees according to their wishes and to realize fair and equitable evaluation and treatment.

We are also promoting improving productivity through operational reforms to create an atmosphere in which employees can concentrate on high-value-added work. We are working to change the mindset of management by, for example, stopping or not increasing unnecessary operations that have been identified through the visualization of business processes. As an example of this, we have discontinued the preparation of expected questions and answers for the General Meeting of Shareholders. I believe that we revitalized dialogue in the General Meeting of Shareholders by not spending time preparing these in advance and by providing the voices of the directors in charge. From this fiscal year, we have newly established the "Productivity Improvement Office" to promote the cross-organizational improvement of productivity and further promote better operational efficiency.

Accelerating the reduction of policy shareholdings

We reviewed the plan to reduce policy shareholdings from the viewpoint of capital efficiency, etc., and formulated a new plan to reduce the balance of shareholdings on a market value basis to less than 10% of consolidated net assets by the end of March 2030.

As shareholders are also reducing their policy shareholdings, we believe we can accelerate the pace at which we reduce policy shareholdings. However, in consideration of the liquidity of shares, we have set a period for the plan. I want to note that no transfer from policy shareholdings to net investment stocks will be made.

Review required capital levels and increase financial leverage for raising ROE

In order to raise ROE, it is important to increase financial leverage in addition to improving RORA through the solutions business.

As part of our efforts to increase financial leverage, we have set a target to lower common equity Tier 1 ratio from the mid 11% level to about 11% by FY2027. In the past, we anticipated tail risks such as the Lehman shock, so we had a bigger capital buffer. However, in light of the capital resilience created by our increased earnings power, we have determined that we can withstand the risk with a smaller buffer. By increasing the number of healthy risk assets, we will increase our financial leverage and raise ROE. The common equity Tier 1 ratio will be lowered, but by expanding the use of Tier 2 capital such as subordinated bonds, we will maintain soundness while raising capital efficiency.

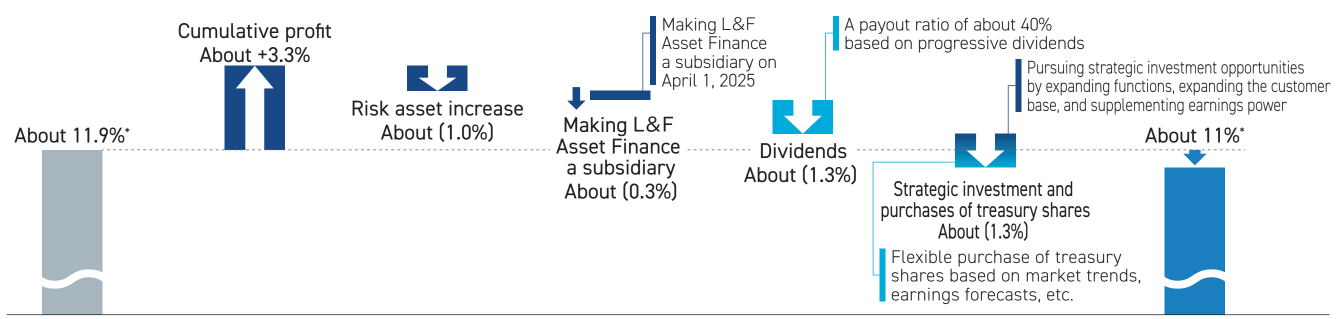
Utilizing capital while balancing strategic investment and shareholder returns

By lowering the required capital level, we will be able to make more active use of capital for raising ROE. As a strategic investment, making L&F Asset Finance a subsidiary in April 2025 is expected to improve the Group's ROE by about 0.4%. By utilizing the capital entrusted to us by our shareholders, we will actively source projects that contribute to improving capital efficiency and take on the challenge of creating strategic investments that contribute to the sustainable growth of our company.

On the other hand, if no appropriate investment opportunities are found, or if the target capital level is exceeded, we aim to achieve a common equity Tier 1 ratio of about 11% by enhancing shareholder returns such as share buybacks. We will promote strategic investment that contributes to raising ROE while keeping in mind the balance between capital utilization and shareholder returns.

There will be no change to our dividend policy, which is based on progressive dividends and a payout ratio of about 40% as a guideline. However, dividends per share are expected to steadily increase in line with the growth of profit attributable to owners of parent.

Common equity Tier 1 ratio will be about 11% through active use of capital in raising ROE



*Finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

Planning for an increase in net income of about ¥13 billion in FY2025 compared to the previous year

For FY2025, the first year of the new medium-term management plan, we are assuming the policy rate will stay at 0.5%. While the policy rate is maintained, the rise in interest rates to date will be reflected in the loan interest, and the income from loan interest is expected to increase. On the other hand, deposit interest, which is a procurement cost, is also expected to increase, but the top line will increase due to improvements in yield spread from deposits and loans.

In corporate, which had significantly exceeded the plan in the previous fiscal year due to strong performance in structured finance, net fees and commissions from domestic operations are projected to remain flat with the intention of controlling the degree of risk-taking. In the individual division, as we are now in a world with interest rates, we have factored in shifting personnel from investment-type product sales to more profitable loans to HNWIs, resulting in a planned decline in sales. The plan is based on an awareness of the lower limit, and we believe that there is a possibility of exceeding expectations.

The market division is planning to make a capital loss of ¥7 billion by cutting losses on investment trusts with low potential for recovery of valuation gains and losses in order to improve its portfolio. On the other hand, since the amount of loss cutting will decrease compared to the previous fiscal year, market division income is expected to increase.

Expenses are expected to reflect wage increases and price increases, as well as an increase in infrastructure costs such as store renovations and system upgrades.

As a result, we project a 15% year-on-year increase in profit attributable to owners of parent to ¥95.5 billion and a 0.9% increase in ROE to 7.3%.

If there is a downside risk to the plan, I think it is credit costs. The actual result for FY2024 was ¥9.4 billion. In FY2025, however, we plan to maintain this figure at ¥10 billion, or a little over ¥30 billion over the three years of the new medium-term management plan. In FY2024, there was almost no allowance for specific loan losses due to bankruptcy or other reasons. However, we were able to strengthen our preparations for the future by tightening our allowance standards for general loan losses. Although no highly probable risks have emerged at this point, we conducted a stress test considering the impact of tariffs and estimate that the cumulative credit costs of the automobile industry over the three-year period of the new medium-term management plan will be a maximum of about ¥8 billion. Even if there is an impact, we believe that it will be within the plan by being distributed over the period.

Three banks combined
(¥ bn)

	FY2024 results	FY2025 forecast	YoY
Gross operating income	244.4	268.5	24.1
Net interest income	211.4	228.1	16.6
Of which, net interest income from domestic operations	200.9	219.5	18.6
Of which, interest on deposits and loans from domestic operations	156.8	177.7	20.9
Net fees and commissions	45.2	42.6	(2.7)
Of which, net fees and commissions from domestic operations	44.6	42.3	(2.3)
Other	(12.2)	(2.1)	10.2
(Reference) Market division total net gains/losses	7.0	9.3	2.3
Expenses (-)	127.2	133.8	6.6
(Reference) OHR	52.0%	49.8%	(2.2%pt)
Core net business profit	117.2	134.7	17.5
Core net business profit excluding gains (losses) on bonds (excluding gains/losses on investment trusts cancellations)	133.7	141.8	8.1
Credit costs (-)	9.4	10.0	0.6
Gains or losses on stocks and other securities	6.6	3.4	(3.2)
Ordinary profit	117.0	130.5	13.4
Net income	80.4	91.5	11.0

Consolidated Concordia Financial Group
(¥ bn)

	FY2024 results	FY2025 forecast	YoY
Ordinary profit (consolidated)	122.7	145.0	22.3
Profit attributable to owners of parent	82.8	95.5	12.7
ROE (TSE standard)	6.4%	7.3%	0.9%pt

Build a foundation to support sustainable growth by expanding forward-looking growth investments and strengthening the management structure

Changes in interest rates in Japan have increased the earning power of the banking industry. At the same time, there is a need to respond to domestic issues such as the declining birthrate, aging of society and decreasing population.

Although we operate mainly in the competitive markets of Kanagawa and Tokyo prefectures, in order to achieve sustainable growth, we must not only enhance our provision of solutions capabilities but also take on the challenge of non-continuous growth through strategic investments that utilize capital. By leveraging the experience accumulated through the business integration so far, we will expand investment for future growth.

Also, in anticipation of future expansion of the Group, in June we transitioned to a Company with an Audit and Supervisory Committee. Through the sophistication of group governance, we will build a foundation that supports sustainable growth.

In October, we will enter a new phase as the "Yokohama Financial Group" towards the milestone of 10 years since the 2016 business integration. We will continue to work on enhancing corporate value, supported by all stakeholders, with the aim of making further progress so that we can be regarded as a "leading regional bank."

Looking back over the previous Medium-term Management Plan

In the previous medium-term management plan, we strengthened our profitability by implementing priority strategies centered on deepening and expansion of the solution business, with "Growth," "Change," and "Sustainability" as the basic themes. Changes in the external environment, such as the lifting of the negative interest rate policy, also provided a boost. In FY2024, we achieved all of the financial targets set for the previous medium-term management plan, with ROE (TSE standards) improving to 6.4%. At the same time, we are aware of the challenges we face for further growth, such as strengthening stock business, acquiring sticky deposits, developing human resources, and optimizing the use of capital.

Establishment of Concordia Financial Group

2016 2017 2018 Medium-term management plan

Positioning

Three years to expand and deepen our relationships with customers by adapting swiftly to changes in the financial environment and proactively working to enhance efficiency and invest in growth to achieve early benefits of business integration

Basic policies

1. Expanding contact points with customers and enhancing services
2. Accelerating growth through early realization of group synergies
3. Developing diverse talent with broad expertise
4. Taking the lead on regional revitalization and other local issues

Results

- Provision of optimal products and services to customers by leveraging the strengths and functions of both banks
- Reinforcement of loans to HNWIs in Tokyo
- Introduction of efficient management in the Higashi-Nippon Bank and cost reduction through collaboration in paperwork

Issues

- Improving ability to provide corporate solutions
- Drastic review of branches and clerical work using digital technology
- Deepen existing business domains and expand new business domains
- Response to the business improvement order the Higashi-Nippon Bank received

2019 2020 2021 Medium-term management plan

Positioning

Three-year "transformation" into a new financial company

Basic policies

1. Deepening our core businesses
2. Improving productivity through structural reform
3. Strengthening our management base

Results

- Transformation from traditional lending business to solution business
- Achieved plans for workload reduction and branch network restructuring ahead of schedule
- Strategic investments and partnerships with other banks to expand business domains
- Profitability in the Higashi-Nippon Bank

Issues

- Expand the scope and strengthen the foundation of the solutions business in the home market
- Transformation of cost structure through realization of effects of structure reforms
- Development and placement of human resources to realize management strategies
- Establishment of sustainability promotion structure

2022 2023 2024 Medium-term management plan

Positioning

Three years to accelerate "transformation"

pursued under the previous medium-term management plan and materialize results

Basic Theme and Priority Strategies

Growth
1. Deepening and expansion of solution business
2. Making use of strategic investment and alliances

Change
3. Talent portfolio reforms and an increase in engagement
4. Digital Transformation (DX)

Sustainability
5. Contribution to sustainable regional communities
6. Sophistication of governance

Results

Confirmed substantial results from the implementation of priority strategies

- Expansion of corporate clients we offer solutions and reinforcement of highly profitable assets
- Made THE KANAGAWA BANK and L&F Asset Finance subsidiaries
- Number of users of our smartphone app for individuals topped 1.35 million
- Long-term sustainability KPIs revised upward
- Improved external ESG assessments by strengthening various initiatives

Issues

Recognized points for further growth

- Strengthen stock business in view of a world with interest rates
- Strengthen sticky deposits
- Construct a of securities portfolio with loss-absorbing capacity
- Strengthen talent development that support the solution business
- Optimize the use of capital for enhancement of corporate value
- Sophisticate the governance system associated with the increase of group companies

New Medium-term Management Plan

	2016[*1]	2017	2018	2019	2020	2021	2022	2023	2024	Previous medium-term management plan target indicators
ROE (shareholders' equity base)	6.8%	6.5%	5.2%	4.3%	2.3%	4.9%	5.0%	5.8%	7.0%	About 6.0%
ROE (TSE standards)	6.4%	5.8%	4.7%	4.1%	2.2%	4.6%	4.8%	5.4%	6.4%	—
OHR (consolidated)	58.3%	56.9%	61.4%	62.4%	67.7%	59.2%	58.0%	59.7%	51.5%	In the lower 50% range
Common Equity Tier 1 Ratio (consolidated)[*2]	11.14%	12.47%	13.00%	12.27%	12.40%	12.07%	11.86%	About 11.6%	About 11.9% (About 11.6% after consideration of impact of L&F consolidation)	Mid 11%
Gross operating income[*3]	¥218.2 bn	¥218.8 bn	¥201.1 bn	¥200.1 bn	¥183.2 bn	¥203.9 bn	¥200.4 bn	¥205.2 bn	¥244.4 bn	—
Core net business profit excluding gains (losses) on bonds[*3*4]	¥106.1 bn	¥82.6 bn	¥73.6 bn	¥72.2 bn	¥75.4 bn	¥89.2 bn	¥99.4 bn	¥109.5 bn	¥133.7 bn	—
Consolidated net income	¥66.3 bn	¥66.4 bn	¥54.2 bn	¥46.5 bn	¥25.3 bn	¥53.8 bn	¥56.1 bn	¥66.9 bn	¥82.8 bn	—

*1 Based on excluding negative goodwill gains. *2 Results, medium-term management plan target, and mid-term goal level from FY2022 onward are on a finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities). Figures for FY2022 and subsequent years are estimates.
*3 Two banks combined base of the Bank of Yokohama and the Higashi-Nippon Bank up to FY2022, three banks combined base including THE KANAGAWA BANK after FY2023.
*4 Excluding gains/losses on bonds and cancellation of investment trusts.

Our ideal state 10 years from now

In preparation for our vision of becoming "A solution company rooted in communities and selected as a partner to walk together," backcasting from our ideal state 10 years from now, and based on the results and recognition of issues in the previous the medium-term management plan, we formulated the New Medium-term Management Plan.

We will carry out priority strategies in accordance with the basic themes set forth in the New Medium-term Management Plan and realize steady growth in the home market by expanding the solutions business and further strengthening relationship banking.

New medium-term management plan direction

Steady growth in the home market

Expand the provision of solutions by strengthening risk-taking and increasing the number of sales personnel and provide highly convenient services that are superior to those of other banks

Investment in DX and channels and productivity improvement	Investments and loans in growth areas, inorganic growth
Enhance customer service and improve productivity through digitization	Expand functions and the customer base, and supplement profitability to support risk-taking

Securing resources and system development

Drastic review of the sales system, simplify operations, and enhance the FG system

Our ideal state 10 years from now

Enhance corporate value supported by all stakeholders

Customers	• Supporting growth through risk-taking and strong expertise • Supporting asset formation and succession through sophisticated consulting • Familiar and highly hospitable services through the fusion of real and digital services
Regional communities	• Commitment to local economic growth • Continue to grow and return the fruits of growth to communities
Employees	• Self-realization through diverse growth opportunities • Job satisfaction through commitment to the community • Improve compensation and realize diverse ways of working
Shareholders	• Realization of raising ROE as expected by the market • A top financial group that continues to grow

Our vision

A solution company rooted in communities and selected as a partner to walk together

Overview

Positioning

In the New Medium-term Management Plan, we have positioned the plan period as "Three years to make a leap into the future," and will further deepen our efforts to date. At the same time, we will build a foundation to support sustainable growth by expanding forward-looking growth investments and further strengthening the management structure.

Target Indicators

"ROE (TSE standards)", "profit attributable to owners of parent" and "common equity Tier 1 ratio" are set as target indicators.

Three years to make a leap into the future

Basic Themes	Priority Strategies
Growth	①Deepening and Expansion of Solution Business ②Strategic Investments and Alliances
Empowerment	③Investment in Human Capital ④Improving Productivity
Sustainability	⑤Contribution to Regional Growth ⑥Sophistication of Group Governance

Target Indicators for FY2027

Interest Rate Scenario: policy rate at 0.75% (From April 2026)

ROE (TSE standards)	Over 9.0%
Profit attributable to owners of parent	Over ¥120 billion
Common equity Tier 1 Ratio*	About 11%

* Finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

Strategic Points

The New Medium-term Management Plan has six priority strategies based on basic theme's "Growth," "Empowerment" and "Sustainability." While continuing the strategies of the previous medium-term management plan, we will clarify the direction in which we will update strategies to achieve sustainable growth and advance specific initiatives.

As for "**Growth**," in addition to the deepening and expansion of the solutions business and strategic investments and alliances that we have promoted thus far, we will focus on strengthening loans to small & medium sized businesses by further strengthening relationship banking and constructing sticky deposits infrastructure that will serve as the foundation of the banking business.

"**Empowerment**," we aim to build a human resources portfolio for the maximization of earnings in the solutions business, and we will continue to strengthen human resources development and increase the number of employees in sales personnel, as we did in the previous the medium-term management plan. It will also improve production and create time to meet customers directly through a fundamental reform of business processes.

In the area of "**Sustainability**," we will contribute to the regional economies through strengthening support for customers' decarbonization and initiatives to resolve regional issues, and at the same time, we will sophisticate our governance system for the evolution into a comprehensive financial group.

	Strategies to continue to reinforce	Further strengthened strategies
Growth	• Reinforcement of highly profitable assets through expansion of strategic solutions such as capital strategies • Expand loans to HNWIs to meet real estate needs	• Strengthen loans to small and medium sized businesses through further enhancement of relationship banking • Construct sticky deposits infrastructure • Expand functions through strategic investment and accelerate group growth
Empowerment	• Strengthen human capital operations through increased sales personnel investment and secure highly specialized talent • Improve the convenience of digital and other channels	• Further strengthen sales personnel and develop talent to support relationship banking • Improve productivity through a fundamental review of business processes
Sustainability	• Expand sustainable finance • Enhance stakeholder communication	• Further enhance engagement for customers' decarbonization • Sophisticate the governance system associated with the increase of group companies
Other	• Formulate policies to restructure securities portfolio and address priority issues (loss cut of foreign bonds) • Enhance business operations based on PBR logic tree • Spread awareness of RORA improvement	• Improve securities investment real profit and loss ratio • Accelerate policy shareholding reduction • Expand scope for strategic investment and shareholder returns through revision of capital requirements

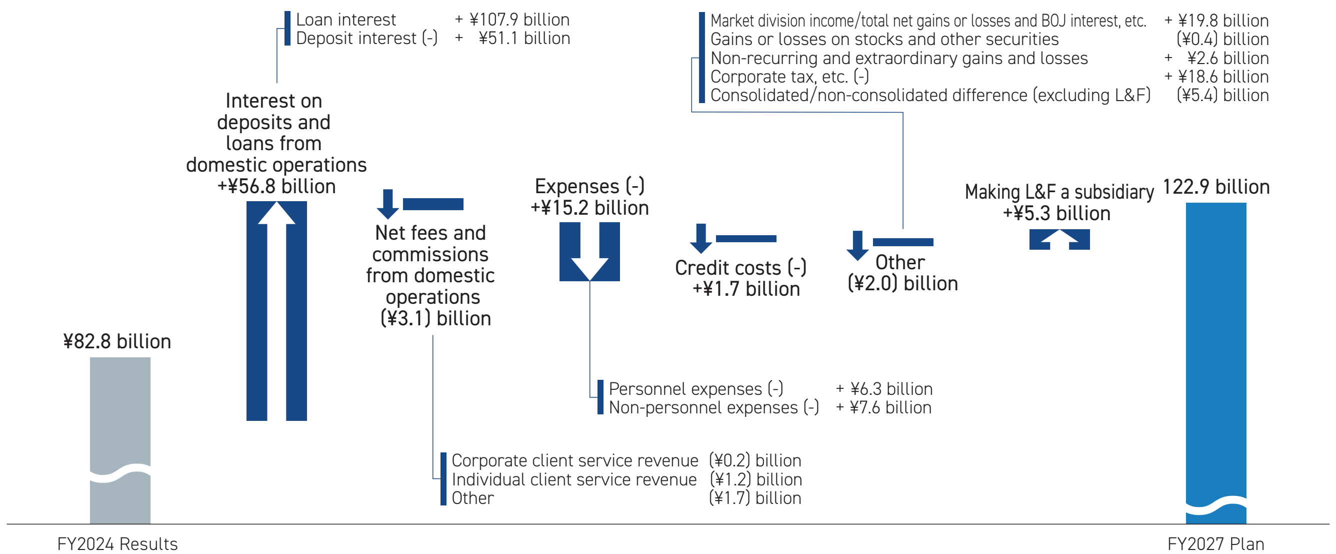
Logic tree	Medium-term Management Plan Priority Items	Medium-term Management Plan KPIs	FY2024 Results	FY2027 Plan
Strengthen profitability	Growth: Further expansion of the loan portfolio while maintaining appropriate risk-return	Average balance of loans to companies	¥7,137.1 billion	¥7,630.0 billion
		Average balance of loans to small and medium sized enterprises in Kanagawa and Tokyo*1	¥4,757.4 billion	¥5,030.0 billion
		Average balance of loans to HNWIs	¥3,356.2 billion	¥3,620.0 billion
		Average balance of housing loans	¥4,174.3 billion	¥4,320.0 billion
	Growth: Strengthen deposits procurement and expand the balance of assets in custody	Balance of assets in custody of the group (end balance)	¥2,885.0 billion	¥3,290.0 billion
		Average balance of individual deposits	¥13,581.5 billion	¥14,180.0 billion
		Average balance of corporate deposits	¥4,656.4 billion	¥5,170.0 billion

Logic tree	Medium-term Management Plan Priority Items	Medium-term Management Plan KPIs	FY2024 Results	FY2027 Plan
Sophistication of sustainability management	Empowerment: Strengthening human capital through investment in talent	Revenue from solutions per person	¥0.10 billion	¥0.15 billion
		Number of sales personnel	2,395 people	2,510 people
		Total attractiveness of the company*2 (employee attitude survey)	3.40	3.40 or higher
	Empowerment: Improving productivity through business reforms and the use of IT	Work volume reduction	–	150,000 hours
	Improving ESG ratings	External evaluation indicators*3	–	5 indicators achieved
Strengthen resilience	Securing stable financial income and building a portfolio with capacity to absorb losses	Market division realized gains/losses rate	(0.4%)	1%
Contribution to regional growth	Sustainability: Contributing to regional economies	Number of initiatives toward resolving regional issues	–	10 (cumulative)
	Sustainability: Promoting local decarbonization	Sustainable finance (cumulative)	¥3,044.5 billion	¥3,560.0 billion
		Company's GHG emissions reduction rate (cumulative)	88%	89%

*1 Excluding structured finance *2 Rated on a 5-point scale *3 Rated based on five indices ((1) CDP (climate change), (2) S&P/JPX Carbon Efficient Index, (3) MSCI Empowering Women Index, (4) MSCI ESG Rating, (5) FTSE ESG Rating). (1) CDP aims for the highest rating (A- or above), while (2) to (5) target levels that meet the criteria for indices adopted by GPIF.

Plan Figures (1) Profit Attributable to Owners of Parent

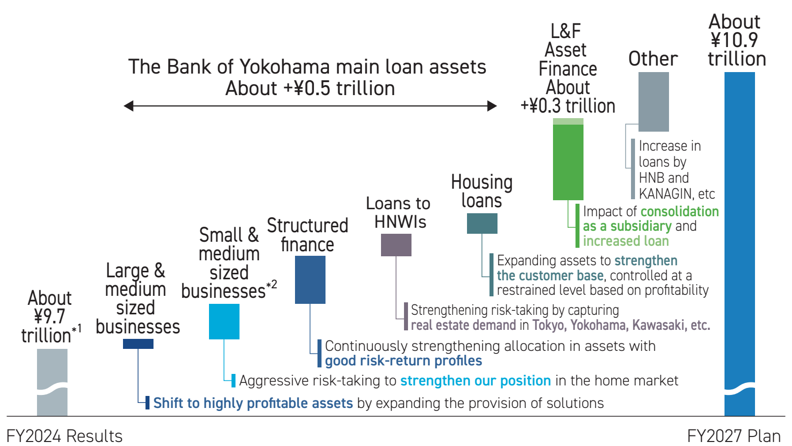
In recognition of the superiority of stock business in a world with interest rates, the Company is focusing its human resources on stock business instead of flow business, thereby planning to decrease net fees and commissions from domestic operations. However, the Company aims to achieve profit attributable to owners of parent of more than ¥120 billion through a significant increase in interest on deposits and loans from domestic operations and profit contribution from L&F Asset Finance through consolidation.



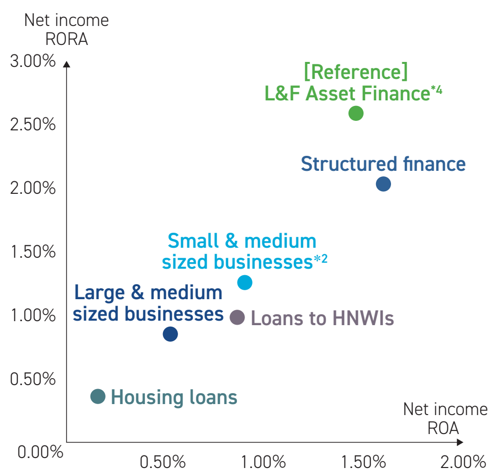
Plan Figures (2) Risk Assets

We will continue to promote strategic asset allocation for sustainable improvement of risk-return. As for loans to small & medium sized businesses, loans to HNWIs and structured finance, for which the RORA is high, we will build up risk assets. On the other hand, we will control loans to large & medium sized businesses and housing loans, for which the RORA is low, at a restrained level. In addition, through the consolidation of L&F Asset Finance, we will newly acquire risk assets and strengthen the quality and profitability of the overall portfolio.

Image of risk assets increase and decrease



RORA by asset class (The Bank of Yokohama)*3



*1 Finalized and fully implemented Basel III basis (estimated value) *2 Excluding structured finance

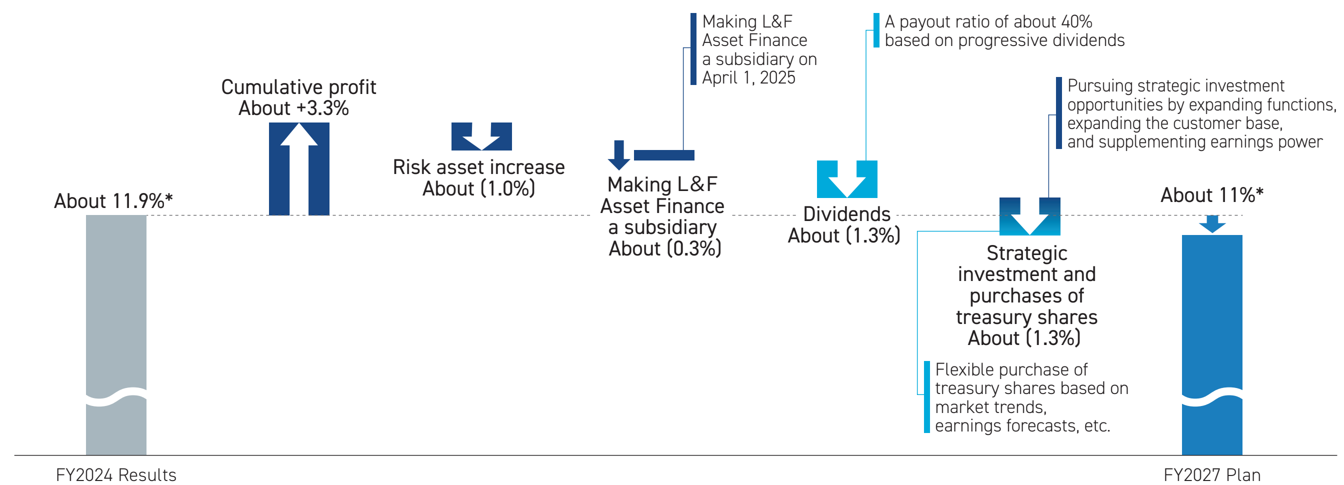
*3 FY2023 new issuance basis. Finalized and fully implemented Basel III basis (estimated value). Expenses, credit costs, and taxes are deducted from the total of interest margin revenue from loans and fees and commissions (management accounting standards).

*4 Calculated based on net income and risk assets (on a finalized and fully implemented Basel III basis (estimated value)) and total assets for FY2023

Plan Figures (3) Common Equity Tier 1 Ratio

In light of the capital resilience resulting from improved earnings, the target level for common equity Tier1 ratio will be lowered from the mid 11% level to about 11%.

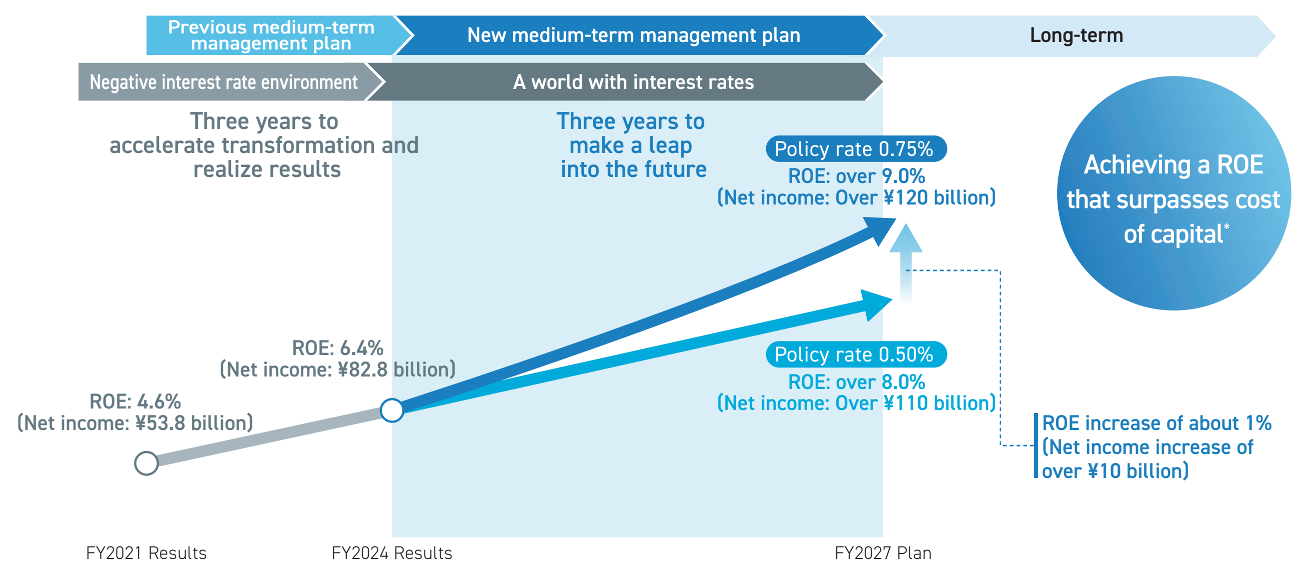
While the capital is expected to increase due to the accumulation of cumulative profit, the common equity Tier1 ratio is expected to decrease due to the increase in risk assets through the core business and the consolidation of L&F Asset Finance. In addition to implementing dividend based on the dividend policies, which are based on progressive dividends and aim for about 40% in payout ratio, we will aim to expand in ROE by utilizing capital in strategic investment or flexible share buybacks, which will lead to future growth, while balancing growth investment and shareholder returns.



*Finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

Our Vision

Through steady earnings growth and efficient capital management that maintains soundness, we will maximize profitability and aim to achieve a ROE of over 9.0%, which surpasses the cost of capital, in the final year of the New Medium-term Management Plan. At the same time, we will aim to enhance corporate value supported by all stakeholders by challenging even higher standards.



* The Company's perceived cost of equity is 6-9%

We will support the enhancement of corporate value from a higher vantage point and contribute to the development of regional economies to realize our long-term vision.

Concordia Financial Group
Outside Director **Shigeru Ishii**

Concordia Financial Group
Outside Director **Mitsuru Akiyoshi**

Concordia Financial Group
Outside Director **Mami Yoda**

A financial institution rooted in the leading Yokohama region

—— Three years have passed since the creation of a management structure led by President Kataoka. Last year, in the final year of the previous medium-term management plan, the announcement of the change of trade name was also a big topic. What is your assessment of the management structure and opinion on the change of trade name?

Akiyoshi Looking back on the past year, I appreciate that the positive attitude of each executive officer in the Board of Directors and Management Committee has increased year by year. I was impressed by President Kataoka himself taking the lead to raise awareness of the new medium-term management plan and enthusiastically communicating with employees about its intentions and content. I feel that the proactive attitude toward discussion and communication has become stronger with each passing year, and I believe that employees' understanding of management has also deepened. As for the trade name change, we took it very seriously when it was discussed by the Board of Directors in FY2024 after full preparation. The name Concordia is not widely recognized by the public, and I agree with the use of the brand-name "Yokohama" to clearly show we want to focus on the region. I think it will be easy for customers to understand, and I expect it will spread quickly.

Yoda The Board of Directors has often discussed what the composition of shareholders should be. As a regional financial institution, we have long wanted to increase the number of individual shareholders. I believe that this change in trade name will allow us to more clearly demonstrate that we are a financial institution with roots in the leading Yokohama region. I also admire the active two-way communication between executives and employees. Especially in the previous medium-term management plan, it was a great achievement that we were able to logically explain to stakeholders inside and outside the company the guidelines and specific actions for the enhancement of corporate value using the logic tree.

Succession plan and compensation reform supporting the Group's management

—— Please tell us about the discussions of the Compensation and Personnel Committee, including the management executives succession plan (successor training plan).

Akiyoshi Since 2017, the Company had maintained the same compensation system and standards for directors and executive officers but last year the system was revised. There were three main aims for revising it. The first is that as megabanks and major regional banks are reviewing their systems and standards, our standards have fallen behind, so we should set them at a level that is comparable to those of top regional banks. The second is to further increase incentives for performance, and the third is to make the evaluation method simpler and easier to understand.
Regarding the succession plan for FY2024, we interviewed 24 eligible employees to discuss evaluation criteria and training policies. In preparation for FY2025, we will continue to discuss the selection of candidates and training methods. We also work closely with President Kataoka and the presidents of the subsidiary banks to continue discussions on policies regarding the composition of officers.

Yoda As outside directors, we have actively expressed our views on the need to review the compensation system to a level comparable to that of the industry. It is also a company-wide important mission to link the Company's performance with the performance of individuals and to increase the number of human resources who feel involved in the Company. As part of this effort, the Bank of Yokohama, one of the Group's major subsidiaries, introduced a compensation system based on its own stocks for executive employees who meet certain requirements. I would like to continue discussions on how to create a system that encourages employees to feel involved.

—— Mr. Ishii, you have been involved in the management of the Bank of Yokohama as an outside director and now you will participate in the management of the Concordia Financial Group as an outside director. How do you intend to be involved in management?

Ishii The Bank of Yokohama and the Concordia Financial Group operate an integrated Board of Directors, and I have seen the Group's management up close. As an outside director, I would like to support the Group so that it can take appropriate risks as it moves toward the enhancement of corporate value. Fortunately, I have experience in management in the three fields of banking, securities and insurance, and I would like to contribute to the growth of the Company as we expand our functions.
Looking closely at the Group's management, I feel that the corporate culture is gradually changing throughout the Group. Dialogue is expanding through the logic tree, and employees are becoming more aware of the enhancement of corporate value. As a result, the membership rate of employee stock ownership plan has increased.

Towards the realization of our "ideal state 10 years from now" that reflects employees' opinions

—— The period of the previous medium-term management plan was positioned as "three years to accelerate reforms and realize results." Looking back, what is your assessment of this?

Akiyoshi The deepening and expansion of the solution business has led to an increase in earnings, and we are making steady investments in human capital, including the development of human resources who will be responsible for the solution business. The results of this are reflected in our business performance. As symbolized by THE KANAGAWA BANK and L&F Asset Finance, we also made steady progress in utilizing capital for growth. On the other hand, we recognize that securing sales personnel by shifting employees in charge of head office and administration to sales is still a work in progress. Developing human resources and strengthening profitability are two sides of the same coin. In a world with interest rates, the question is how to expand quality assets. We believe that securing high-quality human resources who can work with customers will lead to the expansion of high-quality assets and earnings.

Yoda I feel the same way. We clearly articulated our vision of being a "solution company," "rooted in the community," and "selected," by customers, and we share a common direction. As a result, we were able to steer a firm course toward the realization of our vision. Developing and securing human resources requires a long-term perspective, and while we are making steady progress in reviewing our personnel system, we recognize that this is an ongoing issue.

—— The new medium-term management plan was considered through back casting and is positioned as "Three years to make a leap into the future." What kind of discussions were held by the Board of Directors?

Akiyoshi If you only consider the period of 3 years, what you can do will be limited. First, we drew up "our ideal state 10 years from now" as a comprehensive financial group that can contribute to the local community. We then discussed the plan for the first three years to realize our ideal state in stages, and we were able to incorporate steady growth strategies into the new medium-term management plan. We are satisfied with the results.

Yoda As part of the process of considering the new medium-term management plan, we once again conducted a survey of employees and nearly 90% of them responded. It was an opportunity for both the management and employees to be reminded of their own strengths, and I learned again that employees at sales sites place great importance on relationships with customers. I was also impressed by the positive attitude of many employees when asked about taking certain risks to grow.

Akiyoshi The responses to the survey show that many of our employees recognize that we have a lot of transactions with high-quality customers. This is another indication of the strength of the market that we are based in and our superiority in terms of our operating base. However, as we are in a highly competitive area, the share of loans and deposits is not necessarily high compared to other regional banks. Conversely, there is still room for further growth, and I believe that management needs to consider and implement concrete measures for future growth.

The future of regional finance built on relationship banking and human resource development

—— In the new medium-term management plan, the term "relationship banking" is emphasized. What kind of discussions did you have about strengthening relationships?

Akiyoshi In to expand high-quality assets, we need to understand what kind of management issues small & medium sized businesses, our largest customers, face and how they want to grow. The premise of understanding is dialogue, and relationships are an essential element. In addition, we will not be able to satisfy our customers unless we make high-quality proposals. We restated that we need to strengthen our relationship banking in order to deepen and expand the solution business.

Yoda We expect our employees to be trusted by our customers and to have the necessary expertise to give advice. To this end, it is essential to develop human resources capable of providing accurate advice and consultation services.

Ishii Solutions and relations are two sides of the same coin. The ideal is to build a win-win relationship in which the customer's corporate value increases as a result of us accompanying the customer, which leads to our development and the growth of our employees.

—— What strengthening measures are you taking to acquire and develop the necessary human resources?

Yoda Staff shortages are a common problem in Japan, regardless of the industry. The competition for specialized talent in particular tends to be fierce, and it is important for us to become a company that people want to continue working in even after they have acquired expertise. In addition, the proportion of young employees is increasing at sales sites such as sales branches, and it is necessary to devise training methods. Managers are also busy, so it is necessary to create a company-wide system that allows them to find time. In order to have high-quality dialogue with customers, we should further improve the efficiency of our business operations.

Ishii More than ever, we should be aware that personnel expenses are not a cost but an "investment." Compensation is important, but job satisfaction is just as important. We would like to clarify the skills required for work and support the creation of an environment that employees are highly motivated to work in, including reskilling. In order to achieve these goals, we need to utilize the diverse skills of each employee. There is no need for everyone to be able to do everything. Visualizing the "skills required for the desired position" and "career roadmap" can make it easier for employees to set their own goals. In the future, I hope that we will be able to visualize the skills and aspirations of all employees, not just officers, and use that knowledge to build an optimal team. In order to respond to diversifying ways of working and career formation, it is important to clearly identify the target image and the path to follow. If you can't see it, you can't aim for it.

Akiyoshi I think it's just as you two said. When I listen to the voices of employees, I can feel that everyone from young employees to managers is quite busy. When everyone is very busy, it makes it difficult to talk to each other. In such a situation, psychological safety is easily damaged, and if their manager is exhausted, young people will not want to become managers either. I feel that it is necessary to focus on the development of younger employees as well as the development of managers. For subordinates, their managers should be one of the role models they aspire to. I believe that if we can create such a structure, we can aim for a higher level as an organization.

Yoda An organization that does not embrace and manage diversity cannot win the race for talent. We have been running the "Tsubaki" Project for about three years to promote the activities of women. Since the content of the project is meaningful, some people have recently expressed the opinion that it would be better to allow male employees to participate. In fact, to build a truly diverse organization, it is essential that all employees, regardless of gender, think and act independently about their own careers and ways of working. I believe there are two sides to leadership. One is leadership in leading the group, and the other is leadership in how you lead your professional life. After all, I feel that individuals are required more than ever to be independent professionals, and the importance of self-management is increasing.

Akiyoshi I think there are many employees who want to develop the community since they are working at a regional financial institution. Clearly demonstrating to employees and those who are considering joining the company that we are an organization that can realize such ideas will lead to higher motivation for workers. It is important to be aware of what needs to be done in order to achieve this, and to steadily implement it. I believe that this will consequently be a force to attract excellent human resources.

Nurturing the future of the comprehensive financial group through new growth strategies and sophistication of governance

—— L&F Asset Finance was brought into the group by acquiring stocks in Sumitomo Mitsui Trust Loan & Finance as a strategic investment and implementing a name change. What kind of discussions did you have when exchanging opinions?

Akiyoshi We repeatedly discussed why we needed this company and whether it was a service that the bank could not provide. We found that this business specializes in real estate loans and can accept loans that are difficult for ordinary financial institutions such as banks to handle. We believe we can expect synergies in areas that the bank lacks know-how and generate significant growth for the Group as a whole.

Yoda I agree. Due to the specialization and uniqueness of its businesses, it is a unique risk asset in the Group's RORA by asset class, and it has expanded our business portfolio.

Ishii We believe that it will also be a big plus for the business of each bank. The discussions provided an opportunity to confirm that it is in line with the solution business we are aiming to become, and I feel that this project will lead to a further deepening and expansion of the solution business. We assessed that it can be effectively used as a means to solve problems in local communities.

—— As part of the sophistication of governance, the Company transitioned to a company with an audit and supervisory committee. What kind of discussions did you have on this? Also, are there any issues that need to be addressed to further strengthen governance?

Akiyoshi I believe that we have been able to build a sufficient governance system even with the conventional management-type structure, but we also need to look ahead to adding functions other than banking as a comprehensive financial group. The transition to a company with an audit and supervisory committee is part of that preparation. This is not a sudden change to a monitoring-type structure, but it should be done in stages, and I think this was a good timing for the transition.

Yoda The transition to a company with an audit and supervisory committee was not decided suddenly. The appropriate governance structure continues to be discussed annually by the Board of Directors. We recognize the need to strengthen our monitoring functions step by step.

Ishii There was no problem with the previous system, but this transition is one option to evolve governance. I think it is appropriate to start with the transition to a company with an audit and supervisory committee as a way to take the next step while taking advantage of the benefits we have had so far.

—— Please give a final message to stakeholders.

Akiyoshi Our greatest mission is to contribute to the development of regional economies while enhancing corporate value. At present, we are a financial group mainly composed of banks, but we would like to further improve the financial services and solution functions that we can provide for our customers and develop together with stakeholders as a comprehensive financial group.

Yoda Our Vision of "a solution company rooted in communities and selected as a partner to walk together" is clear, and we would like to continue to make efforts toward that. The company will also change its name to Yokohama Financial Group in October. We want to be more approachable and contribute to the development of the region.

Ishii It is our mission to enhance the strength of the region. The growth and self-actualization of each employee ultimately leads to the development and enrichment of the local community as a whole. We would like to create a virtuous cycle in which every stakeholder can benefit in cooperation with local residents.

The Value Creation Story

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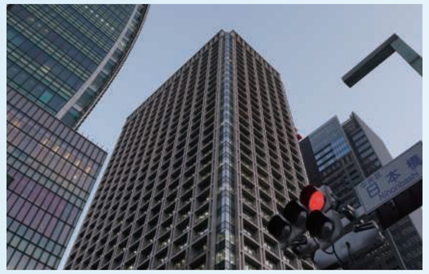
History of the Concordia Financial Group

100 years together with the community. In order to continue being "a financial group that is indispensable to its region," we aim to be a solution company solving issues faced by our customers and the community.



2016

CONCORDIA Financial Group

- Birth of Concordia Financial Group, Ltd.
- Declaration of Fiduciary Duty adopted.
- Collaboration with Sky Ocean Asset Management Co., Ltd. started.
- Collaboration with Hamagin Tokai Tokyo Securities Co., Ltd. started.

2017
- Basic Corporate Governance Policy adopted.
- HamaPay smartphone payment service introduced.

2018
- Basic agreement on acquisition of shares of P. T. Bank Resona Perdania and mutual collaboration with Resona Bank in international business.
- Agreement with Kanagawa Prefecture on promotion of SDGs.

2019
- Acquisition of shares in StormHarbor Japan Ltd.
- Endorsement of TCFD recommendations.
- Hamagin Business Challenged Co., Ltd. launched as an initiative to employ people with disabilities.
- Signed the Chiba-Yokohama Partnership with The Chiba Bank, Ltd.
- Began using system shared with The Bank of Yokohama, Ltd.
- Formulated the Higashi-Nippon Bank Sunrise Plan.

2020
- Sector Policy adopted.
- Long-term sustainability KPIs adopted.
- Opened Singapore Branch.
- Centenary of the founding of The Bank of Yokohama, Ltd.
- Formulated the Higashi-Nippon Bank Sunrise Plan – Next 100.

2021
- Singed Tokyo-Kanagawa Solution Connect with Kiraboshi Bank, Ltd.

2023
- Business integration with THE KANAGAWA BANK, LTD.
- 70th anniversary of THE KANAGAWA BANK, LTD.

2024
- 100th Anniversary of The Higashi-Nippon Bank, Limited

2025
- L&F Asset Finance, Ltd. became a consolidated subsidiary.
- Formulated a new medium-term management plan. Launch of "Three years to make a leap into the future."
- Transition from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee

Our Vision

A solution company rooted in communities and selected as a partner to walk together

Social Events

1949	Exchange rate set at 360 yen to the dollar.
1951	Mutual Bank Act enacted.
1956	The City of Yokohama designated as one of the five ordinance-designated cities of Japan.
1973	The yen shifted to a floating exchange rate system.
1973	First oil shock
1978	Yokohama Stadium opened.
1985	Plaza Accord and sharp appreciation of the yen.
1989	Yokohama Expo held and Yokohama Bay Bridge opened.
1989	Consumption tax introduced.
1996	Japan's financial big bang. A series of mergers of financial institutions, etc. followed one after another.
2005	Complete lifting of the freeze on the payoff system.
2008	Lehman Shock
2009	150th Anniversary of the opening of Yokohama Port
2011	The Great East Japan Earthquake
2013	The Bank of Japan introduced quantitative and qualitative monetary easing.
2018	Kanagawa Prefecture selected as a SDGs Future City.
2019	Consumption tax raised to 10%.
2020	Spread of COVID-19
2021	Tokyo Olympic and Paralympic Games
2024	Cancellation of the negative interest rate policy.
	New banknotes issued.

1920

Bank of Yokohama

- In response to financial crisis at 74 Bank, which was the largest ordinary commercial bank in Yokohama, the Yokohama business community took the lead in establishing the Yokohama Koshin Bank.

1945
- Relocated headquarters from a temporary post-earthquake location to 4-chome, Sumiyoshi-cho, Naka-ku, Yokohama City.

1957
- Changed name to The Bank of Yokohama, Ltd. for a new era of development in Yokohama and Kanagawa Prefecture.

1969
- Exceeded ¥700 billion in deposits and became the top regional bank, establishing itself as the leading regional bank.

1993
- Relocated headquarters to the current Minato Mirai 21 area as part of the 70th anniversary commemorative project.

1994
- Began establishing housing loan centers.

2008
- Became the first regional bank to surpass ¥10 trillion in deposits.
- Hamagin Tokai Tokyo Securities Co., Ltd. established.

2009
- Only regional bank to open a Shanghai branch.

2014
- Sky Ocean Asset Management Co., Ltd. established.

1924

HIGASHI-NIPPON BANK

- Tokiwa Mujin (Tokiwa Mutual Financing Association) was established in Mito City, Ibaraki Prefecture, in response to the financial crisis triggered by the Great Kanto Earthquake.

1951
- Changed name to 'Tokiwa Mutual Bank' with the implementation of the Mutual Bank Act.

1973
- Moved to the First Section of the Tokyo Stock Exchange and changed name to the Tokiwa Mutual Bank, Ltd.

1975
- Relocated headquarters to the current site in Nihonbashi, Chuo-ku, Tokyo.

1989
- Changed name to The Higashi-Nippon Bank, Limited with the change from a mutual bank to an ordinary bank.

1953

KANAGIN KANAGAWA BANK

- The Kanagawa Mutual Bank, Ltd. was established to support small and medium-sized businesses amid the tight financial conditions of the post-war recovery period.

1955
- Relocated headquarters to the Kanagawa Small & Medium Sized Businesses Center.

1978
- Completed the construction of the new head office, and relocated headquarters to Chojamachi, Naka-ku, Yokohama City.

1989
- Transitioned from a mutual bank to an ordinary bank and changed name to THE KANAGAWA BANK, LTD.

Value Creation Process

While making integrated use of the financial capital we have accumulated over our nearly 100-year history and non-financial capital such as human capital, the Group conducts materiality-based business in line with our Management Principles of "being indispensable to our region" and through value creation with our stakeholders, we work to enhance corporate value and to develop sustainable local communities. Our aim is to be "a solution company rooted in communities and selected as a partner to walk together."

Strengthening management capital

Recognition of external environment

- Changes in monetary policy
- Population decrease and aging society
- Progress of digitization
- Escalation of geopolitical risks
- Financial deregulation
- Entry from other industries
- Increased awareness of social and environmental issues

Contributing to solving social issues

INPUT

Human Capital

- Number of employees: 5,645
- Number of sales personnel: 2,395
- Number of staff with major consulting qualifications: 500
- Number of seconded employees: 490

Intellectual Capital

- Group-wide integrated solutions
- Efficient system operation and service improvement through regional bank collaboration
- Business integration with regional financial institutions and PMI know-how

Social and Relationship Capital

- An established brand in the region
- Customer base
  Individual customers: About 5 million
  Corporate customers: About 250,000 companies
- Branch network: 229 branches in Japan (excluding Branch in Branch), 5 overseas locations

Financial Capital

- Funding from deposits: ¥20,412.9 billion
- Loan assets: ¥16,745.6 billion
- Equity capital: About 11.9%*
  (common equity Tier 1 ratio (on a finalized and fully implemented Basel III basis))
  *After considering the effect of L&F becoming a consolidated subsidiary: About 11.6%

Natural Capital

- Electricity consumption: 35,543,000kWh

ACTIVITY

Pursue growth opportunities by honing our strengths in the Kanagawa and Tokyo markets

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- Market potential

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Three years to make a leap into the future

Growth
Empowerment
Sustainability

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Management Principles

OUTCOME

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Social value

Development of a sustainable local community

Long-term sustainability KPIs

- Carbon neutral by FY2030
- 500,000 participants in financial education by FY2030

Economic value

Enhance corporate value

Long-term target level

Achieving ROE that exceeds the cost of capital*

*Cost of equity recognized by our Company: 6 to 9%

Customers
Employees

"A solution company rooted in communities and selected as a partner to walk together"

Local communities
Shareholders and investors

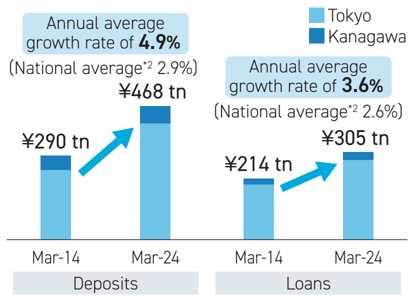
Sources of Competitive Advantage/Cultivated Capital

Market potential

Social and Relationship Capital

Kanagawa Prefecture and Tokyo boast the largest concentration of companies and population in Japan, making them relatively advantageous markets.

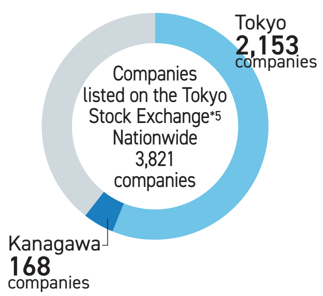
Deposits and loans growth significantly higher than the national average*1



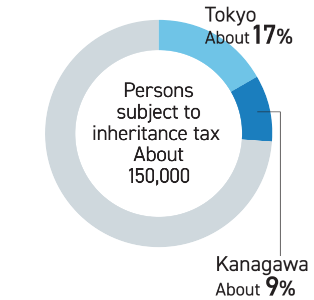
Highly advantageous population dynamics

Rate of population change*3
1 Tokyo
2 Saitama
3 Kanagawa

About 60% of listed companies are concentrated*4



Concentration of HNWIs*6



*1 Prepared from the Monthly Financial Journal. Excluding government-affiliated financial institutions, credit unions, labor banks, agricultural cooperatives and the Japan Post Bank.
*2 Excluding Kanagawa and Tokyo
*3 Population estimates as of October 1, 2024 (Statistics Bureau, Ministry of Internal Affairs and Communications, April 2025)

*4 Tokyo Stock Exchange Listed Company Search (as of April 24, 2025)
*5 Total across Prime, Standard and Growth Markets

*6 Summary of Inheritance Tax Returns (National Tax Agency, Tokyo Bureau of Taxation, December 2024)

Strength 1 Strong customer base

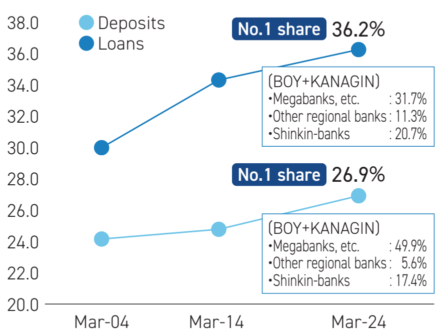
Financial Capital | Social and Relationship Capital

Corporate customers:
About 250,000 companies

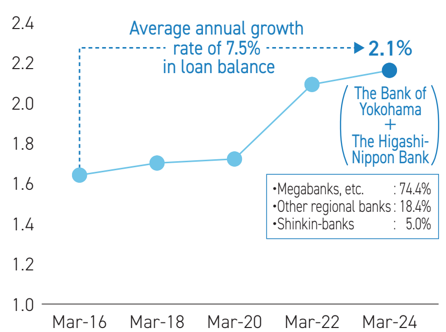
Individual customers:
About 5 million

In one of the largest markets in Japan, we are supported by a solid customer base built up over nearly 100 years of history, and both our deposits and loans are among the highest of any regional bank. In addition, our market share in Kanagawa Prefecture, our main market, is expanding year by year, and we have maintained our top market share.

Deposits and loans market share in Kanagawa*
(The Bank of Yokohama, THE KANAGAWA BANK)



Loan balance share in Tokyo*
(The Bank of Yokohama, The Higashi-Nippon Bank)



*Prepared from the Monthly Financial Journal. Excluding government-affiliated financial institutions, credit unions, labor banks, agricultural cooperatives and the Japan Post Bank.

Strength 2 Branch networks

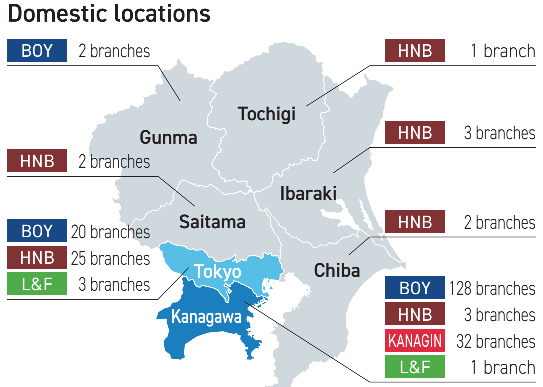
Social and Relationship Capital

In Japan, we work to solve local issues through a dense network of branches centered in Kanagawa and Tokyo. Overseas, we support our customers' overseas expansion through our network of offices mainly in Asia.

212 branches
in Kanagawa and Tokyo

* As of April 1, 2025. Excluding Private Banking Offices and sub-branches of the Bank of Yokohama, corporate sales offices and sub-branches of the Higashi-Nippon Bank, branch offices integrated to another branch office and sub-branches of THE KANAGAWA BANK and the revo-on sales offices of L&F Asset Finance.

Domestic locations



Other domestic branches (The Bank of Yokohama)
Nagoya Branch, Osaka Branch

Other domestic branches (L&F Asset Finance)
Sendai Branch, Nagoya Branch, Osaka Branch, Hiroshima Sales Office, Fukuoka Branch

Overseas locations

Other overseas locations
New York Representative Office

Strength 3 Overall group abilities and advanced solution capabilities

Intellectual Capital

The Group consists of 34 companies (as of March 31, 2025) serving customers in banking and various other fields and businesses including securities, leasing, and think tanks. Leveraging the Group's integrated strengths, we provide not only traditional lending operations, but also highly specialized solutions such as capital policy, business succession/M&A, and inheritance measures.

	Bank of Yokohama	HIGASHI-NIPPON BANK	KANAGAWA BANK (Since 2023)	L&F Asset Finance (Since 2025)
Main business areas	Kanagawa and Tokyo	Tokyo	Kanagawa	Nine locations in Tokyo and other major cities
Main target customers	Large & medium sized businesses Small & medium sized businesses Individuals	Small & medium sized businesses	Small & medium sized businesses	Individuals Small & medium sized businesses

Overall group abilities

Solutions offered by banks

Corporate customers
- Finance
- Capital policy
- Business succession and M&A
- Business matching
- Fund management and insurance
- Management consulting, etc.

Individual customers
- Inheritance planning
- Fund management
- Utilization of real estate
- Succession of treasury stock
- Asset succession of wills, etc.
- Money trusts, etc.

Group subsidiaries
- Hamagin Research Institute (Think tank)
- StormHarbour Japan (Investment bank) Since 2019
- Hamagin Finance (Leasing)
- Sky Ocean Asset Management (Asset management)
- Yokohama Capital (Venture capital)
- Hamagin Tokai Tokyo Securities (Securities brokerage)

Cooperation with other companies
- Alliances with domestic regional banks (Chiba Bank, Kiraboshi Bank) Since 2019 Since 2021
- Overseas network (Offices/alliances overseas)
- System alliance (MEJAR)

Strength 4 Diverse human resources to support our community-based solution business

Human Capital

In principle, the Bank of Yokohama, Higashi-Nippon Bank, and THE KANAGAWA BANK, which are regional financial institutions, start out full-time employees at sales branches (excluding specialist human resources, etc.), and support the root and branch of the solution business with personnel who have accumulated experience in dealing with the community and customers and who strive to provide solutions to customer issues.

Head office is staffed by people with a high level of expertise and skills, including mid-career hires from outside the company, to meet increasingly diverse and sophisticated customer needs, mainly in the investment banking and IT/digital departments. In particular, in the IT and Digital Division, we are promoting the development of human resources specializing in IT and digital technologies by promoting the acquisition of IT Passports and DX licenses and the improvement of IT-related skills.

In addition, we support local businesses as a regional financial institution by seconding mainly senior human resources to local businesses.

Holders of major consulting qualifications	IT & Digital specialists	Employees seconded externally	Percentage of mid-career hires	Percentage of female managers	Percentage of mid-career hires in management positions
500 (+54 YoY)	147 (+18 YoY)	490 ((6) YoY)	Company-wide 21.1% (+1.3%pt YoY) Financial Solutions Department 25.3% (+0.8%pt YoY) Digital Strategy Department 33.3% (+1.4%pt YoY) IT Solutions Department 42.3% ((2.3%pt) YoY)	21.6% (+3.5%pt YoY)	18.1% (+1.8%pt YoY)
*Number of small and medium-sized enterprise diagnosticians and FP Level 1 holders *Two banks combined	*The Bank of Yokohama non-consolidated	*As of May 2025, the Bank of Yokohama non-consolidated	*The Bank of Yokohama non-consolidated	*Two banks combined	*The Bank of Yokohama non-consolidated

* Two banks combined refers to the combination of the Bank of Yokohama and the Higashi-Nippon Bank. Hereafter, similar expressions will have the same definition.

Materiality (Critical Issues that Must be Resolved on a Priority Basis)

The Group examines and discusses various issues related to the sustainability of local communities from the perspective of stakeholder importance and the Group's priority and identifies Materiality (priority issues to be solved) following deliberation by the Board of Directors.

In FY2024, in light of changes in the business environment and external environment, materialities were revised to "Sustainable Growth of Local Businesses," "Solving the Problems of an Aging Society with a Declining Birthrate," "Human Capital Management and Respect for Human Rights," "Forming a Digital Society," "Conserving and Preserving the Environment," and "Contributing to the Growth of Regional Economies"*. By reflecting these materiality-based risks and opportunities in the business strategy to promote our business, and by realizing sustainable development of local communities and sustainable growth of the Group through collaborative value creation with stakeholders, the Company aims to become "a solution company rooted in communities and selected as a partner to walk together."

*Materiality before the review : "Supporting the Sustainable Growth of Local Businesses," "Helping People Live in the Age of Centenarians," "Workplace Reform and Promotion of Diversity," "Promotion of Financial Digitization (DX)," "Measures Against Global Warming and Climate Change," and "Revitalize the local economy"

Materiality (Critical Issues that Must be Resolved on a Priority Basis) identification process

STEP 1

Identifying issues

We have identified over 60 issues based on the SDGs, issues related to the realization of our management philosophy, engagement with stakeholders, and various guidelines*1.

STEP 2

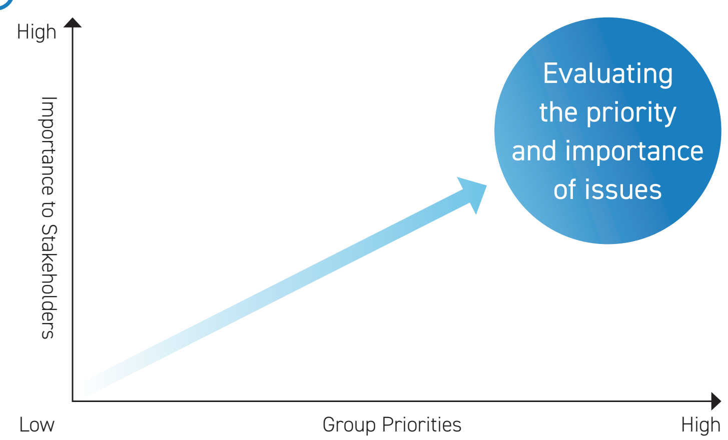
Discussion of issues

The Board of Directors and executive divisions discussed and narrowed down issues based on the "needs of customers and local communities" in order to determine what issues to address and what value to create given the Group's priorities and resources.

STEP 3

Evaluating the priority and importance of issues

In addition, we analyzed and evaluated two axes: priorities for the Group*2 and importance to stakeholders*3.



*1 GRI Standard, SASB, etc.
*2 Group priorities (evaluated from the following perspectives)
(1) Degree of contribution to problem-solving for regional companies and to regional revitalization
(2) Contribution to the enhancement of the Group's corporate value
*3 Level of importance to stakeholders (evaluated from the following perspectives)
(1) Medium- to long-term impact on stakeholders (social and economic value)
(2) Stakeholders' contribution to sustainability

STEP 4

Identification of materialities

The issues analyzed and evaluated were organized and integrated from the perspective of the Group's management strategy and sustainability, and deliberated on by the Group Sustainability Committee. Finally, through the Board of Directors, six materialities were identified as key issues to be resolved as a priority.

* Governance-related items are not included in materialities, since they are items that companies will naturally take care of.

STEP 5

Implementation of PDCA

The identified materialities are incorporated into the medium-term management plan and KPIs are set for each materiality. In addition, we are implementing the PDCA (Plan, Do, Check, Act) cycle to realize sustainability management by managing the progress of these activities and identifying and addressing issues.

Six Identified Materialities (Critical Issues That Must be Resolved on a Priority Basis)

Materialities	Opportunities and Risks		Major Initiatives	Main KPIs
Sustainable Growth of Local Businesses P. 47 Corporate Customer Strategy	Opportunity	• Increase and expansion of strategic solution needs due to increasing diversity and sophistication of corporate management issues	• Providing financial and capital strategy solutions (LBO loans and subordinated loans) • Providing rehabilitation and succession strategy solutions (business succession consulting) • Providing solutions utilizing overseas offices (overseas loans and overseas expansion support)	• Average balance of loans to companies • Average balance of small & medium sized businesses loans (in Kanagawa Prefecture and Tokyo) • Average balance of corporate deposits
	Risks	• Decline in competitiveness due to delay in moving away from a traditional lending-centered business model • Deterioration in corporate performance due to lack of response to changes in the industrial structure		
Solving the Problems of an Aging Society with a Declining Birthrate P. 53 Individual Customer Strategy P.114 Financial Education Initiatives	Opportunity	• Increase and expansion of needs for asset formation and asset management in a super-aging society • Provision of highly convenient services that support a population-declining society	• Providing tailor-made, one-stop solutions (real estate utilization, financial asset management, asset succession) • Providing solutions for every stage of life (fund wraps, trusts, insurance, etc.) • Initiatives for financial education	• Average balance of loans to HNWIs • Average balance of housing loans • Average balance of individual deposits • Balance of assets in custody of the group
	Risks	• Decline in competitiveness due to inadequate response to the increasing diversity and sophistication of customer needs resulting from changes in social structure, such as the declining birthrate and aging population		
Human Capital Management and Respect for Human Rights P. 74 Efforts to Respect Human Rights P. 75 Strengthening Human Capital Through Investment in Human Resources	Opportunity	• Improving competitiveness by strengthening relationships with employees and customers through human capital management practices and respect for human rights	• "Developing human resources" that value the desire to grow and take on challenges • "Building an Organization" that enables diverse human resources to thrive • "Creating an Environment" based on individual well-being • Preventing and reducing negative impacts on human rights through human rights due diligence	• Number of sales personnel • Solutions revenue per person • Total attractiveness of the company (employee awareness survey)
	Risks	• Loss of competitiveness due to economic and social sanctions resulting from a shortage of solution business leaders and human rights violations		
Forming a Digital Society P. 95 Improving Productivity Through Business Reforms and the Use of IT	Opportunity	• Productivity improvement through operational efficiency and increase and expansion of needs for non-face-to-face services and advanced solutions	• Productivity reform such as business process reform and improved operational efficiency using AI • Strengthening the non-face-to-face sales system and improving convenience in non-face-to-face channels	• Reducing work volume
	Risks	• Decrease in productivity due to delayed response to the development of digitization and decline in competitiveness due to entry into other industries, etc.		
Conserving and Preserving the Environment P. 99 Conserving and Preserving the Environment (Promoting Regional Decarbonization)	Opportunity	• Expansion of business opportunities with the shift to a decarbonized and nature positive society • Building and strengthening relations with the stakeholders through environmental conservation	• Supporting customers' transition to a decarbonized society (sustainable finance, support for GHG emissions calculation, etc.) • Developing and expanding products and services that promote positive impacts and mitigate negative impacts on nature	• External evaluation indicators • Sustainable finance • Reduction of in-house GHG emissions
	Risks	• Loss of operational base due to insufficient customer support for climate action and biodiversity conservation		
Contributing to the Growth of Regional Economies P.111 Contributing to Regional Economies	Opportunity	• Sustainable growth of the local economy through industry-academia-government-finance cooperation	• Initiatives to "create sustainable towns" (for example, local decarbonization efforts) • Initiatives to "create a flow of people" in the region (for example, tourism promotion) • Initiatives to "create jobs" in the community (for example, business start-up support and collaboration with universities)	• Number of initiatives to resolve issues in local communities
	Risks	• Sluggish local economy due to population decline, industrial decline, etc.		

Collaborative Value Creation with Stakeholders

The Group works with our stakeholders - customers, local communities, employees, shareholders, and investors - to collaboratively create social and economic value in the region.

Management Principles	Stakeholders	Major results of collaborative value creation (FY2024)
Contribute to enriching lives and growing their businesses	Customers	■ Working together as a group to support our customers to increase their corporate value by providing solutions that deeply engage not only their financial strategies but also their management strategies. ■ Supporting customers' rich lives by providing optimal solutions for each stage of life. ■ Providing new valuable experiences to customers through financial and non-financial services using digital technology. ・Number of partners (The Bank of Yokohama) Corporate: 3,191 companies (+693 from the previous FY) Individual: 25,439 (+4,542 from the previous FY) ・Corporate Customer Strategy ……… P. 47-52 ・Individual Customer Strategy ……… P. 53-56
Contribute to sustainable development	Regional communities	■ Proactively working to solve regional and social issues and contributing to creating regional appeal and revitalizing local economies. ■ Accelerating our own decarbonization efforts to achieve carbon neutrality and supporting our customers' efforts to decarbonize. ・Number of initiatives to solve community issues (The Bank of Yokohama): 25 ・Cumulative reduction rate of our GHG emission: 88.1% ・Cumulative number of financial education participants: 273,000 ・Contribution to Regional Growth ……… P.99-114
Continue to be anattractive company that employees are proud to work for	Employees	■ Promoting "Group Human Resource Strategy" linked to management strategy and strengthening human capital investment to become a solution company. ■ In addition to strengthening human resource development, we are also promoting initiatives to improve job satisfaction and employee engagement of each and every one of our employees. ・Employee attitude survey (index of overall attractiveness of the company) 3.40 points / 5 points ・Percentage of female managers (two banks combined) 21.6% ・Strengthening Human Capital Through Investment in Human Resources …… P. 75-88 ・Roundtable Discussion with the Officer and General Managers in Charge of Human Assets ……… P. 89-92 ・Interview with Mid-Career Hires ……… P. 93-94
Grow sustainably and enhance our corporate value	Shareholders and investors	■ Performance steadily improved, achieving the target indicators in the previous medium-term management plan. ■ Achieving progressive dividends based on our shareholder returns policy and implementing purchases of treasury shares. ・ROE (TSE standards): 6.4% ・OHR (consolidated): 51.5% ・Common equity Tier1 ratio (consolidated): About 11.9% (about 11.6% after taking L&F consolidation impact into account) (on a finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)) ・Dividends: ¥29 per share (payout ratio 40%, total return ratio 64%)

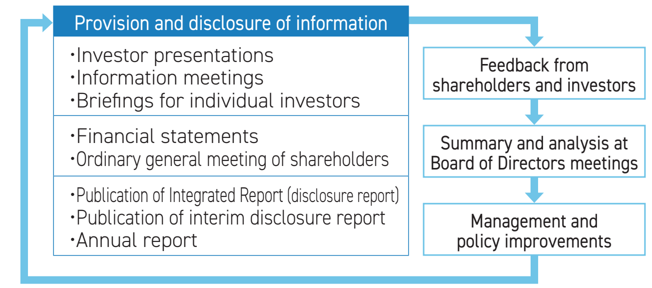
TOPIC Communication with Shareholders and Investors

We strive to disclose information in a manner that is easy to understand so that shareholders and investors can understand the Group's operations and financial conditions and make appropriate judgments about the soundness of its management. In addition, the Company places importance on opportunities for dialog with shareholders and investors. We have established a policy for initiatives to promote constructive dialog and strive for proactive communication. In April 2022, we established the Corporate Communication Office in the Corporate Planning Department in order to strengthen disclosure of information, including non-financial information, and dialog with shareholders and investors.

In FY2024, we strengthened our approach to overseas investors by increasing participation in IR conferences sponsored by securities companies and steadily implemented measures for individual investors. In addition, the number of meetings with shareholders, institutional investors and analysts and the number of participants at briefing sessions significantly exceeded those of the previous fiscal year.

We held IR Days, a management strategy briefing, twice, during which the President and Representative Director, officers in charge, general managers in charge of front-line operations and outside directors explained the solutions business and corporate governance.

Comments and requests received during these dialogues are reported to the Board of Directors and management in a timely and appropriate manner. In addition to reporting at the July and January Board of Directors meetings, the IR department provides feedback in the form of reports to the directors and executive officers on a weekly basis.



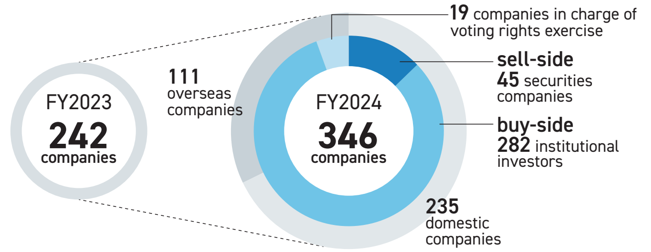
Achievements

General Meeting of Shareholders (9th period)	Financial Results Briefing (for analysts and institutional investors)	IR Day (Management Strategy Briefing)	Number of meetings with analysts and institutional investors	Briefings for individual investors
Number of participants: About 260 (including online participation)	Number of briefings held: 4 Number of participants: About 400	Number of briefings held: 2 Number of participants: 110	Total of 346 companies	Number of briefings held: 1 Number of participants: About 2,300

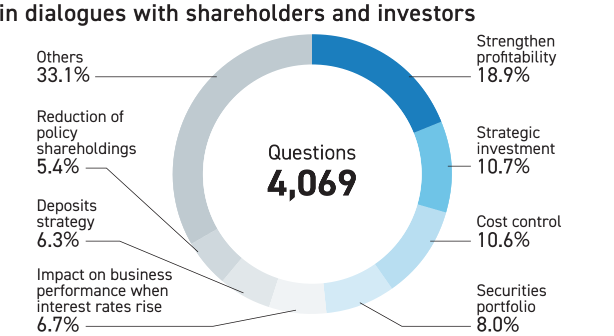
Major respondents and achievements in dialogues with shareholders and investors

Respondent	Achievements
President and Representative Director	General Meeting of Shareholders, financial results briefings (2 times), IR Day (2 times), dialogues with domestic and overseas institutional investors, etc. (39 times), briefings for individual investors (1 time)
Representative Directors	General Meeting of Shareholders, financial results briefings (2 times), quarterly financial results briefings (2 times), IR Day (2 times), dialogues with domestic and overseas institutional investors, etc. (93 times)
Corporate Planning Department (responsible for IR)	Dialogues with domestic and overseas institutional investors, etc. (IR 180 times), dialogues with shareholders (SR 18 times)

Summary of shareholders, institutional investors, and analysts engaged in dialogues



Main themes and areas of interest in dialogues with shareholders and investors



* The total number of questions from investors interviewed between April 1, 2024 and December 27, 2024

Responses to opinions from shareholders and investors

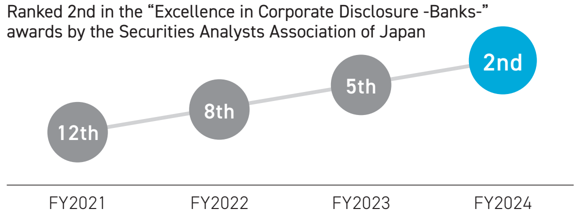
Main opinions	Responses
Should explain deposit strategies and related initiatives as acquiring deposits becomes important	Disclosed a strategy for acquiring sticky deposits in the new medium-term management plan
It is important to explain the process of strategic human capital investment and effectiveness measurement	Clarified the human resource strategy and KPIs, including productivity improvement measures aimed at securing sales personnel
The plan to reduce policy shareholding is insufficient and should be updated	Updated and disclosed the reduction plan
Should consider raising the payout ratio and disclosing the total return ratio target	Explained the expansion of the scope for shareholder returns and strategic investments by reviewing the capital level at IR Day

External evaluation

Received the IR Award from the Japan Investor Relations Association (as the first regional bank)

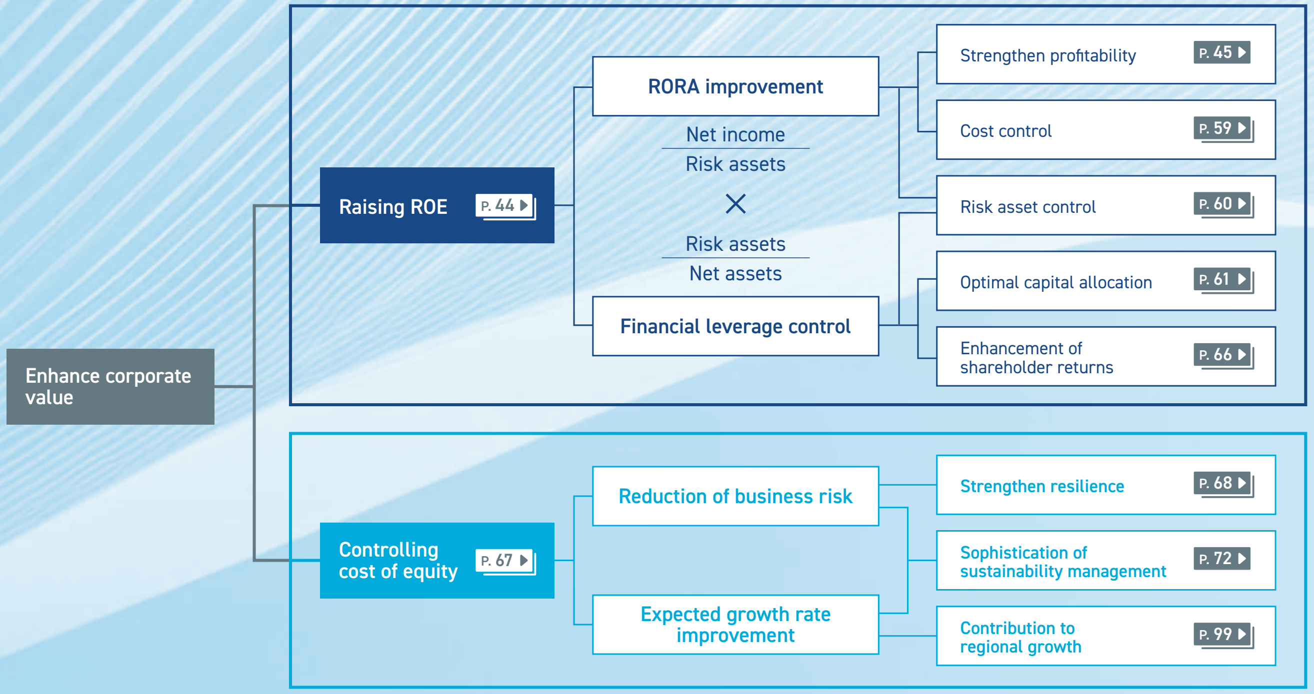
The Securities Analysts Association of Japan

Ranked 2nd in the "Excellence in Corporate Disclosure -Banks-" awards by the Securities Analysts Association of Japan



Initiatives to Enhance Corporate Value

CONTENTS



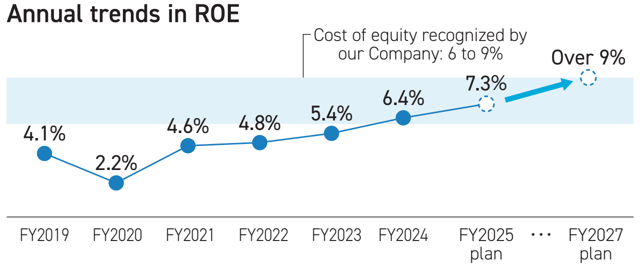
Initiatives to Enhance Corporate Value

We are working on "raising ROE" and "controlling cost of equity" to increase corporate value. In particular, we have set ROE, which can be improved autonomously through the implementation of management strategies, as a core management objective. "RORA improvement" and "financial leverage control" are necessary to improve ROE. With appropriate financial leverage control, we are pursuing business operations to improve RORA, which has a high correlation with ROE.

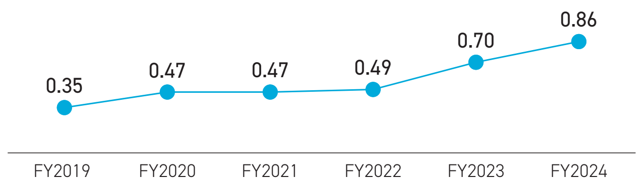
Current situation evaluation and analysis

Our PBR fell below 1 after the Lehman Shock, and has remained at an even lower level since the introduction of negative interest rates in 2016. It is currently about 0.8 (as of June 2025). We recognize that our cost of equity is about 6.0% to 9.0% based on CAPM (our own standard) and estimates based on the stock yield. While our ROE for FY2024 of 6.4% is above the minimum cost of equity, it is still not at a sufficient level, which we believe is the primary reason our PBR remains at a low level. We recognize that in order to raise our PBR, it is essential to achieve ROE that exceeds the cost of equity.

Annual trends in ROE



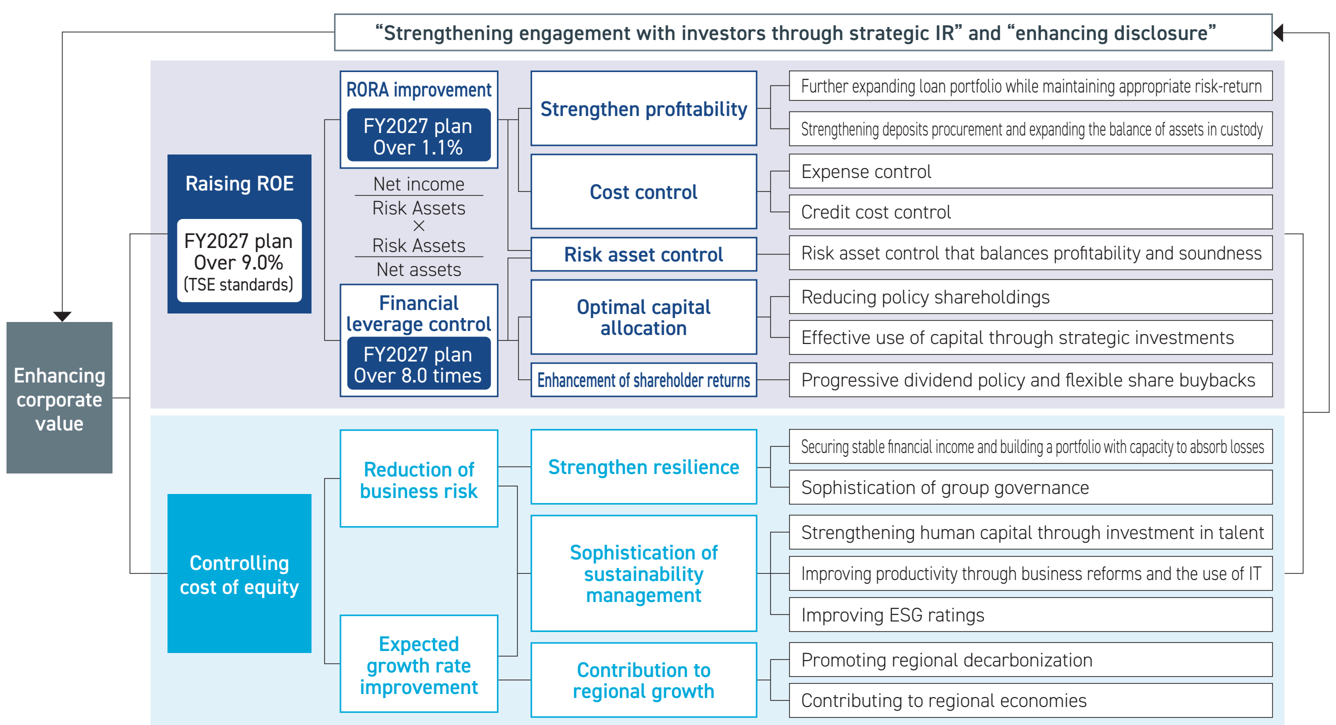
Annual trends in PBR*



*Calculated based on stock prices at the end of each fiscal year and net assets per share

PBR logic tree

Strategies to increase corporate value can be divided into two pillars: "raising ROE" and "controlling the cost of equity." In addition to these two pillars, we will increase our corporate value by strengthening engagement with investors through strategic investor relations and by working to strengthen disclosure, thereby sincerely addressing the opinions of investors and eliminating information asymmetry.



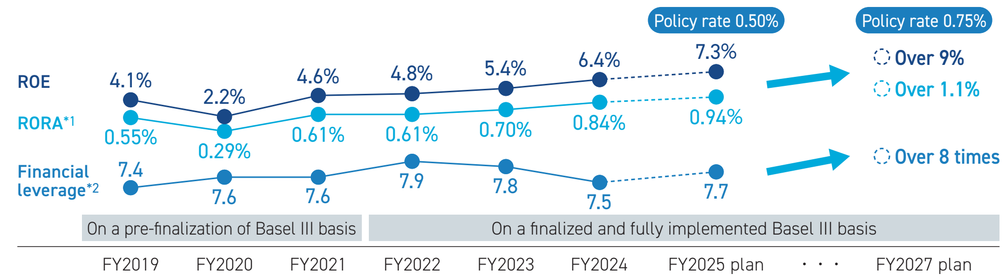
Initiatives to Raise ROE

Status of ROE and RORA

We have organized our efforts to raise ROE into two approaches: "RORA improvement" and "financial leverage control." With appropriate financial leverage control, we pursue RORA improvement, which is highly correlated with ROE.

ROE decomposition

Increased capital efficiency		Improve RORA by strengthening profitability and controlling costs		Risk asset control that balances profitability and soundness	Optimal capital allocation, enhancement of shareholder returns
Raising ROE	=	**RORA improvement**	×		**Financial leverage control**
Net income / Net assets		Net income / Risk assets			Risk assets / Net assets



*1 Calculated based on the average value of risk assets at the end of the previous term and the current term.
*2 Calculated based on the average value of net assets at the end of the previous term and the current term.

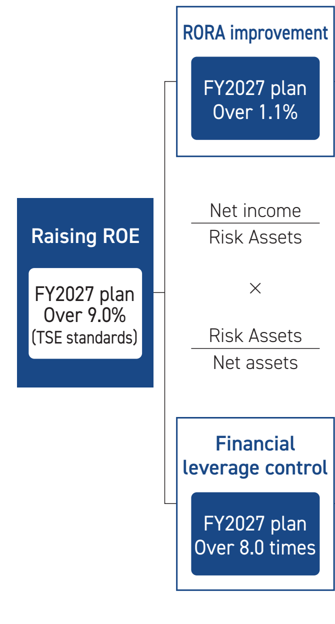
Increase/decrease factors for FY2024

RORA
Increased mainly due to the accumulation of highly profitable assets and the improvement of yield spread from deposits and loans stemming from a rise in interest rate

Financial leverage
Decreased due to improved valuation difference on available-for-sale securities (increased net assets), although lending assets were strengthened.

ROE logic tree

The two approaches of "RORA improvement" and "financial leverage control" for ROE improvement are further broken down into the five initiatives of "strengthen profitability," "cost control," "risk asset control," "optimal capital allocation," and "enhancement of shareholder returns." We set KPIs for each initiative and advance them according to the PDCA cycle.



Initiative	Major KPIs	FY2024 results	FY2025 plan	FY2027 plan	
Strengthen profitability	Average balance of loans to companies	¥7,137.1 bn	¥7,320.0 bn	¥7,630.0 bn	・Strengthen relationship banking through a review of the customer coverage structure ・Enhance highly profitable structured finance through the expansion of corporate clients we offer strategic solutions
	Average balance of small & medium sized businesses loans in Kanagawa and Tokyo	¥4,757.4 bn	¥4,810.0 bn	¥5,030.0 bn	
	Average balance of SF*1	¥669.9 bn	¥810.0 bn	¥900.0 bn	
	Average balance of loans to HNWIs	¥3,356.2 bn	¥3,440.0 bn	¥3,620.0 bn	・Strengthen solutions provision system by shifting human resources
	Average balance of housing loans	¥4,174.3 bn	¥4,280.0 bn	¥4,320.0 bn	・Strengthen vendor relations and consultation service sales to improve profitability
	Balance of assets in custody of the group (end balance)	¥2,885.0 bn	¥3,050.0 bn	¥3,290.0 bn	・Secure customer coverage through building a sales structure with a small but elite team and DX
	Average balance of individual deposits	¥13,581.5 bn	¥13,910.0 bn	¥14,180.0 bn	・Increase deposit balance by promoting account openings and development of stickiness
	Average balance of corporate deposits	¥4,656.4 bn	¥4,830.0 bn	¥5,170.0 bn	・Acquire ordinary transactions based on relationships with finance clients
Cost control	Expenses*2	¥127.2 bn	¥133.8 bn	¥142.4 bn	・Allocate expenses for growth investment with disciplined control
	Credit costs*2	¥9.4 bn	¥10.0 bn	¥11.1 bn	・Respond to potential risks through predictive management to maintain a low level
Risk asset control	Risk assets*3	¥9.7 tn	¥10.0 tn	¥10.7 tn	・Increase due to the accumulation of lending assets and subsidiarization of L&F
Optimal capital allocation	Policy shareholding (ratio to consolidated net assets)*4	15.2%	Less than 10% by the end of March 2030	Same as left	・Accelerate reduction in line with the plan
	Strategic investment	Resolved on making L&F a consolidated subsidiary	Pursue investment opportunities	Same as left	・Pursue investment opportunities that contribute to enhancing corporate value
Enhancement of shareholder returns	Payout ratio	40%	About 40%	Same as left	・DPS for FY2025 plan: ¥34, up ¥5 YoY
	Purchases of treasury shares Total return ratio	¥20.0 bn 64%	Flexible share buybacks	Same as left	・Consider flexible share buybacks in light of capital level

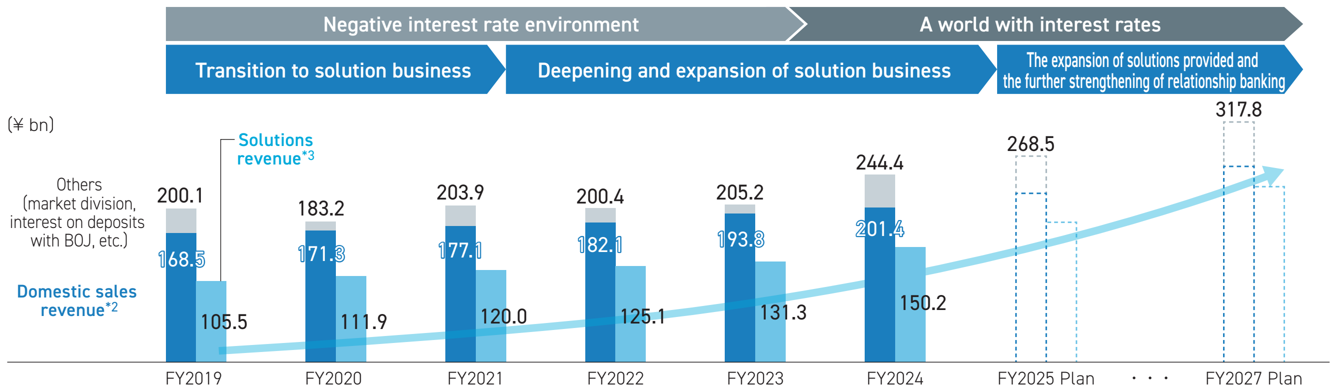
*1 Structured finance, a reference index not in KPIs of the medium-term management plan *2 Three banks combined
*3 On a finalized and fully implemented Basel III basis. Average value of risk assets at the end of the previous term and the current term *4 Based on market value

Initiatives to Raise ROE | Strengthen Profitability

Changes in topline

By pivoting to the solution business and deepening and expanding it, we achieved steady growth in solutions revenue despite the ongoing low-interest-rate environment. As a result, our Group's domestic sales revenue, the backbone of our earnings power, reached a record high in FY2024.

Trends in gross operating income[*1]

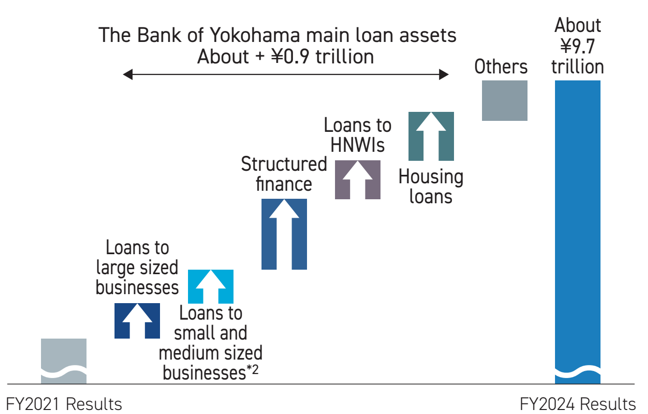


*1 Up to FY2022, it's based on the combined total of two banks, and from FY2023 onwards, it's based on the combined total of three banks.
*2 Interest on deposits and loans from domestic operations + net fees and commissions from domestic operations
*3 Revenue from yen-denominated loans (loans for corporations and HNWIs) + fee and commission revenues (total of those from corporates and individuals) + revenue from foreign-currency-denominated loans and revenue from corporate derivatives

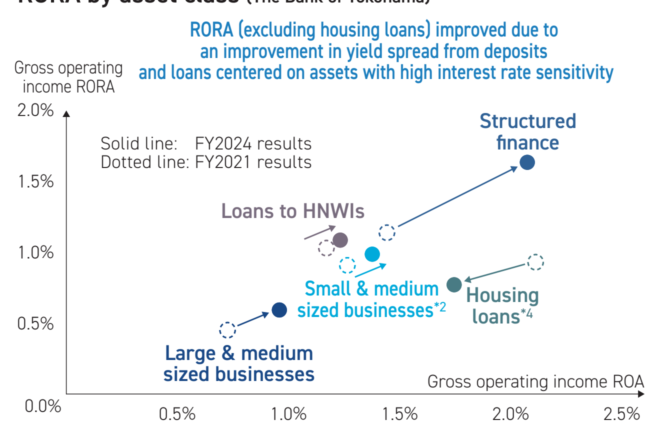
Strengthening asset allocation to improve risk-return

During the previous medium-term management plan period, RORA improved significantly due to strategic asset allocation and an improvement in yield spread from deposits and loans. In particular, risk-return was improved by strengthening asset allocation, focusing on loans to small and medium sized businesses, where RORA is high, structured finance, and loans to HNWIs.

Change in risk assets (estimates)[*1]



RORA by asset class (The Bank of Yokohama)[*3]



*1 On a finalized and fully implemented Basel III basis (estimates)
*2 Excluding structured finance and overseas operations
*3 Using gross operating income (excluding fee and commission revenues) calculated by deducting FY2024 average yields on deposits for the entire Bank of Yokohama from yields on loans for each asset, and risk weight on the FY2023 stock basis and a finalized and fully implemented Basel III basis (estimates).
*4 Excluding group credit life insurance premiums, etc.

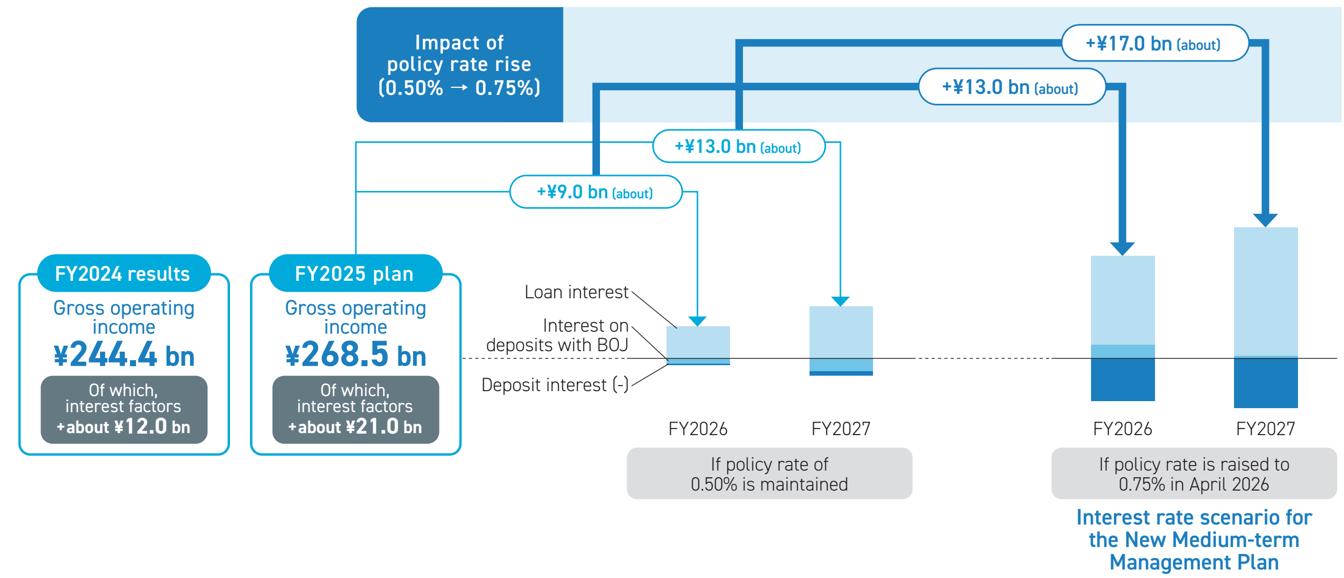
In the new medium-term management plan, we will continue to meaningfully strengthen our asset allocation with RORA in mind to improve risk-return. With the aim of strengthening our presence in the home market, we will proceed to aggressively allocate assets to loans to small and medium sized businesses and implement selective and well-balanced risk-taking by making loans to HNWIs, mainly in Tokyo, Yokohama, and Kawasaki. We will also boost our asset allocation to high value-added finance areas, such as structured finance, including LBO loans, which have a relatively high RORA.

Housing loans are positioned as a gateway product for personal transactions. We increased the balance of housing loans as low-risk-weighted lending assets during the previous medium-term management plan period. However, RORA is on a downward trend due to intensified competition, so we will control housing loan balances at a restrained level while working to improve ROA (yield).

TOPIC

Estimated Impact on Gross Operating Income of Policy Rate Changes (Excluding Securities Investment)

We estimate that even if the policy rate of 0.50%, which is an assumption for the FY2025 plan, is maintained, there will be an increase in gross operating income of about ¥13.0 billion in FY2027 compared to the FY2025 plan. We also estimate that if the policy rate rises to 0.75% in April 2026, there will be an increase in gross operating income of about ¥30.0 billion in FY2027 compared to the FY2025 plan.



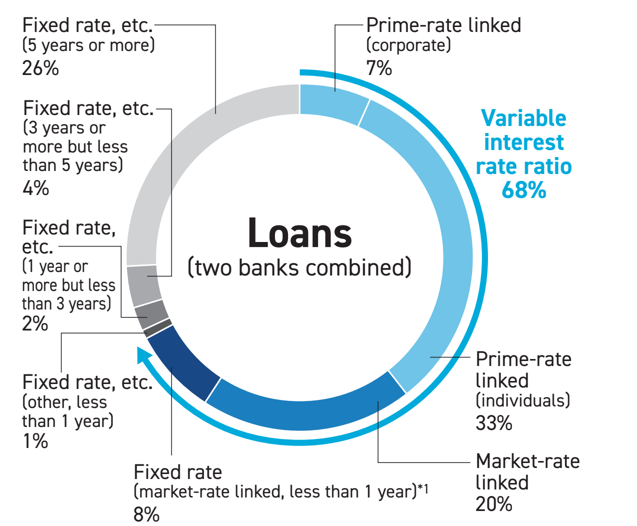
<Assumptions for calculation if the policy rate of 0.50% is maintained>
- Short-term prime rate: 2.25%, JBA TIBOR 3M: 0.80%, TIBOR swap rate 5Y: 1.10%
- Interest on deposits with BOJ takes into account the termination of the Special Deposit Facility in May 2026 and the impact of the decreased balance due to the termination of the Fund-Provisioning Measure to Stimulate Bank Lending

<Assumptions for calculation if the policy rate is raised to 0.75% in April 2026>
- Short-term prime rate, JBA TIBOR, and TIBOR swap of each tenor: "Assumptions for calculation if the policy rate of 0.50% is maintained"+ 25bps after April 2026
- Deposit rates are expected to increase based on raised market interest rates
- Other assumptions are the same as "Assumptions for calculation if the policy rate of 0.50% is maintained"

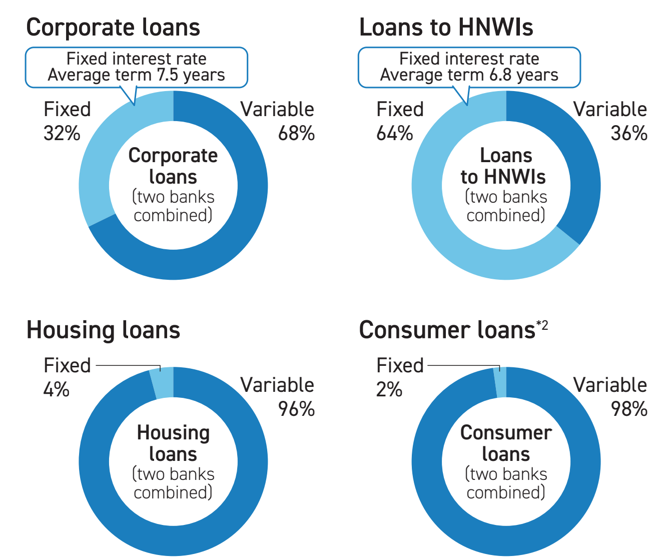
Variable interest rates account for 68% of the Group's loans. About 60% of these interest rates are based on the short-term prime rate and about 40% are linked to market rates including the JBA TIBOR.

If the policy rate rises, market-rate linked loans are the first to be affected. Subsequently, the impact will spread to short-term prime rate-linked loans, and the impact, including reviews of interest rates when bonds become due, will spread to fixed-rate loans with a certain time lag, leading to an increase in loan interests.

Details of loan interest rates



*1 Mainly uses the base interest rate, which is highly correlated with market interest rates such as the JBA TIBOR



*2 Excluding large all-purpose loans

Initiatives to Raise ROE | Strengthen Profitability

Corporate Customer Strategy

Aiming to be a “solution company selected as a partner to walk together,” we strive to offer high-value strategic solutions deeply involved in our customers’ management strategies. In addition to responding to diversifying needs such as business succession and M&As, we will leverage the Group’s expertise and network to make the best possible proposals. In this way, we will develop into a solution company selected by our clients, thereby enhancing our profitability and raising ROE.

Executive Officer (Director and Executive Officer, Deputy President, General Manager of Sales Division, The Bank of Yokohama) Yutaro Koshiba

Provide solutions utilizing group and alliance functions etc.

We aim to be the first choice as a partner for our clients by utilizing group functions and deepening cooperation with outside businesses, by strengthening the provision of strategic solutions that deeply engage management strategies for business, finance and capital, and by responding to increasingly diverse and sophisticated needs.

Solutions provision system

Head office Direct sales | Providing advanced solutions

Sales branches | Expanding the range of solutions by strengthening cooperation with head office

Utilizing group functions

- Hamagin Research Institute
- Yokohama Capital
- Sky Ocean Asset Management
- Hamagin Finance
- Hamagin Tokai Tokyo Securities
- StormHarbor Japan

Cooperation with alliance banks and outside businesses

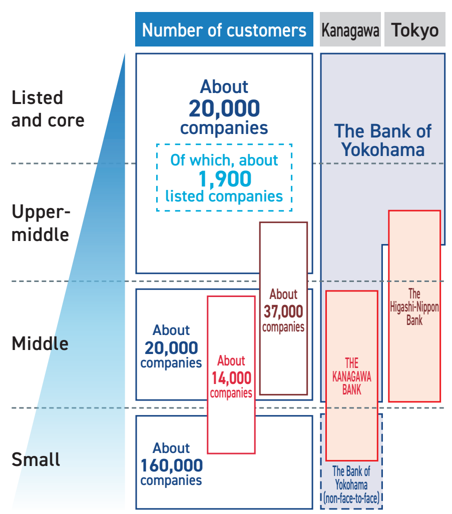
CHIBA YOKOHAMA PARTNERSHIP

Tokyo-Kanagawa Solution Connect
Bank of Yokohama Kiraboshi Bank, Ltd.

External enterprises such as PE funds and consulting firms

Strategic solutions

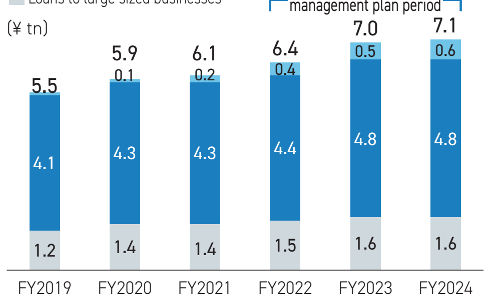
Strengthening our customer base by expanding the number of solution customers



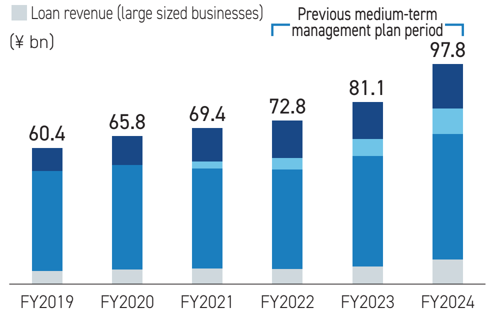
Recognize achievements and issues in the previous medium-term management plan

In the previous medium-term management plan, we expanded loan balance and corporate client service revenue mainly through structured finance, which is a highly profitable asset, by strengthening our provision of strategic solutions. On the other hand, we recognize that there is room for further growth in loans to small & medium sized businesses, given the growth potential of the home market.

Average corporate loan balance[*1]



Corporate client service revenue[*3]



Awareness of the environment

- Growing demand for management that is conscious of the cost of capital and stock price
- Further manifestations of business succession needs
- Emergence of labor shortages

Reflection

Achievement
Expanded strategic solution services that contribute to customers’ management strategies

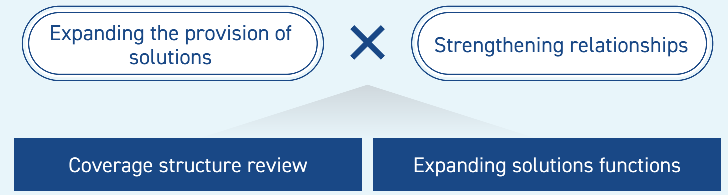
Challenge
Recognized room for expansion in loans to small and medium sized businesses in the home market

*1 Domestic operations and yen loans. On a two banks combined basis until FY2022, three banks combined basis from FY2023.
*2 Structured finance. SF loan revenue for FY2019 and FY 2020 is included in revenue from loans to small and medium sized businesses.
*3 On a management accounting basis, excluding service revenue related to SF for asset management companies. On a two banks combined basis until FY2022, three banks combined basis from FY2023.

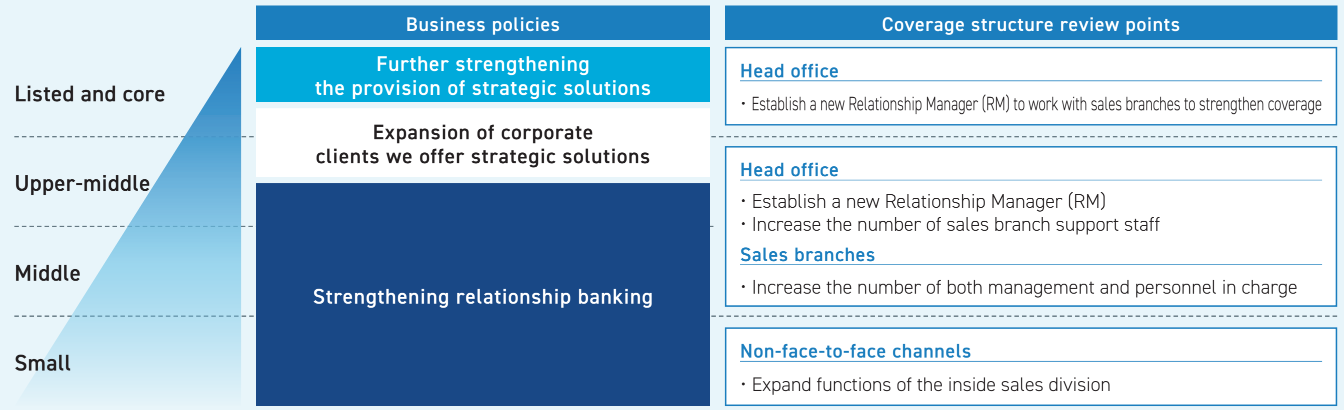
New Medium-Term Management Plan

Overview

Based on the results and challenges of the previous medium-term management plan, under the new medium-term management plan, we will continue to strengthen our structure to expand the provision of strategic solutions. Also, in order to expand loans to small & medium sized businesses in the home market, we will further strengthen our relationships with customers, which form the foundation for providing solutions.



Initiatives

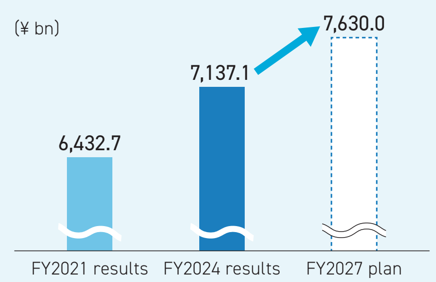


We will review the customer coverage structure, work to expand our provision of solutions and strengthen our relationships with customers. By establishing a Relationship Manager (RM) in the head office to strengthen our coverage of listed companies and major clients, we will build a structure that can respond quickly and accurately to the diverse needs of our clients. In the sales branches, we will increase the number of personnel in charge and management to strengthen our community-based sales capabilities and increase the number of points of contact with customers on the ground. In addition, we will focus on expanding the sales branch support staff in the head office and strengthening the support system for sales operations. Through these initiatives, we will aim for sustainable growth by strengthening our relationship banking as well as further strengthening our provision of strategic solutions.

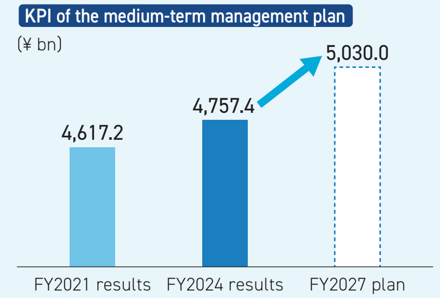
Numerical plan

	FY2021 results	FY2024 results	FY2027 plan
Average balance of corporate loans	¥6.1 trillion	¥7.1 trillion	¥7.6 trillion
Corporate client service revenue	¥69.4 billion	¥97.8 billion	¥147.7 billion

Average balance of loans to companies
KPI of the medium-term management plan

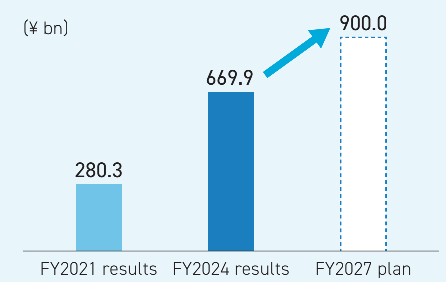


Average balance of small & medium sized businesses loans* (in Kanagawa and Tokyo)
KPI of the medium-term management plan



*Excludes structured finance. The numbers of the Higashi-Nippon Bank include loans to assets management companies. The numbers of THE KANAGAWA BANK are the average balance of loans to companies.

Average balance of structured finance (The Bank of Yokohama)



Source of strengths in the solution business

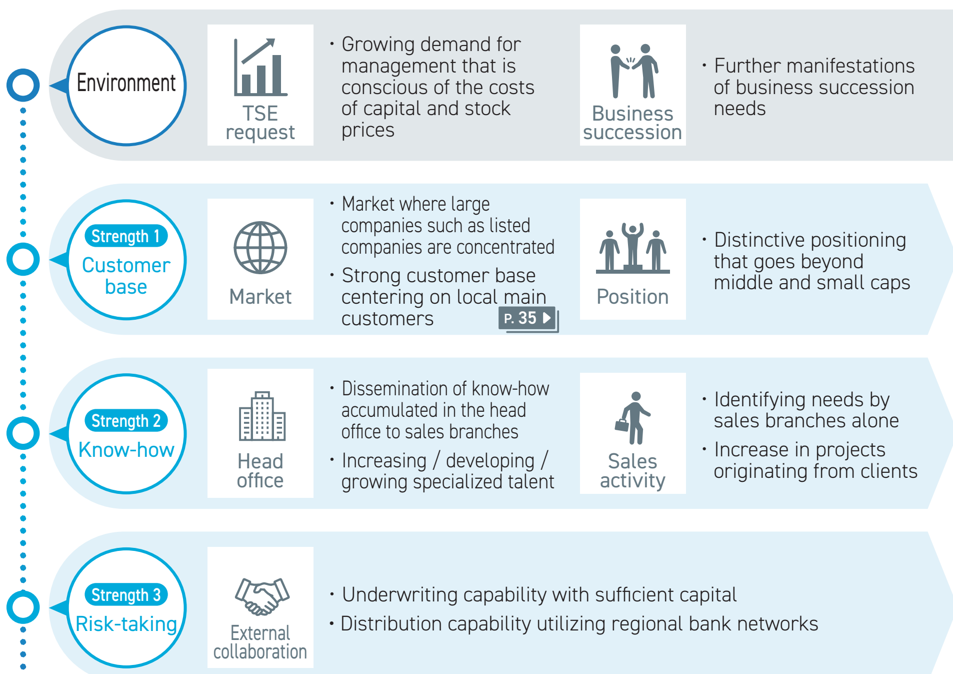
The strengths of the Group's solution business lie in its strong customer base, advanced solution provision know-how and risk-taking capacity backed by sound capital.

The Group has opportunities to provide strategic solutions by utilizing the customer base it has cultivated over many years in Kanagawa Prefecture and Tokyo, where customers, both small and medium-sized customers and large customers such as listed companies, are concentrated.

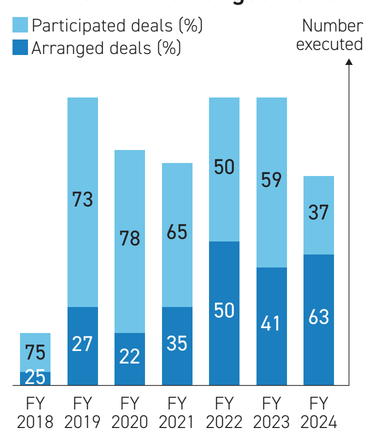
In 2019, we established the Financial Solutions Department, a direct sales unit at the head office, and have accumulated advanced solution know-how. By spreading this know-how throughout sales branches, we are able to identify the needs of even more customers and solve their problems. In addition, our capability to propose capital strategy solutions has improved through strengthening relationships with funds, and our market presence has been steadily growing.

Furthermore, with sufficient capital and our distribution capabilities utilizing regional bank networks, we are able to handle loans of tens of billions of yen, and have established a unique position in which we can address the challenges of not only middle and small caps but also customers at all stages.

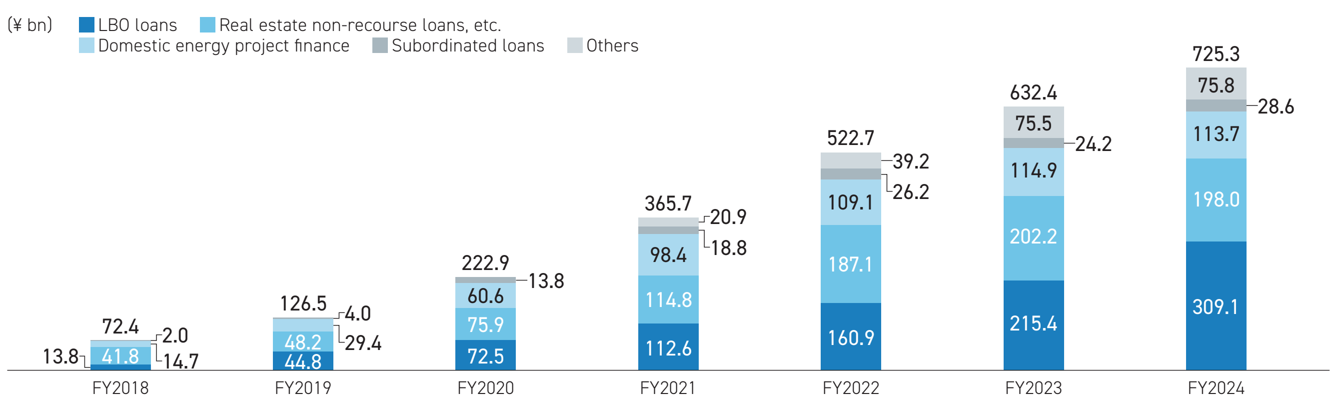
In addition to these strengths, LBO loans, a type of M&A financing, have been growing strongly against the backdrop of the Tokyo Stock Exchange's request for "management that is conscious of the costs of capital and stock prices," as well as growing need for business succession among small & medium sized businesses. We will continue to work to expand high-value-added businesses through providing advanced strategic solutions that contribute to our customers' management strategies.



Number of LBO loans and trends in arranged deals



Structured finance balance



Strengthen the solution business by utilizing the overseas offices

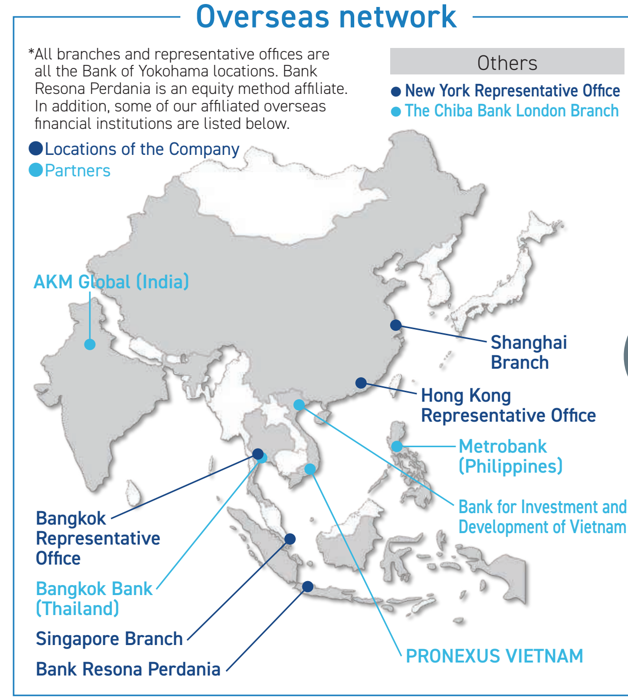
The Group provides comprehensive support for its customers' business development in Japan and overseas.

In our overseas business, we leverage our extensive overseas network centered on the growing Asian region, our high level of expertise and our domestic network to provide tailored services to customers seeking to expand globally and to support their overseas expansion and business expansion. Specifically, we provide tailored support, such as providing local information, assisting with the establishment of local corporations, developing business transactions, financing, and hedging foreign exchange risk. In addition, we provide optimal solutions, such as on-site surveys, business meetings, seminars, and cross-border loans, in accordance with each stage of our customers' overseas businesses (initial expansion stage, full-scale operation stage, and restructuring stage), as well as focus on foreign exchange-related services, such as money transfers, foreign currency deposits, letter of credit transactions, foreign exchange contracts, and derivative products to respond to the diverse needs of our clients.

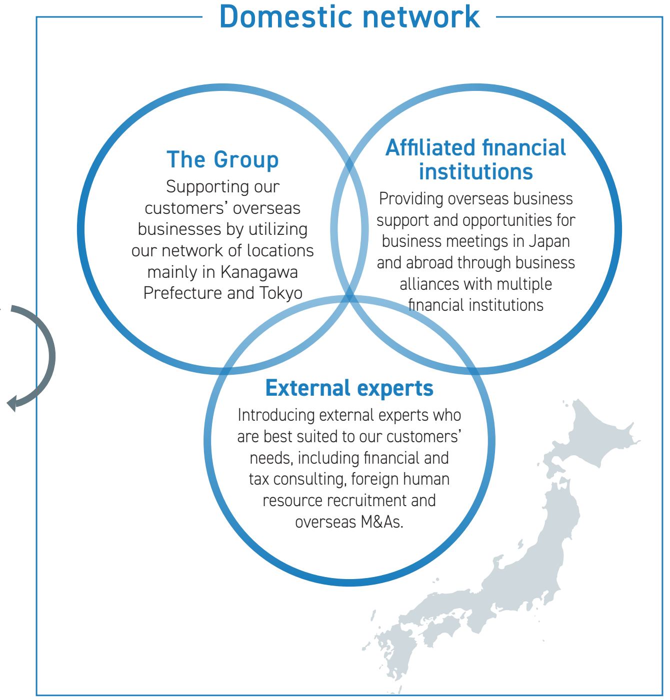
In recent years, non-Japanese businesses such as corporate loans and structured finance have expanded, and we are developing highly specialized solutions to meet diverse needs.

In the future, we will promote initiatives to provide comprehensive support for customers' overseas businesses by supporting them from the beginning and combining finance, foreign exchange and solutions.

Overseas network



Domestic network



TOPIC Supporting overseas expansion through seminars and exchange meetings

To support our customers' overseas business development, we regularly hold seminars and exchange meetings in Asian countries in collaboration with local financial institutions and major partner banks. In FY2024, about 300 companies participated in this program.

We will continue to provide our customers with practical and useful information and opportunities for exchange in order to help them solve their business problems and expand their networks on-site.

The "Business Meeting in Thailand" held in September 2024

Examples from FY2024

July	2024	Indonesia	We held a seminar on EV and decarbonized mobility updates, and their effects on governments and manufacturing supply chains.
July	2024	China	In cooperation with regional banks, we organized business meetings for customers who have already entered the Chinese market or who are interested in Chinese businesses to find new business partners.
August	2024	Singapore	We held a seminar on changes in industrial structure due to decarbonization and the shift to EVs in the automobile industry, as well as trends in each country and their impact on the economy.
September	2024	Thailand	In cooperation with local Japanese companies and regional banks, we organized business meetings for our customers to find new business partners, such as reviewing suppliers and developing sales channels.
October	2024	Japan	In cooperation with operating companies and regional banks, we organized business meetings with Vietnamese and Hong Kong-based buyers and food sales events for overseas consumers under the theme of "Tokyo-Kanagawa Food Promotion Project."
March	2025	Vietnam	In cooperation with JETRO, operating companies, and regional banks, we presented key points to consider for the initial stage of overseas expansion, such as labor management, wage planning, and securing human resources.

Corporate Customer Strategy Initiatives in the Higashi-Nippon Bank

Engaging with our customers face-to-face and progressing together side-by-side

Aiming to be a true total partner for small and medium-sized businesses

Representative Director,
President of the Higashi-Nippon Bank **Kazuhiro Sukegawa**

Since I assumed the position of President in April 2024, I have spent the past year engaging in dialogues with customers. Amid all this, I strongly feel that the Higashi-Nippon Bank today would not be the same without the warm support of our customers. Our bank celebrated its 100th anniversary in 2024. The history of our bank is a trajectory of facing each and every one of our customers in small and medium-sized business sincerely and overcoming their concerns and management issues together. Our mission as a total partner for small and medium-sized businesses is to continue to contribute to the enhancement of corporate value by providing optimal solutions for management issues.

The business environment surrounding small and medium-sized businesses remains harsh, with soaring resource prices, labor shortages, and intense market competition. In fact, we have heard many people say, "It is hard to secure profits as price shifts are not making progress," and "We are facing challenges in developing sales channels, securing human resources, and business succession." To address these challenges, our bank provides a wide range of solutions that leverage the Group's comprehensive strengths and networks. These solutions go beyond traditional loans and deposits, and include business matching, M&As, and business succession support. As a member of the Group, we can contribute to the sustainable growth of our customers in small and medium-sized businesses by gathering our expertise in various fields.

In the previous medium-term management plan, we focused on business feasibility assessment and supporting business operators. We have strengthened our sales structure, reviewed our branch network, and increased our sales personnel to make proposals that meet the challenges and needs of our customers. In addition, in the new medium-term management plan, the "Real Estate Solution Office," a department specializing in real estate financing, was established at the head office. We gather real estate information and expertise to provide complex solutions and enhance risk management. Under the new medium-term management plan, we aim to conduct more in-depth problem-solving sales based on the action guideline of "Better understanding of customers."

The most important factor in promoting corporate customer strategy is human resources. The proportion of younger sales staff is increasing, and we are combining training and on-the-job training to strengthen growth through practice. By centralizing sales staff in large-scale branches, younger employees have more opportunities to accompany their seniors. By directly learning the frontline practices and know-how, employees can bridge the gap in experience and guidance between branches, and we aim to raise and standardize the level of skills. Based on my own experience in the Human Asset Department, I understand that it takes time to acquire skills and know-how. However, it is essential to raise the level of the entire organization faster than ever amid drastic environmental changes. We have formulated a training plan that allows employees to acquire skills in about four years, instead of the five years it used to take, and we are working to strengthen our corporate sales system both qualitatively and quantitatively.

We are also working to foster a corporate culture. We have abolished the use of titles when talking with each other, and instead, everyone—including executives—addresses one another equally using the Japanese honorific "-san." This has created an environment where employees feel more comfortable expressing their opinions. In addition, when I assumed office as President, I called for the employees to value "C3Po." "C3Po" is the acronym for Challenge, Change, Communication, and Positive. I believe that active internal communication and taking on challenges proactively improve the engagement of each employee and the quality of work and services and ultimately lead to improved customer satisfaction.

Against the backdrop of a large market in the Tokyo metropolitan area, we believe that the true contribution to local communities is to support each one of our customers so that they can grow with vitality. Our corporate philosophy is to contribute to local communities as a trusted partner in the Tokyo metropolitan area, valuing relationships with our customers through face-to-face engagement. We always strive to stand by our customers face-to-face, and progress together side-by-side as we work to solve their challenges. As a partner that will open up a bright future together, the Higashi-Nippon Bank will always stay close to its customers. Becoming a bank our customers need for the future, we will continue to contribute to the enhancement of corporate value as a member of the Group.

Corporate Customer Strategy Initiatives in THE KANAGAWA BANK

Transforming trust built through close ties with local communities into stronger bonds and meeting the expectation of "I can talk to KANAGIN when I have a problem"

Towards the realization of the Management Principles

Representative Director,
President of THE KANAGAWA BANK **Tomoki Arai**

Since I became president in April 2025, visiting customers made me realize again that the Management Principles of "a bank that is trusted and supported by local residents and develops together with the community," is the over-70-year history of THE KANAGAWA BANK itself. This "community-based" approach is the bank's greatest strength, and we will continue to value it in the future.

Although Kanagawa is our main market, corporate customers are divided between THE KANAGAWA BANK and the Bank of Yokohama, and we play different roles. Our bank's customers are mainly local small & medium sized businesses and sole proprietors and many of them require loans that can be provided quickly. Communication with customers is frequent, and our relationship has naturally become closer. We have become a presence that customers rely on, saying, "I can talk to KANAGIN when I have a problem." These grass-roots networks are what make THE KANAGAWA BANK unique.

We have expanded and deepened our business with clients while placing importance on face-to-face communication. This style continued unchanged after the business integration with the Bank of Yokohama in 2023.

To further leverage our strengths, it is essential to improve the quantity and quality of sales personnel. We plan to gradually increase staff over the next three years, and we are actively incorporating the Bank of Yokohama's understanding of quality. Joint training and exchanges are also increasing, as well as seconding trainees to the Bank of Yokohama to learn specialized solutions and we are gradually seeing the results of such human resource development and the absorption of know-how.

Specific measures include introducing the Bank of Yokohama's loan products for medical practitioners and providing loans for projects that were previously difficult to handle, such as covenanted loans. In addition, the Group's ability to make proposals can be utilized for business succession measures in response to aging owners.

Competition with other financial institutions is fierce, but we are working to strengthen our ability to make proposals by taking advantage of synergies from the business integration and actively incorporating the Bank of Yokohama's expertise in consulting functions and advanced solutions. We are confident that we will be able to further leverage the unique strengths of THE KANAGAWA BANK by expanding our range of products and services to meet the diverse needs of our customers.

As the policy rate rises, the loan interest also rises, increasing the burden on customers. At the same time, I am asking myself if we have made more valuable proposals than ever before, and we are committed to proactively taking on even highly challenging projects.

The significance of relationship banking has been reemphasized in the Group's new medium-term management plan. It takes time to sit down with local customers and build relationships of trust, and we need to increase productivity to make the most of limited resources. In the back-office area, we are working to improve efficiency through integration, and we will continue to introduce measures tailored to our needs to further improve operational efficiency.

We are also working to improve the work environment through the "KANAGIN Improvement Project," and many of our employees have expressed that they feel more secure and motivated. We will continue to promote an environment that is easy to work in and aim to be an organization where all employees can utilize their abilities.

We believe that the growth of our customers together with their local communities leads to the development of THE KANAGAWA BANK. This is our belief, and I am confident that it will inspire each employee and lead to the achievement of our Management Principles. We will continue to value the uniqueness of THE KANAGAWA BANK and grow together with the local community.

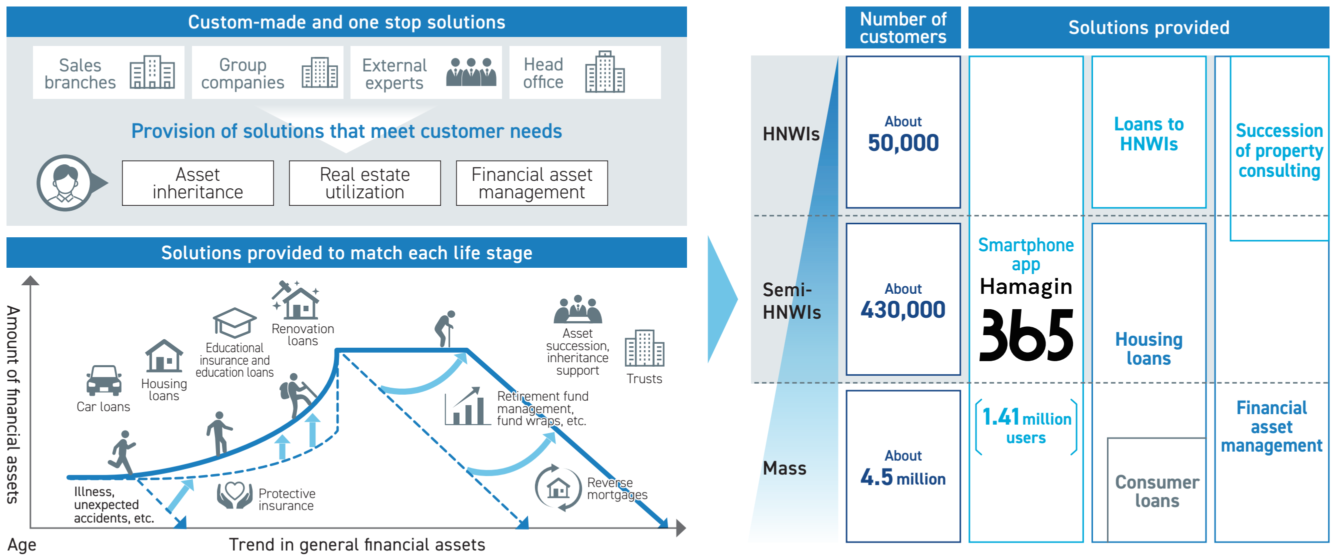
Individual Customer Strategy

As professionals in finance with high expertise and strong sense of professional ethics, we give the highest priority to the true needs of our customers, providing solutions that best suit their life stages. In doing so, we aim to be the most trusted bank. In particular, we will strengthen our advanced solutions provision system centered on loans to HNWIs, promote custom-made and one-stop proposals, enhance customer convenience through diverse channels combining digital and real, and further strengthen profitability.

Director (Director and Managing Executive Officer, Deputy General Manager of Sales Division, The Bank of Yokohama) Michifumi Katsuta

Providing solutions based on consultation service

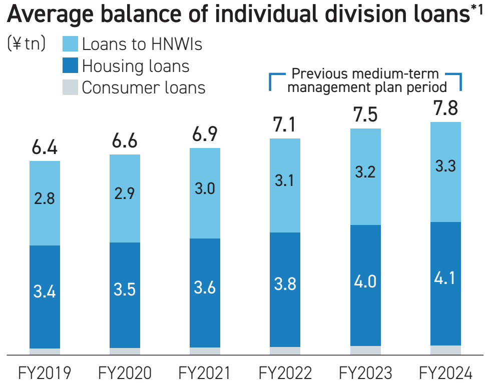
With a broad menu of financial products such as banking, securities, insurance, and trusts, we provide optimal solutions tailored to customers' life stages. Centered on HNWI customers acquired through loan transactions, we provide custom-made and one-stop solutions by utilizing direct sales at head office, Group functions, external experts, etc. We are also working to strengthen our wealth management services to provide comprehensive solutions to customers with financial assets.



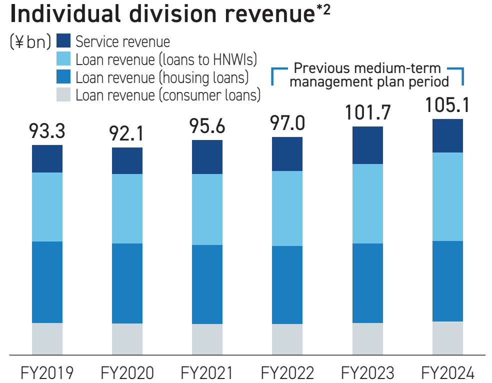
Achievements and recognition of issues of the previous medium-term management plan

By strengthening the provision of custom-made and one-stop solutions, we have accumulated loans to HNWIs and expanded individual division revenue. On the other hand, in light of a world with interest rates, we recognize the further strengthening of stock business as a challenge.

Average balance of individual division loans*1



Individual division revenue*2



Awareness of the environment

- Increase in HNWI population
- Solid real estate market in the Tokyo metropolitan area
- Expansion of support for the realization of a country that is a leading asset management center

Reflection

Achievement

Boosted earnings by strengthening the provision of custom-made and one-stop solutions

Challenge

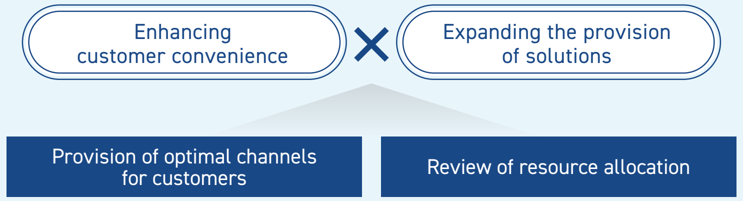
Strengthening stock business in light of a world with interest rates

*1 Domestic branches, yen-denominated loans. Two banks combined until FY2022, three banks combined from FY2023 onwards.
*2 On a management accounting basis, including service revenue related to SF for asset management companies. Two banks combined until FY2022, three banks combined from FY2023 onwards.

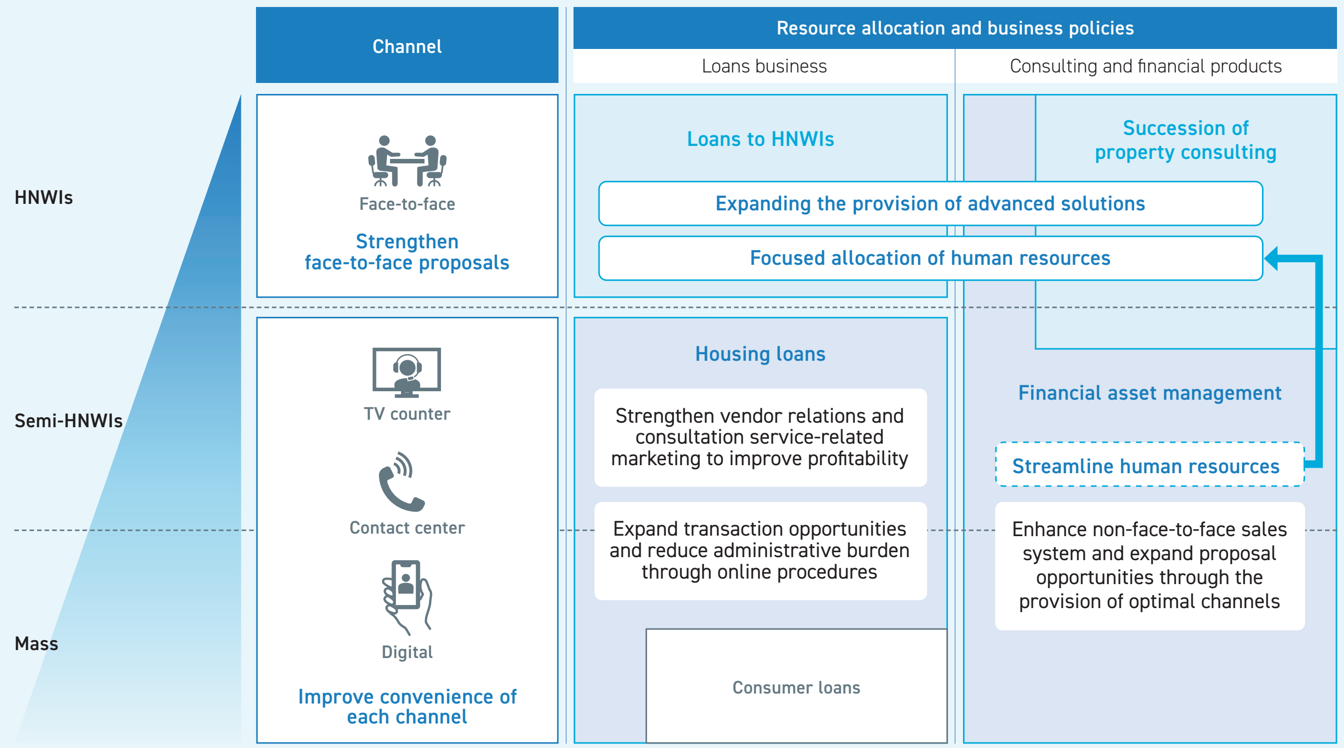
New Medium-term Management Plan

Overview

Based on the achievements and challenges of the previous medium-term management plan, the New Medium-term Management Plan will continue to expand the provision of advanced solutions, mainly in loans to HNWIs. We will also review resource allocation to improve customer convenience, such as by providing optimal channels, and strengthen our solutions provision system.



Initiatives



As population decrease advances, the HNWI market continues to expand, and customer needs are becoming ever more diverse and sophisticated. In addition, the real estate market in the Tokyo metropolitan area is expected to remain firm, and asset formation and management are becoming increasingly important due to the return to a world with interest rates.

In the New Medium-term Management Plan, we will further strengthen our loan-deposit business and accelerate the shift to stock business in the fund management sector. In order to implement customer-oriented solution sales and strengthen activities to improve customer satisfaction, we will review our sales structure according to each segment and expand relationships with customers and the provision of advanced solutions. In addition, by increasing the number of staff and introducing new tools, we will make use of functionally enhanced contact centers and digital channels to provide customers with highly convenient services.

Numerical plan

	FY2021 results	FY2024 results	FY2027 plan
Average balance of individual division loans	¥6.9 trillion	¥7.8 trillion	¥8.2 trillion
Individual division revenue	¥95.6 billion	¥105.1 billion	¥153.0 billion

Individual Customer Strategy

Initiatives for loans to HNWIs

We are working to strengthen loans to HNWIs in order to meet the needs for real estate utilization and inheritance planning, mainly for customers who own real estate. In the New Medium-term Management Plan, we will further strengthen our relationships with customers and real estate agents and focus on developing human resources to build a solid sales base and a strong solutions provision system and expand the balance of loans to HNWIs.

By building relationships with the next generation as well as strengthening relationships with the borrowers, we will establish relationships that ensure continued transactions, and by deepening our relationships with real estate agents, we will develop a relationship of trust that enables them to stably consult with us on projects.

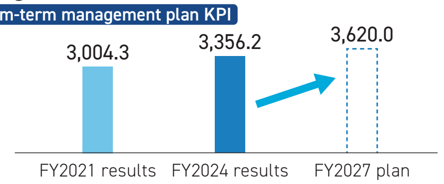
For human resource development, we will provide training at head office for about two months with the aim of developing human resources as quickly as possible. Even after the training is completed, managers and other personnel will continue to follow up to raise the proficiency level, and thereby the entire organization will work to increase the number of personnel responsible for loans to HNWIs.

Loans to HNWIs
- Apartment loans
- Unsecured loans
- Loans to asset management companies

Customer needs
- Real estate utilization
- Incorporation
- Inheritance planning

Average balance of loans to HNWIs*

Medium-term management plan KPI



*Excluding loans to asset management companies by the Higashi-Nippon Bank and THE KANAGAWA BANK

Initiatives for succession of property consulting

In succession of property consulting, we are strengthening our activities to bring to light the various potential needs of our customers and provide them with optimal consultation services to solve their problems. In the New Medium-term Management Plan, we will deepen our relationships with customers, mainly HNWIs, by expanding our points of contact. We will also identify their needs by listening to their family structures, financial backgrounds, and succession policies. At the same time, we will actively utilize our network with external experts to expand the range of solutions we offer. In particular, we will strengthen consultation services, which will lead to proposal-based loans against the backdrop of inheritance planning and succession of property such as real estate, etc.

Succession of property consulting
- Money trusts and testamentary trusts
- Expert referrals

Strengthening relationships with customers → Uncovering potential needs through hearings (Inheritance planning, facilitation of division of inheritance, property management, business succession, etc.) → Provision of solutions

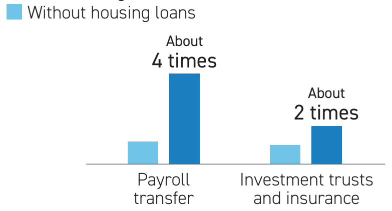
Housing loans

As housing loans are gateway products that lead to combined transactions such as settlement, we will strengthen our efforts to expand comprehensive transactions and strengthen the customer base while taking into account profitability.

By introducing a new support system for housing loan business, we aim to enhance points of contact by realizing online communication with customers and strive for the expansion of the balance of housing loans and the improvement of customers' lifetime value (LTV).

In addition, we will use the time created by reducing the administrative burden through the introduction of the new system to focus on consulting sales, such as insurance and asset formation support, and strengthening relationships with real estate agents.

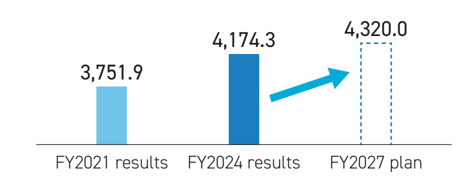
Combined transaction ratio



Enhancing customer convenience by system upgrades
- Paperless
- Prior confirmation of contract details
- Inquiries via chat

Average balance of housing loans

Medium-term management plan KPI



Financial asset management

In order to support each customer's asset formation and management in the medium- to long-term, we have adopted the concept of goal-based approach and are implementing optimal portfolio proposals that respond to customer needs.

By continuing to being close to customers after signing contracts and providing appropriate information in a timely manner, we are working to create an environment where customers can consult us with confidence. In addition to expanding opportunities to provide information including seminars for customers, we will strive for enhancing customer convenience by providing various channels such as websites and apps, contact centers, and online consultations. We will also realize high-quality consultation services to increase customer satisfaction.

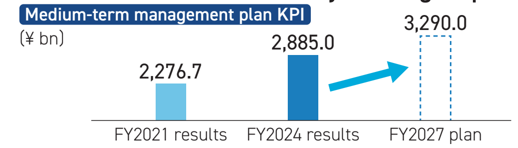
In addition, through training and study sessions, as well as encouraging employees to acquire qualifications, we are actively engaged in developing human resources with advanced expertise and skills suitable for a financial professional.

Financial asset management
- Investment trusts
- Insurance
- Stocks and bonds

Improvement of consultation capabilities
- Increasing information provision tools
- Expansion of education and training contents

Balance of assets in custody of the group*

Medium-term management plan KPI



*Total of investment trusts, fund wraps, life insurance, and balance of assets in custody of Hamagin Tokai Tokyo Securities. Excluding the Higashi-Nippon Bank and insurance balance of THE KANAGAWA BANK

TOPIC Increase customer touchpoints by improving the convenience of the smartphone app "Hamagin 365"

"Hamagin 365," a smartphone app developed by the Bank of Yokohama for individual customers, strengthened its presence as a main channel and exceeded 1.41 million users as of the end of June 2025.

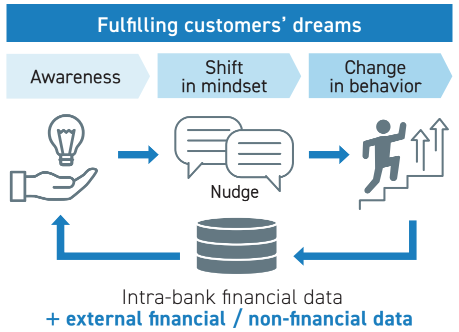
In FY2024, we enhanced our banking functions, such as checking the balance and contract details of housing loans and other various loans, and seamless connection with the settlement app "Hama Pay." In addition, the customer flow to investment trusts transactions and household account app were optimized to pursue further convenience.

In FY2025 onwards, we plan to implement a time deposit service limited to Hamagin 365 and a chat function that makes use of AI so that customers can easily consult with us.

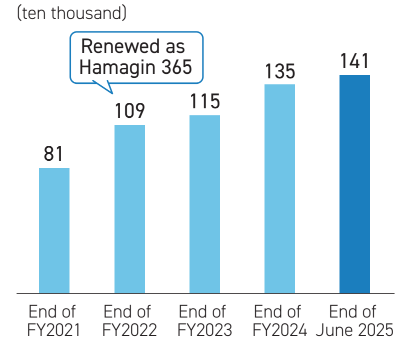
We will continue to position "Hamagin 365" as an important touchpoint for our customers and provide cutting-edge solutions while pursuing customer-oriented services.

Initiatives up to FY2024

Continuous one-to-one communication based on big data



Number of users exceeded 1.41 million



Added functions and expanded product lineup
- Function to confirm the balance of loans and contract details
- Seamless connection with "Hama Pay"
- Optimizing the customer flow to investment trusts

	Number of products listed
Former app	6 products
Hamagin 365	48 products

Additional functions from FY2025 onwards (plan)

Planning to add a chat feature. Responding to customers by an operator and generative AI

(Example)
How to use "Hamagin 365"
- Account addition procedure
- Procedure to print bank statements
- Unlocking procedure, etc.

Deposits Strategy

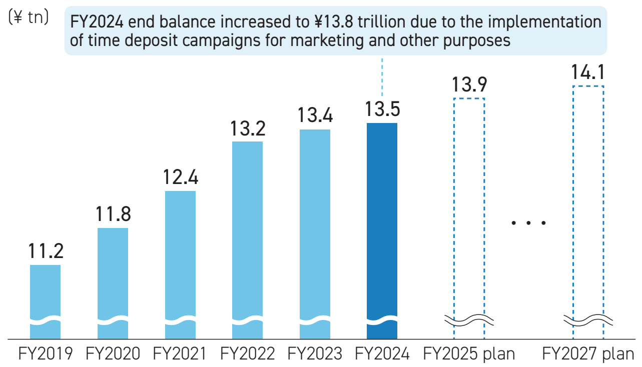
Individual customers | Acquisition of deposits for everyday use tied to daily life

As we return to a world with interest rates, deposits have become even more important from the perspective of strengthening our deposits and loans business and meeting our customers' diverse needs for asset formation and asset management. We aim to build a stable and highly sticky deposit foundation by offering deposit accounts for daily use that are closely tied to daily life.

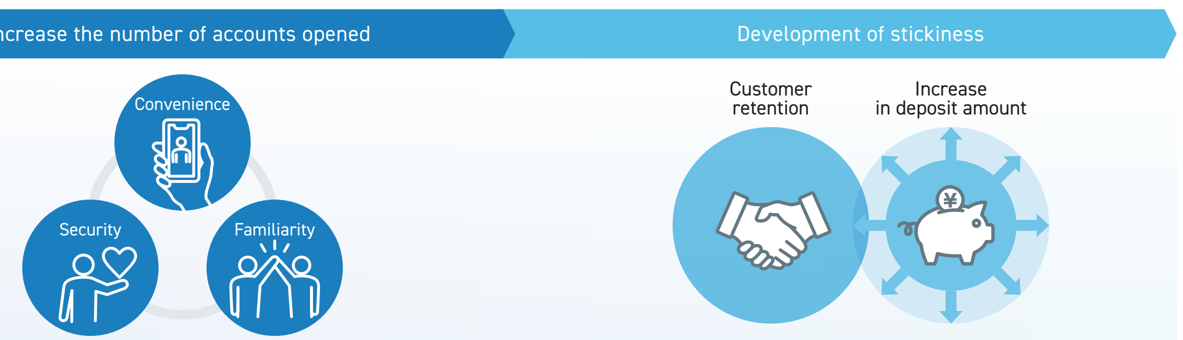
In particular, to increase the number of new accounts, we will focus on the three key points of security, familiarity, and convenience and maintain a network of branches and ATMs that is superior to that of our competitors. At the same time, we will improve the functionality of Hamagin 365, an app for individual customers, to strengthen highly convenient services that combine digital and real services. We will also strengthen our relationship with customers by providing detailed face-to-face services utilizing our network of branches rooted in local communities.

In addition, we aim to establish a stronger and more sustainable deposit foundation by strengthening promotions in collaboration with local activities so that we become more accessible and by implementing measures to promote long-term transactions such as the expansion of loyalty programs.

Average balance of individual deposits*

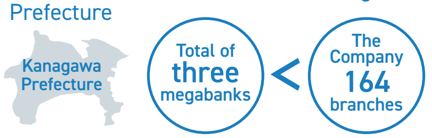


*Domestic branches, yen-denominated deposits. Corporate deposits exclude public sectors and financial institutions. Two banks combined until FY2022, three banks combined from FY2023.



- Maintain superior networks of branches and ATMs compared to competitors

Number of staffed branches in Kanagawa Prefecture



- Strengthen promotions linked to local activities

- Enhance the functions of Hamagin 365

- Engagement with educational and occupational segments through our transaction network (capture salary payments, etc.)

- Loyalty programs for specific transactions
- Strengthening the benefits of using bank accounts through cooperation with local companies
- Improving customer satisfaction through strengthening in-store consultation capabilities

TOPIC | Time deposit campaign to strengthen the deposits and loans business

In the Bank of Yokohama, we implemented the Premium Time Deposits Campaign from February to March 2025 as part of our efforts to strengthen our deposits and loans business and promote investment-type products. Through this campaign, many customers came to our branches, and the total amount of deposits exceeded ¥300 billion in less than two months.

The aim of this campaign is to understand the diverse needs and requests of customers through dialogues and consultations, and to utilize them in marketing activities overall. Some of the customers who visited our branches during the campaign also purchased investment-type products, which led to the strengthening of face-to-face contact with customers utilizing branches. Going forward, in addition to conducting highly appealing campaigns, we will provide optimal solutions that meet the life stage and needs of our customers, and consider introducing loyalty programs, with the aim of building relationships with our customers in the medium to long term.

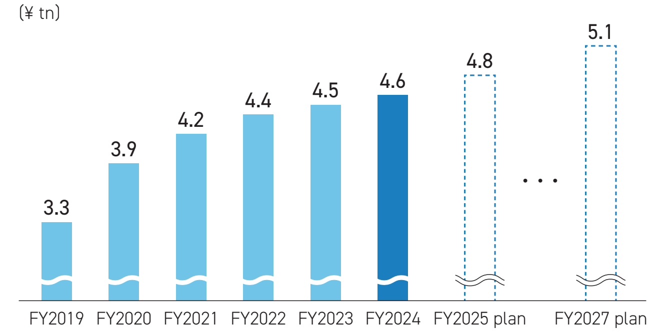
Corporate customers | Acquisition of deposits through strong customer relationships

As part of our efforts to strengthen corporate deposits, we are working to build a stable and sticky deposits infrastructure by acquiring ordinary transaction accounts, such as settlements, through strong customer relationships.

We are also working to deepen communication by enhancing the functions of the business portal "Hamagin Business Connect" to improve convenience for corporate customers and strengthening inside sales such as customer follow-ups utilizing behavioral data.

In addition, we will strengthen cooperation with local communities and propose new deposits management with added value such as social deposits. Through these initiatives, we aim to further increase the deposit balance while responding to diverse corporate customer needs.

Average balance of corporate deposits*



*Domestic branches, yen-denominated deposits. Corporate deposits exclude public sectors and financial institutions. Two banks combined until FY2022, three banks combined from FY2023.

Strong customer base backed by close relationship banking

- Acquisition of routine transactions based on relations with finance clients
- Deepening communication by expanding the functions of business portals

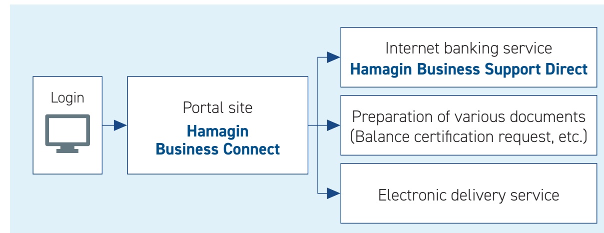
- Provision of social deposits and other services that contribute to the resolution of regional issues
- Expansion of deposit measures for corporate customers in cooperation with local companies

Strategies for cooperation with local communities that grow together with the regional economy and clients

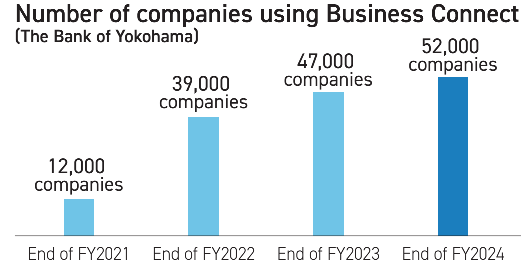
Providing the business portal "Hamagin Business Connect"

The Bank of Yokohama provides "Hamagin Business Connect," a membership portal site for corporate customers, as a non-face-to-face service aimed at enhancing customer convenience and strengthening digital communication. As of the end of March 2025, we have 52,000 corporate customers as a result of integrating the log-in function into Internet banking, completion of various transactions online, and providing information to customers through the "Notification" function.

We will continue to expand our comprehensive business through enhancing functions.



Number of companies using Business Connect
(The Bank of Yokohama)

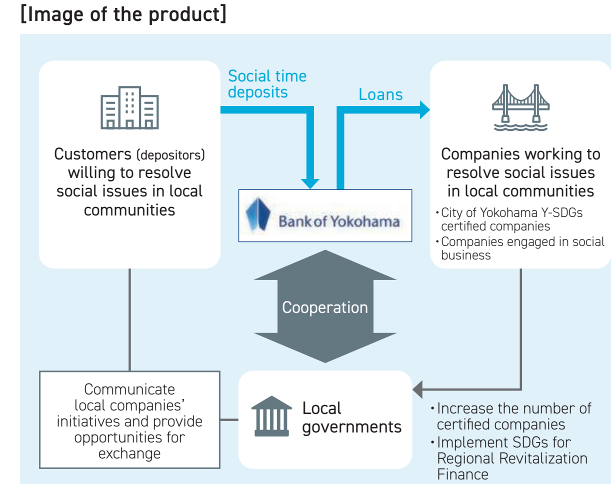


Utilizing social time deposits to resolve local community issues

In order to contribute to the sustainable development of local communities, the Bank of Yokohama began offering "Hamagin Social Time Deposit" in 2024. This product utilizes deposits entrusted by corporate customers and sole proprietors to provide loans to companies working to resolve social issues in the local community. We are developing stickiness by deepening cooperation between customers and local communities.

We will continue to further strengthen cooperation with companies that are committed to contributing to the local community, and aim to expand corporate deposits, revitalize the local economy, and build medium to long term relationships with customers.

[Image of the product]

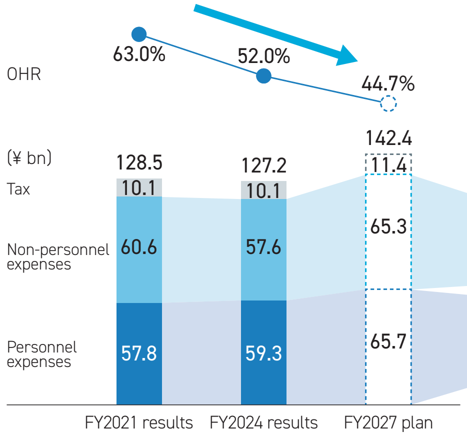


Initiatives to Raise ROE | Cost Control

Expense control

In FY2024, while strengthening human capital investment, we controlled expenses by reducing system-related costs. As a result, the three banks combined OHR was 52.0% (consolidated OHR was 51.5%), achieving the OHR target of the lower 50% range set in the previous medium-term management plan. In the new medium-term management plan, we expect expenses to increase due to our investment in growth and strengthening our management base. Despite this increase, we plan to reduce the three banks combined OHR to 44.7% by strictly controlling expenses.

Expenses (three banks combined)



Breakdown of expense increases

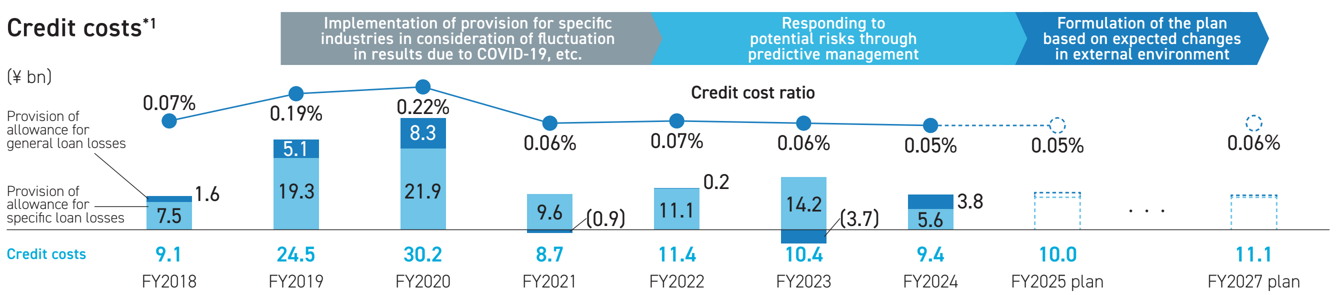
Increase in expenses during the medium-term management plan			
+¥15.2 bn (3.8% annual increase)	Infrastructure costs, etc.	+¥6.0 bn	• Expenses for upgrading stores and systems at sales branches in order to maintain a superior network of stores compared to our competitors • Increase in outsourcing expenses due to inflation, etc.
+¥7.6 bn (4.2% annual increase)	Investment in growth	+¥1.6 bn	• IT/system investments that contribute to expanding points of contact with customers and improving convenience (smartphone apps, etc.) • Promotions to strengthen deposits as a source of growth • Strengthening recruitment activities to acquire diverse human resources to support the enhancement of corporate value
+¥6.3 bn (3.4% annual increase)	Investment in human capital	+¥6.3 bn	• Investment in human capital that supports expanding the provision of solutions for sustainable growth and further strengthening relationship banking (e.g. raising base and initial salaries)

Credit cost control

In FY2024, we experienced a reversal as the provision for specific industries in consideration of the fluctuation in results due to COVID-19 and other factors was stopped. At the same time, we revised the calculation method for LBO loans receivables (introducing the DCF method), as well as that for receivables of some business support companies (e.g. extending the estimated period of expected loss from one year to three years) in preparation for changes in the economic environment.

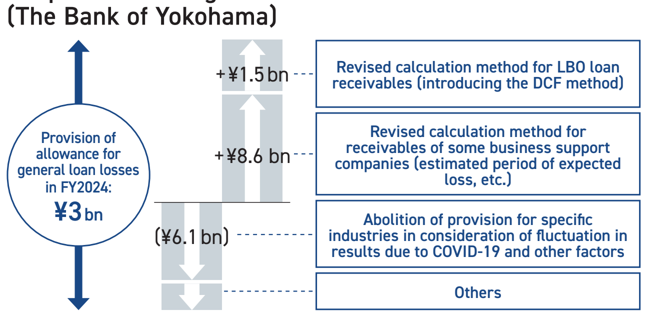
We also conducted a stress test targeting the automotive industry to assess the impact of the U.S. tariff policies. The cumulative impact on credit costs over the three-year period from FY2025 to FY2027 is estimated to be a maximum of about ¥8 billion, compared with about ¥300 billion of credit amount for the industry. However, we expect the credit costs will remain within the planned total of just over ¥30 billion during the new medium-term management plan period.

Credit costs[*1]



*1 Two banks combined until FY2022, three banks combined from FY2023

Response to changes in the economic environment (The Bank of Yokohama)



Stress test considering the impact of the tariff on the automobile industry[*2]

Credit amount	Stress scenario
About ¥300 bn *For automobile manufacturers and suppliers	Scenario 1: Manufacturers pass on the 25% additional tariff to sales prices Scenario 2: Suppliers bear the cost of the 25% additional tariff **Credit costs impact (FY2025 - FY2027 cumulative)** In both scenarios 1 and 2 Up to about ¥8 bn

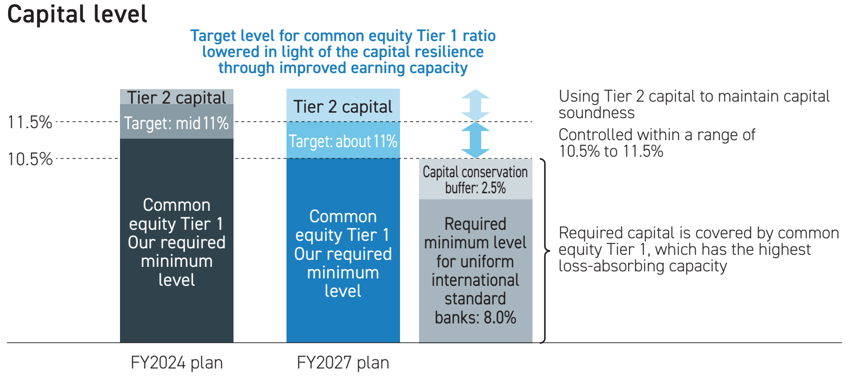
*2 The Bank of Yokohama

Initiatives to Raise ROE | Risk Asset Control

We set the common equity Tier 1 ratio, which has high loss absorbency, as one of the target indicators in the medium-term management plan from the viewpoint of maintaining financial soundness. In light of the fact that capital resilience is increasing due to improved profitability, the minimum target indicator is set at 10.5%, which consists of 2.5% capital conservation buffer added to the 8.0% minimum level required for the total capital ratio of internationally harmonized standard banks. The target rate was lowered to about 11% on the assumption that it will be controlled within the range up to 11.5%. Based on such control of the common equity Tier 1 ratio, we control risk assets that balance profitability and soundness.

In April 2025, we also raised ¥20 billion through the issuance of Basel III Tier 2 bonds (B3T2 bonds). We will work to improve capital efficiency and maintain soundness by making greater use of Tier 2 capital.

Capital level



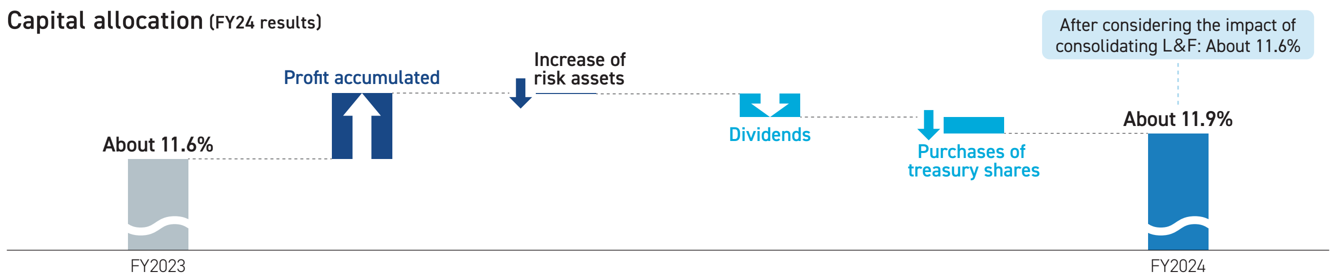
Tier 2 capital procurement

From the viewpoint of improving capital efficiency and maintaining soundness, subordinated bonds (B3T2 bonds) were issued for the first time in about four and a half years.

Issued date	April 25, 2025
Issue amount	¥20 bn
Tenor	10-year (redeemable before maturity after 5 years of issuance)
Interest rate	1.786% (initial 5 years)
Bond rating	AA - (JCR)

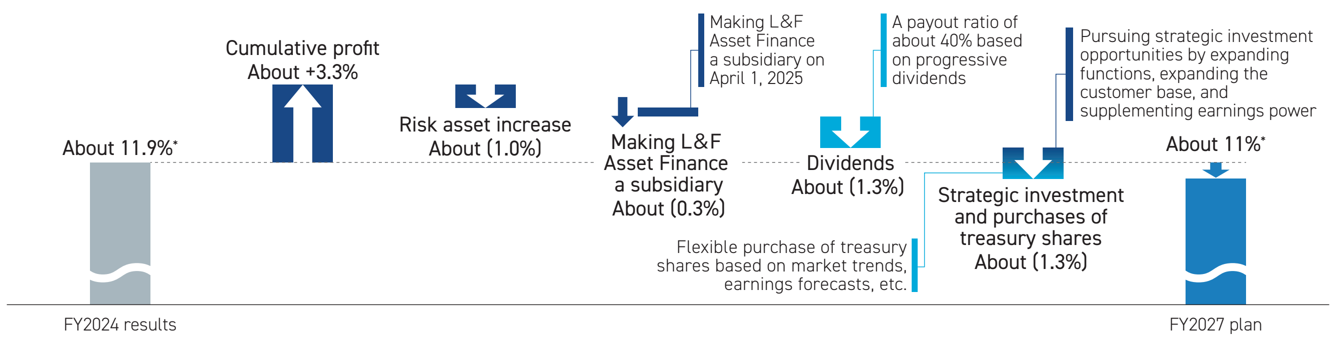
The common equity Tier 1 ratio (on a finalized and fully implemented Basel III basis) at the end of FY2024 was about 11.9%. However, after taking into account the impact of consolidating L&F Asset Finance in April 2025, it was about 11.6%, achieving the previous medium-term management plan target of mid-11% level.

Capital allocation (FY24 results)



In the New Medium-term Management Plan, while we expect capital to increase due to the accumulation of cumulative profit, we also expect risk assets to increase through our core business and common equity Tier 1 ratio to decrease following the consolidation of L&F Asset Finance. In addition to implementing dividends according to the dividend policies, which base progressive dividends and aim for a 40% payout ratio, we will aim to raise ROE by utilizing capital in strategic investment or flexible share buybacks, which will lead to future growth, while balancing growth investment and shareholder returns.

Common equity Tier 1 ratio will be about 11% through active use of capital in raising ROE



*Finalized and fully implemented Basel III basis (excluding valuation difference on available-for-sale securities)

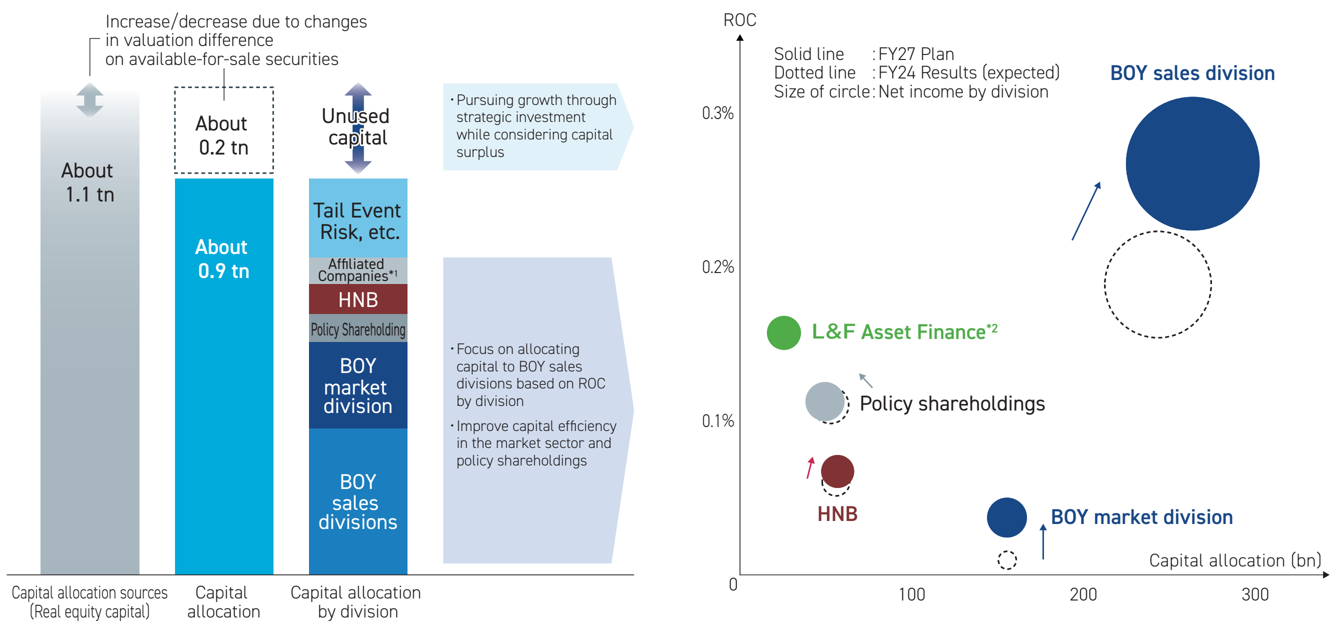
The Group works to maximize returns on allocated capital by allocating capital optimally. In allocating capital, the Company confirms the sufficiency of buffers to ensure that the Company's real equity capital will not be exceeded in the event of a financial shock-level tail event risk.

Capital will be allocated with particular emphasis on the Bank of Yokohama's sales divisions (solution business), which have the largest profitability and revenue, based on the ROC of each division. For the Market Division, we will work to improve capital efficiency while restructuring our securities portfolio. In terms of policy shareholdings, we have a policy of reducing their balance and plan to reduce the amount of capital allocation. At the Higashi-Nippon Bank, we work to improve the ROC by enhancing profitability through strengthened relationship banking while controlling the amount of increase in allocated capital.

We aim to raise the Group's overall ROE by seeking strategic investment opportunities that strengthen our solution business and enhance our capital returns, while considering our capital surplus.

*ROC (Return on Capital): Net income / Allocated Capital

Direction of capital allocation (Image)



*1 L&F Asset Finance, THE KANAGAWA BANK, etc.

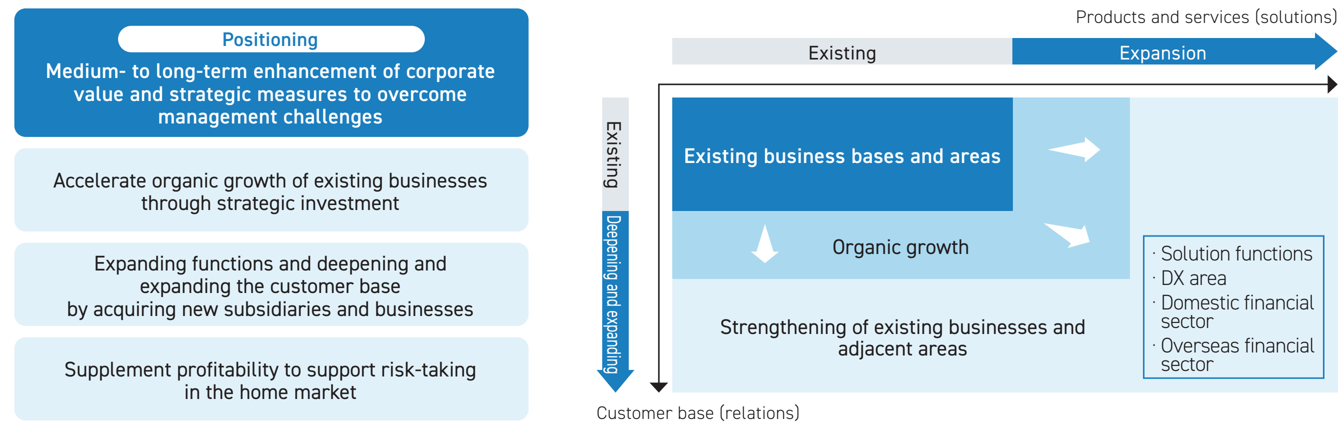
*2 ROC calculated based on the Company's net income (excluding goodwill)

BOY sales division	• Highly competitive, continue prioritized capital allocation • Continuously improve ROC by expanding the provision of solutions, strengthening relationship banking, and human resource development
BOY market division	• Improve ROC through asset replacement and increased interest and dividend income from interest rate hikes
HNB	• Improve profitability of sales division by expanding lending assets through strengthening relationship banking • Market division total net gains/losses improved due to the fading impact of cutting losses
Policy shareholdings	• Accelerate reduction in line with the plan
L&F Asset Finance	• Maintained relatively strong ROC even after consolidation

Effective Use of Capital Through Strategic Investments

Strengthening and expanding business areas through strategic investments and alliances

As initiatives to raise the ROE, we have been expanding and strengthening our business areas since the previous medium-term management plan by "making use of strategic investments and alliances," which is our priority strategy. In the current medium-term management plan, we have positioned this as "medium- to long-term enhancement of corporate value and strategic measures to overcome management challenges." We have also set three specific directions for our initiatives: (1) Accelerate growth of existing businesses through strategic investment; (2) Expanding functions and the customer base by acquiring new subsidiaries and businesses; and (3) Supplement profitability to support risk-taking in the home market. In FY2024, we announced the consolidation of L&F Asset Finance (formerly Sumitomo Mitsui Trust Loan & Finance), a wholly owned subsidiary of SMTB, and completed the stock acquisition on April 1, 2025. We have also formed business alliances with the Chiba Bank and Kiraboshi Bank to improve customer services and realize a favorable effect of collaboration.



Major initiatives for FY2024

Acquired the shares of L&F Asset Finance (through consolidation)

We acquired an 85% stake in L&F Asset Finance (formerly Sumitomo Mitsui Trust Loan & Finance), a finance company specializing in real estate loans, from SMTB and made L&F Asset Finance a consolidated subsidiary.

P. 63 Initiatives in L&F Asset Finance

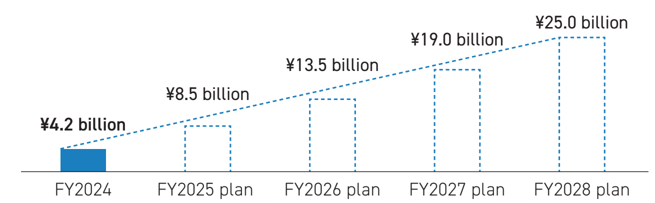
Chiba-Yokohama Partnership

In the Chiba-Yokohama Partnership, the Bank of Yokohama, and the Chiba Bank, both of which are based in the Tokyo metropolitan area, aim to realize sustainable growth by bringing together their respective expertise and offering high-value-added services to customers. In the new plan (Phase 2), which began in April 2024, we have set a five-year cumulative target for the effect of collaboration of ¥25.0 billion mainly in the corporate sector.

CHIBA YOKOHAMA PARTNERSHIP

Effect of collaboration

Concept of Phase 2 "Improve presence in Tokyo metropolitan area"
- Creating value for customers that only Chiba and Yokohama can offer -



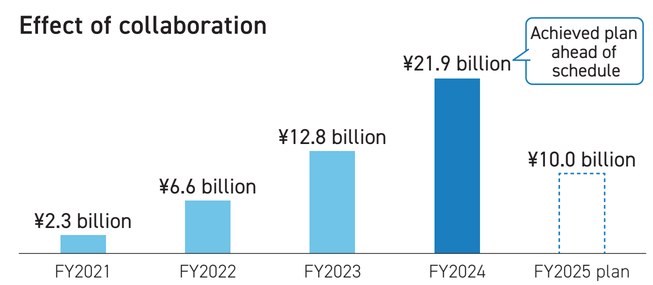
Tokyo-Kanagawa Solution Connect

The partnership between the Bank of Yokohama and Kiraboshi Bank, Tokyo-Kanagawa Solution Connect, has been leveraging the expertise and strengths of both banks since August 2021 to support their customers in resolving issues and enhancing corporate value.

The effect of collaboration amounted to ¥10.0 billion already achieving the target of the five-year plan, and the cumulative total up to the fourth year is ¥21.9 billion, significantly exceeding the plan.

Kiraboshi Bank, Ltd.

Effect of collaboration



Special Feature 2 Initiatives in L&F Asset Finance

We acquired an 85% stake in L&F Asset Finance (formerly Sumitomo Mitsui Trust Loan & Finance), which was a wholly-owned subsidiary of SMTB, making L&F Asset Finance a consolidated subsidiary in April 2025. We are also building a cooperative relationship with SMTB, which holds the remaining 15% stake.

Significance and background through consolidation as a consolidated subsidiary

In recent years, financial needs have diversified along with changes in the social and economic environment. In response to these changes, the Group aims to contribute to local communities and strengthen its earnings base at the same time by strengthening its financial intermediation function. Through this consolidation as a subsidiary, we will expand growth opportunities in the real estate-secured finance sector and aim for the medium- to long-term enhancement of corporate value. In addition, by combining the expertise in real estate of the Sumitomo Mitsui Trust Group (a trust group centered on SMTB) with the Group's regional operating base, we will be able to provide further added value.

Business model and strengths of L&F Asset Finance

L&F Asset Finance is a financial company specializing in real estate loans. We offer personal home loans, rental property loans and real estate loans. With the former Life Housing Loan and the former First Credit Corporation as its forerunners, the strength of the L&F Asset Finance lies in its careful credit process based on its unique expertise in evaluating borrowers and property over many years. In addition to its strong credit standing as a banking financial company, the Company also utilizes Sumitomo Mitsui Trust Group's expertise in real estate to flexibly handle cases that are difficult for banks to handle. For example, we provide financial services that meet a wide range of needs, including those of foreign nationals and the elderly, old properties, and the use of funds related to inheritance.

Business strength

Customer segments and assets that banks are not always fully able to address

Customer attributes that are difficult to handle under bank standards	Properties difficult to evaluate	Wide range of uses of funds
· Sole proprietors with low declared income · Foreigners without permanent resident status · Short years of service	· Old properties, auctioned properties · Properties for vacation rental business · Existing ineligible properties	· Refinancing funds (lengthening loan term) · Tax payment funds including unpaid/delinquent taxes · Funds for resale (short-term/vacant land)

Unique credit evaluation expertise

Unique individual screening in which expertise cultivated over years, effort, and time are invested

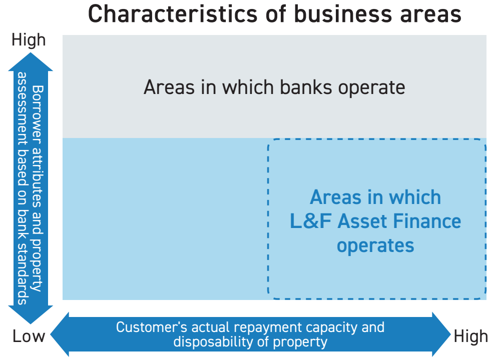
· Grasping actual cash flow by focusing on interviews
· Property valuation focused on market price (disposability)

Low → Delinquency rates / Deterioration rates

Expected effects and future policies

By combining the unique know-how of L&F Asset Finance with the business foundation of the Group, the Group will strengthen its structure to respond to diverse financial needs that have been difficult to meet. By doing so, we aim to contribute to the sustainable development of local communities and further strengthen the earnings base of the entire Group. We will further deepen our collaboration with SMTB to offer a wide range of financial services and expand our businesses. In addition, to support the further growth of L&F Asset Finance, we will promote the establishment of a post-merger integration (PMI) system. Through these efforts, we will contribute to the realization of a sustainable future by achieving a balance between social significance and enhancement of corporate value.

Characteristics of business areas



Objectives and expected effects	1 Strengthening the ability to respond to social structure changes by expanding adjacent areas of existing businesses	· Expanding financing businesses for customer segments and asset classes that banks are not always fully able to serve, and incorporating unique credit evaluation expertise · Contributing to resolving local community issues and capturing growth opportunities in the real estate-secured finance sector by strengthening our ability to respond to diverse financial needs associated with social structure changes
	2 Demonstrating topline synergies in the home market	· Acquiring new customers in Kanagawa and Tokyo who are not always fully addressed · Mutual referrals and regional bank network · Customer/project referral synergy by utilizing real estate agent channel
	3 Improvement of ROE through capital utilization	· Improving profitability while maintaining soundness through capital utilization (Impact on common equity Tier 1 ratio: About (0.3%) Impact on ROE (shareholders' equity base): About +0.4%) *As of November 14, 2024, when project was announced

Trade name was changed to "L&F Asset Finance" on April 1, 2025.

L&F Asset Finance
~ Meaning behind trade name ~

"L" stands for Life and its purpose is to support the lives and lifestyles of individual customers and the survival (life) of corporate customers through housing loans and real estate loans. "F" stands for First (Customer First) and Frontier (Frontier Spirit). As the business environment changes and customer needs diversify, we are determined to work tirelessly to create new customers and markets.

We specialize in the real estate-secured finance sector and have three core businesses: housing loans, apartment loans and real estate loans. Since its founding, the Company has valued the spirit of "supporting customers who have been turned down by banks." A key feature of ours has been its role as the "last bastion of finance" in responding to cases where ordinary financial institutions such as banks have not always been able to provide adequate support.

In many cases, cases that cannot be handled by banks, etc. have some negative factors or conditions that are not met, and it is essential to carefully grasp the actual situation and explore the possibility of financing. As such, we attach particular importance to discussions with customers and on-site inspections of collateral properties.

For example, for housing loans, interviews are used to comprehensively evaluate the ability and willingness to repay, including actual incomes and expenses, the state of deposits and savings, family support, and the desire to own a house. For apartment loans and real estate loans, in many cases, screening is difficult, such as for properties that are old or that have issues with building coverage ratios or floor area ratios. However, we conduct our own collateral assessment by interviewing surrounding people and considering various perspectives, such as the likelihood of rebuilding, distribution prices, and liquidity.

As such, we do not spare any time or effort in making credit decisions based on actual conditions, and receive an appropriate interest rate in return. Due to careful credit decisions and small-scale diversification, we maintained low delinquency rates and impairment rates even through the COVID-19 pandemic and established healthy portfolios. As a member of a major financial group, we also enjoy stable funding. As of the end of March 2025, the Company had about ¥480 billion in assets and 36% in overhead ratio (OHR), demonstrating efficient management.

Effective April 1, 2025, we became a consolidated subsidiary of the Concordia Financial Group, and the trade name changed from Sumitomo Mitsui Trust Loan & Finance (abbreviated as SuMi TRUST L&F) to L&F Asset Finance. "L&F" remained in the new company name to reflect the opinions expressed in a survey of employees, our appreciation for long-time loyal customers, and our determination to continue the essence of our business model, where "L" stands for "Life" and "F" stands for "Customer First" and "Frontier Spirit."

Each Group bank is introducing projects to us that are difficult for them to address due to property attributes and valuation, use of funds, etc., and we are building a new collaborative business model that responds to these cases with our unique strengths. By leveraging financial functions that banks do not have, we will actively work with banks to address social issues such as the "great inheritance era" and an "increase in vacant and older properties," "business succession due to the declining birthrate and aging of society," and "corporate revitalization that promotes the renewal of industry," as well as regional revitalization, mainly in the Tokyo metropolitan area including Kanagawa and Tokyo.

In the future, we expect that combining our ability to assess real estate with the business feasibility assessment know-how of each Group bank will make it possible to propose business funds and revitalization funds using real estate to owners of small and medium sized businesses and micro businesses.

As a leading regional bank group, we believe it is extremely significant for us to take the lead in these activities.

Currently, we have locations in Tokyo and Yokohama, as well as in Osaka, Nagoya, Sendai, Fukuoka and Hiroshima. In the future, our major goal is to expand the collaborative business model with each Group bank to each regional financial institution, so that L&F will prevail as a "standard feature of financial functions" for solving social issues and regional revitalization at the national level and become familiar to more people.

Through these efforts, we will contribute to the enhancement of corporate value of the Concordia Financial Group, as well as to the local communities we serve by addressing the issues and concerns of our customers.

Initiatives to Raise ROE | Optimal Capital Allocation

Reducing Policy Shareholdings

Policy of policy shareholdings

The basic policy of policy shareholdings is to reduce the balance for the sake of minimizing financial risk due to stock price fluctuations and of using capital efficiently with an awareness of the cost of capital. We periodically review the significance, economic rationale, etc. of our shareholdings and if holdings are deemed inappropriate, we sell them, taking into consideration circumstances that should be taken into account, such as negotiations to improve profitability and market impact.

Even when shareholdings are deemed appropriate, we may sell them in accordance with our basic policy of reducing outstanding balances, taking into consideration the market environment, management, and financial strategies, etc.

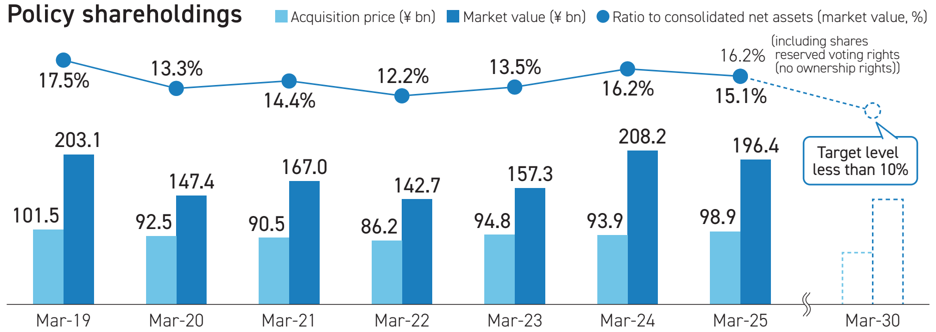
Furthermore, when policy-holding shareholders indicate an intention to sell the Company's shares, the Company will take no actions to prevent such sales.

Initiatives to reduce policy shareholding

In FY2024, the Group banks collectively sold policy shareholding listed stocks with an acquisition price of ¥2.3 billion and a market value of ¥7.7 billion. Starting from FY2025, we have revised our target to reduce the ratio of the market value of shareholdings, including the total of listed and unlisted stocks excluding shares with reserved voting rights (no ownership rights), held by the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK to less than 10% of consolidated net assets by the end of March 2030. We will further accelerate our efforts to reduce policy shareholdings more than ever before.

Additionally, we will not reclassify policy shareholdings into pure investment shares.

Policy shareholdings



*Total of listed stocks and unlisted stocks by the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK excluding shares reserved voting rights (no ownership rights)

*"Shares reserved voting rights (No ownership rights)" refers to shares that are not owned but for which the authority to exercise voting rights or the authority to give instructions concerning such is reserved under a trust agreement, etc. In the case of our Group, this applies to investment shares contributed as trust assets for the purpose of providing lump-sum retirement benefits.

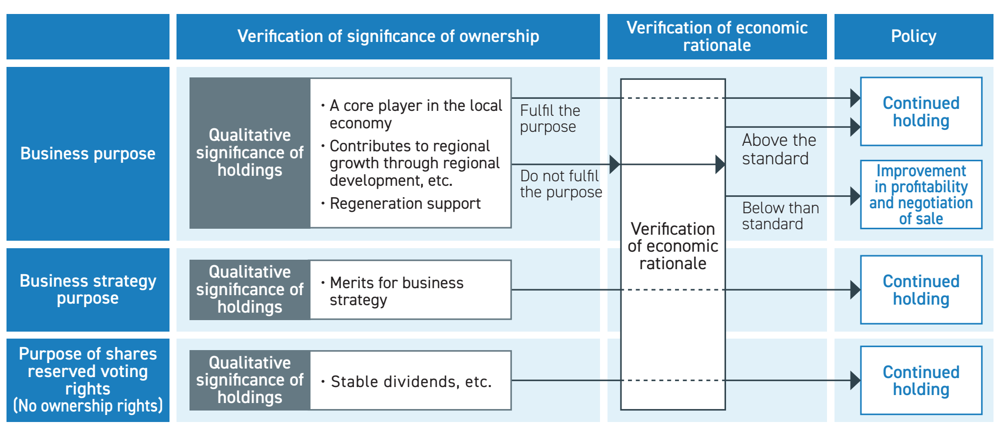
*Due to return of a portion of shares reserved voting rights to the bank account, the policy shareholdings (at acquisition price) increased as of the end of March 2023 and the end of March 2025. As of the end of March 2025, the shares reserved voting rights was ¥17.9 billion at acquisition price and ¥13.8 billion at market value.

Evaluation of the significance of holdings and the economic rationale

The Company's Board of Directors regularly verifies each company whose listed shares are held by the Company as policy shareholdings for the significance of holdings (its contributions to regional development, strengthening of long-term and stable business relationships, etc.) and the economic rationale (risk-return commensurate with cost of capital).

In order to verify the economic rationale, we set standard values for return on risk-weighted assets (RORA) and for return on capital employed (risk quantity base) according to ROE target. In addition, the Company periodically checks the progress of efforts for sale negotiations and profitability improvement.

The Board of Directors verified the significance and economic rationale for holding all listed shares (about 140 stocks) as of the end of March 2025, and found that about 80% of all stocks met the holding criteria. For stocks that do not meet our holding criteria, we will aim to improve profitability, but if no improvement is achieved within a certain period of time, we consider selling them. The same verification is also conducted for shares reserved voting rights (no ownership rights).



*RORA = Profit after costs /Risk assets; Return on capital employed = Profit after costs / Amount at risk
Profit after costs: Excludes credit costs, expenses, etc. associated with equity holdings and credit. Includes stock dividends and excludes gains (losses) on sales and unrealized gains (losses).
Amount of risk of risk assets: Sum of credit and market risk

*The qualitative significance of holding is checked, and even if shares are to continue to be held, the economic rationale is verified, and efforts are made to improve profitability from the point of view of effective use of capital. We may sell shares taking into consideration the market environment, management and financial strategy, etc.

*Business purpose includes the portion available for sale.

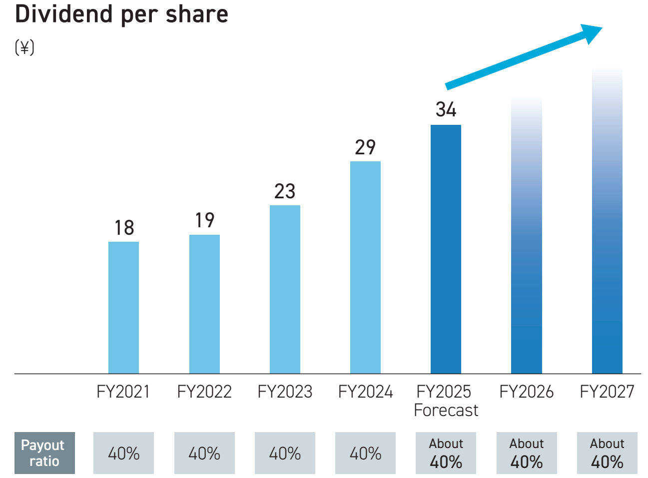
Initiatives to Raise ROE | Enhancement of Shareholder Returns

Progressive Dividend Policy and Flexible Share Buybacks

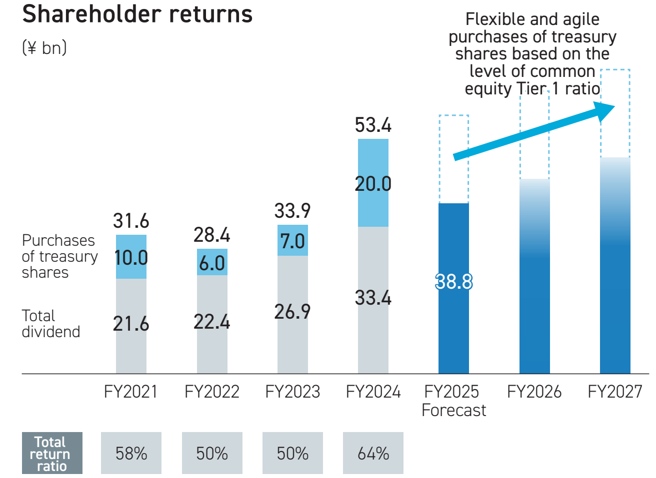
While keeping in mind the idea of appropriately meeting the expectations of long-term shareholders, we aim to increase dividends in line with profit growth based on a progressive dividend policy. We will maintain a dividend payout ratio of about 40% and implement flexible and agile purchases of treasury shares, taking into consideration market trends and business prospects, while also keeping the total return ratio in mind.

Shareholder returns policy	·Target a payout ratio of about 40% based on a progressive dividend policy ·Implement flexible and agile purchases of treasury shares according to market trends and business prospects

Dividend per share

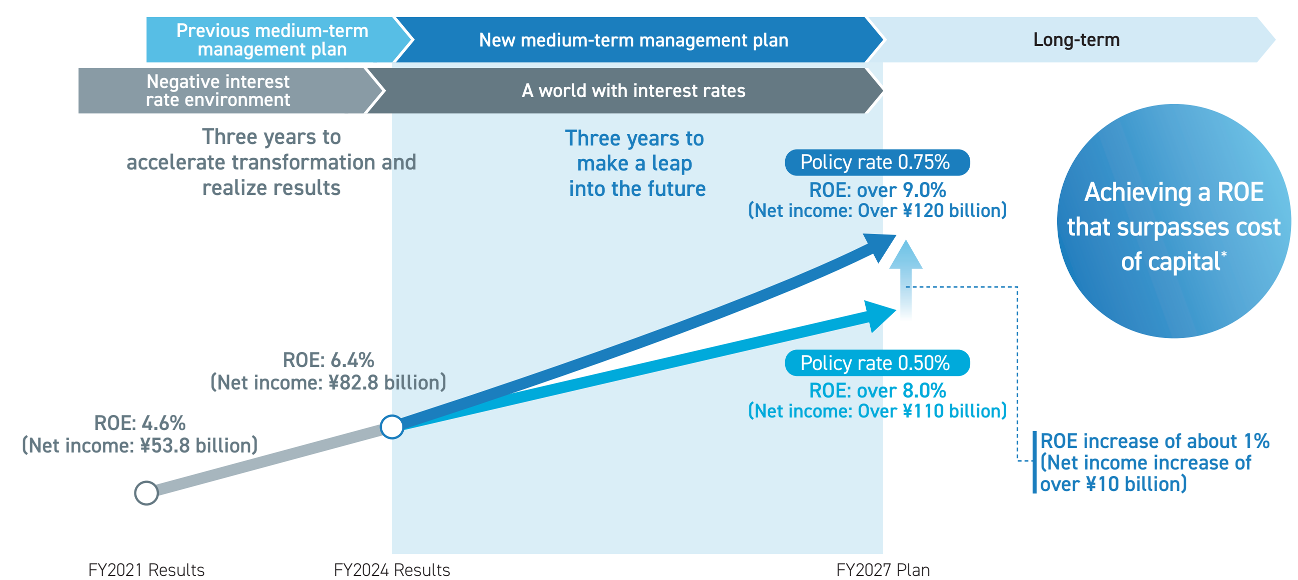


Shareholder returns



Our vision

In FY2024, we achieved an ROE of 6.4%, which was the target in the previous medium-term management plan. In the new medium-term management plan period, we will steadily implement various strategies to further raise ROE and aim to achieve an ROE of more than 9.0%, higher than the cost of capital, in the final year.



* The Company's perceived cost of equity is 6-9%

Initiatives to Control Cost of Equity

PBR logic tree (controlling cost of equity)

Controlling cost of equity			
Reduction of business risk	Strengthen resilience	Securing stable financial income and building a portfolio with capacity to absorb losses	P. 68
		Sophistication of group governance	P. 71
	Sophistication of sustainability management	Strengthening human capital through investment in human resources	P. 75
		Improving productivity through business reforms and the use of IT	P. 95
		Improvement of ESG ratings	P. 67
Expected growth rate improvement	Contribution to regional growth	Promoting regional decarbonization	P. 99
		Contributing to regional economies	P.111

We recognize that "reduction of business risks" and "expected growth rate improvement" are necessary to control cost of equity, and we are promoting the following three specific initiatives to achieve this.

The first is to "strengthen resilience". In order to control cost of equity, we will strengthen resilience by securing stable financial income and building a securities portfolio with the capacity to absorb losses, as well as by the sophistication of group governance to evolve into a comprehensive financial group. The second is the "sophistication of sustainability management". By balancing social and economic value through the sophistication of sustainability management, we believe that the sustainability of earnings growth will be highly regarded and that this will lead to a reduction in the yield demanded by investors. Aiming for sustainable growth, we will strengthen human capital through investment in human resources and improve productivity through business reforms and the use of IT. We will also improve our ESG ratings through the sophistication of sustainability management and improving disclosure. The third is "contribution to regional growth". As a regional financial institution, we will contribute to regional growth by strengthening our own decarbonization efforts, as well as our support for our customers' decarbonization efforts, and by actively working to resolve issues in local communities by utilizing our diverse networks.

We have set KPIs for each of these initiatives and are promoting them based on the PDCA cycle.

Controlling cost of equity	Initiative	Major KPIs	FY2024 results	FY2025 plan	FY2027 plan	
Reduction of business risk	Strengthen resilience	Market division realized gains/losses ratio	(0.4%)	1.0% in FY2027	Same as on the left	Improve realized gains/losses ratio by securing stable interest and dividend income based on individual investment strategies, as well as capital income through flexible operations
	Sophistication of sustainability management	Solutions revenue per person	¥0.10 bn	¥0.12 bn	¥0.15 bn	Increase solutions revenue per person by strengthening human resource development and data-based strategic personnel allocations
		Number of sales personnel	2,395 people	2,430 people	2,510 people	Streamline head office and clerical personnel through improving productivity, and increase sales personnel
		Total attractiveness of the company (employee attitude survey)	3.40	3.40 or higher	Same as on the left	Improve employee engagement through fostering an organizational culture that encourages employees to take on challenges on their own and realizing fair and equitable evaluations and treatment
		Work volume reduction	-	70,000 hours	150,000 hours	Reduce work volume and create time to meet customers directly through productivity reforms such as working method reform and business process review
		External evaluation indicators	-	Achieve five indicators in FY2027	Same as on the left	Maintain inclusion in ESG indexes through the sophistication of sustainability management and improving disclosure
Expected growth rate improvement	Contribution to regional growth	Number of initiatives toward resolving regional issues	-	Cumulative total of 10 cases by FY2027	Same as on the left	Strengthen efforts to resolve issues in local communities by utilizing our diverse networks
		Sustainable finance (cumulative)	¥3.0 tn	¥3.2 tn	¥3.5 tn	Strengthen support for our customers' decarbonization efforts by engaging more with the automobile and parts sectors, and by sophisticating the provision of solutions according to the decarbonization phase
		Company's GHG emissions reduction rate (cumulative)	88%	89% in FY2027	Same as on the left	Promote the use of renewable energy and reduce Company GHG emissions

Improvement of ESG ratings

Thanks to our efforts toward the sophistication of sustainability management and improvement of disclosure, our ESG ratings have been steadily improving. Specifically, we had set a target of being selected for inclusion in the ESG indexes adopted by the GPIF, and in FY2024, we were included in all the ESG indexes adopted by the GPIF. Through these initiatives, we will reduce business risks and contribute to controlling cost of equity.

ESG ratings	Initiatives	ESG indexes adopted by GPIF (incorporated)
Set a target of being selected for the ESG indexes adopted by GPIF	Aim for A- or better	
MSCI ESG RATINGS AAA*1; MSCI Japan Empowering Women Index (WIN); FTSE ESG RATING; S&P/JPX Carbon Efficient Index	CDP Discloser 2024	2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX*2; 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)*2; FTSE Blossom Japan Index; FTSE Blossom Japan Sector Relative Index; S&P/JPX Carbon Efficient Index; Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

*1 THE USE BY Concordia Financial Group, ltd. OFANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Concordia Financial Group, Ltd. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

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Initiatives to Control Cost of Equity | Strengthen Resilience

Securing Stable Financial Income and Building a Portfolio with Capacity to Absorb Losses

- Aim to achieve a stable and sustainable total return that is unaffected by market fluctuations -

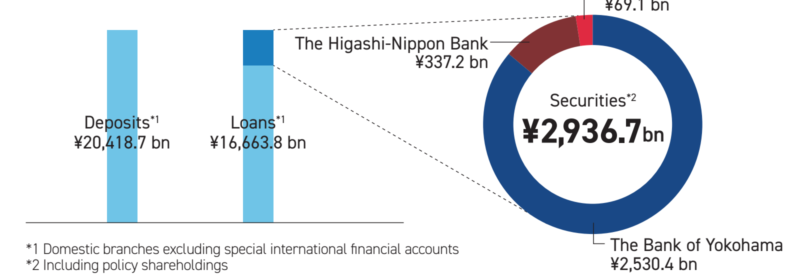
In order to respond to the shift to a world with interest rates and to respond to the management issue of reducing cost of capital by stabilizing the market division income/total net gains or losses, the market division is working to transform the securities portfolio based on the reevaluation of government and other yen bonds and to strengthen market-related solutions for client businesses. Through these initiatives, we aim to achieve a stable and sustainable total return of 1% that is unaffected by market fluctuations.

Executive officer (in charge of Financial Market Department and International Business Department) Hitoshi Inoue

Positioning of the market division

The market division is primarily responsible for securities management operations to ensure the efficient operation of the loan-deposit gap and for sales and trading operations to provide market-related solutions to customers. About ¥3 trillion of securities is managed within the loan-deposit gap of the entire Group.

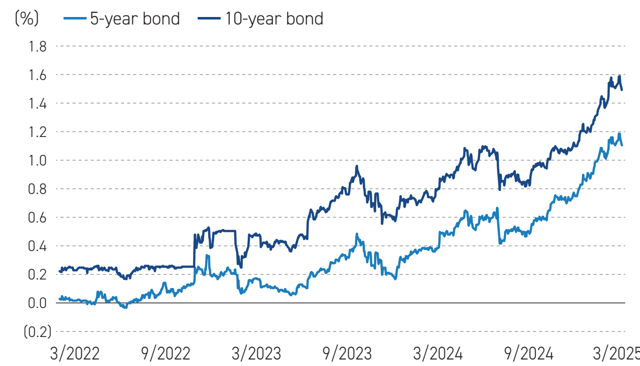
Funds (three banks combined)



*1 Domestic branches excluding special international financial accounts
*2 Including policy shareholdings

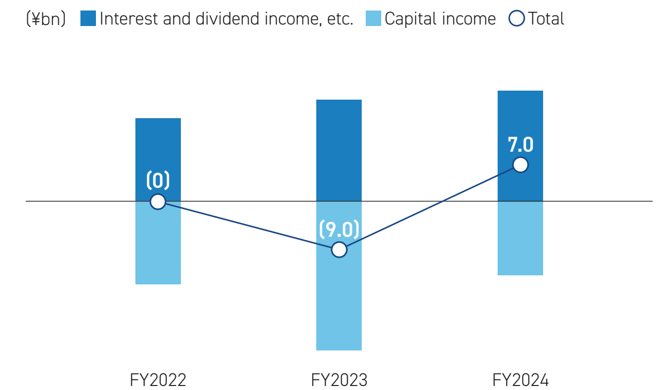
Issues to be addressed and response policy

Yield trends in Japanese government bonds



Source: Bloomberg

Market division income/total net gains or losses



Recognition of issues: Stabilizing market division income/total net gains or losses in a world with interest rates

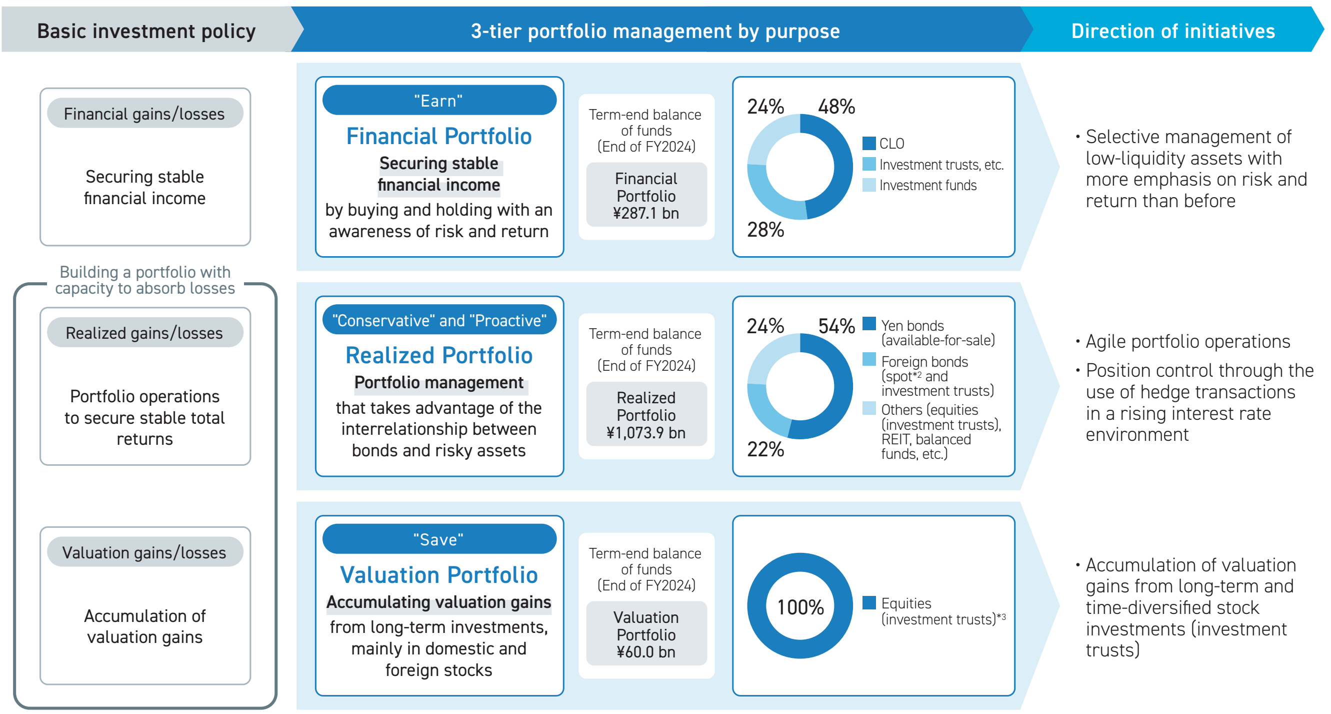
	Issues to be addressed	Response policy
External environment	**Response to rising yen interest rates** • Revival of yen interest rate profitability • Increased liquidity risk due to changes in deposit dynamics	**Restructuring of the securities portfolio in response to rising yen interest rates** • Shift to a securities portfolio consisting mainly of mid-term government bonds • Strengthening asset allocation control by taking advantage of the interrelationship between bonds and risky assets • Selective management of low-liquidity assets
Internal environment	**Stabilization of the market division income/total net gains or losses** • Controlling the cost of capital by stabilizing gains and losses from securities investments • Strengthening revenue bases that are not affected by market conditions	**Strengthen response to customers' market risk hedging needs** • Strengthening the sales and trading structure by integrating the sales promotion and transaction execution functions of market-related solutions

Securing Stable Financial Income and Building a Portfolio with Capacity to Absorb Losses

Purpose-Based Portfolio Management Divided Into Three Layers
(3-Tier Management of Financial, Realized, and Valuation) (The Bank of Yokohama)

In response to the rise in yen interest rates following the end of the negative interest rate policy in March 2024, we are shifting to a securities portfolio consisting mainly of government and other yen bonds. At the same time, we are strengthening asset allocation control by taking advantage of the interrelationship between bonds, including yen bonds, and risky assets.

3-tier portfolio management by purpose[*1]



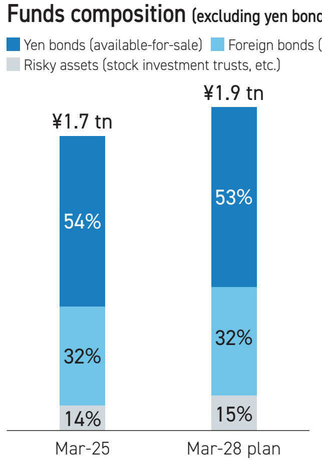
*1 Excluding yen bonds (held-to-maturity) *2 Excluding CLOs *3 New long-term diversified investment

Image of Medium- to Long-Term Portfolio

Funds and risk amount

- Portfolio construction centered on yen bonds
- Dynamic operations that capture market conditions within the risk amount

Funds composition (excluding yen bonds (held-to-maturity) and policy shareholdings)

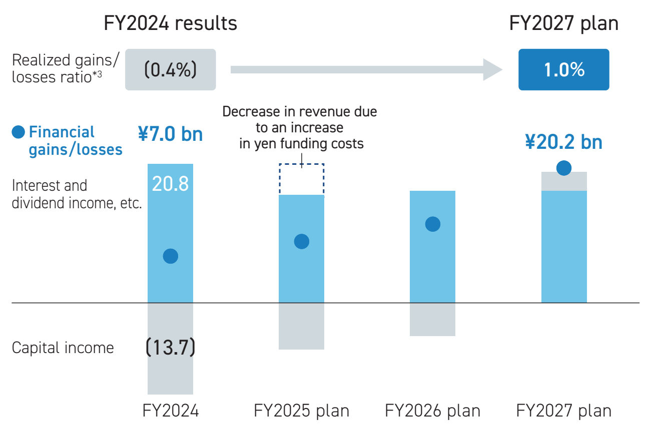


Risk amount[*1] (as of March 31, 2025)	
Yen bonds[*2]	(¥2.8 bn)
Foreign bonds	(¥1.6 bn)
Risky assets	(¥1.9 bn)

*1 The Bank of Yokohama only
*2 Available-for-sale securities

Plan for financial gains/losses

- Expanding financial income through a portfolio centered on yen bonds, where stable interest and dividend income can be expected



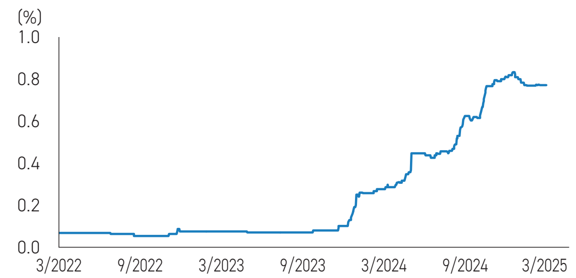
*3 Realized gains/losses = financial gains/losses + increase/decrease in valuation gains/losses (excluding policy shareholdings and securities held-to-maturity)
Financial gains/losses exclude parts of the interest on deposits with the Bank of Japan and include revenues from derivatives, etc.
Realized gains/losses ratio = realized gains/losses amount / average balance of funds during the period

Strengthening response to customers' market risk hedging needs

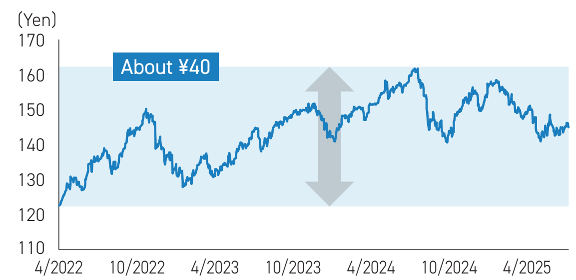
As the volatility of interest rates and foreign exchange rates increases and customers' needs for market risk hedging increase, we have established the "Sales & Trading Promotion Office" in the Financial Market Department. By integrating the sales promotion and transaction execution functions of market-related solutions, we are strengthening the provision of market-related solutions centered on interest rate and foreign exchange derivatives.

Increased volatility in interest rates and exchange rates

3-month TIBOR

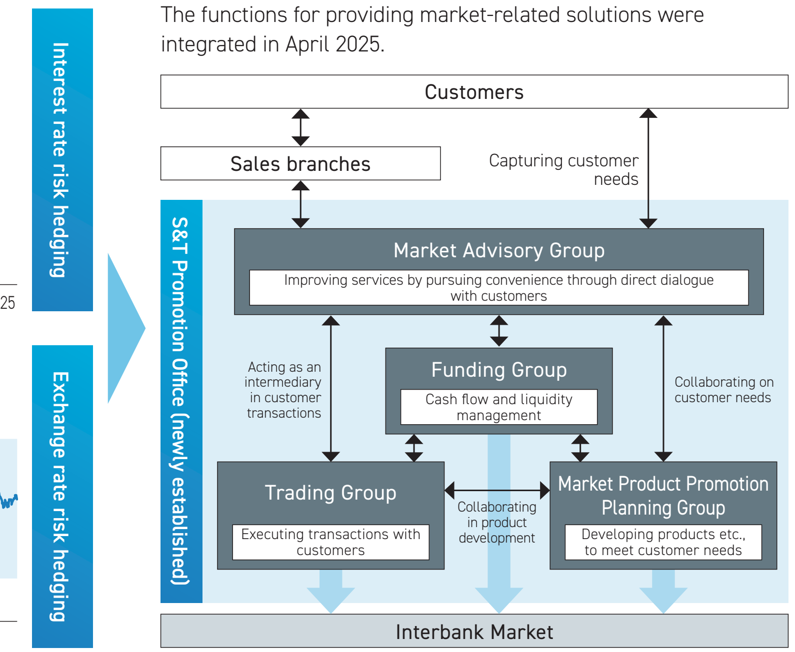


USD / JPY



Establishment of the Sales & Trading (S&T) Promotion Office

The functions for providing market-related solutions were integrated in April 2025.



Strengthening the market division structure

The market division operates with about 70 employees. In addition to performing its functions in a stable and sustainable manner, it aims to secure a certain pool of human resources with experience in the market division, from the perspective of supplying other divisions with human resources with market expertise.

Furthermore, in order to maintain and strengthen the expertise in the market division, we actively recruit and appoint motivated individuals from both inside and outside the bank, as well as develop educational programs in the market division, such as a program to clarify the skills required in the market division and external training.

*As of April 1, 2025

Efforts to strengthen the market division structure			
Securing human resources		Human resource development	
Active use of trainees	Strengthening mid-career hires	Clarifying skills	External training
Systematically recruiting and securing motivated individuals who seek opportunities to play an active role in the market division every year	Actively employing individuals with abundant experience and knowledge in the market	Supporting proactive skill development by clarifying the skills required for the market division and individual skills	Enhancing short- and long-term training programs at megabanks, securities companies, investment trusts companies, and other external institutions

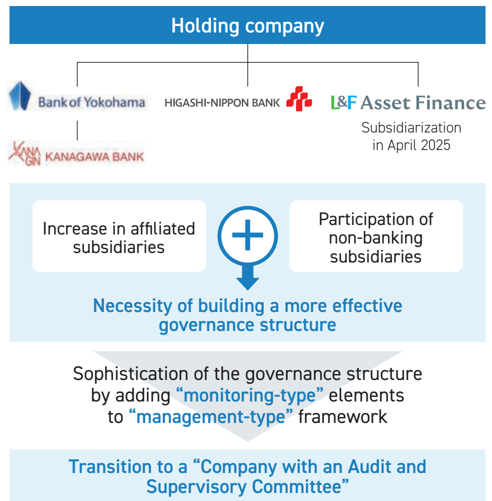
Initiatives to Control Cost of Equity | Strengthen Resilience

Sophistication of Group Governance

Sophistication of governance towards evolution into a comprehensive financial group

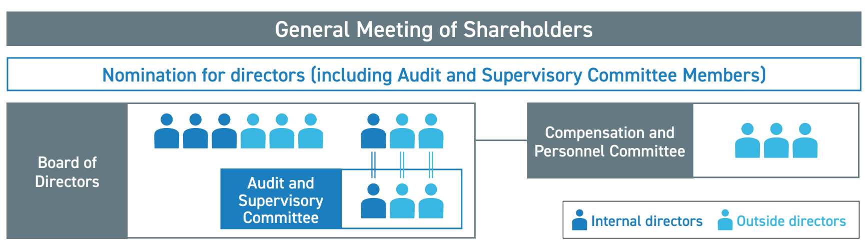
The Company is a regional financial group centered on three banks: the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK, whose main business bases are in Kanagawa and Tokyo. On April 1, subsidiarization of L&F Asset Finance was completed. Through these and other initiatives, the Company is working to become "a solution company rooted in communities and selected as a partner to walk together," which is our vision. As we continue to develop into a comprehensive financial group, we have transitioned to a Company with an Audit and Supervisory Committee with the aim of further enhancing corporate governance.

Until FY2024, as a Company with an Audit and Supervisory Board, we maintained a governance structure in which the supervisory function of the Board of Directors can be fully exercised and conducted a self-evaluation concluding that "the Board of Directors as a whole remained effective in fiscal 2024." However, since we assume that the number of affiliated subsidiaries will increase and the scope of supervision will expand due to the participation of non-banking subsidiaries in the future, we will increase the effectiveness of the Board of Directors while appropriately incorporating "monitoring-type" elements.



Transition to a Company with an Audit and Supervisory Committee

The Company aims to further strengthen the supervisory function through the transition to a Company with an Audit and Supervisory Committee by establishing an Audit and Supervisory Committee, the majority of whose members are outside directors, and by granting voting rights in Board of Directors meetings to directors who are an Audit and Supervisory Committee Member. At present, the outside directors' ratio in the Board of Directors has risen to 55% and the female ratio in directors to 22%, making the composition even more independent and diverse.



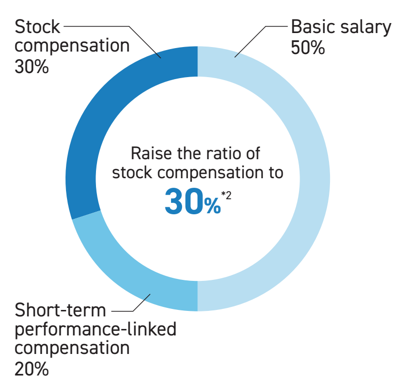
Outside directors' ratio
37% ▶ **55%**

Female ratio in directors
12% ▶ **22%**

Revision of the Executive Compensation System and the Compensation Decision Process

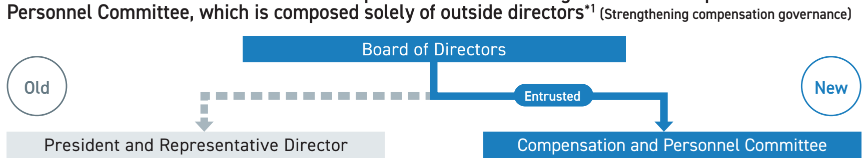
The Company has introduced a stock compensation system for directors (excluding non-executive directors and outside directors) and executive officers with whom the Company has a mandate contract, with the aim of sharing interests with shareholders, promoting the sustainable growth of the Group as a whole, and increasing incentives for medium- to long-term corporate value enhancement. From this fiscal year, we will further enhance the effectiveness of governance by increasing the proportion of stock compensation in the executive compensation system and revising the process so that compensation is decided by the Compensation and Personnel Committee, which consists only of independent outside directors.

Change in the composition ratio of compensation



*2 For directors

Decisions on the amount of individual compensation are now delegated to the Compensation and Personnel Committee, which is composed solely of outside directors[*1] (Strengthening compensation governance)



*1 Previously decided by the President and Representative Director after deliberation by the Compensation and Personnel Committee

Initiatives to Control Cost of Equity | Sophistication of Sustainability Management

Sustainability Management System

The sophistication of sustainability management is important to realize our vision of "a solution company rooted in communities and selected as a partner to walk together." The Group will deepen its engagement with customers more than ever before and strengthen its support for decarbonization. At the same time, we will also promote support for Nature Positive, including a response to the TNFD. We are also working to strengthen human capital and implement human rights due diligence, with the aim of achieving sustainable enhancement of corporate value for the Group and sustainable development for local communities.

Representative Director (In charge of Group Sustainability Promotion, Human Asset Department, Corporate Planning Department) **Nobuo Onodera**

Governance

The Group's approach to sustainability management is to create value together with stakeholders through business development based on materiality (priority issues to be resolved) utilizing financial capital and non-financial capital, and to work for the sustainable enhancement of the Group's corporate value and the sustainable development of the local community.

Long-term sustainability KPIs

Based on the Group Sustainability Policy, the Group has established long-term sustainability KPIs through FY2030.

Amount of sustainable finance to be executed by FY2030	Carbon-neutral	500,000 participants
¥4 trillion[*1]	by FY2030 (Scope 1 and 2)	in financial education by FY2030[*2]
Of which, ¥2 trillion in environment finance		

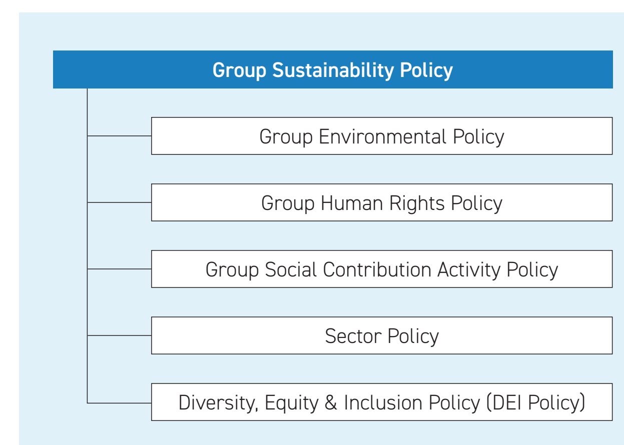
*1 The cumulative amount of the Group's investments and loans executed from FY2019 to FY2030 and used in environmental and social fields and supporting or promoting SDGs initiatives. (Environment finance is investments and loans whose purposes are in environmental areas.)
*2 The total number of participants in various financial seminars, work experience programs, and on-site classes conducted by the Group, and visitors (users) to the Hamagin Money Classroom and Higashi-Nippon Bank Money Classroom websites from FY2019 to FY2030.

Group Sustainability Policy

Group Environmental Policy Web
Group Social Contribution Activity Policy Web

As environmental and social issues become more serious and various issues related to sustainability become more apparent, the Group has adopted the Group Sustainability Policy of "based on our management philosophy, we will achieve sustainable growth of our corporate value, solve social issues through our core business, and contribute to the sustainable development of society by engaging in activities that contribute to the community as one of its members" as the basic Group-wide policy for the sustainability of local communities.

Based on this policy, we have established the Group Environmental Policy, which serves as the Group's action guidelines for environmental conservation and protection in the local community, the Group Human Rights Policy, which serves as the Group's action guidelines for respecting the human rights of all stakeholders in the local community, and the Group Social Contribution Activity Policy to encourage the Group and its employees to voluntarily and proactively participate in social contribution activities.



P. 74 Group Human Rights Policy | P.100 Sector Policy | P. 83 Diversity, Equity, and Inclusion Policy

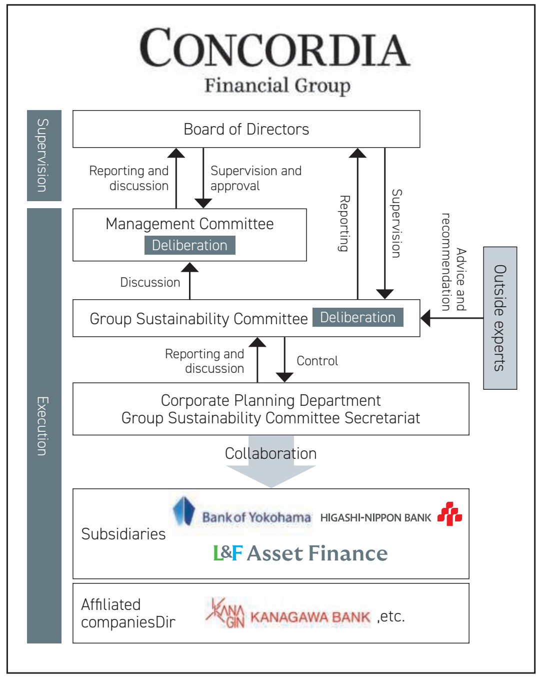
Sustainability Management System

Sustainability Governance Structure

The Group Sustainability Committee, chaired by the President and Representative Director, deliberates on various sustainability-related policies and business risks and opportunities, as well as other important matters related to sustainability in light of domestic and international conditions. Action plans are formulated based on the policies and progress is monitored.

The activities of the Group Sustainability Committee are reported to the Board of Directors about once every three months, and the Board of Directors supervises the status of sustainability-related initiatives. In addition, since FY2022, we have invited external experts in the field of sustainability to serve as outside members of the Group Sustainability Committee so that we can receive their advice and recommendations on matters to be deliberated and reflect their outside expertise in our sustainability efforts.

Committee		Composition	Major sustainability related items for reporting and deliberation
Supervision	Board of Directors	Chairman President and Representative Director Directors (including outside directors)	• Status of response to TCFD/TNFD • Engagement strategies for a net zero investment and loan portfolio • Revision of the environmentally and socially conscious investment and loan policy (Sector Policy) • Evaluation by ESG rating agencies • Issues and policies for human capital disclosures • Human rights initiatives • Follow-up on progress on and review of long-term sustainability KPIs • Reflection on previous fiscal year's sustainability initiatives and establishment of policy for the next fiscal year
Execution	Management Committee	Chairman President and Representative Director Directors Executive Officers, etc.	• Revision of the environmentally and socially conscious investment and loan policy (Sector Policy) • Establishment and revision of the Group Environmental Policy, Group Human Rights Policy, Group Anti-Corruption Policy, DEI Policy, and Group Social Contribution Activities Policy
	Group Sustainability Committee	Committee Chairman President and Representative Director Bank presidents, directors, executive officers, outside experts, etc. Observers Outside directors and presidents of affiliated companies	• Status of response to TCFD and TNFD • Engagement strategies for a net zero investment and loan portfolio • Revision of the environmentally and socially conscious investment and loan policy (Sector Policy) • Evaluation by ESG rating agencies • Issues and policies for human capital disclosures • Human rights initiatives • Follow-up on progress on and review of long-term sustainability KPIs • Reflection on previous fiscal year's sustainability initiatives and establishment of policy for the next fiscal year



Outside expert Kotaro Fukai
Group Manager, Sustainability Management & Finance Group, Management Consulting Department, Nomura Research Institute, Ltd.

Initiatives for raising sustainability literacy

We held study sessions by outside experts and others for our directors, executive officers, and other management-level personnel, and had meaningful exchanges of opinions with the outside experts. In FY2024, we held study sessions on the topics of "Business and Human Rights" and "Impact Business."

We are also providing internal training for all employees through e-learning and other means, and distributing videos of management-level study sessions to deepen understanding of sustainability throughout the organization and improve the level of our knowledge.

Executive compensation system reflecting ESG factors

To enhance the Company's commitment to sustainability management, ESG-related factors are reflected in the performance-linked indicators for stock compensation (Trust II) in executive compensation. In addition to the achievement status of the important target indicators for the new medium-term management plan (FY2025 to FY2027), which are (1) Company's GHG emissions reduction rate (cumulative), (2) sustainable finance (cumulative), (3) total attractiveness of the company (employee attitude survey), (4) percentage of female managers, and (5) number of initiatives to resolve local community issues, we have set the five evaluation indicators of ESG evaluation organizations as non-financial indicators, and their evaluation weight is 40% of the total.

Directors (excluding directors who are Audit and Supervisory Committee Members and outside directors) including the President and executive officers are eligible for the executive compensation system that reflects the above ESG factors.

P.123 Executive Compensation System

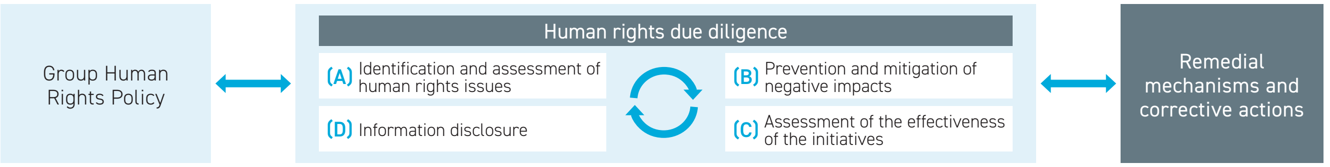
Efforts to respect human rights

Human rights policy and management framework

Group Human Rights Policy Web

We view respect for human rights as one of the Group's key responsibilities and are committed to initiatives based on the framework of the United Nations Guiding Principles on Business and Human Rights. Our Group Human Rights Policy states that we do not tolerate discrimination, harassment, or human rights abuses such as forced labor or child labor. We strive to respect the human rights of all stakeholders including employees, customers, investment and loan portfolio companies, and suppliers, and we are working to implement human rights due diligence and build mechanisms for taking corrective action and handling grievances.

In addition, the Group Sustainability Committee, chaired by the President and Representative Director, sets out the policies on human rights-related efforts and confirms the status of initiatives. With strong backing from management, the Company is committed to respecting human rights. The Board of Directors receives and oversees reports on the discussions from the Group Sustainability Committee.



Identification and assessment of human rights issues

In FY2024, we identified and assessed human rights issues as part of our human rights due diligence process.

First, in order to identify human rights issues, based on the international framework*1 and human rights issues of other companies in the same industry, we identified the negative impact on human rights that we are or could be involved in as "human rights issues" for each stakeholder (employees, customers, investment and loan portfolio companies, and suppliers).

In addition, we assessed the "severity" of human rights violations based on its scale, scope, and likelihood of remedy, and the "likelihood of occurrence" of human rights violations based on a survey of the occurrence of human rights violations involving financial institutions and the number of cases reported to our consultation desk.

As a result, we have identified the following three important human rights issues that we should prioritize.

- Invasion of privacy of customers and employees
- Discrimination and harassment of employees
- Human rights violations occurring at investment and loan portfolio companies and suppliers*2

The identification and assessment of human rights issues will be reviewed as necessary, taking into account changes in the internal and external environment and the results of the assessment of the effectiveness of prevention and mitigation measures to be implemented in the future.

*1 International Bill of Human Rights, ILO Declarations, Notes on Retail Banking (UNEP FI), etc.
*2 Impact on local communities, occupational health and safety of employees and the work environment, child labor, forced labor, human trafficking, business activities in conflict areas, etc.

Prevention and mitigation of negative impacts

In addition to our ongoing efforts to respect human rights, we have formulated an action plan based on the results of the identification and assessment of human rights issues and are strengthening our initiatives.

In FY2024, we strengthened the check system to prevent human rights violations at all sites, held study meetings for managers, revised the Sector Policy, and reviewed the outsourcing process.

In the future, we will strive for effective implementation of due diligence by evaluating the effectiveness of initiatives while strengthening awareness.

	Major current initiatives
Employees	• Human risk management • Training and other educational activities • Operation of reporting and consultation desks
Customers	• Development of an information management system • Operation of grievances and consultation desks • Response to the Act for Eliminating Discrimination against Persons with Disabilities • Customer-oriented business operations • Compliance checking of outgoing documents
Investment and loan portfolio companies	• Management with the Sector Policy
Suppliers	• Management of outsourcing

Remedial mechanisms and corrective actions

We have set up harassment consultation and internal reporting hotlines for the Group to handle various human rights concerns. Our system uses confidentiality agreements to strictly manage information and have established a remedy process that protects the privacy of the person making the consultation and all related parties. We also handle our customers' human rights complaints at our Customer Consultation Office, which deals with customer inquiries and complaints. Furthermore, among the negative impacts on human rights that have become apparent, for those that need to be corrected, we will strengthen measures to prevent and mitigate the negative impacts on human rights and thoroughly prevent their recurrence by evaluating the effectiveness of those measures.

P. 87-88 Harassment Consultation Offices | P.130 Whistleblower System | P.133 Number of hotline reports received

Strengthening Human Capital Through Investment in Human Resources

In order to "continue to be an attractive company that employees are proud to work for" as stated in our Management Principles, we are promoting initiatives to become a Solution Company based on a human resource strategy linked to our management strategy under the Group Human Resource Policy so that every employee can strive to provide services that exceed customers' expectations while maintaining good physical and mental health and job satisfaction. Moving forward, we will continue to step up investments aimed at maximizing our human capital and support the growth of each employee while emphasizing engagement with them.

Representative Director (in charge of Corporate Planning Department, Human Asset Department and Group Sustainability Promotion) **Nobuo Onodera**

Group Human Resource Policy

We have established our Group Human Resource Policy as our basic policy regarding the human resources of our group based on our management philosophy.

Basic concepts

- The Company recognizes that our employees are important human resources indispensable to the realization of our management philosophy, and capital that is the source of value creation. We will actively invest in our human resources and continuously increase their value, which will lead to the sustainable development of local communities and our own sustainable growth.
- To enhance our ability to provide solutions that meet the increasingly diverse and sophisticated needs of local communities and customers while flexibly responding to drastic changes in the economic and social environment, we nurture human resources who will continuously undertake the challenge of transformation by actively providing areas and opportunities corresponding to each employee's desire to grow, and we build a diverse talent portfolio with a variety of backgrounds and expertise.
- We create a secure work environment and foster a vibrant organizational culture to enhance the well-being of each one of our employees with their diverse values and lifestyles and to enable them to maximize their capabilities. This leads to increased productivity throughout the organization and keeps the Company an attractive organization for human capital both inside and outside the Company.

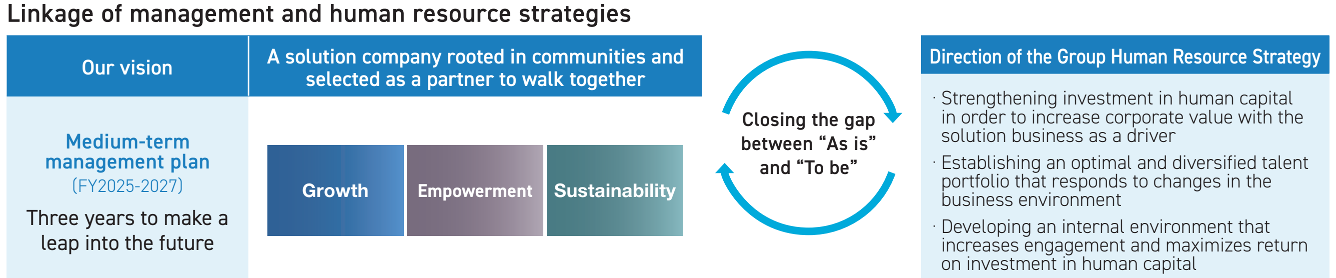
The human resources we seek

- Human resources who have a strong sense of pride and awareness in providing value to local communities and customers and who constantly take on challenges with a mindset of change.

Formulation of the Group Human Resource Strategy in conjunction with management strategies

In order to realize our vision while responding to changes in the external environment, we have formulated a Group Human Resource Strategy linked to our management strategy, and are implementing measures related to human resources from a medium to long-term perspective to eliminate the gap between "As is" and "To be".

Linkage of management and human resource strategies

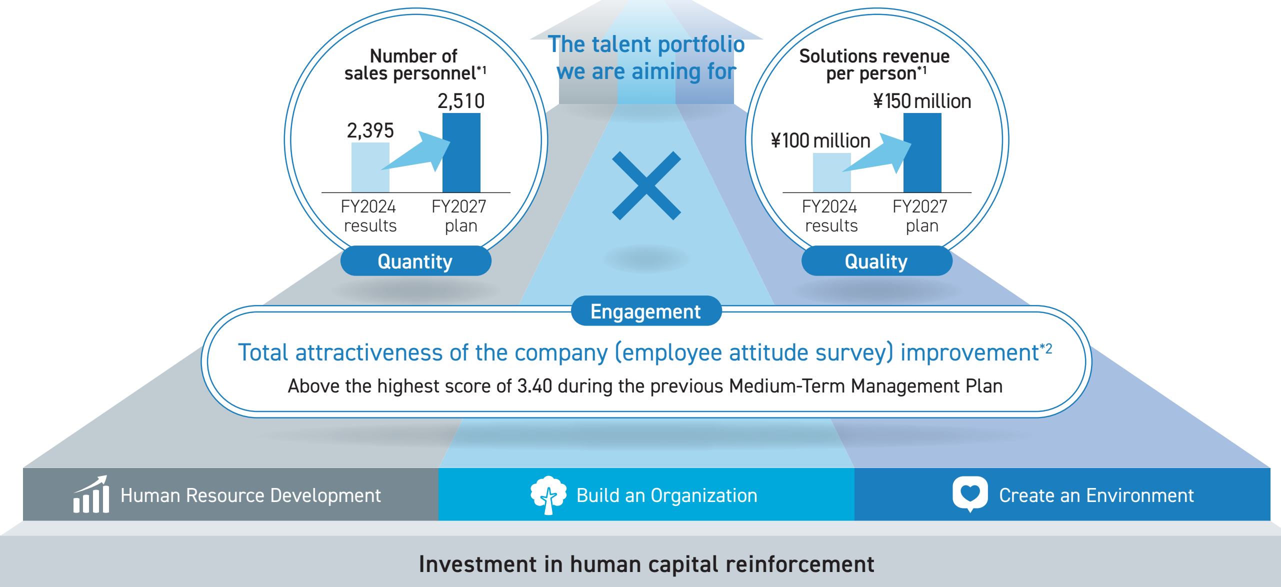


Overall picture of the Group Human Resource Strategy

The "Group Human Resource Strategy" covers the period up to FY2027 and has three basic themes: (1) "Human Resource Development that values the will to grow and to take on challenges", (2) "Build an Organization that enlivens the activities of diverse human resources, and (3) Create an Environment that starts with individual well-being".

Under these three basic themes, we will work on 10 major measures to enhance employee engagement (Total attractiveness of the company) while building a talent portfolio with quantity (number of sales personnel) and quality (solution earnings per employee), and as a result, we will aim to achieve the management target of ROE of over 9%.

Building an organization with the capabilities to provide efficient and sophisticated solutions

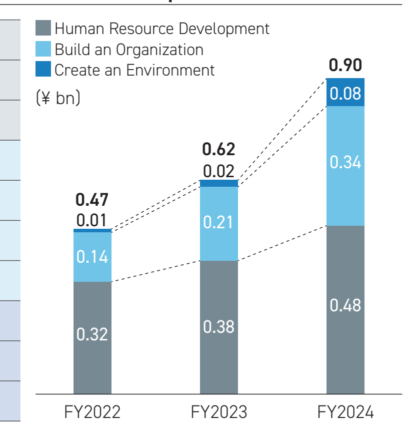


*1 The Bank of Yokohama and the Higashi-Nippon Bank two banks combined
*2 Weighted average of the Bank of Yokohama, the Higashi-Nippon Bank and the KANAGAWA BANK

Strengthening investment in human capital

In implementing measures related to human resources based on the Group's Human Resource Strategy, we will strengthen investment in human capital, with a focus on Human Resource Development that emphasizes the development of human resources that support our solution business, as well as Build an Organization and Create an Environment.

Basic theme	Key measures	Investment in human capital*
Human Resource Development	❶ Expansion and quality improvement of solution business support ❷ Strengthening the development of specialized human resources ❸ Support for self-directed challenge-taking and growth ❹ Systematically developing next-generation management personnel	The Financial Business School personnel expenses Expenses for educational measures OJT Department personnel expenses
Build an Organization	❺ Implementing strategic recruitment activities to secure diverse human resources ❻ Advancement of talent management ❼ Further promotion of DEI ❽ Active promotion of senior human resources	DEI Promotion Office personnel expenses Expenses for recruitment measures Personnel system consultation service-related expenses Talent management system costs
Create an Environment	❾ Fostering a vibrant organizational culture ❿ Establishing a workplace environment where employees can work with peace of mind and good mental and physical health	Share delivery system Welfare expenses Communication support expenses

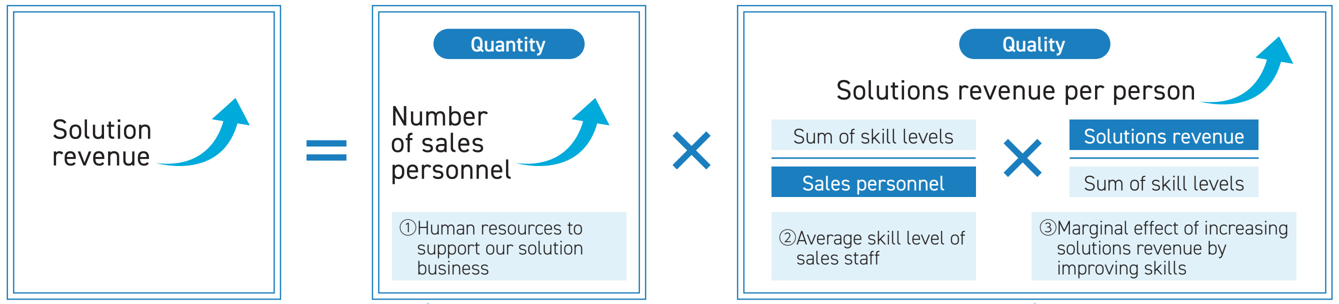


*Our definition

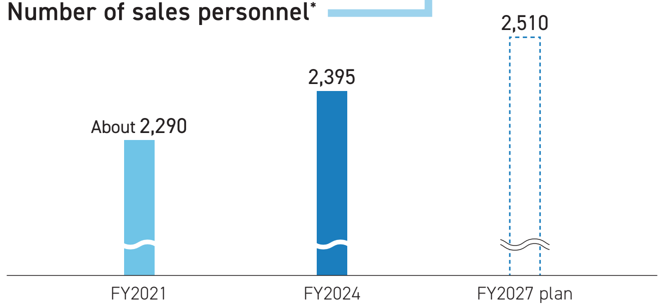
Strengthening Human Capital Through Investment in Human Resources

Strengthening solution profitability

Through investment in human capital, the Group works to increase the number of sales personnel (=Quantity) and increase solution revenue per person (=Quality) by improving skill levels, thereby strengthening solution profitability, which is the foundation of profitability. By strengthening training programs and self-development support, we will increase skill levels at sales branches and through inter-disciplinary learning to acquire advanced skills, we will increase the number of direct sales personnel at head office and in this way develop human resources with high solution sales capabilities who have high business execution skills and advanced knowledge. Through these efforts, we aim to achieve a solution revenue per person of ¥153 million in FY2027.

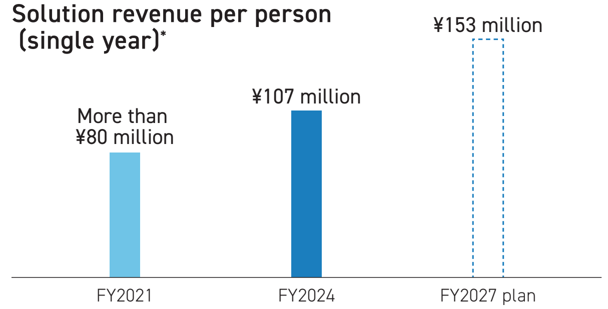


Number of sales personnel*



*Two banks combined

Solution revenue per person (single year)*



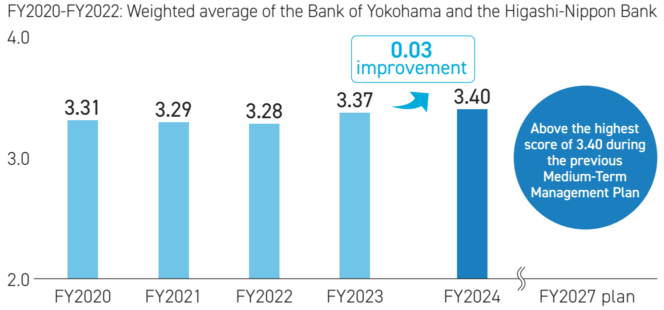
Initiatives to Improve Employee Engagement

At the Group, we conduct an annual anonymous employee attitude survey to periodically check the awareness of each employee and to accurately diagnose and understand the current status, strengths and challenges of the organization. We aim to utilize the results in planning and formulating management measures to improve the job satisfaction and engagement of each and every employee. The index of total attractiveness of the company (5-point scale) in the FY2024 employee attitude survey was 3.40 (up 0.03 year on year). By implementing key measures based on the three basic themes of the human resource strategy and working to improve areas that we have identified as particular challenges, we will further enhance the total attractiveness of the company.

* Weighted average of the Bank of Yokohama, the Higashi-Nippon Bank, and the KANAGAWA BANK

Employee attitude survey: Total attractiveness of the company

(Weighted average of the Bank of Yokohama, the Higashi-Nippon Bank, and the KANAGAWA BANK, N= 4,174)
FY2020-FY2022: Weighted average of the Bank of Yokohama and the Higashi-Nippon Bank



Items identified as particular challenges

Items	Index (year-on-year change)*	Main basic themes of human resource strategy
Human resource development	3.16 (+0.03)	Basic Theme ❶ Human Resource Development
Compensation	2.66 (+0.01)	Basic Theme ❷ Build an Organization
Fairness in personnel management	3.23 (+0.04)	
Perceived burden of work	2.78 (+0.05)	Basic Theme ❸ Create an Environment

* Weighted average of the Bank of Yokohama, the Higashi-Nippon Bank, and the KANAGAWA BANK

Basic Theme ❶ Human Resource Development

Value the desire to grow and take on challenges

[Human Resource Development]

- Expansion and quality improvement of solution business support
- Strengthening the development of specialized human resources
- Support for self-directed challenge-taking and growth
- Systematically developing of next-generation management personnel

In order to realize our vision of being a solution company, we believe it is important to improve the skills and expertise of those in charge of providing solutions. Based on this concept, we will implement human resource development that links OJT and Off-JT, expanding opportunities and support for employees to take on new challenges such as open recruitment within the bank, temporary assignment to external companies, and self-development, in order to actively respond to each employee's desire to grow.

Expansion and quality improvement of solution business support

"Visualization of skills" and "OJT/Off-JT linkage" to strengthen human resource development

To achieve expansion and quality improvement of solution business support, the Group has established a human resource development system that makes it easy for employees to feel their growth by visualizing their skills, linking OJT and Off-JT, and supporting individual employees in steadily acquiring and mastering relevant skills.

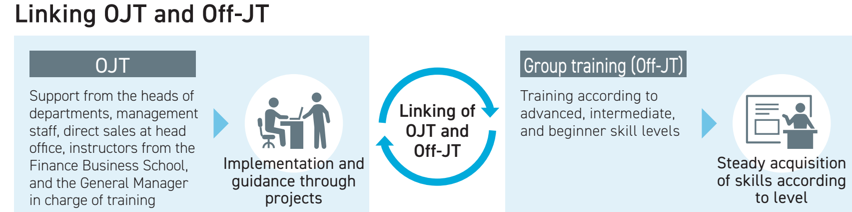
For "visualization of skills", we have defined the skills required of solutions sales personnel, and at the Bank of Yokohama, we have introduced a skills certification system for the corporate and individual client divisions, while at the Higashi-Nippon Bank, we have introduced a system for measuring and evaluating skill levels in the corporate division through the assessment of specified check items.

For "OJT/Off-JT linkage", OJT involves assigning personnel to positions where they can gain experience early and demonstrate what they learned in training, while Off-JT involves group training segmented by division and skill level taught by Financial Business School lecturers, as well as ongoing follow-up after training. Through these means, we aim to "steadily develop relevant personnel" and "increase the number of trainees to become personnel with advanced skills" who have sophisticated skills, knowledge and a wealth of experience.

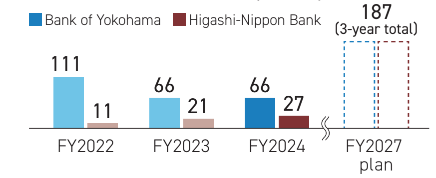
In the Bank of Yokohama, we also provide opportunities to gain experience at the Apartment Loan Center and the Business Solution Center, which are specialized sales departments in the head office. The purpose of this training is to establish basic skills by putting what was learned in the training into practice. By smoothly establishing basic skills, we aim to raise the level of the provision of solutions capabilities, including by young employees. In addition, the Credit Department, an Examination Department in the head office, accepts personnel in charge of corporate and individual external relations and provides them with guidance on examination skills in an effort to improve the capabilities of those responsible for the solutions business.

As an initiative to support OJT, the Bank of Yokohama has established a system that covers all regions by assigning veteran employees as "General Managers in charge of training" to support the development of young people in sales branches. The General Manager in charge of training supports OJT in the sales branches through individual guidance, such as by accompanied visits to customers and through group guidance such as on-site study meetings according to the situation of each sales branch and young staff member. For mid-level employees, Support Team and the Project Creation Team in the Financial Solutions Department, which is the direct sales division, provide project consultation and accompanied visits. In the Higashi-Nippon Bank, we also support OJT at sales branches through direct on-the-job instruction by instructors from the Finance Business School and on-the-job training through accompanied visits in collaboration with the sales department.

Linking OJT and Off-JT



Number of sales personnel with advanced skill levels (skill proficiency)



interview We aim to foster self-directed human resources who can think and act independently by sharing their own experiences

The Totsuka Branch is promoting Human Resource Development with the aim of transforming itself into a bottom-up organization that thinks and acts independently. I believe that there is a limit to the growth of both people and organizations if they only act on instructions from the head office or their superiors. Insight, the ability to think deeply, and the ability to get things done are developed when each employee is aware of the issues faced by the customer and the organization to which he or she belongs and proposes and implements solutions on their own. Therefore, as a General Manager, I am focusing on developing environments where young employees can act independently and communicate.

Young employees tend to think of a General Manager as far away from them, but I believe it should be their closest role model. The Totsuka Branch holds a General Manager Study Group once a month for young employees in their first to third years at the branch. This group provides an opportunity to foster managerial perspectives and problem-solving skills by sharing stories of my experiences and failures in sales branches and head office. A casual social gathering is held after the workshop to deepen communication through small talk.

We are also working to foster a culture of mutual learning throughout the sales branch by continuously communicating the importance of self-development so that each and every employee can grow autonomously and play a leading role in organizational change. Through these initiatives, we are fostering human resources who will support the Bank as it continues to be the preferred choice of customers and communities.

The Bank of Yokohama
Totsuka Branch
General Manager
Takahiro Hodono

Strengthening Human Capital Through Investment in Human Resources

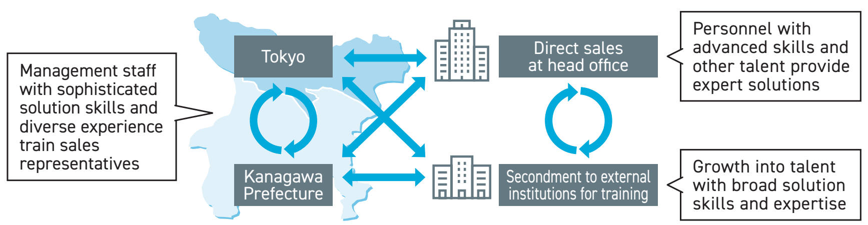
Strengthening investment in education and training

The Group is strengthening its investment in education and training to develop human resources with high solutions sales capabilities by increasing training hours and training expenditure per employee through group training by division and skill level, by increasing the number of hours spent on e-learning, by proactively utilizing external training programs, and by strengthening group training programs using outside instructors. Specifically, as a means of promoting the acquisition of the 1st-Grade Certified Skilled Professional of Financial Planning (FP Grade 1) certification, we send employees on a two-month preparation course, conduct interval training and holiday courses, provide a study-support app, and offer paid online courses. As a result, 73 people obtained the FP Grade 1 certification in FY2024.


Training in the Financial Business School, Human Asset Department, the Bank of Yokohama

Strengthening our head office direct sales division

The Group is endeavoring to strengthen its head office direct sales divisions (e.g., the Financial Solutions Department) that are equipped with the ability to deliver high-added-value solutions and possess functions for providing solutions directly to customers. The direct sales division of head office is systematically increasing its workforce through the transfer of employees with higher skill levels, the dispatch of human resources for training at megabanks, government financial institutions, and private equity funds, and the recruitment of highly specialized mid-career solutions sales personnel. In parallel with these efforts, we are promoting the advancement of the Group's overall solutions sales posture, including at sales branches, by systematically rotating personnel from direct sales departments at headquarters to positions as branch managers and executives at sales branches.



Young bank employees seconded to training
(as of March 31, 2025) (The Bank of Yokohama)

Secondment to	Number of persons
Government financial institutions:	3
Megabanks:	2
Consulting firms/private equity funds:	6
Securities companies:	1
Media:	2
Government agencies:	2
Economic organizations:	1
Local public entity related:	3
Total:	**20**

Strengthening the development of specialized human resources

Systematic development of specialist human resources

The Group is working to systematically develop human resources with specialized knowledge and skills who can play an active role in the market international division, and the IT and digital division.

In the Bank of Yokohama's market and international division, with the aim of ensuring business continuity and strengthening the solution business, we are endeavoring to bring back personnel who have acquired knowledge of the market and international division through a trainee system, personnel rotation using overseas sites, and training assignments to financial institutions in Japan and overseas. We are also systematically increasing the pool of human resources for the market and international division (current employees of and those with experience in the market and international division).

In the IT & digital division, IT & digital human resources are classified into "specialist human resources" belonging to the specialist division, "promotion human resources" belonging to the head office planning division, and "utilization human resources" for all employees. In this way, the Company implements measures to improve skills appropriately for each level and works to strengthen the "quality" of the Group as a whole.

Furthermore, at the Bank of Yokohama, as an effort to increase enthusiasm for acquiring specialized knowledge, we have established a "Platinum Talent Certification System" to recognize personnel who possess advanced public qualifications*. We are also expanding various support fund schemes for obtaining qualifications and providing career realization support to certified individuals.

*Small and Medium Enterprise Management Consultant, FP Grade 1, Securities Analyst, Advanced Information Processing Engineer, and other such certifications

Number of main Platinum Talent Certificate holders
(The Bank of Yokohama)

Item	End of FY2022	End of FY2023	End of FY2024
FP Grade 1	317	357	410
Small and Medium Enterprise Management Consultant	38	43	45
Securities Analyst	83	86	86

Professional style

At the time of the revision of the personnel system in FY2024, the Bank of Yokohama began to certify professional styles. Employees who meet the required knowledge, skills, experience, and public qualifications are given "Professional Style" certification in nine fields. Those who are certified receive a career guarantee that, in principle, they will not be transferred to other fields. In addition, in the salary system, the upper limit of the evaluation rank is raised for professional styles to reflect the level of specialization and market value in compensation. 14 employees were certified in the first year.

Nine fields of professional style certification

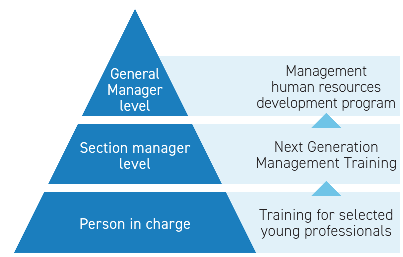
Market	International	Risk
Audit	IT	Digital
Corporate solutions	Wealth management	Facility management

Systematically developing next-generation management personnel

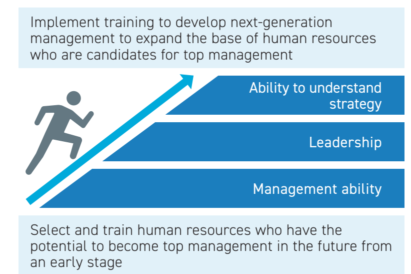
The Group formulates and implements a systematic succession plan to develop human resources who will be candidates for future management executive and to officer positions. Specifically, in order to develop next-generation management personnel, we are expanding the pool of candidates and managing their ascent through training programs that incorporate tough assignments on themes such as "ability to understand strategy," "leadership," and "management ability," as well as through external training to provide cross-training experiences, and by conducting assessments.


Next generation management development program

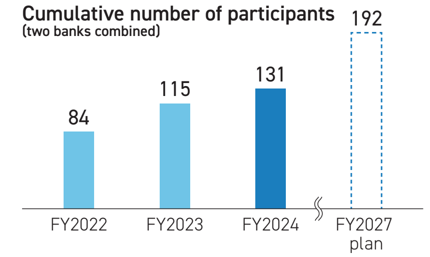
Formulation and execution of succession plan for the development of next generation management personnel



Systematic implementation of the succession plan



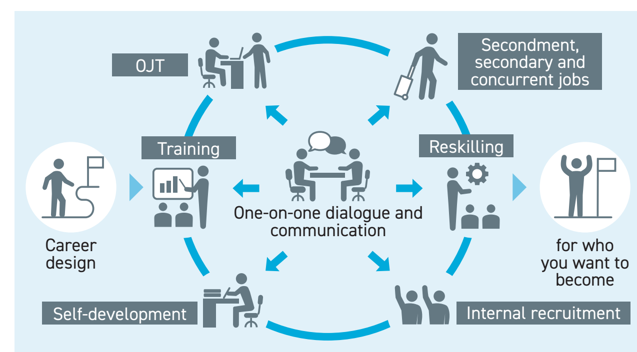
Number of participants in management human resource development program
(management class)



Support for self-directed challenge-taking and growth

Instilling career ownership

We are promoting "instilling career ownership" in order to foster a culture in which each employee thinks independently about their own career, draws their own career design, and acts on it. Based on regular interviews in 1-on-1 meetings between superiors and subordinates, we support career development toward the person our employees want to be by combining OJT, seminars, an open recruitment system, and self-development.



Career Innovation Support System (concurrent/secondary employment)

The Group has introduced the "Career Innovation Support System (concurrent/secondary employment)" that allow employees to take on concurrent or secondary employment to contribute to their main job or the local community. Since the system was introduced, 22 employees have taken advantage of it. By expanding opportunities for employees to gain a variety of experience outside of banking, this system aims to encourage their self-directed career development and growth outside their existing career paths, as well as to increase the diversity and expertise of human resources, to improve operations productivity, and to reform our corporate culture.

Career Consultation Desk

To promote and support employees' autonomous career development, the Group has established a Career Consultation Desk to provide consultation on career development and career paths.

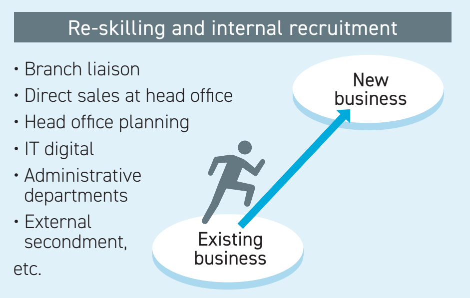
Strengthening Human Capital Through Investment in Human Resources

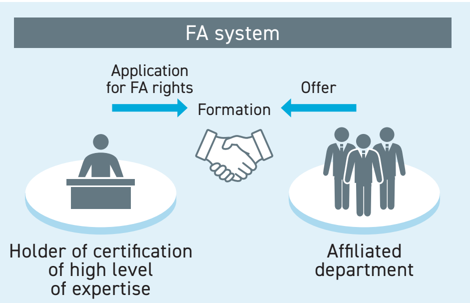
Expanding opportunities for challenges

The Group has implemented “internal recruitment” and “re-skilling challenges” as an open recruitment system to motivate employees for self-development and to encourage them to take on the challenge of self-directed career development.

Our internal recruitment accepts applications regardless of career stage. In addition to assignments to various divisions of head office, we also offer external secondments and MBA programs. With 147 applicants in FY2024, concrete actions for career realization are expanding on a bank-wide scale. In FY2023, the “FA System (Free Agent System)” was introduced to give employees who have certain qualifications and experience the opportunity to widen their skills in a department of their choice. In addition, as an initiative to expand the opportunity for challenges, we are also conducting public recruitment-based dispatches to participate in the educational program 'Round Table Training for Experienced Managers' offered by Yokohama National University, a national university corporation with which we have concluded a comprehensive partnership agreement, aiming to enhance the management skills of middle managers. The re-skilling challenge is an open recruitment system for administrative staff at sales branches and head office to take on the challenge of “re-skilling” to close the gap between their current skills and the skills that will be needed in the future. We also provide support such as a career roadmaps to help staff envision the person they want to be and a Job Forum for understanding the operations of each department in head office.

Strengthening provision of challenges

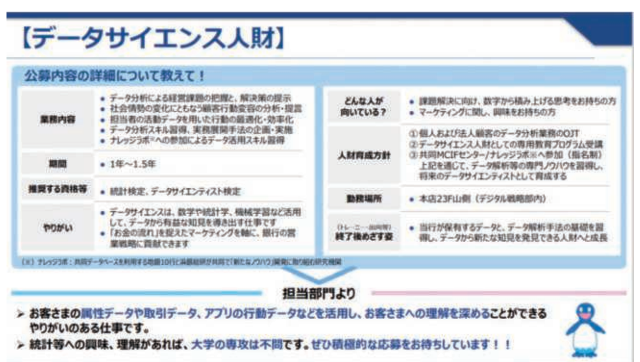




Main open recruitment posts The Bank of Yokohama: FY2024

ALM trainee	Solution supporter	Sales branch audits	Dispatch to local governments	SA trainee	Venture debt trainee	Public interest corporations	Foreign bank trainee	Corporate advisory group project support team	Sustainability Business planning assistant
Structured finance trainee	LBO agent service trainee	Listing and core solutions	Overseas branches of other banks trainee	Card Loans Plaza outbound service	Startup support service	General Manager post challenge	Hamagin Business Challenged Co., Ltd.	Financial Market Department trainee	Trust specialized human resources trainee
ICT trainee	Data science human resources	Business audit	Ship finance trainee	Shanghai Business trainee	Megabank trainee	Foreign exchange promotion assistant	Branch Service Division Manager post challenge	Consumer loans non-face-to-face sales	Business Strategy Department, Business Solutions Hub
Cyber security trainee	Digital communication planning human resources	Corporate restructuring operations trainee	Corporate planning human resources	Person in charge of card loan promotion	Legal trainee	Foreign exchange business planning	Capital adequacy ratio regulations trainee	External sustainability trainee	Foreign exchange planning trainee
System risk management trainee	Digital solutions promotion human resources	Individuals external relations manager post challenge	Consumer loans planning human resources	Cashless planning human resources	Risk Management Department middle officer	Government-affiliated financial institutions trainee	Insurance expert advisor	Singapore Branch corporate external relations trainee	Corporate external relations manager post challenge
M&A business trainee	Hamagin Insurance Parlors	Credit planning and management trainee	Foreign exchange derivatives trainee	Cashless promotion trainee	Retail marketing planning human resources	Private equity fund (domestic)	Credit Department trainee	etc. 77 types of posts in total	

(Introduction of each department at the time of recruitment)



Enable diverse human resources to thrive [Build an Organization]

- Implementing strategic recruitment activities to secure diverse human resources
- Advancement of talent management
- Further promotion of DEI
- Active promotion of senior human resources

In order to provide optimal solutions to the increasingly diverse and sophisticated needs of local communities and customers, it is important to be an organization where diverse human resources can maximize their individual abilities. To achieve this, we are enhancing our recruitment efforts, upgrading our talent management systems, promoting diversity, equity, and inclusion (DEI), and encouraging the active participation of senior personnel. By doing so, we aim to create an environment where a diverse range of talents can thrive.

Implementing strategic recruitment activities to secure diverse human resources (new graduate and mid-career recruitment)

New graduate recruitment: Strengthening information dissemination and expanding points of contact

To effectively communicate the Group's initiatives and make them more appealing than ever before, we are strengthening the dissemination of information on our human resources development system and career development support through the use of social media and other means. We are also strengthening touchpoints with students through such initiatives as our “5 Days Internships” and “Open Company” to increase their interest in the Group and are actively hiring human resources with diverse experiences and backgrounds through career path specific hiring and “Talent+” hiring programs, and high school graduate hiring.
In addition, at the Bank of Yokohama, we are planning to increase the starting salary of career-track university graduates joining the banks from April 2026 to ¥280,000 (up ¥20,000).

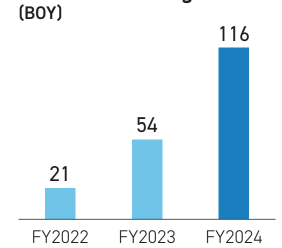
Expansion of real contacts	Recent accomplishments (BOY): Recruitment events Held 119 times
New graduate recruitment by courses	Strengthen recruitment from IT and digital specialized courses: · Digital strategy courses · Data science courses · ICT promotion courses
Talent+ recruitment	For students who have achieved remarkable results and experience in all fields, not limited to academics and sports. Selection based on self-promotion videos, etc.
High school graduate recruitment	Applicants are invited mainly from commercial high schools in the prefecture. We hold branch tours as an opportunity to deepen understanding of our business before applying. (Number of hires in April 2025: 5)

Mid-career recruitment: Developing competitive compensation and benefits and diversifying recruitment channels

To boost its competitiveness in the recruitment market, the Bank of Yokohama has introduced a “Professional Human Asset System”, which provides competitive compensation packages to eligible personnel. Furthermore, the “Alumni Network*”, which was launched in February 2023 as a means of diversifying recruitment routes, seeks to raise awareness and foster a sense of belonging by organizing social events and distributing stickers, and so on, leading to re-employment of alumni through the network. Along with this, the Bank is strengthening efforts in employee referrals, introductions from agents, and direct scouting activities to further diversify its recruitment routes.

*Network for linking people who once worked for the Bank of Yokohama Group with the banking group. Number of registered members as of the end of FY2024: 209 (up 62 year-on-year)

Mid-career hiring* results (BOY)



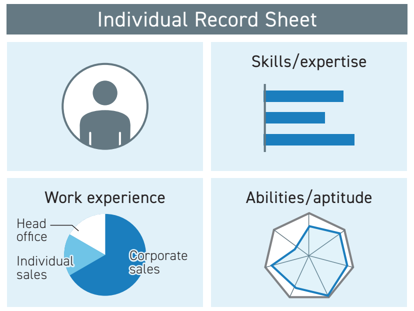
*Includes employees changed to bank employees

Alumni social event (February 2024, February 2025)

Advancement of talent management

The Group has introduced a talent management system as a tool to centrally manage information on each employee's skills, knowledge, aptitudes, and career design, and is promoting its use in strategic human resource operations to maximize the utilization of the potential of each employee. By visualizing the skills, competencies, and attributes of employees, we provide an “individuals' record sheet” that summarizes the information that managers need to understand in order to support the careers of their subordinates. We are also expanding functions that allow employees to view the work history of employees who are role models for their own career development. In order to ensure that the right people are assigned to the right jobs, we have put in place a system that enables us to strategically allocate personnel according to the characteristics of each department in the sales branches and the head office.

Individual record sheet illustration



Strengthening Human Capital Through Investment in Human Resources

Further promotion of DEI

Diversity, Equity, and Inclusion Policy Web

Based on our Diversity, Equity, and Inclusion Policy, the Group has established DEI Promotion Offices in the Human Asset Departments of the Bank of Yokohama and the Higashi-Nippon Bank. These offices are engaged in awareness-raising activities during "Concordia Diversity Month", a month dedicated to promoting DEI, and, with the support and supervision of directors and other senior management, are implementing various support measures, such as study sessions for management and training on promoting women's participation in the workplace. Through these measures, we are working to deepen the understanding of DEI promotion among all employees and to create a workplace environment in which diverse workforce can thrive. The progress of diversity promotion is reviewed semiannually at the Board of Directors' meeting, and under the management and supervision of the officer in charge, issues are addressed and the direction of measures are discussed, actively incorporating the opinions of outside directors and others, to enable our systems to respond quickly to the changing times.

D&I AWARD 2024 BEST WORKPLACE for diversity & inclusion

Certified as "Best Workplace" in "D&I Award 2024" (for the second consecutive year)

Menstrual Pain Experience Workshop for the three banks in the group

Ensuring diversity among managers (management and executive level) and promoting women's activities

In order to reflect a variety of thinking in our management policies and in order to meet the increasingly diverse and sophisticated needs of local communities and customers, the Group considers ensuring manager diversity and promoting women's activities as important management issues and actively discusses them at management meetings. Since FY2022, the Bank of Yokohama has been implementing the Tsubaki Project to promote women in executive and management positions. Through a combination of training and round-table discussions with outside directors, the project provides training and career development support to human resources who are candidates for management and top management positions with a view to promoting them. The Higashi-Nippon Bank newly established the DEI Promotion Office in April 2024. In order to support career development to encourage women's participation, the DEI Promotion Office organizes a mentor system, role model seminars, and career development training for executives, etc., and supports the development and career development of candidates who will play a leading role in future management.

With initiatives like these, the Group aims to increase the combined percentage of female managers at the Bank of Yokohama and the Higashi-Nippon Bank to 25% by FY2027 (21.6% as of the end of FY2024). Furthermore, to ensure diversity among managers over the medium to long term, the Group is aiming for the proportion of women among new graduate hires to be 30% or more.

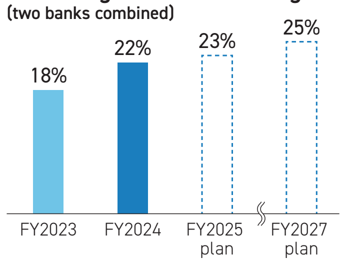
The high proportion of male employees in management positions and above in the Group results in differences in wages between male and female employees. In order to eliminate this difference, we are actively training and promoting female managers.

In addition to promoting the advancement of women, we also focus on the development of mid-career hires and actively promote them to management positions, including promotion to department heads and branch managers. The Bank of Yokohama's percentage of management recruited mid-career stood at 18.1% in FY2024, and the Bank aims to maintain this level at 14% or higher.

The Tsubaki Project to promote women's participation 3rd-year training: A final presentation to executives and outside officers

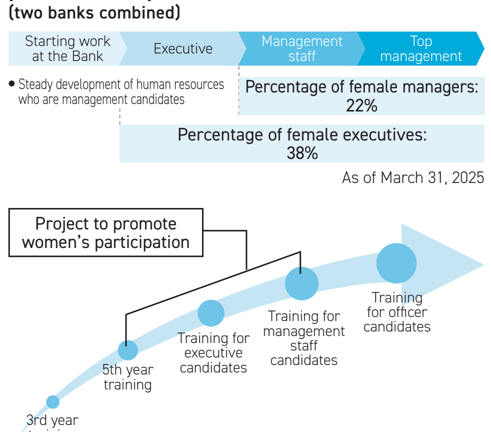
The Higashi-Nippon Bank Role Model Seminar

Percentage of female managers
(two banks combined)



Wage differentials between men and women	Bank of Yokohama	Higashi-Nippon Bank	Entire Group
All employees	46.8%	48.9%	49.8%
Full-time employees	63.5%	71.7%	66.9%
Non-full time/ temporary workers	62.2%	96.0%	64.3%

Status of candidates for management positions to promote female advancement
(two banks combined)



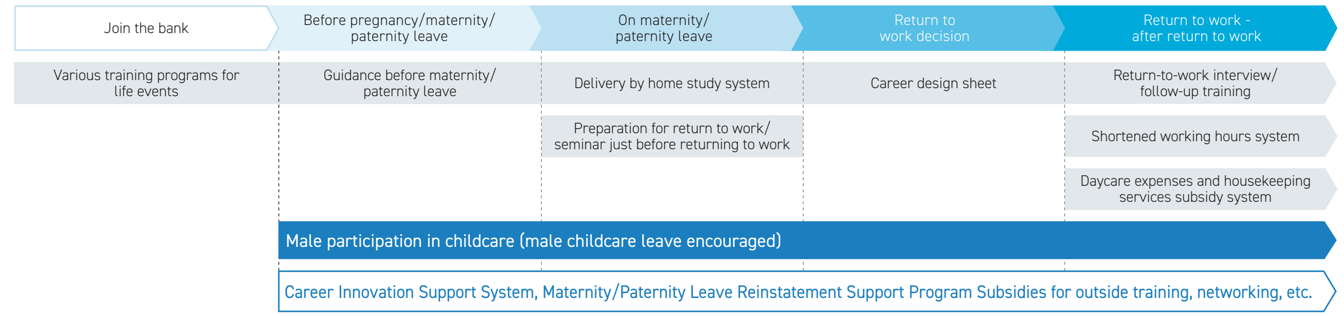
Support for maternity and paternity leave recipients to return to work

To enable employees to work flexibly in accordance with life events such as childcare, the Group has established systems for shortened working hours and subsidies for daycare expenses and housekeeping services. The Bank of Yokohama has introduced a "support program for return from maternity leave" to ensure a smooth return to work for employees by supporting self-study during leave and holding roundtable discussions. In FY2024, we also introduced a mentor system in which those who wish to return to work after maternity leave can consult with senior employees. At the Higashi-Nippon Bank, we supported the creation of a network for returning to work through exchange meetings with female employees who are on maternity leave, and we have put in place a system that enables them to return to work smoothly.

In February 2025, the Bank of Yokohama, the Higashi-Nippon Bank, and the KANAGAWA BANK jointly held a pre-return-to-work seminar for employees on maternity and childcare leave, which featured workshops to simulate how they will work after returning to work and discussions between participants.

The Higashi-Nippon Bank Maternity and Paternity Leave Conference (Mothers Association)

Main maternity/paternity leave reinstatement support system in the Bank of Yokohama



Hiring locally and appointing foreign nationals to management positions at overseas offices

The Group believes that local employment and procurement play an important role in building amicable relationships with the countries and regions in which it operates and contributing to sustainable development. At our overseas sites, we proactively hire local personnel who are familiar with the customs and needs of the region, and as of April 1, 2025, the number of locally-hired employees stood at 54. For locally hired employees, important matters such as labor standards regarding working hours, wages, etc. as well as the need for compliance are translated into the languages used at the overseas sites, such as English and Chinese, and communicated to all employees to ensure their understanding. In addition, we are actively promoting foreign personnel to management staff positions, and as of April 1, 2025, there were 13 foreign nationals in these positions.

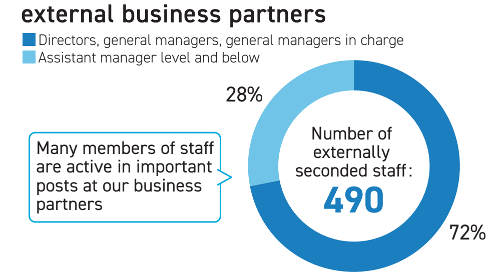
Support for the empowerment of employees with disabilities

Through our special subsidiary, Hamagin Business Challenged Co., Ltd., the Group aims to support the independence of people with disabilities and realize an inclusive society. We are working to create a workplace environment that supports the active participation of employees with disabilities by sharing information with employees through the "Hama Challenge Plaza" information tool, and by holding study session with outside lecturers for the human resources division and managers who have subordinates with disabilities. As of the end of FY2024, the Group's employment percentage of people with disabilities was 2.54%.

Active promotion of senior human resources

The Group is engaged in the promotion of active participation of senior human resources with a wealth of experience and high skill levels so that they can work with satisfaction, both inside and outside the banks. By offering a subscription-based learning platform and expanding the training content, we provide opportunities for recurrent and reskilling education and support the acquisition of the latest knowledge in currently required topics, such as labor management and DX support. As a regional financial institution, we aim to further contribute to the development and growth of local communities by enabling the Group's senior human resources to leverage the knowledge, skills, and experience they have accumulated over the years at new positions within the Group or in important posts at our clients' or other external companies through temporary assignments.

Status of staff seconded to external business partners



*As of May 2025, based on the Bank of Yokohama excluding affiliates

Strengthening Human Capital Through Investment in Human Resources

Basic Theme 3
Create an Environment

Based on individual well-being
[Create an Environment]

- Fostering a vibrant organizational culture
- Establishing a workplace environment where employees can work with peace of mind and good mental and physical health

In order for each and every employee to utilize his or her full potential, it is essential to have a vibrant organizational culture and a work environment in which employees can work with peace of mind and in good mental and physical health. We foster an organizational climate and workplace environment that starts with the wellbeing of each and every employee and their diverse values and lifestyles.

Fostering a vibrant organizational culture

Strengthening skills in career design support and management

Based on the concept of career ownership, the Bank of Yokohama has established a "Career Design Portal" on its intranet to enable each and every employee to design their own careers independently. The portal collects and consolidates information on various policies, systems, examples of career paths, and other reference material that can be used in crafting one's career designs, thereby improving accessibility.
In addition, since managers are required to have the skills to support their subordinates in realizing their careers from the perspective of increasing the value of human capital, we are working to improve managers' management and coaching skills through training and self-development programs for managers.

Human resource evaluation system

The Group has introduced a human resources evaluation system covering all employees, including part-timers, as a mechanism for improving motivation among employees and invigorating the organization, as well as for developing human resources and cultivating abilities through support for the realization of employees' career visions. The evaluation system is implemented and operated by rewarding the expression of abilities through human resource evaluations and bonus evaluations in a single fiscal year and transfers, promotions, and promotions in the medium- to long-term. When the personnel system was revised in FY2024, the evaluation system was extensively revised in order to realize fair and equitable evaluation and treatment, to improve the satisfaction of the person being evaluated, and to provide a more balanced evaluation. After the revision of the system, we are working to spread the awareness of the new system, such as by conducting evaluator training for all line managers.

Compensation and benefits

The Group has always endeavored to treat all employees, including part-timers, fairly and equitably, regardless of personal attributes such as seniority and gender, in accordance with the level of responsibility based on the difficulty, scope, and role of the job, as well as their contribution to business performance. For three consecutive periods since FY2023, we have revised salaries (base pay increases) in light of rising prices and other factors. Bonuses are also paid to employees, including part-timers. Furthermore, we are committed to complying with laws and regulations regarding minimum wage and equal pay for equal work for all employees, and these policies are clearly stated in our internal regulations and other relevant documents. In FY2025, the Bank of Yokohama introduced a share delivery system, which makes use of an ESOP Trust, for executive employees. We have introduced this system to grant the Company's shares as part of our efforts to strengthen investment in human capital, further raising the awareness of eligible employees to contribute to the medium- to long-term enhancement of corporate value and to enhance the growth and willingness to take on challenges of all employees.

Revision of the personnel system

The personnel systems of the Bank of Yokohama and the Higashi-Nippon Bank were revised in July 2024 and July 2025, respectively.

Goals of the personnel system reform		
Increase each individual employee's desire to grow and take on challenges	Strengthen retention, particularly of new-graduate recruitment and younger employees	Secure specialized human resources and strengthen the development of them

Main reforms		
①Partial unification of qualifications	②Establishment of the Style System	③Further shift to a job-based compensation structure
• Partial unification of qualifications for executive and manager posts (realization of early promotions) • Unification of qualifications for younger employees (abolition of seniority component)	Realization of dual-track careers through professional style certification	Abolition of personal attribute components and shift to compensation structure based on merit for management staff and above

Personnel system reform concept book for employees

Strengthening communication

The Group is working to increase the frequency of engagement between management and employees to deepen employees' understanding of our management strategy and human resource strategy, and to reflect the voices of employees in management. Every year, the President gives an information session for all group employees on "initiatives for the enhancement of corporate value." In addition, directors gave direct explanations of the management strategies and other matters to all employees and held 87 "large town hall meetings" to exchange opinions back and forth. In addition, we held 106 small town hall meetings for small groups, mainly for managers and below, to listen to the voices of sales branches and directly convey management policies and approaches from officers. We will implement measures across the Group to resolve the management issues extracted from employee opinions obtained through briefing sessions, town hall meetings, employee attitude surveys and such, and aim to create a vibrant organizational culture through behavioral and cultural transformation.
Furthermore, in an effort to strengthen communication between employees across workplace boundaries, the Bank of Yokohama has implemented measures such as introducing a communication support fund and utilizing the cafeteria at its headquarters as an after-work communication space by opening in the evenings.

A view of the venue in an information session for all group employees on "initiatives for the enhancement of corporate value" in October 2024

A scene from an event held in July 2024 with the support of the Bank of Yokohama's Communication Support Fund.

	Large town hall meetings	Small town hall meetings
Timing	April	All year round
Purpose	Deepen understanding of business operation policy and human resource strategy	Listen to voices of sales branches and directly convey the Bank's direction and thoughts of officers
Target audience	All employees	Managers or below
Speakers	Directors and other officers of the Bank of Yokohama and the Higashi-Nippon Bank	Directors and executive officers of the Bank of Yokohama and the Higashi-Nippon Bank
Number of events held in FY2024 (two banks combined)	87 times	106 times

Establishing a workplace environment where employees can work with peace of mind and good mental and physical health

Work-life balance (support for balancing family and work)

The Group encourages participation in childcare regardless of gender by developing and encouraging the use of various leave systems, including male childcare leave, special leave for when a spouse gives birth, and leave to support work-life balance that can be taken when a child has a school event.
In particular, efforts are being made to raise awareness of men's participation in housework and childcare, which is the foundation for promoting women's participation in the workplace. In FY2024, the percentage of men taking childcare leave across the three Group banks was 104.5%.
In addition, in order to prevent employees from having to leave their jobs to take care of elderly family members and to help employees balance work and fertility treatment, we are working to raise employee awareness through training programs and the use of such tools as guidebooks and video content. In this way, we are developing a system that enables employees to achieve work-life balance according to their individual circumstances.
In November 2024, the three Group banks joined forces to hold a holiday nursing care seminar in an online format, as part of a Group-wide initiative.

Article for employees (excerpt)

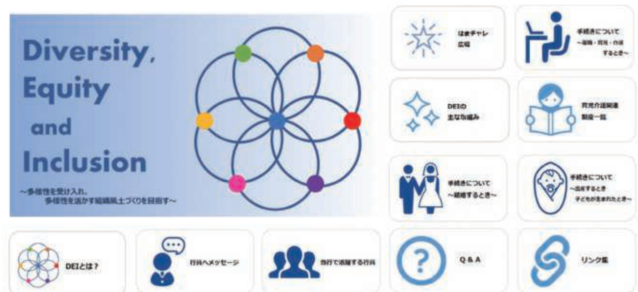
Strengthening Human Capital Through Investment in Human Resources

Work Style Reform - Establishing Flexible Working Styles -

In order to establish flexible and diverse work styles and improve well-being by having each and every employee practice a balanced work style regardless of time or place, the Group has established a telework work system, clarified rules, introduced satellite offices, and implemented a "Refresh Month" (in August and February). In addition, we visualize total working hours and have introduced a system to ensure adequate time between one work shift and the next in order to raise awareness of more efficient work styles.

Welfare system

The core Group companies have various welfare systems in place to support the diverse working styles of individual employees. For example, as childcare support systems, there are programs to help employees who have taken childcare leave return to work, reduced working hours systems, support systems for employees with children entering elementary school, and childcare support systems. While the scope of use varies depending on the type of employment, some systems are available to all employees, including part-timers, such as various leave systems to support employees who need nursing care and the provision of welfare facilities. Through these welfare programs, we are promoting the creation of an environment where employees can work with peace of mind and health.



Company intranet page summarizing welfare and other systems

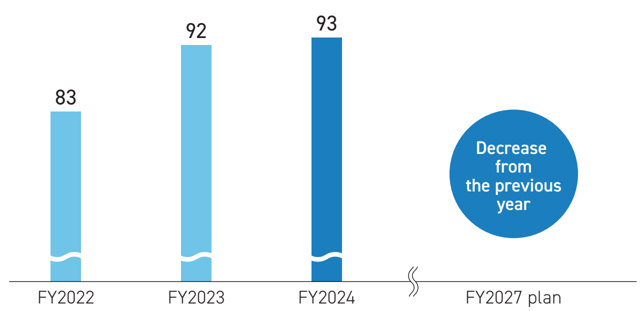
Health management

To ensure that each and every employee can maximize his or her potential through health management initiatives, the Group has formulated the Bank of Yokohama Health Declaration and the Higashi-Nippon Bank Health Declaration. At the Bank of Yokohama and the Higashi-Nippon Bank, the "Health Management Promotion Liaison Committee" was established across all divisions to practice health management. Initiatives included the establishment of a health management center at the head office, individual interviews between employees working long hours and industrial physicians, a complete ban on smoking on the premises of business sites, and the holding of a walking event. In the Bank of Yokohama, we are also promoting the introduction of pulse surveys for young employees and a program to support the return to work of employees on leave. In recognition of these efforts to maintain and improve the health of employees and to reduce absenteeism (absence from work due to ill health), the Bank of Yokohama has been certified as a "Health Management Excellent Corporation 2025 - White 500", and the Higashi-Nippon Bank as a "Health Management Excellent Corporation 2025" in the Large Corporations category of the "Health Management Excellent Corporations Certification System" established by the Ministry of Economy, Trade and Industry and the Japan Health Council.

The Bank of Yokohama
"Health Management Excellent Corporation 2025 - White 500"

The Higashi-Nippon Bank
"Health Management Excellent Corporation 2025"

Absenteeism (status of leaves of absence, etc.) (two banks combined)



Creating a highly psychologically safe workplace

In order for each employee to reach his or her full potential, the workplace must be a healthy place with a high level of psychological safety. The Group uses one-on-one meetings to provide opportunities for superiors and subordinates to discuss everything from work-related concerns to private matters without hesitation, and to ensure psychological safety by building mutual understanding and trust between superiors and subordinates. In addition, the Bank of Yokohama provides opportunities for managers to educate themselves and learn about the significance of psychologically safe and practical ways of communication by inviting external lecturers.

Moreover, the Group clearly states in its employment regulations that all forms of harassment are prohibited. The Group is working to prevent and appropriately respond to harassment by providing training for all employees on harassment prevention and training for managers on how to report and respond to harassment, by establishing internal and external "harassment consultation offices" for sexual harassment, bullying, harassment related to pregnancy, childbirth, childcare leave, nursing care leave, etc., and SOGI* harassment, and by establishing an internal reporting system (hotline).

Furthermore, we have established a consultation service for employees to discuss matters related to balancing work with childcare and nursing care, as well as matters related to diversity, equity, and inclusion regarding themselves and their surroundings, and we are widely promoting the development of a workplace environment that ensures psychological safety.

The contents of consultations are kept confidential, and a system is in place to protect the privacy of the consultants and other parties involved.

*Acronym for Sexual Orientation and Gender Identity

Initiatives to promote respect for human rights among employees

As part of our efforts to respect human rights, the Group identifies human rights issues through human rights due diligence as stipulated in the human rights policy and we evaluate issues that have a negative impact on the human rights of employees based on the content of various consultation desks and results of questionnaires, and other factors. Furthermore, to prevent and mitigate negative impacts on human rights, we conduct awareness-raising training and workshops to deepen correct knowledge and understanding of human rights. We are also working to raise employee awareness of the importance of respecting human rights by soliciting slogans related to human rights awareness and presenting awards for outstanding work.

Promotion of understanding of LGBTQ+ and other sexual minorities

In order to promote understanding of LGBTQ+ and other sexual minorities, the Group holds e-learning sessions for all employees, including part-timers, and study sessions for head office executives and department heads. In addition, as part of awareness-raising activities to increase the number of allies (people who support the activities of LGBTQ+ people), the Group has established communities on in-house social networking sites, etc. and distributed awareness stickers (ALLY stickers) to employees who request them. In addition, we are accelerating our efforts to respect the diverse family types of our employees, for example, by installing gender-neutral restrooms in the Bank of Yokohama head office building and including de facto and same-sex marriage partners in the scope of employees' "spouses" for the purposes of benefit programs such as leaves and payments.

In recognition of these efforts, in FY2024 we received the "Gold" award in the "PRIDE Index 2024" the third consecutive year (operated by the volunteer organization "work with Pride"), which evaluates efforts to support LGBTQ+ and other sexual minorities.

work with Pride Gold 2024

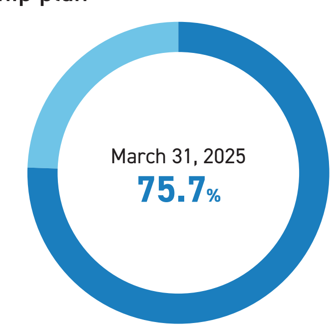

Employees participating in the Tokyo Rainbow Pride 2024, which was sponsored by the Group

Financial wellness (asset building support) initiatives

In the Group, in order to ensure that the employees are financially independent and can work with peace of mind, we have introduced the "defined-contribution pension plan (401k)", "employee property savings plan", and "employee stock ownership plan" as systems to contribute to the systematic asset building of our employees, and through various training programs and information provision, we support our employees in deepening their understanding of asset building and engaging in their own asset building. As of March 31, 2025, 75.7% of the Group's employees were covered by the Employee Stock Ownership Plan, a special incentive program that began in FY2023 and continued in FY2024.

Each of these financial well-being initiatives reflects management's desire for employees to work together for the sustainable growth of the Group from the same perspective as other stakeholders such as customers, local communities, shareholders and investors.

Membership rate of employee stock ownership plan



Cooperation between the Three Group Banks, the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK, to Develop Human Resources that Support Regional Financial Growth

THE KANAGAWA BANK
Director and Executive Officer
General Manager of General Affairs and Human Resources Department and General Manager of Administrative Support Department
Atsushi Honma

Concordia Financial Group / **The Bank of Yokohama**
General Manager of Human Asset Department and / General Manager of Human Asset Department
Chiharu Ota

The Higashi-Nippon Bank
Director and Executive Officer
Human Asset Department and Operations Planning & Administration Department
Maki Uchida

Human resources required to realize our vision: "ideals," "challenges," and "measures"

— What kind of human resources are you looking for at each bank?

Honma THE KANAGAWA BANK is a regional financial institution whose customers are mainly small and medium sized businesses and individuals. Being close to customers is one of THE KANAGAWA BANK's strengths, so we are looking for human resources who can face customers sincerely and work persistently. We also emphasize the ability to think flexibly to respond to changes without being bound by fixed ideas in an era of rapid change.

Ota At the Bank of Yokohama, we believe that we need people who are willing to work actively to solve problems of local communities and customers. A mindset for change and willingness to take on challenges are also important. The new medium-term management plan, which started this fiscal year, sets "relationship banking" as an important measure, aiming to develop human resources who can firmly build relationships with customers.

Uchida The Higashi-Nippon Bank's vision is to become a "total partner for small and medium-sized businesses" and our goal is to become a professional group that works closely with small and medium sized businesses in the metropolitan area and provides them with optimal solutions. To achieve this, we need human resources who care deeply about our customers and who can understand real issues they face. Specifically, I would like to develop human resources with four qualities: "Challenge," "Change," "Communication" and "Positive."

— There is a lot of overlap between each bank, but I feel the ideal image you each have slightly varies depending on the difference in roles. What challenges are you currently facing with these ideals?

Uchida The expansion of sales personnel is a challenge. Another problem with developing young human resources who will be responsible for relationship banking is that there is only a small number of mid-level personnel available to train them and the personnel structure has been streamlined. We believe that the development of young employees is particularly urgent.

Honma We have the same issue at THE KANAGAWA BANK. The structure of the organization, which has many young employees and few mid-level employees, is a challenge for us. Although the employees are committed to responding to customer requests, we are still in the process of developing the ability to go one step further and provide solutions to meet potential needs and we need to acquire much expertise and know-how.

Ota Exactly what you two have pointed out. The Bank of Yokohama also faces the problems of liquidity of mid-level human resources due to the booming job market and the shortage of educational personnel due to the increase in younger human resources. We also recognize the need to further review human resource evaluations so that we can more accurately evaluate the growth and challenges of our employees.

In April 2023, the Group formulated the Human Resource Strategy and has been working to strengthen the human resources across the entire Group with the three basic themes of "human resource development," "build an organization," and "create an environment." We would like to continue focusing on "human resource development" and also further deepen "build an organization" and "create an environment."

— What strategies or measures should be implemented to resolve these issues?

Uchida The Financial Business School (department in charge of planning and managing training) operated by the Bank of Yokohama has been also introduced at the Higashi-Nippon Bank. Until FY2024, the Higashi-Nippon Bank set a curriculum etc. for young employees to become full-fledged employees in five years. From this fiscal year, however, we have prepared a training program aimed at early development to help them become full-fledged employees in four years. As in the Bank of Yokohama, we have also introduced a skill evaluation system. The Human Asset Department and sales branches share skills information and train young employees to sophisticate human resource development.

Ota The Bank of Yokohama's skill evaluation system evaluates employees' level as "advanced, intermediate or beginner," so that employees can understand their current level. It helps them to figure out which skills they are lacking, leading them to necessary training and self-learning. In July 2024, we revised the human resource evaluation system to create a structure that enables us to more appropriately evaluate challenges and growth processes of employees. Although we are still in a transitional phase, we will continue to improve and strengthen the system to further enhance its effectiveness and support the motivation and growth of every employee. As a countermeasure to the shortage of training personnel, head office divisions are also actively involved in human resource development, such as the Credit Department (Examination Department), Business Strategy Department (Sales Planning Division and Head Office Direct Sales Division), and Financial Solutions Department (Head Office Direct Sales Division).

Honma THE KANAGAWA BANK is also developing a skill evaluation system. A test run of this system was started in the second half of this fiscal year and is scheduled to be introduced in full next fiscal year. By coordinating information with the Bank of Yokohama, which has already introduced this system, and the Higashi-Nippon Bank, which introduced one following the Bank of Yokohama, we aim to make the introduction smooth and highly effective. We have been operating a scheme to train our employees to become full-fledged in five years, but in the future, we would like to build a shorter training process by "visualizing" skills.

Development of human resources to support regional finance through collaboration among the three banks

— How do you take advantage of the characteristics of each bank to develop human resources?

Ota As I mentioned earlier, one of the characteristics of the Bank of Yokohama is that frontlines and the head office are involved in education together. We have accumulated a wealth of know-how, having strengthened our direct sales at head office under the banner of "enhancing solution sales" in the medium-term management plan from 2019. In addition, we have knowledge accumulated through many years of experience in the field of screening, which we also use for education. The Bank of Yokohama is unique in that it has built an educational support system which integrates the sales frontlines and the head office, and can return the accumulated know-how and knowledge. In the past, OJT was seen as education centered on worksites, but now each department at the head office is actively involved in the development of young employees. I was appointed principal of the Financial Business School three years ago and served in that capacity until March of this year. Since my appointment as principal, I feel that efforts to support education in each department have been further strengthened.

Honma It may not quite the answer to how we take advantage of the characteristics of our banks to develop human resources but since the business integration, THE KANAGAWA BANK's employees have been able to join the Bank of Yokohama employees in training that we could not have conducted independently before. The training content has been further enhanced, leading to higher employee skills and motivation. I also feel that by jointly participating in holiday seminars, the employees' awareness and interest in self-development have increased. One of the characteristics of THE KANAGAWA BANK is that many of its employees feel motivated by activities rooted in the local community. I think that the addition of the Bank of Yokohama's know-how and skills to the desire of THE KANAGAWA BANK's employees to revitalize the community has created a great synergistic effect in terms of development.

Uchida A major feature of the Higashi-Nippon Bank is that we can engage with each one of our employees. Because we are a compact organization with about 950 people, I feel that its strength lies in its ability to provide detailed training. For example, from this fiscal year, we started an initiative for the Human Asset Department's Financial Business School to visit sales branches to see how training inputs are utilized on-site. It is difficult for sales branches alone to be responsible for all human resource development, but we are creating an atmosphere in which all employees are involved in OJT, rather than everything being taught by the head office.

—— Could you provide any specific examples of collaboration or initiatives of the three banks?

Uchida It has been about five years since we started personnel exchanges with the Bank of Yokohama. In the solution sales field, such as M&A and business succession consulting, the Bank of Yokohama has taken the lead and has specialized knowledge. We dispatch human resources from the Higashi-Nippon Bank to such fields to acquire know-how and return it to the Higashi-Nippon Bank. Management is also dispatched from the Higashi-Nippon Bank to sales branches of the Bank of Yokohama for a year to learn about branch office management. We would like to continue such personnel exchanges in the future.

Honma THE KANAGAWA BANK is also currently accepting human resources from the Bank of Yokohama to each head office department, and we are sharing various know-how. In addition, we are also implementing an initiative to send employees to the Bank of Yokohama to learn and bring back knowledge to THE KANAGAWA BANK. We have seen significant effects. For instance, our employees' ability to make proposals has been expanded and their perspectives have been broadened because they are now capable of working on projects that were previously difficult to handle and have learned skills through joint training. In the future, we would like to further expand our horizons by promoting personnel exchanges not only with the Bank of Yokohama but also with the Higashi-Nippon Bank.

Since last fiscal year, we have been conducting joint training for new employees. I am glad to hear that it has been a positive influence for all. We would like to further strengthen our collaboration in the future.

Ota As you two said, the effects of exchange of human resources and joint training are great. The strength of the Bank of Yokohama is that it has many human resources capable of providing high-value-added solutions. The practice of proposing solutions takes root early, and I feel that both frontlines and the head office have a strong awareness of training. The educational system that makes use of such human resources is an asset of the Group, and we will actively promote personnel exchanges and joint training with the Higashi-Nippon Bank and THE KANAGAWA BANK in the future. From this fiscal year, we are also focusing on management training and revising its contents. We want to further increase the value of human resources by educating them in a wide range of areas, from the concept of strategic management to general skills such as coaching. We recognize that it is also important for the Bank of Yokohama to take the lead within the Group and implement good measures throughout the Group.

Harnessing the power of people in regional finance

—— It is the responsibility of regional banks to resolve the issues facing their increasingly diverse and sophisticated local communities. How do you think you should achieve the growth of human resources that are essential for this?

Ota When I am involved in the recruitment of new employees, I feel that many people are attached to this area and choose this job based on what they can do for it. For employees to grow with such a mindset, it is important to create an environment to provide opportunities and fields that encourage them to grow and take on challenges.

Honma "Create an environment" is indispensable. In FY2023,

THE KANAGAWA BANK started the employee attitude survey which has been implemented in the Bank of Yokohama and the Higashi-Nippon Bank. Results in FY2024 improved compared to the previous year. We are a small regional bank with a staff of just under 400, and like the Higashi-Nippon Bank, being able to recognize every one of our employees is a strength. I would like to create an environment that is rewarding to work in while making the best use of that strength.

Uchida I have always felt that "people" are an important factor in supporting the growth of financial institutions in the region. The Higashi-Nippon Bank's corporate philosophy is "face to face." We celebrated our 100th anniversary in 2024, and this corporate philosophy has been firmly rooted in our employees throughout our long history. As for the relationship of trust with our customers, I believe that it is not just the relationship between "the Higashi-Nippon Bank and its client companies," but that there is a personal bond or connection between the people in charge and business owners. We recognize that in order for as many of our employees as possible to be able to provide better services, it is necessary to improve the capabilities of each person.

Ota In terms of securing human resources, our market is expected to continue to grow, and I think we have an advantage in this region in terms of hiring. I feel that many of those who are considering joining our bank are paying attention to this point. More than that, however, it is important that our policies and systems convey that "we are a company that cares about local communities and people." We believe that creating opportunities and fields that allow our employees to continuously have and realize a desire to grow and take on challenges will lead us to becoming a "bank of choice."

—— Finally, what is your message to stakeholders, including your employees, shareholders and local communities?

Ota Thank you for your warm support and understanding of our activities. The Bank of Yokohama and the Group will continue to work on enhancing corporate value. We believe it is important to continue to be a bank that our customers can use with confidence and trust. We will continue to work with you and strive even harder to meet your expectations.

Honma THE KANAGAWA BANK became a member of the Group in 2023 and has worked with the Group in various ways since then. While continuing to strengthen our collaboration, we will further refine the strengths of THE KANAGAWA BANK and become closer to our local customers. We will fulfill our mission of contributing to the local community and aim to be a bank that is needed by the region.

Uchida Our business is supported by a diverse range of stakeholders, including our customers, employees, local communities, and shareholders. We believe that human resources are the source of the Higashi-Nippon Bank's ability to contribute to the local community as a trusted partner specializing in support for small and medium sized businesses. We will meet the expectations of stakeholders by providing sustainable value to our customers through human resource development and becoming a company that will continue to be needed in the future.

Interview with Mid-Career Hires | Diverse Forces Create the Future

The Group is also actively promoting mid-career hires, and the number of mid-career hires doubled in FY2024 compared to the previous year. Mid-career hires with diverse experience and knowledge play an active role in a wide range of positions, including management roles, in sales branches and the head office, contributing to the enhancement of corporate value.

Ai Yamashita
Assistant Manager, Direct Channel Planning Group, Digital Strategy Department
The Bank of Yokohama

Taking on the challenges of creating and optimizing new customer contact points

Transformation through data utilization

P. 79 Human resources specializing in IT and digital

I am currently in charge of digital marketing operations for the smartphone app "Hamagin 365." My main work is to create and optimize new customer contact points by utilizing data, such as modal displays using the marketing automation tool "KARTE" and automatic push distribution to customers based on their article browsing history on the "Hamacierge" website. I also examine the tap rate after distribution and the effectiveness in leading to contract conclusions, and I feel that it is very rewarding to improve the approach based on these figures.

At my previous job, I was engaged in marketing operations utilizing the Salesforce Marketing Cloud and worked on creating queries for tool operations and data analysis, as well as planning promotion measures utilizing analysis results. The experience and knowledge I have gained so far have been very useful in my current work.

When I first joined the Bank of Yokohama, I was at times bewildered by the bank culture, which included a wide range of procedures and the double checking of operations by multiple people. For example, when checking e-mail manuscripts, I feel that using a comparison tool rather than comparing the paper with the screen will prevent overlooking and improve operational efficiency. I would like to actively propose further paperless and digitization initiatives in the future.

Our bank is actively introducing new technologies such as AI and machine learning, and I feel that one of our strengths is the many opportunities we have to improve the skills of our staff. On the other hand, it takes a lot of procedures and time to put these new technologies into practice, and I think there is room for improvement in the internal approval process.

In the future, I would like to challenge myself not only in marketing but also in the field of system development, such as the automation of data linkage and the construction of a system that can be completed online. In addition, I would like to contribute to new sales measures that integrate real and digital and to reduce the administrative burden on sales branches. In order to realize this, I will work on acquiring specialized qualifications and further develop my skills that are directly related to practical work.

Masahiro Shimizu
Deputy General Manager, Iidabashi and Hakusan Branch
The Higashi-Nippon Bank

A wide range of experience strengthens an organization

Leveraging diverse experiences to become a total partner for small and medium-sized businesses

P. 82 Alumni
P. 83 Management staff

I once left the Higashi-Nippon Bank and later rejoined the company. I am currently working as a Deputy General Manager at the Iidabashi and Hakusan Branch. Since there is a wide range of customers from long-established companies to start-ups in the vicinity, a speedy response is indispensable. The most rewarding moment for me is when my customers express their gratitude by saying "Thank you" or "Thank you for your help" when I provide management consulting services for small and medium sized businesses.

After leaving the Higashi-Nippon Bank, I studied real estate financing at a financial institution that was strong in real estate business, as well as deepened my financial expertise and experience at a leasing company affiliated with megabanks. On one hand, I was exposed to differences in financing and screening at other companies discovered new things. On the other hand, I sometimes felt that it was difficult to achieve a sense of team unity and sufficient consultation service. Through these experiences, I came to believe that I wanted to be closer to customers and contribute to solving problems. I was also encouraged by the kind words of my former boss and colleagues, and I was once again attracted to the unique values of our bank, "Enyu" (lending based on personal connections) and "Chiyu" (lending based on knowledge). That is why I decided to re-join the Bank.

After re-joining the Bank, I strongly felt that the Bank's ability to propose solutions had improved and that younger employees' proactive behavior had been nurtured. Collaboration between sales branches and the head office is growing stronger, and I feel that a customer-first culture is steadily taking root.

I believe that the greatest strength of the Higashi-Nippon Bank is that customers feel close to us and can consult us through in-person engagement. As the business environment and customer needs become more complex and digitization advances, I feel that trust between people is becoming even more important in critical situations. The value of in-person engagement will continue to grow.

Through my experience at other companies, I have come to realize once again the good qualities of the Higashi-Nippon Bank and it is supported by the local community. We will continue to meet the expectations of our customers and provide optimal solutions in the field as a total partner for small and medium-sized businesses.

Hidenori Hata
Assistant Manager, Accounting Office, Corporate Planning Department
Concordia Financial Group / The Bank of Yokohama

Contributing to group management with accounting expertise

Forging my own career possibilities

P. 81 Internal recruitment

I am currently in charge of the preparation of financial statements and disclosure documents in the Accounting Office of the Corporate Planning Department. This job requires more than just compiling numbers. It requires understanding the actual situation behind them and the ability to provide information that is meaningful to the stakeholders. It is a job with a lot of responsibility, but I feel a great sense of satisfaction when we produce results as a team or understand the movement of the entire Group.

My application for a mid-career hire was inspired by an encounter with an employee of the Bank at a business school. I was strongly attracted to the way he always worked positively and built a relationship of trust with those around him. My desire to work with this person and my own desire to grow overlapped, so I took on the challenge of a new environment.

When I first joined the Bank, I was confused by the differences in corporate culture and struggled to build new relationships, but I feel that the process of adapting to such an environment led to my growth. In addition, the problem-solving thinking that I developed in my previous position at a financial institution helped me a lot when I was providing solutions to customers in my previous department, and it is still useful in my current work.

My transfer to the current department was realized through open recruitment within the bank. I was originally interested in the accounting field, and with the increasing importance of information disclosure, I decided to apply because I wanted to be involved in it as a creator. When I took on the challenge, I was supported by a relationship of trust with my supervisor. Our bank has a corporate culture in which your superiors and those around you listen carefully to you and support you in taking on new challenges. I feel that we have an environment in which we can take on new challenges with peace of mind. I believe that the appeal of the Bank of Yokohama lies in the fact that anyone can take on new challenges of his or her own volition, even if he or she is a mid-career hire.

In the future, I would like to not only further enhance my expertise in accounting and management, but also actively participate in management with a company-wide perspective and make further contributions.

Junya Sakita
Corporate External Relations Manager, Yokohama Station Branch
The Bank of Yokohama

Transforming diverse experiences into strength and developing human resources

Organizational culture that supports human resources taking on challenges

P. 83 Management staff

As a Corporate External Relations Manager at the Yokohama Station Branch, I am currently in charge of about 200 clients, including manufacturing, retail, and real estate companies, with four of my subordinates. I joined a megabank as a new graduate in 2007 and experienced a wide range of operations, but it was difficult for me to feel a connection with the local community. Since I wanted to contribute to my hometown, Yokohama, I joined the Bank of Yokohama in 2019. Even within the same banking industry, the two banks have significant differences in their credit policies and business stances, so at the beginning, I was often confused by the differences in systems and rules. However, I gradually got used to the work and environment by working on many cases and actively asking questions whenever I had them, regardless of other person's age. In the beginning, the people around me probably did not know how to interact with me, partly because I joined the Bank with a certain amount of experience. However, by actively integrating myself, I gradually gained recognition as an "interesting person with unusual experiences," and I feel that it generated a virtuous cycle.

The Bank is an organization with a very strong attitude to take on new things and challenges. Many mid-career hires contribute to the creation of new ideas and solutions by utilizing their experience and knowledge at branches and the head office. In addition, we have a system whereby younger employees can share their experience gained through temporary assignments to external companies with the rest of the company, and we have a deep-rooted culture that supports human resources challenging for other position. As a manager myself, I try to listen to the wishes and intentions of my subordinates through monthly one-on-one meetings and support their growth.

The culture of challenge and a support system are in place. However, there are still issues that need to be addressed at sales sites. For example, although the introduction and development of new systems are progressing, there are areas where they are not fully utilized, and I feel there is room for improvement. Adapting to the DX wave is not an easy task for a workplace that has been using paper for a long time, but I believe that the accumulation of small changes will eventually lead to a major transformation. I would like to continue to develop as many "bankers with a strong spirit of challenge" as possible by always trying new things and utilizing my own experience.

Improving Productivity Through Business Reforms and the Use of IT (Work Volume Reduction)

The Group is committed to improving the productivity of its employees to create time to meet customers directly in order to become a solution company rooted in communities and selected as a partner to walk together. In addition to improving productivity by raising awareness among management, we are carrying out business process reform across the Group with an awareness of overall optimization. We are also working on a fundamental reduction in work volume by adopting new methods using digital technologies such as AI.

Working method reform

- ·Productivity improvement training
- ·Incorporation into human resources evaluation

▼

Raising awareness among management

"Stop"/ "don't increase" unnecessary work

Support for a fundamental review

Business process reform

Visualization of business processes

▼

Stopping, reducing, and changing business

▼

Overall optimization across divisions

Improved operational efficiency using AI

Head office
- Automatic generation of materials
- Automated inquiry handling
- Gradual use of AI agents

Sales
- Automatic selection of places to visit
- Automatic creation of proposals and approval documents

In-branch operations
- Search support for administrative procedures
- Automation of routine work

Effective use of databases

Converting to data by eliminating paper and Excel reporting

+

Converting information remaining in the system into data

▼

Abolition of the Excel bucket brigade through the unification of data

Structure

Establishment of the Group Productivity Improvement Committee and Productivity Improvement Office

The Company established the Group Productivity Improvement Committee to oversee the efforts of the Group companies and improve productivity with the aim of overall optimization across the Group. It will promote productivity improvement for the entire Group and manage the progress of important projects.

In response to changes in the external environment surrounding the Group, the Company and the Bank of Yokohama established the Productivity Improvement Office in April 2025 to develop an environment where employees can concentrate on high-value-added work. It will support the formulation, promotion and progress management of productivity improvement measures across the organization.

Goal

150,000 hours of reduction work volume (compared to FY2024)

In the Bank of Yokohama, we aim to create time to meet customers directly by reducing work volume through productivity reform, streamlining head office and administrative personnel, and increasing the number of sales personnel. By the end of FY2027, we aim to reduce head office operations by 150,000 hours per year compared to FY2024.

Working method reform

Raising awareness among management

The Group believes that it is important to maximize the performance of the organization as a whole by having each and every employee feel motivated to work and act independently to improve productivity. In particular, top management has taken the lead in "working method reform" to increase the productivity of subordinates and in "stopping" or "not increasing" unnecessary work, with the aim of creating an environment in which employees can concentrate on efficient, high-value-added work and building an organization that can produce greater results even with a small number of employees.

Raising awareness of top management

In promoting "working method reform," we believe that it is important for management to take the lead in changing attitudes. To this end, we implement training led by external instructors to provide opportunities to learn about the need for reform as well as specific examples. Management will lead productivity improvement of the entire organization by learning how to select and prioritize tasks and how to optimize resource allocation, and by putting what they learn into practice.

Penetration into middle management

In order to promote bottom-up operational improvements in each department, we provide middle management employees with training. The training focuses on reviewing business processes and improving efficiency with the aim of creating an environment in which employees can concentrate on high-value-added work. Specifically, we will conduct an inventory of operations to eliminate unnecessary tasks and improve business processes, thereby reducing the workload.

Incorporation into the human resources evaluation system

Under the new human resources evaluation system, improving productivity is added to the evaluation items to establish a system for evaluating employees' attitudes and actions toward improving productivity. It encourages individual challenges and fosters a culture in which the entire organization is aware of and practices productivity improvement.

Sharing successful experiences and enhancing job satisfaction

We actively collect successful cases from each division and share them throughout the organization through the Group Productivity Improvement Committee and others. In this way, we utilize our knowledge across the boundaries of subsidiaries and divisions within the Group to promote swift and effective changes.

Through these efforts, we are working to boost the job satisfaction and motivation of our employees as well as productivity.

Business process reform

Overall optimization across divisions

In the Bank of Yokohama, we will visualize the work of about 800 head office employees, identify the work of each division that is individually optimized, and implement business process reform aimed at the overall optimization with the support of the Productivity Improvement Office, and realize a reduction of 150,000 hours work volume. In addition, we will work on a business process reform that makes full use of digital technology, including the effective use of AI and databases.

Visualizing the work of about **800** head office employees ▶ Reducing **150,000** hours of work volume

Business process reform example

- Streamlining a budget management operation
- Streamlining a regulatory compliance operation
- Streamlining a screening operation

Supporting business process reform

Utilization of AI and database

- Utilizing AI to assist with screening and judgment operations
- Utilizing AI and data to automate routine work
- Strengthening collaboration between systems through data integration

interview Creating time to meet customers directly by changing the awareness and behavior of the entire organization

In order to maximize the time to meet customers directly within the limited management resources, improving employee productivity is indispensable. Increasing productivity is difficult to achieve through individual efforts alone and requires a change in awareness and behavior throughout the organization. The Productivity Improvement Office, which was established in April 2025, promotes cross-organizational business optimization, and creates an environment in which employees can concentrate on truly valuable work by making full use of AI and data, as well as "stopping," "reducing," and "changing" various types of business. We will lead the transformation with flexible ideas and a sense of speed, without being bound by the customs of the financial industry that have valued formality and precedent. We will continue to take on challenges and make improvements with the aim of continuously increasing our corporate value and contributing to local communities.

Saoko Suzuki
General Manager of Corporate Planning Department

Improving Productivity Through Business Reforms and the Use of IT (DX)

The Group is committed to continuing to provide customers with more valuable services through innovation utilizing digital technology. To realize this, it is essential to automate and upgrade business processes and develop human resources by proactively introducing technologies that utilize AI and data. Through these efforts, we will improve productivity and create an environment in which employees can spend more time on strengthening relationships with customers.

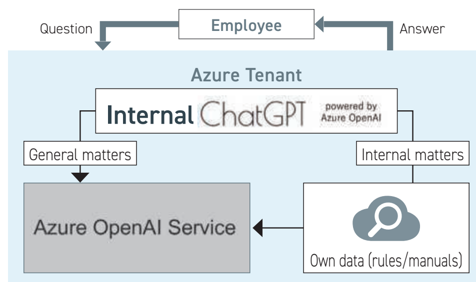
Executive Officer (in charge of IT Solutions Department) Toshihiko Onuki

An example of AI utilization in banking operations supporting productivity improvement

Use of generative AI "Internal ChatGPT" in operations

In November 2023, the Bank of Yokohama and the Higashi-Nippon Bank launched Internal ChatGPT, a GenAI-driven information analytics platform for the exclusive use of employees.

Internal ChatGPT augments the usual ChatGPT functionality by allowing internal information such as the various rules and manuals of the two banks to be referenced. It makes tasks performed by employees, such as document preparation, more efficient*, allowing them to concentrate on more demanding or new tasks.



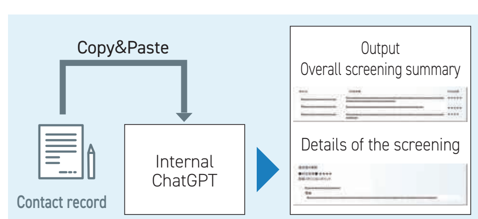
* It is said that tasks such as general document preparation take 37% less time when ChatGPT is used.

Toward implementation of AI to support the preparation of loan approval documents

In November 2024, the Bank of Yokohama implemented a pilot project to use generative AI in the preparation of approval documents for loan screening. The results confirmed its effectiveness in terms of improving employee work efficiency and screening skills. It is expected that using generative AI to assist in preparing loan approval documents will improve operational efficiency by up to 19,500 hours per year. It also proved effective in clarifying points lacking in customer hearings regarding the screening items required for credit decisions. Employees are able to gain "awareness" of what kind of information to obtain from customers through loan screening using generative AI, and this "awareness" is expected to effectively improve employees' screening skills. We will organize the points and issues identified in this pilot project and work toward implementation. By implementing this system, we will meet the diverse needs of our customers and realize more productive ways of working to contribute to the sustainable development of local communities.

Increased efficiency in verifying customer contact records using generative AI

The Bank of Yokohama utilized "Internal ChatGPT" to assist inexperienced managers in verifying customer contact records for sales of investment trusts and other products and to reduce the workload, thereby increasing operational efficiency. This system allowed us to improve operational efficiency and reduce about 20% of the conventional workload. We will further refine our efforts to strengthen relationships with customers by allocating the time saved to external liaison activities.



Strengthening the IT digital infrastructure supporting productivity improvement

Intranet revamp

The Bank of Yokohama and the Higashi-Nippon Bank are actively revamping and optimizing their IT digital infrastructure to realize "improving productivity," one of the Priority Strategies of the medium-term management plan. As part of this effort, we have completely revamped our intranet to improve the efficiency of internal operations.

The new intranet greatly improves the capabilities of internal terminals, increasing operational speeds and providing stress-free operation. This has improved work efficiency of each employee and created a highly productive work environment.

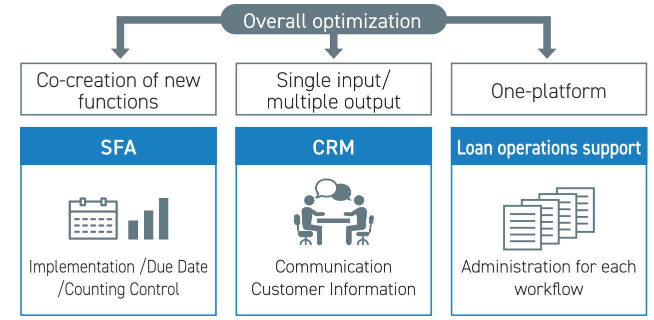
We have also introduced SASE (Secure Access Service Edge) as a new security measure. With this latest security framework, we are expanding the possibility of business reform through the use of cloud services while ensuring high security both inside and outside the banks.

Through these initiatives, we will strive to improve productivity of the entire Group by making the IT digital infrastructure a strong foundation for productivity improvement and creating an environment in which employees can focus on higher value-added work.

Introduction of the Sales Loan Support System

In January 2024, the Bank of Yokohama and the Higashi-Nippon Bank introduced the Sales Loan Support System, a next-generation SFA/CRM/ loan screening system that enabled them to reform their external liaison operations. This system has been used jointly by five MEJAR banks since May 2025.

With the introduction of this system, we expect to achieve efficiency gains in many operations. By allocating the time thus saved to liaison activities, we will further refine our efforts to strengthen relationships with customers.



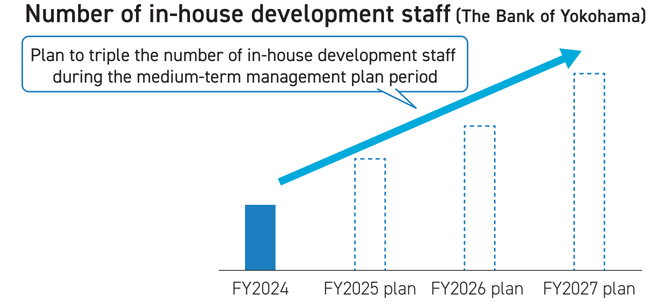
Strengthening the system to introduce and expand the use of AI to improve productivity

In order to promote productivity improvement, the Bank of Yokohama actively utilizes AI technology and aims to maximize its effects. To this end, we established the Innovation Promotion Group within the IT Solutions Department in April 2025. This group is responsible for developing a governance system to accelerate the use of AI as well as developing and operating AI technologies to improve the efficiency of banking operations, thereby contributing to business process innovation and competitiveness. Through this initiative, we will further strengthen the foundation that supports sustainable growth.

Accelerating in-house system development

The Bank of Yokohama is strengthening its in-house system development structure to add new functions to "Hamagin 365" and also the "AGENT" tablet terminal for sales branches, as well as to expand electronic banking services for customers. The traditional method of outsourcing development to an external systems company made it difficult to respond quickly to diverse needs of customers and rapidly evolving digital technologies. By promoting in-house development, we will be able to increase our development speed and deliver highly convenient services to customers more quickly. In this way, we aim to further improve customer satisfaction by providing better services.

Number of in-house development staff (The Bank of Yokohama)



Human resources

The Bank of Yokohama develops practical and flexible educational programs to improve the AI literacy of all employees and realize the evolution of the organization for the digital age. In order to create environments in which employees can learn the basics of AI and how to use it in their work in a way that is easy for them to understand, we provide educational content through video streaming and encourage employees to learn from each other through regional study meetings. In addition, by appointing a person in charge of promoting generative AI in each head office division and holding regular meetings on generative AI utilization, we support sharing examples of AI utilization on the ground and the creation of new ideas.

Furthermore, we are also focusing on developing specialized talents and promoting the recruitment and development of highly specialized talent such as project managers, cybersecurity experts, and AI developers. As a result, we are accelerating the planning and development of AI solutions that will directly lead to more efficient banking operations and improved customer service. Through these initiatives, we aim to create an organization in which all employees can properly understand and utilize AI and will improve productivity and provide new value to our customers by further expanding IT and digital specialist workforce.

P. 79 Strengthening the development of specialized human resources

Initiatives to Control Cost of Equity | Contribution to Regional Growth

Conserving and Preserving the Environment (Promoting Regional Decarbonization)

Initiatives for TCFD/TNFD recommendations

The conservation and preservation of the environment is an important responsibility for the Group, and we recognize that climate change and nature are closely interrelated. In December 2019, the Group endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)*1, and in February 2024, we participated in the Task Force on Nature-related Financial Disclosures (TNFD)*2 Forum. Since then, the Group has been disclosing its views and approaches on climate change and nature in an integrated manner based on the respective frameworks.

*1 Task Force on Climate-Related Financial Disclosures: A private-sector-led task force established by the Financial Stability Board (FSB) in December 2015 to encourage companies to disclose climate-related information
*2 Task Force on Nature-related Financial Disclosures: A private-sector-led initiative launched in June 2021 to encourage companies to disclose nature-related information

	Climate	Nature
Governance	• The Group Sustainability Committee, chaired by the President and Representative Director, discusses key matters related to sustainability including climate change and nature-related issues, as well as develops action plans based on policy and manages progress. ······ P. 73 • Respect for the human rights of indigenous peoples, local communities, and affected stakeholders is provided for in the Group Human Rights Policy and Sector Policy. ······ P. 74	
Risk management (Risk and impact management)	• "The occurrence of a large-scale natural disaster" is selected as a "top risk" for climate change risks and nature-related risks, and is recognized as a risk event that is highly likely to have a significant impact on the Group's management. ······ P.100 • We have established the sector policy as a set of policies for investment and financing that take environmental and social considerations into account. While actively engaging in investments and loans whose use of funds has a positive impact on the environment and society, we strive to reduce or avoid negative impacts on the environment and society by carefully making investment and loan decisions for investments and loans whose use of funds is likely to promote negative impacts. ······ P.100	
Strategy	• Scenario analysis is conducted for transition and physical risks associated with climate change. (Risks) ······ P.102 • We recognize the importance of providing the right solutions aligned to the phase of our customers' efforts toward decarbonization through our engagement with them. (Opportunities) ······ P.103-104	• We are working to enhance risk awareness by conducting "Analysis of Dependence and Impact at Own Bases" and "Analysis of Dependence and Impact at Investment and Loan Portfolios." (Risks) ······ P.107-108 • We strive to create a flow of funds that leads to nature-positive society by supporting the business activities of our clients. (Opportunities) ······ P.109-110
Metrics and targets	• Sustainable finance up to FY2030 (cumulative): ¥4 trillion (including ¥2 trillion in environment finance) ······ P.105, 110 • Realization of carbon neutral (Scope 1 and 2) by FY2030 ······ P.106 • Achievement of the 2050 net zero in GHG emissions, investment and loan portfolio and the 2030 interim target in the target setting sector ······ P.106	• Achievement of targets related to the recycling rate of paper, waste plastic, and waste, the paper procurement rate, and the energy consumption reduction rate ······ P.110

Risk management

Within the Group, each subsidiary has set up a risk control department as well as a risk management department for each type of risk, thereby identifying, evaluating, and managing risks. The Risk Management Department at the holding company comprehensively manages risks for the entire Group, and an officer in charge of risk, who is separate from the General Manager of the Audit Department, regularly reports on the risk status to the President and Representative Director and the Board of Directors. In addition, matters related to sustainability are discussed separately by the Sustainability Committee, and the details of the discussions are reported to Board of Directors.

Furthermore, the Group has identified and evaluated sustainability-related opportunities by materiality in the new medium-term management plan (FY2025 to FY2027), set KPIs, and is implementing specific initiatives. Progress on KPIs is regularly reported to the Board of Directors, with the Board of Directors following up as necessary.

Top risks

We assess risks that could greatly affect the Group's operations, judging their significance by impact and likelihood. The Board of Directors then identifies the most critical risks as "top risks". For top risks, we set Key Risk Indicators (KRIs) and monitor them continuously to spot early warning signs. We have also arranged systems to respond swiftly if a risk becomes evident. Risks related to sustainability such as climate change are also positioned as "top risks."

We will continue to work to build a system that can be managed within the framework of comprehensive risk management.

Occurrence of major natural disasters

- Major earthquakes
- Eruption of Mount Fuji
- Climate change-driven typhoons and floods

The above-mentioned natural disasters could paralyze the capital and financial markets, worsening business conditions for our clients.

Sector Policy

Sector Policy Web

The Group has established a Sector Policy regarding investments and financing that take environmental and social considerations into account. Through the sector policy, we are working to reduce and avoid negative environmental and social impacts by identifying businesses in sectors where we ban or restrict investment and lending, and also having guidelines for certain sectors, with regard to investments and loans for the use of funds that are highly likely to promote negative impacts.

The Group Sustainability Committee regularly discusses the necessity of revisions and reviews the Sector Policy as needed in response to changes in our own business activities and the external environment. The following revisions were made in March 2025.

Major Revisions

- In order to clarify our stance on contributing to the resolution of environmental and social issues through our business activities, we have clearly stated our policy on aggressive investment and loans that have a positive impact on the environment and society.
- In order to strengthen our response to human rights issues, we have added items that prohibit investment and financing across sectors and items to be noted.
- Considering the possibility of negative impacts on the environment and society, "wood biomass power generation" was added to the designated sectors.

Sector Policy summary*1

The Group will actively engage in investments and loans for the use of funds that have a positive impact on the environment and society through transactions. In addition, the Group will strive to reduce or avoid negative impacts on the environment and society by carefully judging transactions in relation to investments and loans for the use of funds that are highly likely to promote negative impacts on the environment and society.

All sectors	Prohibited	• Businesses with illegal purposes • Businesses that are offensive to public order and morals and not permitted under socially accepted norms • Projects that negatively impact Ramsar Convention designated wetlands	• Projects that negatively impact UNESCO-designated World Heritage sites • Projects that violate the Washington Convention on International Trade in Endangered Species (CITES) • Projects that use child labor, forced labor, or human trafficking	
All sectors	Considered carefully	• Projects that have a negative impact on indigenous communities • Projects that negatively impact areas of high conservation value • Operations that cause or contribute to, or are directly linked to, human rights abuses in conflict areas	• Projects involving expropriation of land leading to involuntary resettlement	
Designated sectors		• Coal-fired thermal power generation*2 • Coal mining • Oil and gas extraction	• Large-scale hydroelectric power generation • Production of inhumane weapons • Large-scale plantations	• Palm oil plantation development • Deforestation • Wood biomass power generation

*1 Underlined parts were revised in March 2025.
*2 Reduction of balance for existing investments and loans for coal-fired thermal power generation to zero is scheduled for FY2037.

Conserving and Preserving the Environment (Promoting Regional Decarbonization)

Strategy Climate change

The Earth's environment, on which human life and business activity depend, is being altered by climate change. Natural disasters and extreme weather events are becoming more severe, threatening the sustainable development of local communities and businesses. Against this backdrop, efforts towards transitioning to a decarbonized society are advancing rapidly.

In the process of transitioning to a decarbonized society, there are expected to be significant changes in the economy and society, such as stricter policies and regulations in countries throughout the world to achieve carbon neutrality, technological innovation to mitigate climate change, and changes in the values of consumers and investors as a result of greater interest in climate change. We recognize that these changes will lead to both risks and opportunities for the Group, and thus we are examining the impact that the climate-change-driven transition to a decarbonized society will have on our business, while formulating strategies for responding to climate change in order to handle these risks and opportunities.

1 Risk (climate change)

Understanding climate change risks

The Group is working to identify and assess two types of risks related to climate change in line with TCFD recommendations — that is, risks associated with the transition to a decarbonized society (transition risks) and risks associated with severe natural disasters and extreme weather events (physical risks). Transition risks and physical risks for each of the risks that the Group categorizes and manages (credit risk, market risk, liquidity risk, operational risk, and reputational risk) are as follows.

	Envisioned cases (transition risks)	Time axis	Envisioned cases (physical risks)	Time axis
Credit risk	• Risk of clients' financial deterioration due to stricter greenhouse gas emission regulations or the introduction of a carbon tax • Risk of clients' businesses becoming stranded assets due to technological advances associated with the transition to a decarbonized society • Risk of deterioration in the financial condition and brand value of our clients due to their inadequate responses to various climate change issues • Risk of increased credit costs due to the above impacts	Medium to long term	• Risks associated with floods and other acute natural disasters exacerbated by extreme weather, and changes in rainfall and weather patterns • Risk of damage to buildings and disruption of business due to chronic climate change • Risk of impairment of collateral, decrease in sales, or other financial deterioration due to damage to the client's buildings or facilities from flooding caused by the above risks, resulting in an increase in credit costs	Short to long term
Market risk	• Risk that the value of related securities, financial derivatives, etc. may fluctuate due to a decrease in earnings or existing assets etc. of clients affected by the transition to a decarbonized society	Short to long term	• Risk of price fluctuations of securities, financial derivatives, etc. due to market disruptions caused by abnormal weather conditions etc.	Short to long term
Liquidity risk	• Risk of decline in the ability to raise funds due to deterioration in creditworthiness and deterioration in cash flow as a result of an outflow of deposits because of an inadequate response to climate change	Short to long term	• Risk of deterioration in funding conditions due to an increase in the outflow of funds caused by greater demand for funds from customers affected by natural disasters and their need to undertake restoration, reconstruction, etc.	Short to long term
Operational risk	• Risk of incurring damage due to the sale of inappropriate products and services, including those of our partners and contractors	Short to long term	• Risk of losses due to business interruption caused by damage to the Company's head office and branches from natural disasters	Short to long term
Reputational risk	• Risk of deterioration in the Company's reputation due to inadequate response to climate change or due to our response being perceived as inappropriate or inadequate by stakeholders			Short to long term

(Short-term: about 1-3 years, Medium-term: about 3-10 years, Long-term: over 10 years)

Carbon-related assets

The Group calculates the climate change risk of carbon-related assets[*1] based on the TCFD recommendations as one of its efforts to understand loan balance. Calculation results as of the end of March 2025 are as follows.

Since FY2021, separate from carbon-related assets, the Group has identified eight industries as carbon-related sectors[*2], industries recognized for significant climate change impacts, and monitors them. The share of the credit balance of the relevant sectors at the end of March 2025 in the total loan balance for all sectors remained at the same level as the previous year, at 2.4%. We will continue to manage risks by monitoring the impact of climate change through our engagement in carbon-related sectors and by increasing the sophistication of our analysis.

TCFD Sector	2024/03		2025/03	
	Loan balance (¥ bn)	Percentage of all sectors	Loan balance (¥ bn)	Percentage of all sectors
Energy & utilities	91.7	0.6%	101.6	0.6%
Transportation	691.7	4.2%	642.9	3.8%
Materials and buildings[*3]	5,790.1	34.9%	6,413.8	38.3%
Agriculture, food and forest products	186.3	1.1%	181.6	1.1%
Total of the above sectors	**6,759.7**	**40.7%**	**7,339.9**	**43.8%**
Total for all sectors	**16,602.6**	**100.0%**	**16,745.6**	**100.0%**

*1 From the end of March 2025, the target industries for carbon-related products have been revised.

*2 Eight industries: iron and steel; electricity, gas, heat supply, and water; fiber; petroleum & coal; ceramics and earthenware; pulp and paper; mining, quarrying and gravel extraction; and nonferrous metals Carbon-related sectors are classified using Bank of Japan industry sectors and may differ from NZBA sectors.

*3 Materials and buildings includes individuals apartment loans, etc.

Scenario analysis due to climate changes

The Group conducts scenario analysis of transition risks and physical risks to understand the degree of impact of climate changes on the investment and loan portfolio. As of March 31, 2025, the results of the analysis were as follows.

For transition risks, we considered the impact on expenditures such as the introduction of a carbon tax, an increase in energy costs due to a change in the composition of power sources, and capital investment due to GHG emissions regulations. In addition, changes in supply and demand due to a decarbonized society are expected to lead to changes in production volumes and prices. Therefore, we analyze the impact on borrowers' finances from both revenue and expenditure sides. In addition to the electric power, automotive, and automotive-related sectors[*1], oil and gas, iron and steel, and transportation sectors[*2] conducted in the previous fiscal year, this fiscal year we added the chemical sector. As a result, most of the sectors that are considered to have a large transition risk for the Group were included in the scope of analyses.

For physical risks, we consider it a high priority to understand the impact of flooding on the investment and loan portfolio because such disasters, which are aggravated by abnormal weather, are a serious acute risk. We are also working to enhance our analysis by refining the location data of each location to be analyzed, mainly in Kanagawa Prefecture and Tokyo, which are the Group's sales bases.

Credit costs[*3] for transition risks were estimated to be ¥23.8 billion[*4] to ¥114.1 billion[*5], and credit costs for physical risks were estimated to be ¥24 billion to ¥59.7 billion. We will continue to increase the sophistication of our scenario analysis, and we will work to reduce these risks with decarbonization initiatives through engagement with our customers.

*1 Automotive-related: auto parts, gas stations, etc.
*2 Transportation sector: Marine transportation, air transportation, railway transportation, trucking services, etc.
*3 Calculated based on the difference between the Current Policies scenario, in which the current climate change policies are assumed to be continued, and the scenario in which stricter climate change policies are assumed to be implemented.
*4 Difference from the Below 2° C scenario, which aims to limit global warming to less than 2° C (Below 2° C scenario: ¥126 billion - Current Policies scenario: ¥102.2 billion)
*5 The difference from the Net Zero 2050 scenario in which the global net zero is achieved by 2050 (Net Zero 2050 scenario: ¥216.3 billion - Current Policies scenario: ¥102.2 billion)

	Transition risks	Physical risks
Risk event	• Increased energy costs due to introduction of carbon tax • Changes in demand and additional capital expenditures and R&D costs due to the transition to a decarbonized society	Due to flooding • Financial deterioration due to business interruption or direct damage to business locations • Damage to collateral
Scenarios	• Of the NGFS (Network for Greening the Financial System) scenarios, Net Zero 2050, below 2°C scenario, and Current Policies scenario	• RCP (representative concentration pathway) scenarios by the Intergovernmental Panel on Climate Change (IPCC) (RCP2.6: 2°C scenario, RCP8.5: 4°C scenario)
Analytical method	• The increase in credit cost is calculated by analyzing the impact by combining a technique that uses estimates of the financial position of each individual company through 2050 based on the transition scenarios and a technique that expands the scope to the sector level, then using the results of this analysis to determine the change in borrower category.	• The increase in credit cost is calculated by calculating the impact of flooding on customers' finances and on their collateral based on hazard map data, then taking into account the probability of flooding through 2100 as estimated based on the scenarios.
Target of analysis	Domestic corporations with loans (excluding financial institutions) Of which. • Electric power sector (excluding renewable energy) • Iron and steel sector • Automotive and Automotive-related sectors • Transportation sector • Oil and gas sector • Chemicals sector	Domestic corporations with loans (not including financial institutions), individual business owners, housing loans, and project finance
Analysis period	Through 2050	Through 2100
Analysis results	Credit costs: ¥23.8 billion to ¥114.1 billion	Credit costs: ¥24 billion to ¥59.7 billion

Conserving and Preserving the Environment (Promoting Regional Decarbonization)

2 Opportunities (climate change)

Calculation of GHG emissions in the investment and loan portfolio

As a financial institution, the Group is a member of the Partnership for Carbon Accounting Financials (PCAF), an international initiative that promotes initiatives related to the measurement and disclosure of GHG emissions in investment and loan portfolios, in order to contribute to creating a decarbonized society through the realization of GHG emissions net zero in investment and loan portfolios. In addition, the Group calculates GHG emissions (Financed Emissions) in the investment and loan portfolio, mainly for business loans, based on the standards set forth by the PCAF (hereinafter referred to as the "PCAF Calculation Standards").

	Energy			Transportation						Materials and buildings					Agriculture, food and forest products				Others	Total
	Electricity	Coal	Oil and gas	Air cargo transport	Air passenger transport	Maritime	Rail transport	Trucking services	Automotive and parts	Metals and mining	Chemicals	Building materials	Capital goods (buildings, etc.)	Real estate management and development	Beverage	Agricultural	Packaged food and meat	Paper and forest products		
Financed Emissions (MtCO2e)																				
Scope 1+2	1.0	–	0.2	0.0	0.0	0.3	0.0	1.0	0.2	3.8	0.8	0.0	0.9	0.7	0.0	0.1	0.6	0.2	3.4	14.1
Scope3	0.2	–	0.6	0.0	0.0	0.4	0.0	0.9	3.3	1.8	2.2	0.2	7.9	4.0	0.1	0.3	0.6	0.4	13.7	37.5
PCAF score																				
Scope 1+2	3.0	–	2.9	4.0	1.7	3.5	2.2	3.6	3.0	2.6	2.9	3.2	3.4	3.8	3.5	2.7	3.7	3.3	3.6	3.6
Scope3	3.8	–	3.0	4.0	1.7	3.5	2.8	3.7	3.3	2.7	2.7	3.1	3.4	3.8	3.3	2.7	3.7	3.3	3.7	3.6
Measured balance (¥ bn)	173.3	–	37.4	0.5	6.9	88.8	92.7	164.8	320.5	164.4	191.8	34.2	702.7	2,380.1	40.3	16.0	86.4	39.6	3,564.9	8,106.1

Assumptions, etc.

- The scope includes corporate loans and project finance as of the end of March 2024, classified based on sectors and other items recommended for disclosure by the TCFD recommendations. We have excluded customers that lack the necessary data for calculation.
- Calculations are based on the PCAF calculation standards and utilize data disclosed by companies, CDP data, etc. If data is not available, estimates are made using emission coefficients and other data taken from the PCAF database. Note that the PCAF database does not include emission coefficients downstream of Scope 3.
- Financed Emissions = Attribute coefficient x GHG emissions of the financed project (Attribute coefficient: amount of investment ÷ (each customer's/project's debt + equity))
- Calculation results may change significantly in the future for any of a number of reasons, including broader disclosure of customers' GHG emissions, changes in PCAF calculation standards, and changes in industry classification.

Engagement with customers to achieve net zero GHG emissions for our investment and loan portfolio

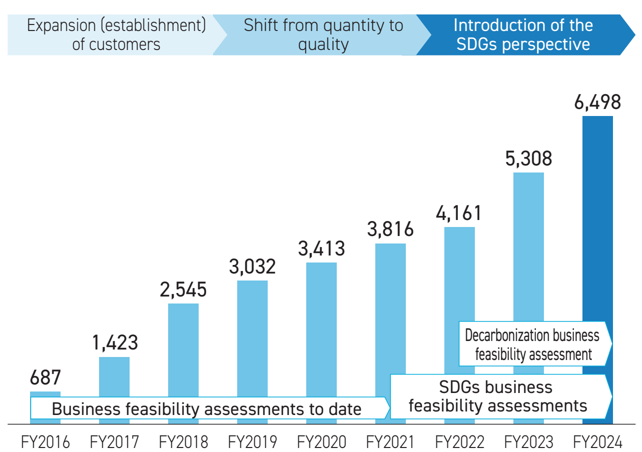
Based on the results of the GHG emissions calculations for our investment and loan portfolio, we developed an action plan to help our customers reduce their GHG emissions toward net zero emissions. The details are as follows.

1. All sectors

Since FY2016, we have engaged with our customers to resolve their management issues through business feasibility assessments*1. In FY2022, we introduced SDGs business feasibility assessments*2 and launched decarbonization feasibility assessments that focus on clients' management issues related to decarbonization. With decarbonization business feasibility assessments, we engage with customers using a newly created Decarbonization Check Sheet to organize and share management issues related to decarbonization, including visualizing GHG emissions. Through this type of engagement, we will continue to provide optimal solutions for our customers' business challenges and support their sustainability management, including decarbonization.

*1 An initiative to assess a client's business and growth potential without relying on financial data
*2 An initiative to score items related to the SDGs that were newly added to business feasibility assessments and link them to strategy planning and policy proposals

[SDGs / Decarbonization] Cumulative total of clients for whom business feasibility assessments have been conducted (No. of projects)



2. Sectors with GHG emission reduction targets set — Electricity | Coal | Oil and gas

The electric power, coal, and oil and gas sectors are designated as carbon-intensive sectors*1 in the NZBA*2 and have a high carbon intensity in the Group's portfolio. Therefore, the Group has selected these three sectors as "sectors with GHG emissions reduction targets" and has set interim targets for FY2030. We will provide support for visualizing and reducing GHG emissions through detailed engagement with individual companies.

*1 Carbon-intensive sectors: electricity, coal, oil and gas, transportation, aluminum, iron and steel, cement, commercial and residential real estate, agriculture
*2 NZBA: Net-Zero Banking Alliance. An international initiative for banks to achieve net zero GHG emissions in their investment and loan portfolios by 2050

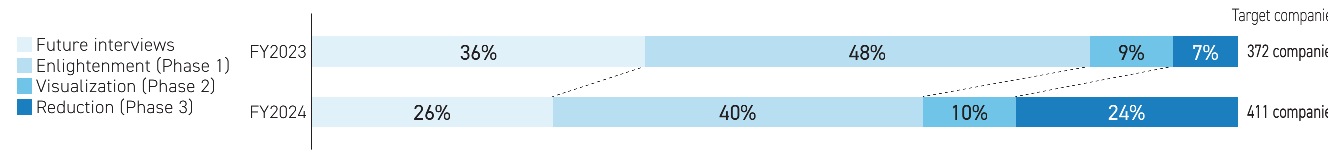
P.106 GHG emissions in the investment and loan portfolio (Sectors with GHG emission reduction targets set)

3. Priority sectors for engagement — Automotive and parts | Metals and mining

The automotive and parts sector has led the way in analyzing scenarios for transition risks and engaging with the industry's outlook. Since the supply chain is extensive and decarbonization efforts are expected to take a long time, we designated it as a priority sector for engagement in FY2022. Furthermore, the metals and mining sector includes the steel industry and the manufacturing of metal products and non-ferrous metal products. Because of the large amount of energy used in the manufacturing of these products, including heat and electricity, it is a sector with comparatively large GHG emissions and was added as a priority sector for engagement in FY2023.

As part of our engagement in these sectors, we conduct interviews with clients about their external environment and initiatives in decarbonized management and work to understand the situation. In FY2024, about 30% of target companies in both sectors identified visualization and reduction of GHG emissions as challenges. We expect growing requests from the companies in our customers' supply chains to cut carbon. We will therefore continue to provide our customers with the support they need for visualizing GHG emissions and setting reduction targets.

Trends in decarbonization phases in the automotive and parts sector (The Bank of Yokohama)



Trends in decarbonization phases in the metals and mining sector (The Bank of Yokohama)

Providing optimal solutions according to the customer's initiative phase

The Group recognizes that it is important to engage with customers to share the challenges they face in order to reduce transition risks and physical risks and to expand opportunities for growth, to enhance the lineup of solutions that contribute to solving their challenges, and to provide the optimal solutions that meet the needs of each customer. The main types of support provided by the Group according to the customer's phase of decarbonization management are as follows.

Lineup of the Group's main solutions

	Customers' challenges	Our solutions
Enlightenment Phase 1	Linking business activities with sustainability issues	・<Hamagin> Social time deposits ~ connecting and creating ~ ・<Hamagin> Carbon Offset Private Placement Bonds ~ Yokohama Zero ~ ・Donation-style SDGs Promotion Loan' 100, etc.
Visualization Phase 2	Visualizing GHG emissions and setting reduction targets	・Support for GHG emissions calculation ・Support for the introduction of GHG emissions calculation tools ・Support for the formulation of GHG emissions reduction plans
Reduction Phase 3	Making capital investments and establishing new businesses to meet GHG emissions reduction targets	・Hamagin Materiality Support Loans ・SDGs Sustainability Linked Loans ・Positive Impact Finance ・SDGs Green Loans, etc.

Conserving and Preserving the Environment (Promoting Regional Decarbonization)

Metrics and Targets **Climate Change**

As a community-based financial institution, the Group recognizes its responsibility to play a leading role in decarbonizing local communities. Based on this recognition, we have positioned "conserving and preserving the environment" as materiality, and have set cumulative disbursement targets for sustainable finance and environment finance, and GHG emissions reduction in our own operations as "long-term sustainability KPIs" (targets to be achieved by FY2030). In September 2024, we set a net zero by 2050 target for GHG emissions in the investment and loan portfolio and interim targets for the electric power, oil and gas, and coal sectors for FY2030 in order to actively promote the decarbonization of local customers.

For GHG emissions, calculations are made for Scope 1 and 2 and categories 1 to 15 of Scope 3, and the calculation results have been subjected to third party verification by the Japan Quality Assurance Organization. We will continue to improve and refine our calculation methods.

P.133 Scope 1 and 2 and Scope 3 categories 1-14 | P.103 Scope 3 category 15

Transition plan toward net zero GHG emissions (targets and results)

Blue: actual value Red: target value

	2022	2023	2024	2025	2030	2040	2050
Sustainable finance (cumulative)	¥2.2 trillion	¥2.6 trillion	¥3 trillion		¥4.0 trillion		
Of which, environment finance (cumulative)	¥0.6 trillion	¥0.8 trillion	¥0.9 trillion		¥2.0 trillion		
Scope 1 and 2 (our GHG emissions)	7,648t-CO_2	4,284t-CO_2	3,504t-CO_2		Net zero		
Targets set September 2024: Scope 3 (investment and loan portfolio GHG emissions)	14.1MtCO_2e	14.1MtCO_2e					Net zero
Targets set September 2024: Of which, "electricity" sector (gCO_2e/kWh)	118	106			100~117		
Targets set September 2024: Of which, "oil and gas" sector (MtCO_2e)	0.019	0.022			Zero		
Targets set September 2024: Of which, "coal" sector (MtCO_2e)	Zero	Zero			Zero		

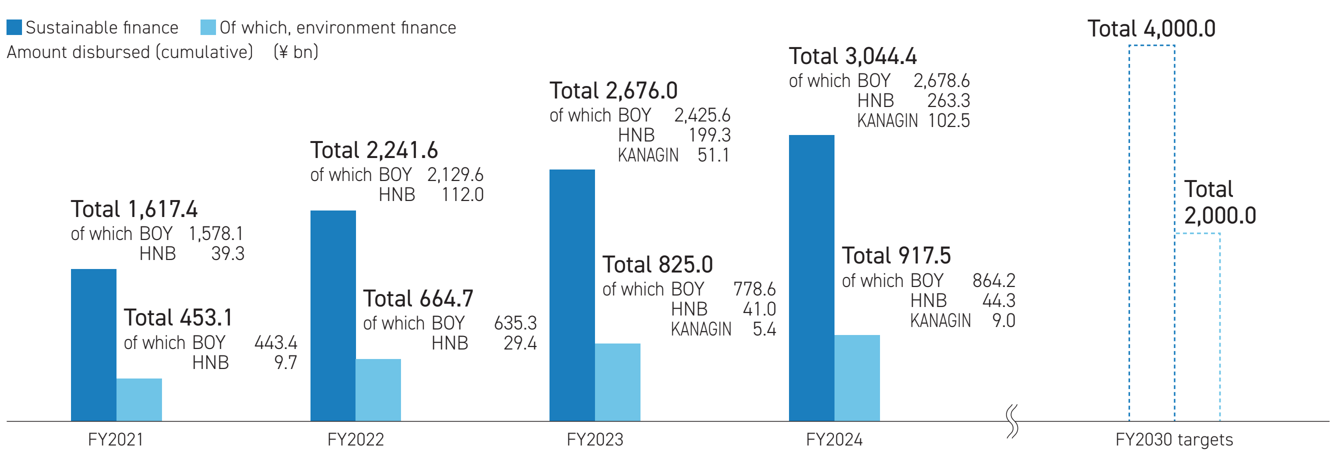
Sustainable finance and environment finance*

Cumulative disbursements of sustainable finance in FY2024 totaled ¥3 trillion, of which ¥0.9 trillion was disbursed in environment finance.

In addition to an increase in demand for funds due to an increase in capital investment aimed at decarbonization, there is a need for new financial products and services. We will continue to enhance our lineup of solutions that will help solve our customers' issues and provide optimal solutions tailored to our customers' needs.

Metrics	FY2024 results	Targets
Sustainable finance disbursements (cumulative)	¥3.0 trillion	¥4 trillion by FY2030
Environment finance disbursements (cumulative)	¥0.9 trillion	¥2 trillion by FY2030

*Total of the Bank of Yokohama, the Higashi-Nippon Bank and THE KANAGAWA BANK (included from FY2023 results)



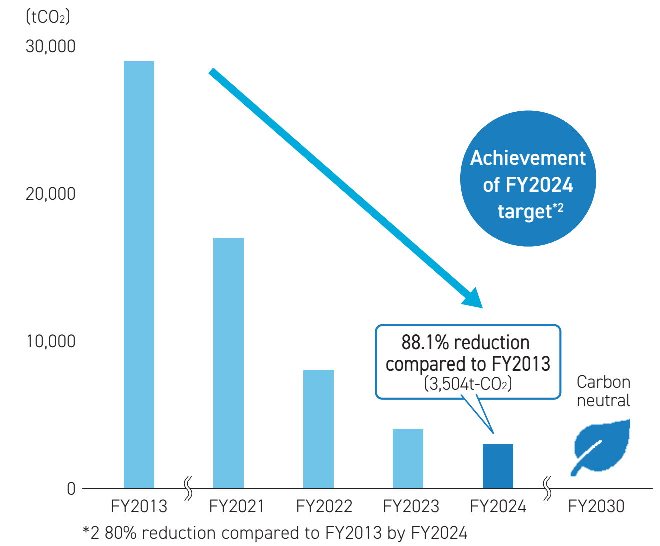
GHG emissions from our own business activities*1

In FY2024, the Group's GHG emissions (Scope 1 and 2) amounted to 3,504t-CO_2, down 88.1% from the FY2013 level.

The Group is working to achieve its targets by introducing energy-saving equipment, switching to high-quality renewable energy sources for its own contracted electricity, and installing solar power panels on its own properties.

Metrics	FY2024 results	Target
GHG emissions (Scope 1 and 2)	3,504t-CO_2 88.1% reduction compared to FY2013	89% reduction compared to FY2013 by FY2027 Carbon neutral by FY2030

*1 Total for the domestic bases of the Company and its consolidated subsidiaries



*2 80% reduction compared to FY2013 by FY2024

GHG emissions in the investment and loan portfolio (Sectors with GHG emission reduction targets set)

In FY2023, we set GHG emissions reduction targets in the electric power, oil and gas, and coal-related sectors. In the electric power sector, the emission intensity declined due to an increase in the proportion of loans to renewable energies in the balance of loans to the electric power sector. In the oil and gas sector, emissions remained at a low level despite an increase in emissions due to factors such as an increase in the proportion of financing from the Group to financing by companies subject to calculation.

We have selected coal-fired power generation, coal mining, and oil and gas extraction as specific sectors for sector policy and stipulate that transactions are carefully deliberated. For customers in sectors for which we have set GHG emissions reduction targets, we support the visualization and reduction of their GHG emissions through detailed engagements on an individual company basis.

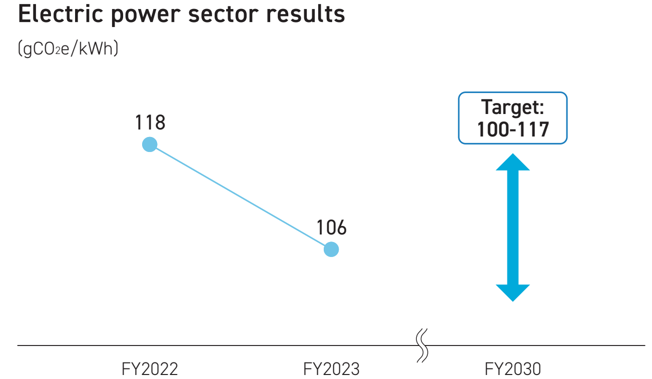
We will continue to support customers' efforts to decarbonize their operations by providing optimal solutions based on careful engagement with customers.

FY2030 interim targets by sector (targets and results)

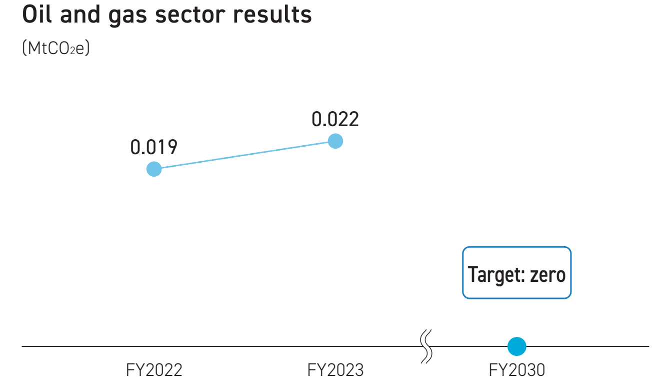
Sector	Scope of emissions subject to calculation	Metrics	FY2023 results*4	Coverage ratio*5	Data Quality Score*6	FY2030 targets
Electric power	Power generation operations Scope1*1	Emissions intensity (gCO_2e/kWh)*3	106	95%	2.8	100-117
Oil and gas	Mining operations Scope 1-3*2	Absolute emissions (MtCO_2e)	0.022	100%	2.0 (Scope1.2), 3.0 (Scope3)	Zero
Coal	Mining operations Scope 1-3*2	Absolute emissions (MtCO_2e)	Zero	-	-	Zero

*1 Scope 1 emissions from companies with power generation operations
*2 Scope 1-3 emissions from companies with mining operations
*3 GHG emissions per unit of power generation
*4 Calculation results based on loan balance as of the end of March 2024
*5 The ratio of the balance that was actually calculated out of the balance subject to calculation
*6 PCAF's Data Quality Score

Electric power sector results



Oil and gas sector results



Conserving and Preserving the Environment (Promoting Regional Decarbonization)

Strategy Nature-related

The lives of people and the activities of companies depend on and impact the natural capital of water, air, land, and plants and animals. Because the entire upstream and downstream value chain of business transactions is dependent on and impacts natural capital, companies need to consider both their own operations and the entire value chain when dealing with natural capital.

Financial institutions are linked not only to their own business activities (mainly sales activities at each location), but also to the activities of customers and their supply chains through investment and financing activities. In addition to identifying the relationship between the Group's operations and natural capital, we are also working to identify the "dependency" and "impact" on natural capital of our clients through our investment and financing activities and to appropriately manage risks. At the same time, we are working to seize business opportunities by providing financial products and services related to natural capital.

1 Risks (nature-related)

Understanding nature-related risks

In order to understand the relationship between our business and natural capital, our group first organized the nature-related risks of our customers from the perspectives of dependency and impact. The risks we have identified are preliminary, based on our current analysis. We aim to deepen our understanding of the links between our customers and natural capital and how they depend on and impact each other. This will help us more accurately identify potential risk events and enhance our risk awareness.

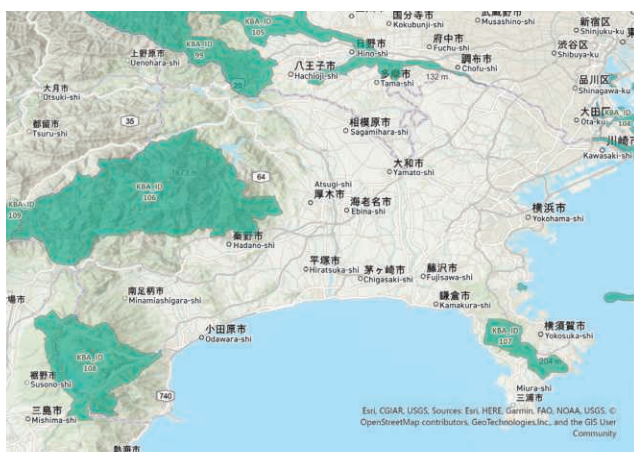
	Transition risks	Physical risks
Dependence on natural capital	• Costs incurred from introducing new equipment and technologies to reduce risks associated with high dependence on natural capital, such as through the development of alternative products (reduction of dependence) • Impact of closing or transferring high-dependency areas within the overall business (reduction of dependence) • Decline in performance due to stakeholders' opinion of insufficient measures on natural capital	• Risk of impairment of owned assets and decline in their valuation due to changes in natural capital (dependence on natural capital) • Decrease in quality and increase in cost due to shift to alternative materials caused by depletion of resources provided by natural capital (dependence on natural capital) • Damage from natural disasters worsens as the decline in natural capital disrupts regulating services.
Impact on natural capital	• Increased research and development costs due to development of more eco-friendly products (reduction of impact) • Increased costs from natural capital conservation, decline in performance due to harvest restrictions (reduction of impact) • Increased cost burden due to changes in legal regulations and policies in various countries • Decrease in demand for existing products due to changes in consumer awareness such as a shift towards more eco-friendly products	• Higher procurement costs due to price increases led by a decrease or depletion of resources provided by natural capital • Decline or extinction of ecosystems and flora and fauna due to land transformation, etc., worsening the performance of businesses relying on that capital

Analysis of dependency and impact at the Group's locations

In order to identify the negative impact of its operations on the natural environment, the Group analyzed the points of contact with areas of high biodiversity importance, such as protected areas*1, Key Biodiversity Areas (KBA)*2, and the Biodiversity Intactness Index*3, based on information obtained from the domestic bases of the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK. As a result, it was confirmed that there are bases that have points of contact with highly important areas of biodiversity, such as the Tanzawa-Oyama and Hakone areas. However, given that these are general offices and are types of businesses that use land that has already been developed, the negative impact on nature is deemed to be limited. We will continue our efforts to reduce the environmental impact of our business activities in order to be environmentally conscious.

*1 A natural park, nature conservation area, or wildlife sanctuary designated by the Minister of the Environment or prefectural governor based on Land Use Master Plans.
*2 Areas of key importance for the conservation of biodiversity, including areas which are not included in the existing protected areas. The results of the KBA survey conducted by Conservation International Japan were used for the analysis.
*3 An indicator of the extent to which an ecosystem has been altered by human activity in a given area.

Image of analysis (KBA) *4



*4 This map is based on the "Topographic Map (Japanese)" provided by Esri Japan.
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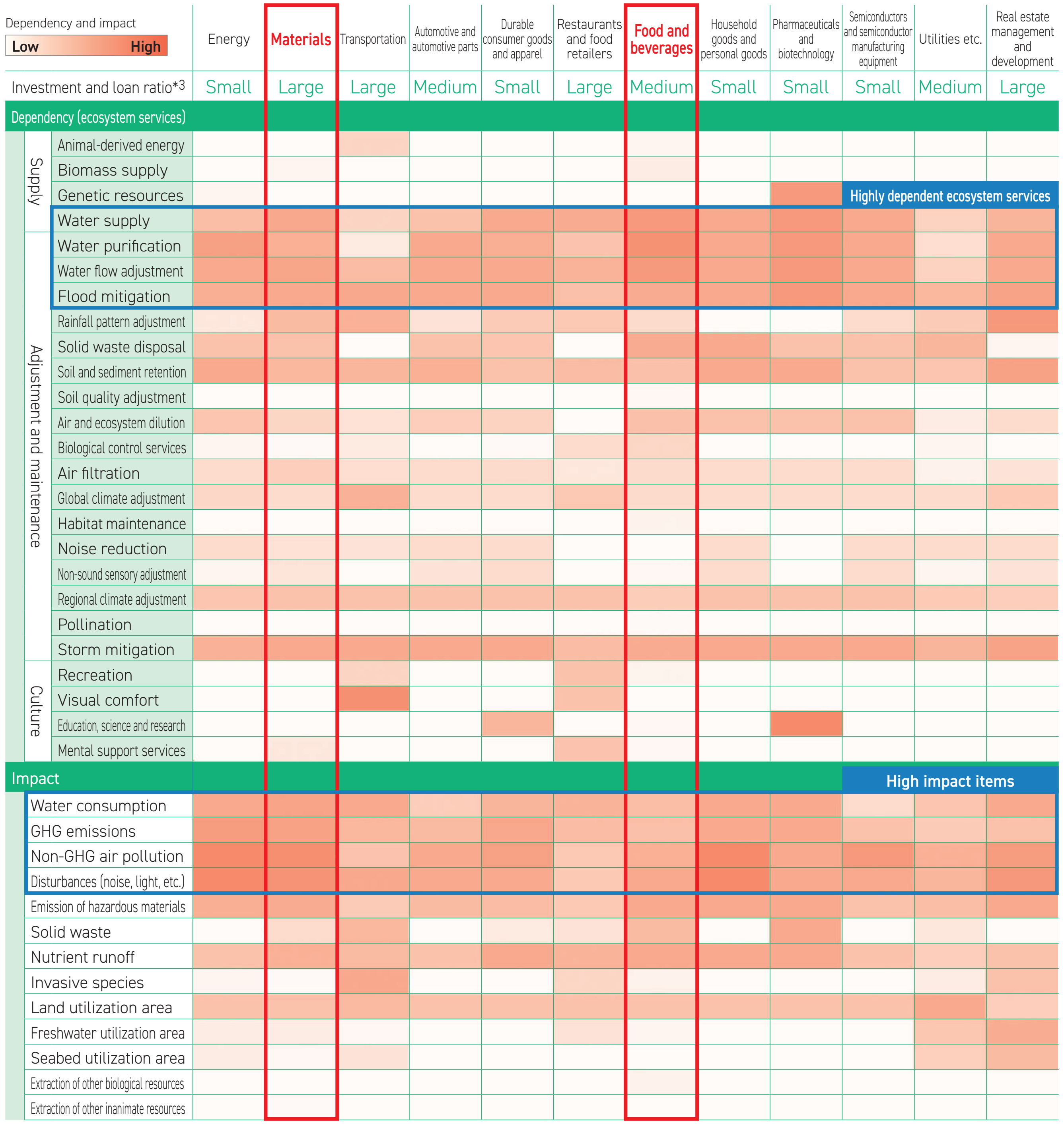
Analysis of dependency and impact in the investment and loan portfolio

In order to understand the relationship with natural capital through its investment and financing activities, the Group used "ENCORE"*1 to analyze the dependence and impact on natural capital in each sector*2. The analysis revealed a high degree of dependence on ecosystem services related to water across sectors, as well as a high degree of impact on natural capital from water use and air pollution. In addition, we narrowed down the sectors that require priority measures (priority sectors), such as the "Materials" and "Food and beverages" sectors, which have a particularly high degree of dependence and impact and are highly weighted in the Group's portfolio.

In the future, we will identify risks and opportunities for the Group by conducting in-depth analysis of priority sectors (value chain analysis, location analysis, etc.) and assessments of nature-related risks and opportunities, taking into account the relationship with the target sector and the importance in the region.



*1 A tool to understand the degree of dependence and impact on nature of specific economic activities
*2 Based on the analysis of the entire portfolio and with reference to the TNFD's guidance for financial institutions, etc., the above table shows the results of the analysis of sectors with particularly high dependency and impact.
*3 Percentage of total investments and loans (as of the end of March 2024) (large: over 3%, medium: 1% - 3%, small: less than 1%)

Conserving and Preserving the Environment (Promoting Regional Decarbonization)

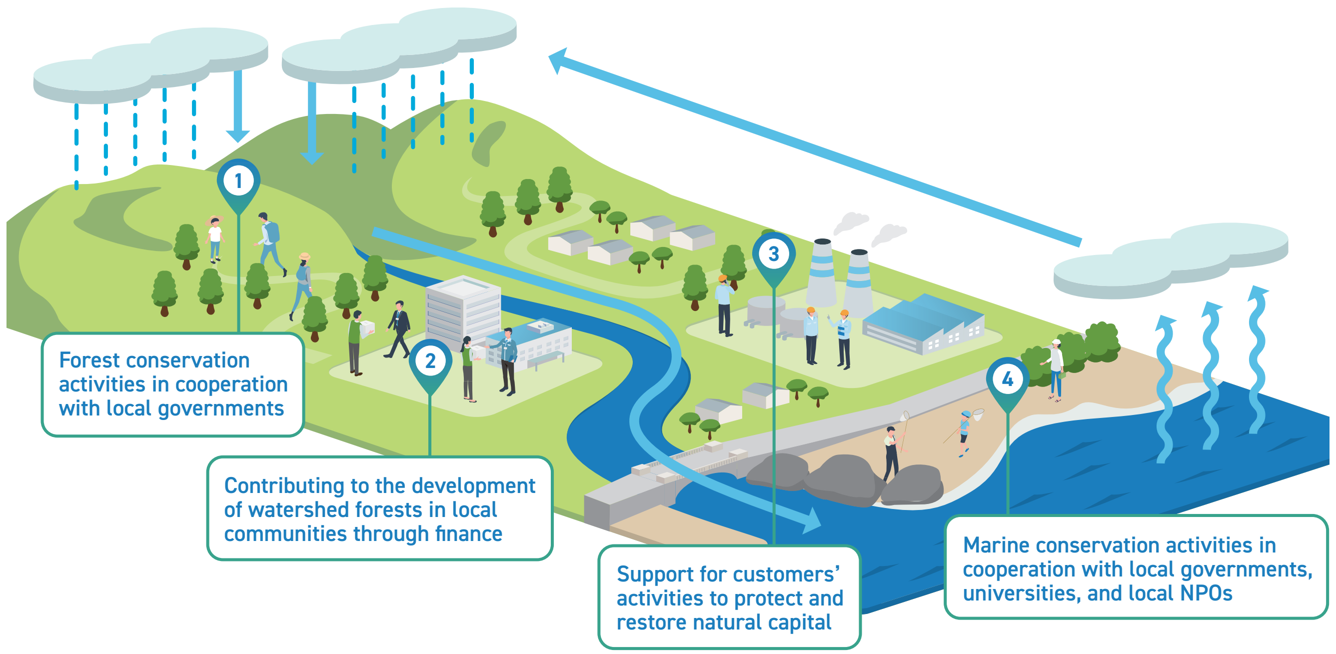
2 Opportunities (nature-related)

Supporting customers aiming for nature positive and contributing to local communities

The Group provides financing support and other solutions for projects that contribute to the conservation and restoration of natural capital with the aim of promoting customers' initiatives to become nature positive. As part of our own efforts, we cooperate with local governments and other organizations to contribute to the preservation and restoration of natural capital in local communities.

As a regional financial institution, the Group will continue to cooperate with various entities, including companies, local governments and educational institutions, and contribute to the transition to a nature-positive local community through activities that spatially capture the relationship with nature.

<Business activities related to local nature>



1 "Hamagin no Mori" and "the Higashi-Nippon Bank 100th Anniversary Forest"

In support of the "Kanagawa Forest Regeneration 50-Year Plan", which aims to pass on the rich blessings of the forests of Kanagawa to the next generation, the Bank of Yokohama has named the forest on the banks of Lake Tanzawa the "Hamagin Forest." In support of the "Tree-Planting Campaign to Reduce Pollen Levels" promoted by the Tokyo Development Foundation for Agriculture, Forestry and Fisheries in cooperation with the Tokyo Metropolitan Government, the Higashi-Nippon Bank has named the forest in Ome City, Tokyo, "the Higashi-Nippon Bank 100th Anniversary Forest." Through tree planting and forest conservation activities in these forests, we are contributing to local environmental conservation and biodiversity conservation.

In February 2025, the Higashi-Nippon Bank received "Forest Development Support Certification" under the Tokyo Metropolitan Government's "Tokyo Forest Development Contribution Certification System" in recognition of its efforts in "the Higashi-Nippon Bank 100th Anniversary Forest."

The Higashi-Nippon Bank 100th Anniversary Forest

2 <Hamagin> Decarbonizing private placement bonds ~ Protecting forests and water sources ~

To commemorate the issuance of private placement bonds by customers, the Bank of Yokohama donates an amount equivalent to 0.1% of the amount issued to the Kanagawa Prefectural Government's "Designated Contribution for Riverhead Forest Improvement Expenses." In addition to meeting the diverse financing needs of our customers, we also contribute to the local community through donations.

*This donation is used as a financial resource to carry out projects to create water source forests that enhance the public benefit functions of forests, such as water source cultivation and soil outflow prevention. Total donations: ¥15.99 million (as of July 2025)

Product flyer

3 SDGs Green Loans Sagamihara Biogas Power Co., Ltd.

The Bank of Yokohama has provided Sagamihara Biogas Power Co., Ltd. with an SDGs Green Loan to finance the construction of the Sagamihara Biogas Power Plant. The power plant generates electricity using methane fermentation biogas derived from food waste as fuel. It also manufactures and sells fertilizer materials using the digestate generated in the process following methane fermentation. This business not only decarbonizes food waste to generate energy but also contributes to the conservation of biodiversity and the formation of a circular economy.


Exterior of the facility

4 Marine Museum: An Ocean Appreciation Event

The Bank of Yokohama has concluded a partnership agreement on biodiversity conservation with Manazuru Town, Yokohama National University, and the nonprofit organization Discover Blue (a social venture from Yokohama National University). We also support the "'Marine Museum': An Ocean Appreciation Event at Mitsuishi Beach, Manazuru Town"* event sponsored by the nonprofit organization Discover Blue. Through support of this program, we provide various stakeholders with opportunities to learn about local marine ecosystems and the multi-faceted value of the ocean, and to think about the environmental impact of their own lives and corporate activities on the ocean.

*A workshop to observe sea creatures and plankton in Mitsuishi Beach, Manazuru Town


At the event

Metrics and Targets Nature-related

Sustainable finance and environment finance

The Group has set targets for cumulative disbursements of sustainable finance and environment finance as "long-term sustainability KPIs" in order to contribute to solving clients' environmental and social issues, including responding to climate change and natural capital.

See "P. 105 Metrics and Targets (Climate Change)" for FY2024 results.

Initiatives to reduce the environmental impact of our business activities

Our Group Environmental Policy sets out to promote resource and energy saving, waste recycling, and efforts to lessen our environmental impact. In our effort to reduce our environmental impact, at the Bank of Yokohama and the Higashi-Nippon Bank, we set targets for the recycling rates of paper, waste plastic, and waste materials, the green purchase rate of paper, and the reduction rate of energy consumption.

Metrics	Targets	FY2024 results
① Paper recycling rate	Maintain 95% or higher	100%
② Waste plastic recycling rate	Maintain 95% or higher	100%
③ Waste recycling rate	Maintain 90% or higher	92%
④ Paper green purchasing rate	Maintain 85% or higher	99%
⑤ Energy consumption reduction rate	Reduce by 21% or more in FY2030 compared to FY2009	51% reduction

*The Bank of Yokohama targets and results

TOPIC

The 10th Sustainable Finance Awards

Received the Regional Finance Award

In December 2024, the Bank of Yokohama received the Regional Finance Award at the 10th Sustainable Finance Awards, by Research Institute for Environmental Finance in recognition of its efforts to promote the understanding and contributions of local companies to the SDGs through "<Hamagin> Social time deposits ~connecting and creating~"* through cooperation with local governments.

* A deposit product that links deposits received from corporate and sole proprietorship customers to loans to companies working to resolve social issues in local communities

The 6th ESG Finance Awards Japan

Received the Bronze Award

In February 2025, the Bank of Yokohama received the Bronze Award at the 6th ESG Finance Awards Japan sponsored by the Ministry of the Environment in recognition of its contribution to the decarbonization of the region through "<Hamagin> Carbon Offset Private Placement Bonds ~Yokohama Zero~"* and its commitment to strengthening collaboration with other regional banks.

* A product in which the Bank of Yokohama purchases carbon credits equivalent to 0.1% of the issuance amount and offsets GHG emissions from public facilities and events sponsored by Kanagawa Prefecture or Yokohama City.

Initiatives to Control Cost of Equity | Contribution to Regional Growth

Contributing to Regional Economies

The Group promotes initiatives to resolve regional issues and realize a sustainable society through co-creation with local governments, universities, and local businesses. Revitalizing the regional economy will strengthen the competitiveness of local communities and become a source of long-term value creation for the Group. Aiming for sustainable growth in the home market, we will promote future-oriented solutions while serving as a hub for regional economies.

Executive Officer (In charge of Regional Business Planning & Promotion Department, Director and Executive Officer, The Bank of Yokohama) Kazumi Nobe

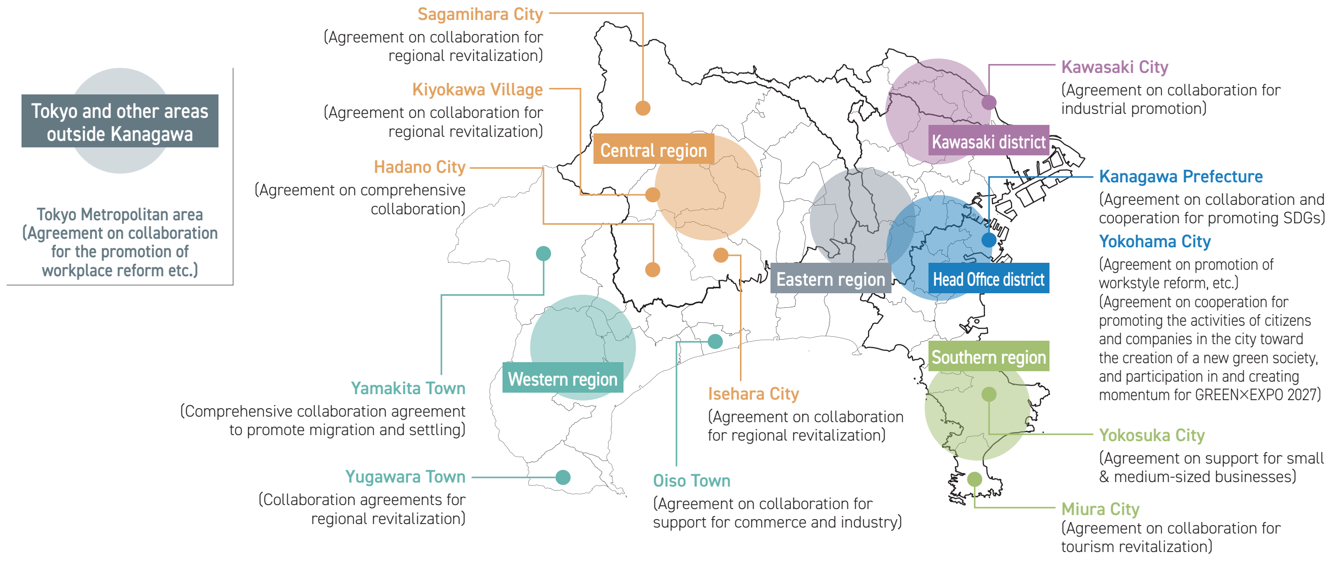
Policy on Initiatives

As a regional financial institution, the Group hopes to achieve a "sustainable virtuous circle" in which the Group also grows by proactively working to resolve regional and social issues and contributing to making the region attractive and revitalizing regional economies. Based on these policies, we support the implementation of measures to realize the regional vision of the government and are moving forward with initiatives (activities to promote regional strategies) to solve regional and social issues such as "building towns," "creating human flows," and "creating jobs." We are fulfilling our role as a regional hub, expanding the scope of industry-academia-government-finance collaboration, and strengthening our efforts to revitalize local communities and solve their problems.

Regional Strategy Promotion System

In its head office, the Bank of Yokohama has a Regional Business Planning & Promotion Department that is responsible for formulating visions for regions and plans to achieve them, and a regional head office structure that organizes our business area into three areas (Head Office, Kawasaki and Tokyo, and outlying areas), and four regions (eastern, western, southern, and central) to raise the effectiveness of activities to promote regional strategies.

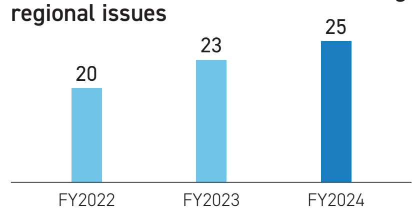
Main partnerships with local governments (since FY2016)



Based on this policy, under the regional strategy promotion system, the Bank of Yokohama is working to revitalize local communities and address issues. As a result, we consecutively achieved our single fiscal year targets, with 20 projects in FY2022, 23 projects in FY2023 and 25 projects in FY2024, exceeding the previous medium-term management plan target of 15 projects for initiatives toward resolving regional issues.

In the new medium-term management plan, under the banner of contributing to regional economies, we will continue to make use of our diverse network and strengthen our efforts to resolve issues in local communities.

Number of initiatives toward resolving regional issues



Initiatives to build a sustainable town

Agreement on cooperation for promoting the activities of citizens and companies in the city toward the creation of a new green society, and participation in and creating momentum for GREEN×EXPO 2027

In June 2024, the Bank of Yokohama concluded an "Agreement on cooperation for the creation of a new green society" with Yokohama City to promote sustainable community building in the area. Our first measure was to use the smartphone app Hamagin 365 to switch to online accounts, which reduced CO2 emissions by going paperless. For the second measure, we supported the promotion of DX by encouraging the use of Business Support Direct, an internet banking service for corporate customers. We contributed to environmental conservation and regional revitalization by making donations to Yokohama City for every switch as part of the first measure and the number of increased contracts under the second measure.

Public-private partnerships through the Regional Decarbonization Platform

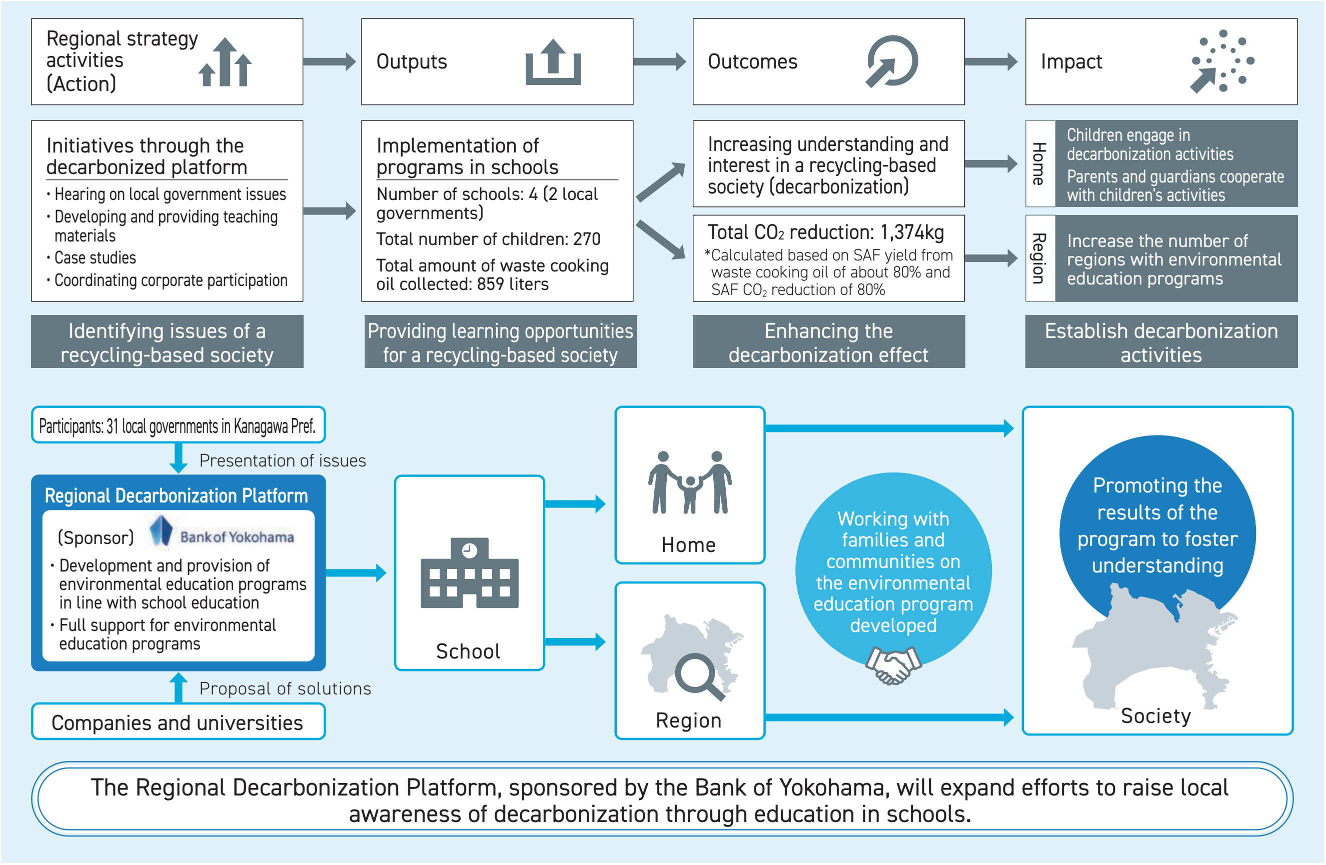
The Bank of Yokohama established the Regional Decarbonization Platform for local governments in Kanagawa Prefecture in May 2022 in order to contribute to the promotion of regional decarbonization. Through this platform, issues commonly faced by public entities in each region are being identified, and subcommittees are set up for each issue to study them and discuss how to formulate projects. The Hamagin Environmental Education Program was created from this platform.

Hamagin Environmental Education Program

The Bank of Yokohama is developing the Hamagin Environmental Education Program as part of its efforts to promote decarbonization in local communities. In FY2023, Yokohama City Nishimae Elementary School and in FY2024, Atsugi City Morinosato Elementary School and two other schools conducted activities to encourage local communities and households to collect waste cooking oil for use as next generation aviation fuel, SAF*. We will continue to increase the number of participating schools and strengthen public relations activities, aiming to decarbonize the entire region through public-private partnerships.

*SAF: Sustainable Aviation Fuel.

Visualization of social effects expected to be brought about by the promotion of the Hamagin Environmental Education Program



Contributing to Regional Economies

Initiatives to create human flows in the local community

Signing an agreement on collaboration with Hadano City to promote the "Digital Community Currency Project"

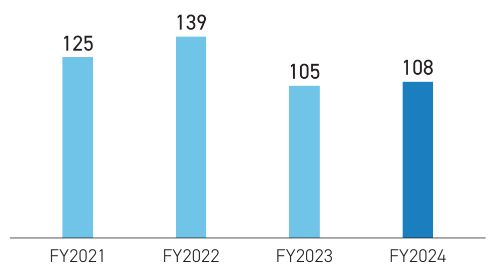
On December 1, 2024, the Bank of Yokohama launched OMOTAN Coin, a digital community currency, in collaboration with Hadano City, finnovalley, and the Hadano Chamber of Commerce and Industry. The coin can be charged by citizens on a special app and can be used at participating stores in the city. Points are awarded according to users' consumption and participation in local activities, and the regional economy is revitalized through a system of "shared points" and "individual store points." We will promote economic circulation in the region and contribute to the construction of sustainable local communities, including implementing a reward campaign.

Initiatives to create jobs in the local community

Support for commercialization through industry-academia-government-finance collaboration

The Bank of Yokohama is committed to solving local community issues by strengthening collaboration between industry, academia, government, and finance. Yokohama National University, Aoyama Gakuin University, and Showa Medical University, with which we have concluded comprehensive collaboration agreements, have appointed employees from the Bank of Yokohama as "Industry-Academia-Government-Finance Collaboration Coordinators" to serve as a bridge between the university, which conducts research that contributes to solving problems, and corporate customers, who have technical problems.

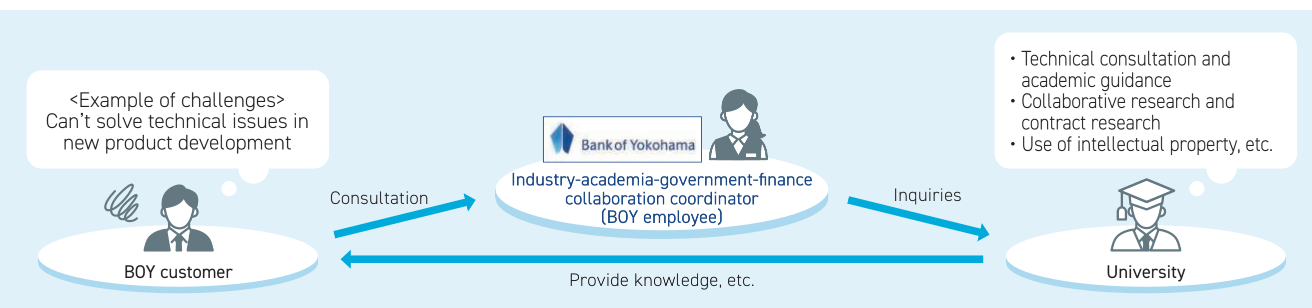
Number of consultations with industry-academia-government-finance collaboration coordinators



Industry-academia collaboration event "Presentation on the Seeds of Technology by Eight Universities in Kanagawa Prefecture"

On February 6, 2025, the Bank of Yokohama, together with the Collaboration of University, Public Sector and Kanagawa and the Kanagawa Industrial Promotion Center, held the "Presentation on the Seeds of Technology by Eight Universities in Kanagawa Prefecture." This event is an industry-academia collaborative event that introduces the seeds of technology at eight universities in Kanagawa Prefecture to companies and supports new product development and the solution of technological issues. We will promote the construction of a network between universities and companies through presentations by university researchers, business card exchange meetings, and individual consultations. The Bank of Yokohama will continue to support industry-academia collaboration for the development of the regional economy.

Providing solutions for corporate customers' product and technology development issues



Support for venture businesses through grants

The Group gives grants to support venture businesses. The Bank of Yokohama of the Group, together with the Hamagin Industrial and Cultural Promotion Foundation, operates "Frontiers", a program that promotes the commercialization of seed businesses held by venture companies and researchers. In FY2024, we donated a total of ¥20 million to six companies.

FY	FY2020	FY2021	FY2022	FY2023	FY2024	Cumulative total
Number of companies	4 companies	4 companies	5 companies	5 companies	6 companies	24 companies
Total amount of grants	¥12 million	¥12 million	¥13 million	¥13 million	¥20 million	¥70 million

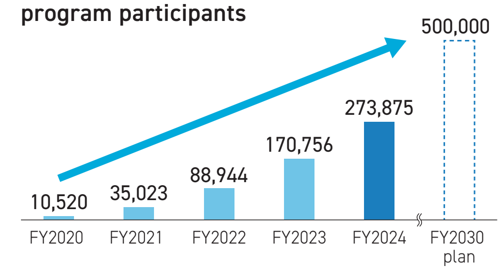
Financial Education Initiatives

We see financial education as a key responsibility of our Group as we strive to contribute to the sustainable growth and further development of the region and the healthy upbringing of the youth who will lead the next generation. Our banks offer a range of original, branded financial education programs for a wide audience in the community, from children to adults. These include "Hamagin Money Classroom," "Higashi-Nippon Bank Money Classroom," and "Kanagin Finance Classroom."

Original financial education content

The Bank of Yokohama's "Hamagin Money Classroom Website," received the "Minister of State for Special Missions Award" the top prize recognizing outstanding teaching materials, at the "Consumer Education Materials Awards 2023" run by the National Institute on Consumer Education. The website distributes a variety of teaching materials such as videos to support the improvement of financial literacy and is widely used in educational settings and households. In 2025, we significantly revamped the popular quiz content "Money Proficiency Test" and redesigned its content and design to make learning more enjoyable. The Higashi-Nippon Bank also shares its "Higashi-Nippon Bank Money Classroom Website."

Number of financial education program participants



Cooperation and collaboration with the Tokyo Stock Exchange and local governments

In FY2023, the Bank of Yokohama started a partnership with Tokyo Stock Exchange, Inc., which leads to the enhancement of financial literacy on asset formation and asset management in a neutral way. In FY2024, the Bank developed a program for employees of the Yokohama National University, Yokohama City University, and Yokohama City that combines the Bank's original method, "basic money education," which was developed as an education program to be taught before learning asset formation, with the Bank's "concepts of asset formation." A similar program was also implemented jointly with the Japan Financial Literacy and Education Corporation (J-FLEC).

The Higashi-Nippon Bank joined the Tokyo Metropolitan Government's "Entrepreneurship Education Program for Elementary and Junior High Schools," providing support for creating an environment, which makes entrepreneurship more accessible and a future career option. THE KANAGAWA BANK takes part in the Yokohama Board of Education's "Kids Adventure College." It teaches elementary school students in Yokohama about the role of banks and related themes like the flow and importance of money.

Agreement for collaboration on financial education with Yokohama National University

In March 2024, the Bank of Yokohama and Yokohama National University signed an agreement for collaboration on financial education. The University is an educational research institute and teacher training institution with a wide range of education faculties, including the College of Education, affiliated elementary, junior high and special needs schools, and Graduate School of Education for teachers in Kanagawa Prefecture. Through this agreement, efforts are being made to standardize financial education at affiliated schools, etc., and to develop leaders in financial education at the College of Education and Graduate School of Education and to promote the dissemination, development, and improvement of financial education programs.

In FY2024, we provided training for future leaders at the College of Education and the Graduate School of Education and taught 22 classes for 2,400 students from the affiliated elementary school to the graduate school. The classes were published in the case studies of the affiliated junior high school. In FY2025, we gave a lecture at the 77th Meeting of the Japan Society of Home Economics, which was held at the same university and our initiatives are expanding through collaboration.

Fostering future leaders in financial education

The Bank of Yokohama works to train teachers and university students in education departments by offering classes on the "outlines and importance of financial education" as well as classes using its original "basic money education" method. In this way, it aims to foster future leaders in financial education in schools. At a seminar for teachers hosted by the Kanagawa Prefectural Board of Education, home economics teachers from 146 public schools attended. There were also seminars for teachers at public elementary schools in the Nishi ward of Yokohama City and the Kanagawa Prefectural Association of Private Junior and Senior High Schools, as well as lectures at Yokohama National University. After the seminars, teachers who attended have been applying financial education in their schools, spreading these efforts throughout the community.

As a leader in home education, we also focus on initiatives for parents and guardians. In FY2024, we provided classes for parents and children at events such as a visiting lecture at the Affiliated Elementary School of Yokohama National University, an event for Kanagawa Prefectural Police personnel, a Toin Fun Hands-on Class, and a J-FLEC co-sponsored event.

Management Base That Supports Sustainable Growth

CONTENTS

Corporate Governance

Basic Concepts

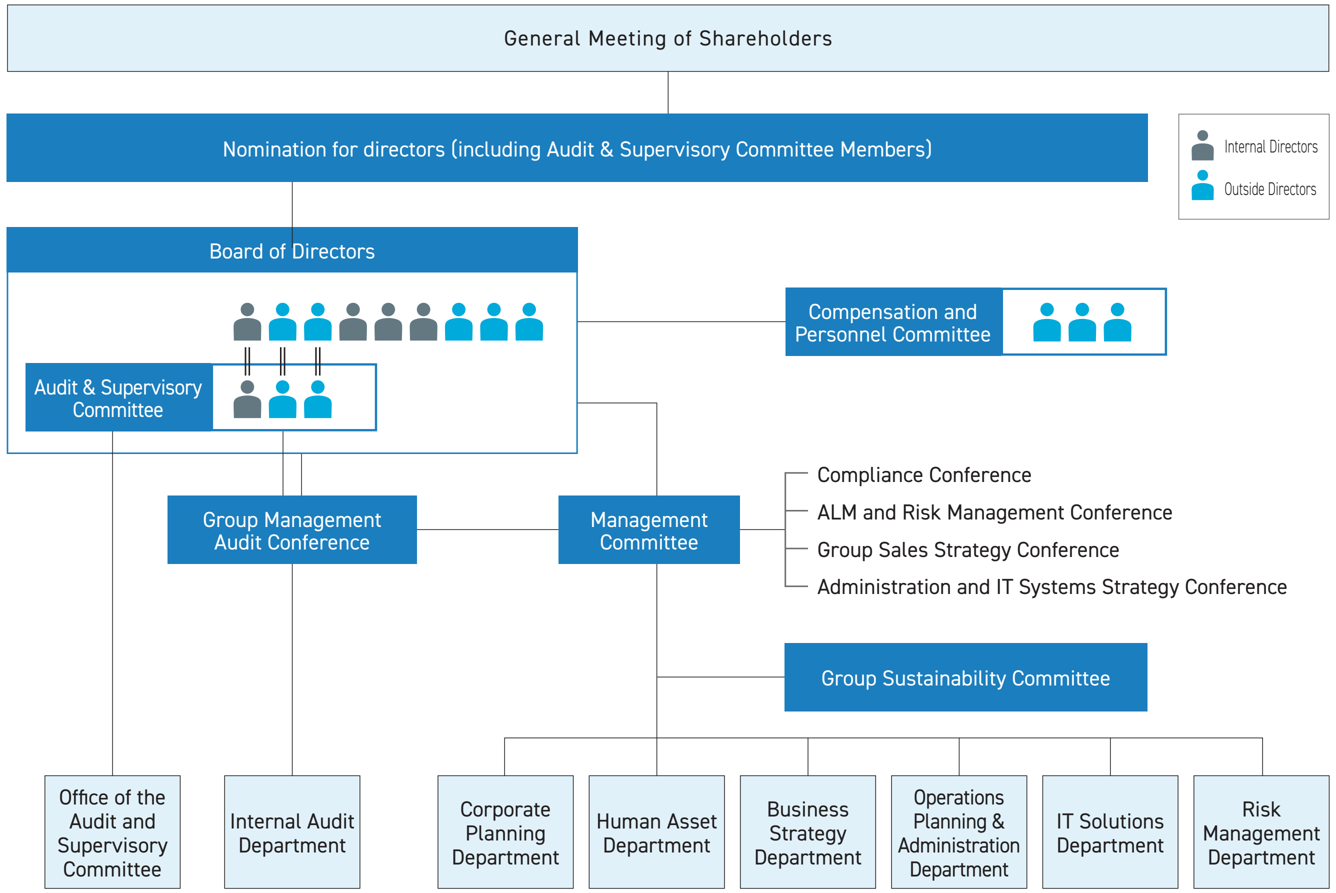
Basic Policy on Corporate Governance Web

We have a Corporate Governance Basic Policy that establishes policies and frameworks for achieving effective corporate governance with the aim of promoting sustainable growth of the Group and improving corporate value over the medium to long term. We constantly review our philosophy of corporate governance and work to improve it.

Furthermore, based on our Management Principles, we manage in a way that contributes to value creation for various stakeholders such as shareholders, customers, employees, and local communities, we are ensuring the fairness, transparency, and speed of decision-making, and we are building a corporate governance system appropriate for a financial group.

Corporate Governance System

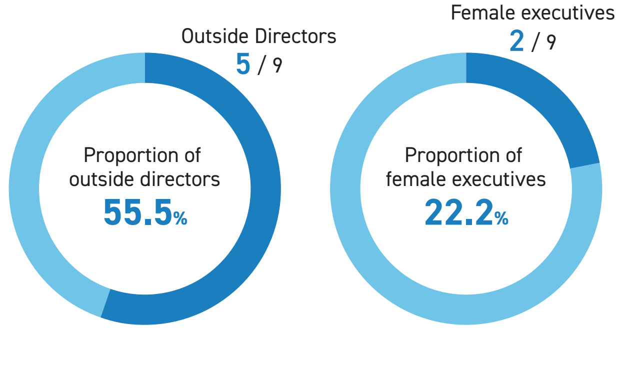
As a company with an Audit and Supervisory Board, the Board of Directors, auditors, and the Audit & Supervisory Board had been supervising management in the Group. Following a resolution to amend the Articles of Incorporation at the ordinary general meeting of shareholders held in June 2025, the Company transitioned to company with an Audit and Supervisory Committee. Along with this, Audit & Supervisory Committee Members, including independent outside directors, will exercise their voting rights in board meetings, and the Audit & Supervisory Committee will check important documents to audit the legality and appropriateness of the status of directors' business execution and enhance the effectiveness of its supervisory function of management. In addition, the Compensation and Personnel Committee continues to be composed exclusively of independent outside directors to ensure objectivity and transparency in compensation and personnel matters for directors and executive officers.



Composition of the Board of Directors and the Audit & Supervisory Committee

In order to ensure that the Board of Directors functions most effectively and efficiently, and from the perspective of revitalizing the Board of Directors, the Articles of Incorporation stipulate that the number of directors (excluding directors who are Audit & Supervisory Committee Members) be no more than seven and the number of directors who are Audit & Supervisory Committee Members be three. In order to ensure the independence of the Board of Directors and to demonstrate that it functions fairly and transparently, the Company appoints a number of outside directors who maintain views that are independent from the Group, making up at least one-third of the members. By combining internal directors who are familiar with the Group's business with outside directors with extensive experience and knowledge outside the Company and giving the Board of Directors diverse members with different backgrounds of specialist knowledge and experience, the group ensures a good balance of knowledge, experience and skills on the Board of Directors. Of the nine directors (seven men and two women), five are independent outside directors. The Audit & Supervisory Committee consists of three members (two men and one woman), two of whom are independent outside directors (Audit & Supervisory Committee Members).

Ensuring independence and diversity



* The Company recognizes ensuring diversity in the Board of Directors and promoting female activities as important management challenges. Regarding the proportion of female executives, in support of the Japan Business Federation's challenge to achieve 30% female executives by 2030, the Company is promoting DEI initiatives to raise the ratio of female executives to at least 30% by 2030.

Considerations for the Appointment and Dismissal of Directors

(1) Policies and procedures for appointing candidates for directors

Candidates for directors (excluding directors who are Audit & Supervisory Committee Members) are appointed by the Board of Directors after any deliberation by the Compensation and Personnel Committee. In addition, candidates for directors who are Audit & Supervisory Committee Members are appointed by the Board of Directors after any deliberation by the Compensation and Personnel Committee and with the consent of the Audit & Supervisory Committee. Persons satisfying the following items are appointed from among candidates. In appointing, the Company will take into account the Company's policy on the composition of the Board of Directors and the length of his/her service as an officer of the Group, etc.

	Directors (excluding director who are Audit & Supervisory Committee Members)	Directors who are Audit & Supervisory Committee Members
Internal	**A.** Persons who have a wealth of experience in corporate management and business operations of the Group and broad knowledge in the fields of finance and economics **B.** Persons who are expected to carry out corporate management and business operations of the Group appropriately, fairly, and efficiently, to promote the sustainable growth of the Group, and to contribute to the medium- to long-term enhancement of corporate value	**A.** Persons who have a wealth of experience in corporate management and business operations of the Group and broad knowledge in the fields of finance and economics **B.** Persons who are expected to perform duties related to auditing the execution of duties of the Company's directors appropriately, fairly, and efficiently, to promote the sound and sustainable growth of the Group, and to contribute to the medium- to long-term enhancement corporate value
Outside	**A.** Persons who meet the Company's criteria for independence and who have no risk of a conflict of interest with general shareholders **B.** Persons with extensive experience and extensive knowledge in the fields of corporate management, fiscal affairs, finance, economics, accounting, taxation, legal affairs, etc. **C.** Persons who, based on their experience and expertise, can supervise the Group's management and provide timely and appropriate views and proposals to directors and the management team from the perspective of promoting sustainable growth of the Group and enhancing corporate value in the medium- to long-term	**A.** Persons who meet the Company's criteria for independence and who have no risk of a conflict of interest with general shareholders **B.** Persons with extensive experience and extensive knowledge in the fields of corporate management, fiscal affairs, finance, economics, accounting, taxation, legal affairs, etc. **C.** Persons who, based on their experience and expertise, can supervise the Group's management and provide timely and appropriate views and proposals to directors and the management team from the perspective of promoting sound and sustainable growth of the Group and enhancing corporate value in the medium- to long-term **D.** Persons who can form and express audit opinions in a timely and appropriate manner based on their own experience and views, given that the appointment of such persons is mandatory in order to further strengthen the neutrality and independence of the audit system

(2) Policies and procedures for the dismissal of directors

If a director is deemed to fall under the items listed on the right, the Board of Directors will submit a proposal to the General Meeting of Shareholders for the dismissal of the director. In addition, the dismissal of directors will be decided by the Board of Directors after deliberation by the optional Compensation and Personnel Committee.

a. Acts against laws and regulations or public order and morals
b. Impairs the corporate value significantly
c. Policies for appointments are deemed not to be satisfied

The President and Representative Director of the Company and the Presidents of the Group banks are evaluated based on the evaluation items of (1) business performance, (2) leadership and execution ability, (3) human resource development (successor development), and (4) strategic response, as a material for judging whether or not to continue in the next fiscal year and for their awareness, and feedback is provided by Compensation and Personnel Committee members.

Board of Directors

The Board of Directors makes decisions on important matters such as matters related to the management plan and governance and basic policies on risk and compliance in order to enhance discussions on the management strategies of the Group. Directors who are Audit & Supervisory Committee Members are directly involved in the discussions and decision-making processes of the Board of Directors and thus assume a highly effective supervisory function over management. In addition, in order to strengthen cooperation within the Group and enhance governance, the Company and the Bank of Yokohama have integrated the operation of the Board of Directors, and a system has been established where the Company's directors can participate in the Higashi-Nippon Bank's board meetings, etc. as observers.

Points discussed at Board of Directors meetings (FY2024: 15 meetings held)

(1) Management plan
- Group medium-term management plan
- Overall group budget
- Group capital plan

(2) Items related to sustainability
- Status of response to TCFD and TNFD
- Ratings by ESG rating agencies
- Engagement strategies for a net zero investment and loan portfolio
- Revision of the environmentally and socially conscious investment and loan policy (sector policy)

(3) Items related to corporate governance
- Risk appetite statement
- Evaluation of effectiveness of the Board of Directors
- Evaluation of internal control system
- Transition to a company with an Audit and Supervisory Committee

(4) Risk and compliance matters
- Risk management policy
- Compliance programs
- Enhancement of basic internal audit plan and internal audit system

Establishment of annual themes

With the aim of promoting the Company's sustainable growth and enhancing its corporate value over the medium to long term, we establish "annual themes" for the Board Meetings to enrich strategic discussions. In FY2024, extensive discussions were held toward the establishment of the New Medium-term Management Plan.

Annual themes in FY2024	Discussions toward the formulation of the New Medium-term Management Plan
	Grand design of the corporate division and the individual division Initiatives in the market division and international division Direction of human resource strategies, strategic investments and information strategies Direction of the Higashi-Nippon Bank, THE KANAGAWA BANK, and affiliated companies
	Follow-up on the restructuring of securities portfolio

Evaluation of Board of Directors effectiveness

The Company analyzes and evaluates the effectiveness of the Board of Directors as to whether it is fulfilling the mandate of shareholders and appropriately fulfilling its roles and responsibilities that contribute to the enhancement of corporate value of the Group. Based on the evaluation results, we clarify the issues of the Board of Directors and strive to continuously improve its effectiveness.

Evaluation method

Our effectiveness assessment is based on questionnaires and interviews from the perspective of utilizing third party viewpoints, the results of which are tabulated and analyzed, before the self-assessment is conducted. The specific assessment method is as follows.

1. We had all the directors who attend the Board of Directors meetings complete a questionnaire, which was handled by a third party to ensure objectivity and anonymity.
2. Interviews were conducted with each director in order to confirm and gather specific opinions on the results of the questionnaire.
3. After compiling and analyzing the results of 1 and 2 above, the Board of Directors deliberates on and shares about whether the Board of Directors as a whole is effective in light of the roles and responsibilities it should fulfill, and conducts a self-assessment.
4. Based on the results of the evaluation in 3 above, formulate themes for action for the following fiscal year.

Main questionnaire items
- Composition of the Board of Directors
- Support system for directors
- Operation of the Board of Directors
- Engagement with shareholders (investors)
- Discussions at board meetings

Summary of the results of the FY2024 Board of Directors effectiveness assessment

Corporate Governance Report Web

In FY2024, in light of the roles and responsibilities to be fulfilled by the Board of Directors, we set four themes to be continuously addressed and promoted initiatives such as holding discussions toward the formulation of the New Medium-term Management Plan and enhancing directors' study sessions, participating as observers in mutual meetings aimed at eliminating information gaps between groups, appropriately following up on the management plan and the overall budget, and ensuring opportunities for substantial dialogue with investors, to improve the Board Meeting effectiveness. As a result, the Board of Directors conducted and shared a self-assessment that "the Board Meetings as a whole continued to be generally effective."

In FY2025, based on the evaluation of effectiveness in FY2024, we will work to further improve the effectiveness of the Board Meetings in order to promote sustainable corporate growth and enhance corporate value over the medium to long term.

For more information, please see our Corporate Gover nance Report.

Initiatives to improve the effectiveness of Board Meetings

FY2023

Self-assessment
Conduct analysis and self-assessment of effectiveness of Board Meetings

FY2024

Decision of themes
Decide action themes based on the previous year's evaluation

Implementation of measures
Implement measures to improve effectiveness based on themes

Self-assessment
Conduct analysis and self-assessment of effectiveness of Board Meetings

FY2025

Decision of action themes
- Strengthening discussions of medium- to long-term strategies for the enhancement of corporate value
- Raising the level and improving efficiency of Board Meetings operations
- Improving monitoring functions
- Strengthening stakeholder communication

Audit & Supervisory Board and Audit & Supervisory Committee

(1) Audit & Supervisory Board

Audit & Supervisory Board Members have audited the legality and appropriateness of directors' business execution through the following investigations based on the audit policy and audit plan set by the Audit & Supervisory Board.

- Attending important meetings, such as Board of Directors meetings, examining the state of operations and assets, reviewing documents related to important decisions, etc.
- Regular or ad hoc meetings with the Internal Audit Department, the Internal Control Department, and Group companies, etc.
- Exchanging information with accounting auditors, discussing key audit matters (KAMs), receiving reports on the status of audits, etc.

In FY2024, we mainly focused audits on the "status of initiatives aimed at sustainable growth and medium- to long-term enhancement of corporate value," and the "status of establishment and operation of the Group's internal control systems." The findings were compiled as the Audit & Supervisory Board Observations and reported to the Board of Directors and the Management Committee. The Audit & Supervisory Board has conducted self-assessments on the effectiveness of operations and activities of the Audit & Supervisory Board. In concrete terms, each Audit & Supervisory Board Member conducted a self-assessment based on a questionnaire that was discussed by the Audit & Supervisory Board. Based on the aggregate results, opinions were exchanged by the Audit & Supervisory Board, and efforts were made to improve the management and activities of the Audit & Supervisory Board.

Main topics of Audit & Supervisory Board meetings (FY2024)

Matters to be resolved	Audit policy of Audit & Supervisory Board Members (including key audit items), audit plan and methods, assignment of audit work, audit report drafts, consent to proposals for the appointment of directors who are Audit & Supervisory Committee Members and substitute directors who are Audit & Supervisory Committee Members, reappointment of an accounting auditor, consent regarding audit fees, etc. for the accounting auditor, etc.
Matters to be reported	Audit & Supervisory Board monthly activity reports, Management Committee reports, Risk Management Department regular reports, Internal Audit Department regular reports, accounting auditor reports, etc.

(2) Audit & Supervisory Committee

The Company transitioned to a company with an Audit & Supervisory Committee in June 2025. The Audit & Supervisory Committee works closely with the Internal Audit Department, the Internal Control Department, and accounting auditors to conduct systematic, effective, and efficient audits utilizing the Company's internal control system. In addition, the Audit & Supervisory Committee decides opinions on the appointment, dismissal, etc., and compensation, etc., of directors (excluding Audit & Supervisory Committee Members) as a supervisory function for business executives.

Management Committee

The Management Committee, which consists of representative directors, directors, and others, is established under the Board of Directors. Based on the basic policy and management plans decided by the Board of Directors, the Management Committee discusses and decides on important business execution matters and strategies for flexible business execution within the Group, and also holds preliminary discussions on resolutions of the Board of Directors as necessary.

In addition, for important matters related to the Group's business execution, the meetings listed below are positioned as part of the Management Committee, and these meetings conduct intensive deliberation on items within their respective jurisdictions.

Compliance Conference	The conference discusses and makes resolutions on basic policy etc. related to Group-wide compliance and management matters such as customer protection and monitors the status of subsidiaries.
Asset-Liability Management & Risk Management Conference	This management conference discusses and makes resolutions on basic policy, planning, and key measures relating to the Group's asset-liability management (ALM), integrated risk management, credit risk management, market risk management, liquidity risk management, operational risk management, and profit management, and monitors the status of subsidiaries.
Group Sales Strategy Conference	The strategy conference discusses and makes resolutions on basic policy, planning, and key measures relating to the Group's sales and alliance strategies, and monitors the progress of the medium-term management plan.
Administration and Systems Strategy Conference	The strategy conference discusses and makes resolutions on basic policy, planning, and key measures on optimization of business operations and integration of systems and business processes across the Group and monitors the progress of each measure at subsidiaries.
Group Management Audit Conference	This committee discusses, makes resolutions on, and reports on important matters related to internal audits, and reports on and discusses matters relating to the results of audits by the Audit & Supervisory Committee and internal audits of the Group as a whole.

Reasons for Appointment of Outside Officers

Details on reasons for appointment and overview of independence criteria Web

Name		Reason for appointment
	Outside Director Mitsuru Akiyoshi	He has a wealth of experience as a corporate manager, having served as a representative director and executive vice president of Marubeni Corporation, and president and representative director of Mizuho Marubeni Leasing Co., Ltd. He has a wide range of expertise thanks to having worked in finance, IT, legal, and CSR and environmental departments at Marubeni Corporation. He has been appointed as an outside director with the expectation that he will continue to supervise management and provide opinions and recommendations to directors and top management in a timely and appropriate manner from the perspectives of promoting sustainable growth of the Group and of improving the corporate value over the medium to long term.
	Outside Director Mami Yoda	She engaged in work rating and researching companies at Standard & Poor's International LLC for many years, and currently teaches at Sagami Women's University and its graduate school as an expert in business administration. In addition to management and organizational development, she has a high level of expertise and a wide range of knowledge in risk management, finance and accounting, and sustainability, etc. The Company has appointed her as an outside director with the expectation that she will continue to supervise the Company's management and that she will provide timely and appropriate opinions and recommendations to the directors and top management from the perspective of promoting the sustainable growth of the Group and improving the corporate value over the medium to long term.
	Outside Director Shigeru Ishii	After serving at Yamaichi Securities Co., Ltd., he served as the President and Representative Director of Sony Bank Incorporated and Sony Financial Holdings Inc. He has abundant experience and broad knowledge as a corporate executive and a specialist in finance and digital transformation. The Company has appointed him as an outside director with the expectation that he will utilize his knowledge and experience to supervise the Company's management and provide timely and appropriate opinions and recommendations to the directors and top management from the perspective of promoting the sustainable growth of the Group and improving the corporate value over the medium to long term.
	Outside Director (Audit & Supervisory Committee Member) Mayumi Noguchi	She has served as the head of a certified public accountant firm for many years and has experience in auditing at an auditing firm. She has a wealth of experience and a wide range of knowledge as a specialist in finance and accounting. She also has abundant experience and broad knowledge of sustainability. By utilizing such experience and knowledge, she is expected to supervise the management of the Company and provide timely and appropriate opinions and recommendations to the directors and top management from the perspective of promoting the sound and sustainable growth of the Group and improving the corporate value over the medium to long term. The Company believes that she is capable of forming and expressing audit opinions in a timely and appropriate manner from a neutral and independent standpoint, and therefore has appointed her as an outside director who is an Audit & Supervisory Committee Member.
	Outside Director (Audit & Supervisory Committee Member) Yoshikazu Suzuki	He has a wealth of experience and broad knowledge as a legal professional, having been deeply involved in corporate legal affairs as an attorney for many years. He is expected to supervise the management of the Company and provide timely and appropriate opinions and recommendations to the directors and top management from the perspective of promoting the sound and sustainable growth of the Group and improving the corporate value over the medium to long term. The Company believes that he is capable of forming and expressing audit opinions in a timely and appropriate manner from a neutral and independent standpoint, and therefore has appointed him as an outside director who is an Audit & Supervisory Committee Member.

Support for Directors

In order to enhance Board of Directors meetings, the Company provides outside directors with advance explanations of the agenda of the Board of Directors meetings, as well as opportunities for on-site visits to sales branches of the Group companies. When outside directors are appointed, they are provided with the opportunity to acquire knowledge and information about the Group's management philosophy, management policies, business plans, and business structure. Furthermore, we work for coordination between the Representative Director, the Internal Audit Department, and accounting auditors, as well as for interchange between the outside directors and the directors of Group companies.

In order to ensure that directors obtain information about the company in a timely and appropriate manner, a staff member is assigned to the Corporate Planning Department to assist directors in obtaining information. To ensure that audits by the Audit & Supervisory Committee are conducted effectively, we have a dedicated staff member in the Office of the Audit and Supervisory Committee to support audits by the Audit & Supervisory Committee.

To enable directors to fulfill their roles and responsibilities, the Company provides opportunities to obtain knowledge and information, receive advice from external experts, and raise awareness through peer evaluations (mutual evaluations) by directors.

FY2024 (actual)	Contents
Briefings before board meeting for outside directors and outside Audit & Supervisory Board Members	Briefings beforehand on the meeting agenda
Inspection of Group company sales branches by outside directors	Inspections of the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK sales branches, meetings with branch general managers, etc.
Exchange of opinions between outside directors and auditing firms	Exchange of opinions with accounting auditors
Meetings between outside directors, outside Audit & Supervisory Board Members and the Internal Audit Department to exchange opinions	Briefings and reports from the Internal Audit Department
Exchange of opinions between outside directors and Audit & Supervisory Board Members	Exchange of opinions with Audit & Supervisory Board Members
Exchange of opinions between outside directors and internal directors	Exchange of opinions with internal directors
Study groups	Study sessions by outside experts
Peer evaluations (mutual evaluations)	Evaluation between directors

Discussions between outside directors and investors/analysts

At our Investor Relations Day in February 2025, outside directors had an opportunity to meet with investors and analysts in order to directly hear and deepen their understanding of voices from the market.

Study sessions by outside experts

In order to enhance Board of Directors deliberations and improve governance, study sessions were held by outside experts, focusing on themes related to digital/IT, sustainability, and open innovation. In addition, we held study sessions on market trends in order to promptly respond to changes in the financial market.

Visits to sales branches of Group banks by outside directors

In order to deepen their understanding of the Group banks' business operations and sales sites, outside directors inspected the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK sales branches. At the sales branches, they observed business operations and held meetings and discussions with regional headquarters managers and branch general managers.

- The Bank of Yokohama Sagamihara Ekimae Branch, Yokohama Ekimae Area
- The Higashi-Nippon Bank Kamata Branch
- THE KANAGAWA BANK Sagamidai Branch

Succession plan

In order to promote sustainable growth and enhance corporate value over the medium to long term, the Group has formulated a succession plan for the top management of the Company and its major subsidiaries, the Bank of Yokohama and the Higashi-Nippon Bank.

The succession plan is divided into three groups: the director pool, the executive officer pool, and the executive candidate pool, and candidates for President & CEO are selected from each pool every year. In the selection process, members from the Compensation and Personnel Committee exchange opinions with the President and the CEO of subsidiary banks. By implementing training programs tailored to the candidates' capabilities, qualities, experience, etc., we are systematically cultivating human resources who will take on top management roles in the future. Specifically, we aim to broaden the scope of knowledge and skills of candidates through planned rotations of assignments, training and seminars, and to raise awareness among candidates through external assessments and interviews with outside directors and top management.

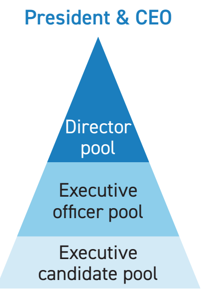
The status of the formulation and operation of the plan is regularly reported to the Compensation and Personnel Committee, which is composed solely of outside directors. Outside directors not only receive reports but also strive to improve the effectiveness of the succession plan by gaining a multifaceted understanding of the candidates through various meetings, interviews, and discussions, and by providing advice and recommendations to the candidates based on their extensive knowledge and experience.

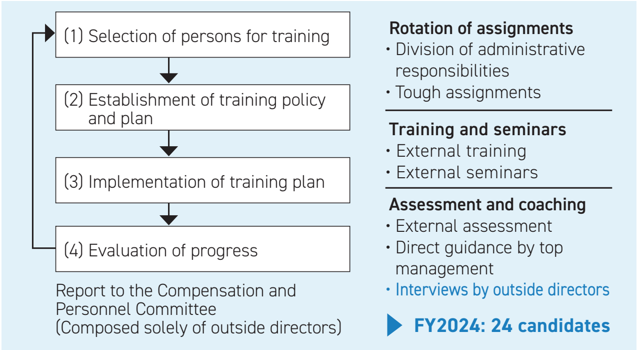
Succession plan

- Monitoring of the status of formulation and operation by the Compensation and Personnel Committee (composed solely of outside directors)
- Improvement of the effectiveness of the succession plan through interviews with candidates by outside directors

Select President & CEO candidates from each pool

Select and systematically train candidates, taking into account the composition of the Board of Directors





Compensation and Personnel Committee

For the purpose of ensuring objectivity and transparency in compensation and personnel matters of directors and executive officers, a Compensation and Personnel Committee composed solely of independent outside directors has been established as a voluntary mechanism. The Compensation and Personnel Committee performs the functions of both a nominating committee and a compensation committee. The Chairperson of the Committee shall be elected from among the members of the Committee and shall serve as the Chair. As a general rule, the President provides explanations, and if necessary, the Chairperson may appoint a person other than a committee member to attend the meeting and hear his/her report or opinion. The secretariat is established in the secretarial office of the Corporate Planning Department, and meetings are held as needed. In FY2024, 12 meetings were held.

[Authority and roles of the Compensation and Personnel Committee]

The Committee resolves and deliberates on the compensation and personnel matters of officers of the Company and its subsidiaries.

In the past, with respect to the determination of the amount of individual compensation for directors, the Board of Directors entrusted the President and Representative Director within the limit determined by a resolution of the General Meeting of Shareholders, and the exercise of such authority was subject to deliberation by the Compensation and Personnel Committee. Starting from July 2025, the Compensation and Personnel Committee is entrusted with the determination to enhance the transparency of the compensation determination process.

1. Compensation for officers of the Company and its subsidiaries

Matters to be resolved

- Contents of the compensation table by position of the Company and its subsidiaries
- Individual compensation amounts of directors (excluding directors who are Audit & Supervisory Committee Members) and executive officers of the Company
- Amount of compensation linked to performance of the Company and its subsidiaries
- Evaluation of achievement of performance targets for medium to long term incentive compensation of the Company and its subsidiaries

Matters to be deliberated

- Establishment, revision and abolition of systems related to executive compensation of the Company and its subsidiaries
- Performance evaluation of directors and executive officers of the Company
- Individual compensation amounts of directors who are Audit & Supervisory Committee Members of the Company

Matters to be reported

- Performance evaluation of directors and executive officers of the subsidiaries
- Individual compensation amounts of directors and executive officers of the subsidiaries

2. Personnel matters regarding officers of the Company and its subsidiaries

Matters to be deliberated

- Appointment of candidates for directors of the Company, and dismissal of directors, and selection and removal of executive directors, representative directors, and the President and Executive Officer of the Company
- Selection and removal of presidents of subsidiaries

Members of the Compensation and Personnel Committee

Name	Job title
Chair Mitsuru Akiyoshi	Outside Director
Committee member Mami Yoda	Outside Director
Committee member Shigeru Ishii	Outside Director

Matters to be deliberated and reported in FY2024

Matters related to compensation	Matters related to personnel
• Establishment, revision and abolition of systems related to executive compensation of the Company and its subsidiaries • Contents of the compensation table by position of the Company and its subsidiaries • Amount of compensation linked to performance of the Company and its subsidiaries • Evaluation of directors and executive officers of the Company and its subsidiaries	• Appointment of candidates for directors of the Company, and dismissal of directors • Selection and removal of executive directors, representative directors, etc. of the Company • Selection and removal of presidents of subsidiaries • Operations and operational status of the succession plan

Executive Compensation System

The Company has adopted by resolution of the Board of Directors a policy ('the Policy') concerning decisions on the details of remuneration etc. for individual directors (excluding directors who are Audit & Supervisory Committee Members). The outline of the document is as follows. This policy was decided after deliberation by the Compensation and Personnel Committee, which is comprised solely of outside directors.

1. Directors (excluding directors who are Audit & Supervisory Committee Members)

(1) Basic policy

- The compensation system for directors is to function as an appropriate incentive to promote the sustainable growth of the Group and increase its corporate value over the medium to long term, while minimizing excessive risk-taking.
- Compensation composition, compensation composition proportions, and compensation levels are determined through periodic comparisons and verification based on data on executive compensation from external research organizations and objective survey data, using as benchmarks a group of companies with performance and business conditions similar to those of the Company.

(2) Compensation composition and details

[Directors (excluding non-executive directors and outside directors)]

Stock Acquisition and Ownership Guidelines Web

Compensation type		Performance-linked or not	Payment timing	Payment criteria	Calculation method for performance-linked	Performance linkage range
Basic salary		Not linked to performance	Monthly	Paid according to roles and responsibilities	-	-
Short-term performance-linked compensation		Linked to short-term performance	Annually	Paid the standard amount for each position, plus an amount based on the Company performance and on the evaluation according to the individual business performance of each officer for the single fiscal year	Company performance x individual performance	Company performance 0% to 150% Individual performance 70% to 130%
Stock compensation*1, 2	Trust I	Not linked to performance	Every fiscal year	Company shares equivalent to the standard amount for each position are accumulated monthly, deferred until the end of the fiscal year, and paid every fiscal year (subject to transfer restrictions until retirement)	-	-
	Trust II	Linked to medium-term performance	After the end of the medium-term management plan	Company shares, etc.* equivalent to the standard amount for each position are accumulated monthly and deferred until the end of the medium-term management plan to be paid according to the degree of achievement of important target indicators of the medium-term management plan *Company shares and cash proceeds from the conversion of Company shares	Financial indicator + non-financial indicator + share price indicator	0 to 200%

*1 In the event of a serious violation of a mandate contract between the Company and an officer concerning the officer's duties, or in the event of a sudden deterioration in business performance or a serious incident or scandal that damages corporate value, the Company may require that the officer forfeit stock delivery points (zeroing out), return granted Company shares, etc. (clawback), or provide compensation.

*2 The Company has established "Stock Acquisition and Ownership Guidelines" and encourages directors, etc. of the company and its subsidiaries to acquire and hold a certain number of shares of the company's common stock in order to make them aware of management from the perspective of shareholders.

Performance-linked indicators and reason for selection

Compensation type	Item		Indicator	Weight	Reason for selection
Short-term performance-linked compensation	Company performance		Core net business profit (the combined total for the Group's banks)	50%	In order to achieve the medium-term management plan targets, the Company uses two performance indicators: core net business profit, which indicates the profitability of the Group's core business in a single fiscal year (the combined total for the Group's banks), and profit attributable to owners of parent, which is the final operating result. The amount of individual payment based on the final company performance and individual performance will be determined by the Compensation and Personnel Committee.
			Profit attributable to owners of parent	50%	
	Individual performance		Degree of achievement, etc. of targets set at the beginning of the fiscal year (set individually based on the department in charge, etc., such as budget achievement of the department in charge, development status of each measure, development of the risk management system, etc.)	-	
Stock compensation (Trust II)	Financial indicators		(1) ROE (Consolidated / TSE standards) (2) Profit attributable to owners of parent (3) Common equity Tier 1 ratio	50%	In order to achieve the medium-term management plan targets, the Company uses the degree of achievement of important target indicators of the medium-term management plan as a performance-linked indicator. In order to increase our commitment to sustainability management, 40% of the total evaluation weight is non-financial indicators. For non-financial indicators, the degree of achievement of the five KPIs is used as an internal evaluation. In addition, in order to objectively evaluate the Company's ESG-related initiatives, the Company's evaluation includes outside assessments by external ESG rating organizations. In addition, from the perspective of being more aware of the enhancement of corporate value and sharing interests with shareholders, we will use TSR as an indicator and conduct a relative evaluation with listed regional banks. The final performance-linked coefficient is determined by the Compensation and Personnel Committee, considering qualitative factors such as responses to various risks.
	Non-financial indicators	Internal	(1) Reduction rate for our own CO_2 emissions (cumulative) (2) Sustainable finance (cumulative) (3) Total attractiveness of the company (employee attitude survey) (4) Percentage of female managers (5) Number of initiatives to resolve local community issues	40%	
		External	(1) CDP (climate change) (2) S&P/JPX Carbon Efficient Index (3) MSCI Japan Empowering Women Index (4) MSCI ESG RATING (5) FTSE ESG RATING		
	Share price indicator		Relative TSR	10%	

[Non-executive Directors/Outside Directors]

A. Compensation composition

- In view of the role in supervising execution of business, compensation of non-executive directors and outside directors is not linked to performance, and only basic (fixed) salary is paid.

B. Compensation details

- Basic salary is paid monthly based on role and responsibilities.

2. Directors who are Audit & Supervisory Committee Members

The details of compensation etc. for directors who are Audit & Supervisory Committee Members are determined through discussions with them and the details are as follows.

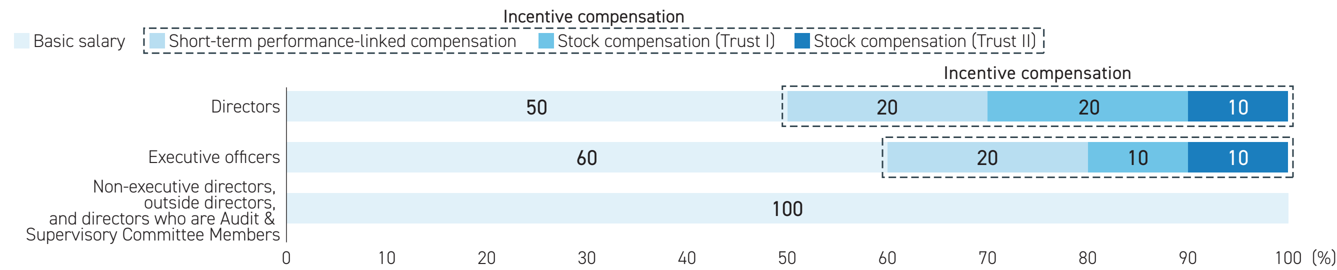
A. Compensation composition

- To ensure neutrality and independence of directors who are Audit & Supervisory Committee Members, compensation is not linked to performance, and only basic (fixed) salary is paid.

B. Compensation details

- Basic salary is paid monthly based on role and responsibilities.

3. Composition of compensation by position



interview Comment from the Chairman of the Compensation and Personnel Committee

Mitsuru Akiyoshi
Outside Director

In the Compensation and Personnel Committee meeting of FY2024, we spent about eight months discussing the compensation system that should be in place along with the formulation of the New Medium-term Management Plan.

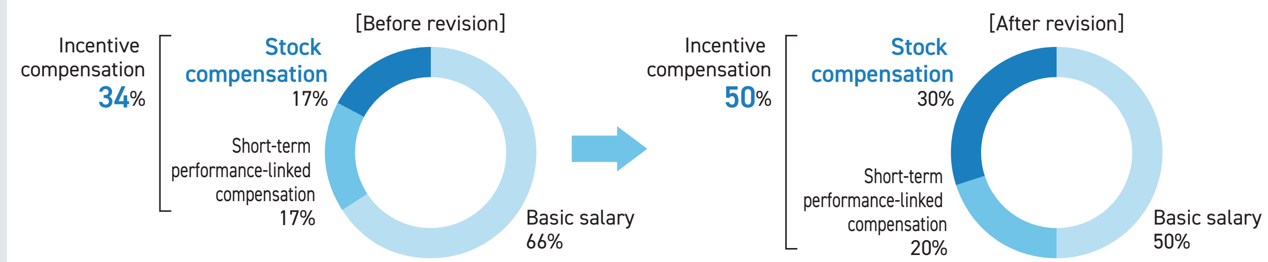
Based on the advice of external consulting organizations and information provided by external research organizations, the composition ratio of incentive compensation has been raised to a compensation level comparable to that of top regional banks.

In addition, based on the management strategies, we reviewed the performance evaluation indicators and the linkage method of incentive compensation focusing on the simplicity and clarity. For example, the evaluation items for stock compensation (Trust II) were narrowed down to the important target indicators of the medium-term management plan.

Furthermore, in order to increase the incentive for each officer of the banks within the Group to enhance the corporate value from the same perspective, we have expanded the scope of stock compensation to include directors, etc. of THE KANAGAWA BANK. In addition, we have introduced a new performance target, the share price indicator (relative TSR), from the perspective of being more aware of the enhancement of corporate value and sharing interests with shareholders.

We will continue to hold discussions in the Compensation and Personnel Committee to ensure that the executive compensation system serves as an appropriate incentive.

Compensation composition proportions (directors)



Increase incentive compensation from 34% to 50% (of which stock compensation increased from 17% to 30%)

Board of Directors

Directors

Tatsuya Kataoka

President and Representative Director
(Concurrently, Representative Director, President of The Bank of Yokohama, Ltd.)

- 1990 Joined The Bank of Yokohama, Ltd.
- 2018 Executive Officer and General Manager of the Corporate Planning Department of the Company
- 2019 Executive Officer and General Manager of the General Planning Department, The Bank of Yokohama, Ltd.
  Director, Higashi-Nippon Bank, Ltd.
- 2022 Representative Director, President, The Bank of Yokohama Ltd. (currently)
  President and Representative Director of the Company (currently)

Nobuo Onodera

Representative Director
(Concurrently, Representative Director, Deputy President of The Bank of Yokohama Ltd.)

- 1995 Joined The Bank of Yokohama, Ltd.
- 2021 Executive Officer and General Manager of Sales Strategy Department for same
- 2022 Executive Officer of the Company
  Director and Executive Officer, The Bank of Yokohama, Ltd.
  Director of the Company
- 2023 Representative Director and Managing Executive Officer, The Bank of Yokohama, Ltd.
- 2024 Representative Director of the Company (currently)
- 2025 Representative Director and Deputy President, The Bank of Yokohama Ltd. (currently)

Michifumi Katsuta

Director
(Concurrently, Director and Managing Executive Officer of The Bank of Yokohama, Ltd)

- 1992 Joined The Bank of Yokohama, Ltd.
- 2021 Executive Officer of same
- 2023 Director and Executive Officer of same
  Director (non-executive), THE KANAGAWA BANK, LTD.
- 2024 Executive Officer of the Company
  Director and Managing Executive Officer of The Bank of Yokohama, Ltd. (currently)
- 2025 Director (non-executive) of L&F Asset Finance, Ltd. (currently)
  Director of the Company (currently)

Mitsuru Akiyoshi

Director (outside)
Lead Independent Outside Director

- 2015 Executive Vice President and Representative Director, Marubeni Corporation
  CEO, Food & Consumer Products Group
- 2019 President and Representative Director, MG Leasing Corporation (currently Mizuho Marubeni Leasing Corporation)
  Outside Director of the Company (currently)
  Outside Audit & Supervisory Board Member of Teikoku Oil Co., Ltd. (currently INPEX Corporation) (currently)
- 2022 Advisor (part-time), Mizuho Marubeni Leasing Corporation

Mami Yoda

Director (outside)
(Concurrently, Director (non-executive) of The Bank of Yokohama, Ltd.)

- 2005 Managing Director, Standard & Poor's International, LLC
- 2017 Associate Professor, Department of English Language and Culture Communication, Faculty of Arts and Sciences, Sagami Women's University
- 2020 Associate Professor, Graduate School of Social Entrepreneurship, Sagami Women's University
  Outside Director of the Company (currently)
- 2022 Professor, Department of English Language, Culture, and Communication, Faculty of Arts and Sciences of Sagami Women's University
  Professor, Graduate School of Social Entrepreneurship, Sagami Women's University
  Director (non-executive) of The Bank of Yokohama, Ltd. (currently)
- 2025 Specially Appointed Professor, Department of English Language, Culture, and Communication, Faculty of Arts and Sciences of Sagami Women's University (currently)
  Specially Appointed Professor, Graduate School of Social Entrepreneurship, Sagami Women's University (currently)

Shigeru Ishii

Director (outside)
(Concurrently, Director (non-executive) of The Bank of Yokohama, Ltd.)

- 2001 President and Representative Director of Sony Bank Incorporated
- 2004 Director of Sony Financial Holdings Inc.
- 2015 Vice President and Representative Director of same
  Director of Sony Life Insurance Co., Ltd.
  Director of Sony Assurance Inc.
  Director of Sony Bank Incorporated
- 2016 President and Representative Director of Sony Financial Holdings Inc.
- 2018 President and Representative Director of Sony Financial Ventures Inc.
- 2021 Outside Director of The Bank of Yokohama, Ltd.
- 2023 Outside Director of SUMITOMO LIFE INSURANCE COMPANY (currently)
- 2025 Outside Director of the Company (currently)
  Director (non-executive) of The Bank of Yokohama, Ltd. (currently)

Kazuhiro Maehara

Director
(Audit & Supervisory Committee Member, full-time)

- 1988 Joined The Bank of Yokohama, Ltd.
- 2016 Executive Officer and General Manager of Risk Management Department of same
- 2017 Executive Officer and Deputy General Manager of Sales Head Office of same
- 2018 Executive Officer and General Manager of Risk Management Department of the Company
- 2019 Full-time member of Audit and Supervisory Board of same
- 2025 Director (Audit & Supervisory Committee Member, full-time) of same (currently)

Mayumi Noguchi

Director
(Audit & Supervisory Committee Member, outside)

- 1998 Joined Asahi Audit Corporation (now KPMG AZSA & Co., Ltd.)
- 2008 Head of Noguchi Certified Public Accountant Office (currently)
- 2018 Outside Director, Fenwal Controls of Japan, Ltd.
- 2021 Outside Audit & Supervisory Board Member of the Company
- 2022 Outside Audit & Supervisory Board Member of Japan Green Investment Corp. for Carbon Neutrality (JICN) (currently)
- 2024 Outside Audit & Supervisory Board Member of JSP Corporation (currently)
- 2025 Outside Director (Audit & Supervisory Committee Member) of the Company (currently)
  Outside Director of Seika Corporation (currently)

Yoshikazu Suzuki

Director
(Audit & Supervisory Committee Member, outside)

- 2001 Registered attorney
- 2009 Partner of City-Yuwa Partners (currently)
- 2011 Outside Audit & Supervisory Board Member of ZERO CO., LTD. (currently)
- 2020 Outside Director (Audit & Supervisory Committee Member) of TATERU, Inc. (now robot home Inc.) (currently)
- 2021 Outside Audit & Supervisory Board Member of The Higashi-Nippon Bank, Limited
- 2025 Outside Director (Audit & Supervisory Committee Member) of the Company (currently)

Executive Officers

Yutaro Koshiba
(Concurrently, Director and Executive Officer, Deputy President of The Bank of Yokohama, Ltd.)

Toshihiko Onuki
(Concurrently, Director and Managing Executive Officer of The Bank of Yokohama, Ltd.)

Hiroaki Suzuki
(Concurrently, Director and Executive Officer of The Bank of Yokohama, Ltd.)

Kazumi Nobe
(Concurrently, Director and Executive Officer of The Bank of Yokohama, Ltd.)

Masatoshi Akahori
(Concurrently, Executive Officer of The Bank of Yokohama, Ltd.)

Hitoshi Inoue
(Concurrently, Executive Officer of The Bank of Yokohama, Ltd.)

Kazuhiro Sukegawa
(Concurrently, Representative Director, President of The Higashi-Nippon Bank, Limited)

Masaru Tanaka
(Concurrently, Director and Managing Executive Officer of L&F Asset Finance, Ltd.)

Tomoki Arai
(Concurrently, Representative Director, President of THE KANAGAWA BANK, LTD.)

Specialization and experience of directors and executive officers (skill matrix)

The specialization and experience required by the Company are considered to be "Regional sales," which is essential for understanding the business models of subsidiaries that are regional financial institutions; "Corporate management and organizational operation," "Legal affairs and risk management," and "Finance and accounting," which are universally required for corporate management; "International & market operations" and "IT and digital (DX)," which are required to provide more advanced expertise necessary to respond to the changing business environment; "Sustainability (Environment and Society)," which is required to solve issues in the environmental and social domains in order to enhance corporate value in a sustainable manner; and "Human capital," which is required to maximize human capital and promote the human resource strategies linked with the Company's management strategy. The following table presents the details of the combination of skills and the skills possessed by each individual, including the Executive Officers, along with the Directors.

Name	Position	Specialization and experience							
		Regional sales	Corporate management and organizational operation	Legal affairs and risk management	Finance and accounting	International & market operations	IT and digital (DX)	Sustainability (Environment and Society)	Human capital
Tatsuya Kataoka	Representative Director and President	●	●		●	●		●	
Nobuo Onodera	Representative Director	●	●		●		●	●	●
Michifumi Katsuta	Director	●	●	●					●
Mitsuru Akiyoshi	Director (Outside)		●	●	●	●	●	●	
Mami Yoda	Director (Outside)		●	●	●	●		●	●
Shigeru Ishii	Director (Outside)		●	●	●		●		
Kazuhiro Maehara	Director (Audit & Supervisory Committee Member, Full-time)	●		●	●				
Mayumi Noguchi	Director (Audit & Supervisory Committee Member, Outside)			●	●			●	
Yoshikazu Suzuki	Director (Audit & Supervisory Committee Member, Outside)			●					
Yutaro Koshiba	Executive Officer	●		●					
Toshihiko Onuki	Executive Officer						●		
Hiroaki Suzuki	Executive Officer	●					●		
Kazumi Nobe	Executive Officer			●	●				
Masatoshi Akahori	Executive Officer	●		●					
Hitoshi Inoue	Executive Officer				●	●		●	
Kazuhiro Sukegawa	Executive Officer	●	●		●				●
Masaru Tanaka	Executive Officer				●			●	
Tomoki Arai	Executive Officer	●	●		●	●			

* The details of each skill are found in the table below.
* "Sustainability (Environment and Society)" and "Human capital" were added as skills necessary to promote sustainability management and human capital management in order to enhance corporate value in a sustainable manner.

Regional sales	Knowledge, experience and skills concerning operations such as provision of solutions and supply of funds for revitalizing local economies
Corporate management and organizational operation	Knowledge, experience and skills concerning corporate management and organizational operation
Legal affairs and risk management	Knowledge, experience and skills related to laws, compliance, risk management, credit screening, and industry and company analysis
Finance and accounting	Specialist knowledge concerning financial strategy, along with accounting and tax matters
International & market operations	Knowledge, experience and skills concerning global perspectives, overseas business, and market operations
IT and digital (DX)	Knowledge, experience and skills concerning system planning, operation, management, along with digitalization
Sustainability (Environment and Society)	Knowledge, experience and skills to solve issues in the environmental and social domains, not only at the Company, but also at its business partners and in local regions, in order to realize the Company's sustainability management
Human capital	Knowledge, experience and skills to promote organization building, including DEI considerations, and environment building based on ensuring the well-being of each and every employee, with an emphasis on the human resource development that will support the solutions business

The Basic Concepts of Risk Management

In order to provide stable and continuous financial services as a financial group trusted by the community, we conduct integrated risk management with the aim of maintaining soundness and improving profitability and efficiency for the entire Group. We are also working to foster a risk-aware culture so that risk ownership is demonstrated.

Risk Management System

Within the Group, each subsidiary has set up a risk control department as well as a risk management department for each type of risk, thereby identifying, evaluating, and managing risks. The Risk Management Department at the holding company comprehensively manages risks for the entire Group, and an officer in charge of risk, who is separate from the General Manager of the Internal Audit Department, regularly reports on the risk status to the President and Representative Director and the Board of Directors.

The Board of Directors ensures sound and effective risk management for the Group, regularly and continually reviewing risk management policies and procedures based on factors such as the Group's strategic goals and changes in the external environment. The Board of Directors and the ALM and Risk Management Conference (Management Committee) monitor, discuss, decide, and oversee various risks and risks across the Group.

Risk Appetite Framework

As a risk governance framework, the Group has introduced a Risk Appetite Framework (RAF) to monitor and clarify the types and amount of risks taken on during operations, while taking into account the balance of earnings, risk, and our capital. Utilizing this framework enables us to raise ROE and utilize capital, such as by reviewing asset allocation based on the risk and return of each division.

In addition, in order to foster and instill the risk culture embodied in the RAF, risk management workshops are held as needed for officers, including directors. (For FY2024, such workshops were held in July for executives and General Managers and in August for Deputy General Managers at the head office.)

Top Management Risks

The Group utilizes "Top Risk Management" to ensure the effectiveness of RAF management. We identify the events that the Group considers to be of the greatest concern as "Top Risks" based on the degree of impact on the Group and the probability of occurrence. We are prepared to respond flexibly and control the degree of impact in the event that a risk materializes by continuously monitoring Key Risk Indicators (KRIs) and clarifying control methods, etc.

Main Top Risks
· Deterioration in business conditions of companies due to external environmental factors · Worsening of cash flow due to competition for deposit acquisition and other factors · Large-scale damage due to cyberattacks · Major damage due to system failure · Major natural disasters

* These are some of the risks that the Company has recognized, but risks other than these may have a particularly serious adverse effect on our business.

Integrated Risk Management

The Group classifies overall Group risks in the following categories: credit risk, market risk, liquidity risk, operational risk, and reputational risk. We also ensure the soundness of management by identifying, evaluating, monitoring and controlling risks in an integrated manner to the greatest extent possible.

Specifically, we allocate capital by risk type to measure the maximum potential loss (risk amount) of each type of risk and keep it within the range of core capital, and conduct stress testing to estimate loss and risk amount across risk categories in the event of a stress event.

Crisis Management

The Group has a crisis management system in place to ensure the safety of its customers and employees, the smooth execution of financial operations, and the protection of customers' assets in preparation for earthquakes or other large-scale disasters, system failures, infectious disease epidemics, etc. In the event of a crisis, the Crisis Management Committee, which is chaired by the President and Representative Director, instructs companies within the Group to set up an emergency head office to centrally manage the response to the situation.

The Group places the highest priority on the health and safety of its customers and related parties, and will strive to maintain and continue its financial functions as part of the financial infrastructure essential to the maintenance of social functions.

Cybersecurity

Cybersecurity Governance

Involvement of Top Management

The Group regards cybersecurity as an important management issue and formulated the "Cybersecurity Management Declaration" in April 2022 to promote management-driven measures. In terms of the system, our security policy stipulates that the officer in charge of the IT Solutions Department is responsible for the management of cybersecurity and clarifies his/her responsibilities and authorities. In addition, through regular ALM and Risk Management Conferences, etc., we have developed a system in which management confirms and evaluates trends in security risks and the status of measures taken to make necessary policy decisions.

Third-Party External Evaluation and Internal Evaluation System

In accordance with the "Guidelines on Cyber Security in the Financial Sector" published by the Financial Services Agency (FSA) in October 2024, the Group has undergone an objective evaluation by a third-party organization of its governance system, risk management, control environment including outsourcing contractors and its ability to respond to incidents, etc. In addition, we continuously conduct self-assessments specified by FSA to check and analyze the status of our own initiatives. Through this, we strive to improve our ability to respond to changing threats and the effectiveness of our operations from both an objective external perspective and an independent internal review.

Management of Contractors, etc.

When using cloud services or entrusting information to contractors, the Group continuously evaluates compliance with security standards not only at the time of signing the contract, but also after the contract is concluded. For information of particularly high importance, we assess compliance at least once a year. The evaluation items include system security and information management systems, such as the education status of employees (including contract employees and contractors). When the standards are not met, we request improvements or review the contractors as necessary.

Protection of Personal Information

As part of initiatives to protect personal information, the Group publishes its purposes of use for personal information in accordance with the relevant laws and regulations. In addition, to prevent leaks and unauthorized access to information, the Group has established rules on access control by granting authorization according to role and rules on the classification and definition of information and ensures that all executives and employees (including part-time and temporary employees) are fully aware of these rules.

Incident Response System

In order to respond to the evolving threat of cyberattacks, we newly established a Cyber Security Office in FY2023 and a Cyber Defense Center within that office. The Cyber Defense Center consists of members from each Group company and we have built a system that integrates the Group CSIRT and a private SOC. The Group CSIRT promotes cybersecurity governance at Group companies and conducts regular information sharing on cybersecurity with MEJAR Banks (Japanese regional banks alliance). The private SOC utilizes the latest integrated log monitoring tools and automation tools to ensure early detection and quick response to security incidents.

Education and Training Exercises for Group Executives and Staff

The Group provides all officers and employees (including part-time and temporary employees) with training and education based on the Security Policy to improve their cybersecurity literacy. We are also working to maintain and improve the company-wide security level by holding seminars for management-level employees taught by outside experts.

Customer Awareness

The Group is a member of the Japan Cybercrime Control Center (JC3) and collects and analyzes information on financial crimes using the Internet, in light of the frequent occurrence of fraudulent remittances caused by phishing and other scams. Based on the information we obtain, we promptly identify cases of suspicious e-mails, SMS messages, and the launch of phishing sites, etc., that are using the Group's name, and take measures to prevent fraudulent remittances by posting a warning on our website and elsewhere.

Compliance Initiatives

Compliance Web

Message from the Director in Charge of Risk Management

Emphasizing "Full Faith and Credit" and Promoting Awareness of Compliance and Practical Initiatives

Placing "Full Faith and Credit" at the Starting Point of Our Actions

The Group considers "full faith and credit," one of the values and action guidelines to be shared by all officers and employees, as an important value to be shared by the Group as a whole. These are not just words, but an action guideline to fulfill our social responsibility as a financial institution and a common language to observe compliance.

We base our decision-making on securing faith and credit, and we believe that maintaining this principle is essential for sustainable growth of the Group.

We establish a Compliance Program every year, which emphasizes not only compliance with laws and regulations, but also behavior with a higher sense of ethics to respond to the faith and credit of society and customers. We prepare an action plan based on the Program for the entire Group and each company and location, and review and improve the plan at the end of the fiscal year to ensure that the PDCA cycle is followed. In addition, we are working to build a highly effective risk management system by focusing on dialogue with business sites and identifying and reflecting actual issues, rather than simply formulating rules.

Masatoshi Akahori

Executive Officer in Charge of the Risk Management Department
(Executive Officer in Charge of the Risk Management Department, The Bank of Yokohama)

Integrity-Based Mindset to Prevent Misconduct

In recent years, there has been a spate of scandals in the financial industry. We recognize that misconduct is more likely to occur when the three elements of motive, opportunity, and justification are all present. In particular, we are working to foster a sense of "no justification." In other words, we are working to strengthen our integrity-based mindset, which is built on a high sense of ethics and justice. In addition to explicitly prohibiting actions that could become a motive, we actively conduct one-on-one meetings and awareness surveys so that each officer and employee can independently think about what is right and act accordingly. By directly listening to the opinions of the sales branches and other sites, and by having the person in charge of the risk department visit sites for dialogue when necessary, we are striving to identify issues at an early stage and respond promptly.

It is not enough to establish a compliance system, it is also essential to make appropriate decisions and take appropriate actions on the ground. For this reason, we place importance on fostering a "culture where people can talk to each other." An open working environment in which employees can feel free to consult and point out any problems or incompatibilities will lead to early elimination of potential risks. We aim to maintain and strengthen a sound risk management system by creating an organizational culture where all employees can exchange opinions with peace of mind.

Resolution

A loss of faith and credit is a serious risk that directly affects the survival of a company. This is why we place importance on each and every employee always thinking about what is right and acting with integrity. We will continue to promote a sincere and effective risk management that responds to the faith and credit of stakeholders.

The Basic Concepts and System of Compliance

Basic Compliance Policy Web

The Company recognizes compliance as one of its most important management issues. Based on the Basic Compliance Policy, which was formulated and revised after deliberation and approval by the Board of Directors, the Company has formulated a Compliance Program each fiscal year as a specific plan of practice and has set forth action principles for the realization of this program. All officers and employees of the Company are working together to enhance the compliance system.

In terms of the system, the officer in charge of the Risk Management Department oversees the entire Group as the person in charge of compliance (including legal affairs) while the Risk Management Department centrally manages and provides guidance on Group compliance.

In addition, in order to raise the effectiveness of the Compliance Program, we regularly hold Compliance Conferences attended by directors, executive officers, and general managers to monitor the progress of the program and the status of compliance, including the handling of whistleblowing and corrupt practices. Important matters, including compliance-related issues, are then reported to the Board of Directors. The Board of Directors receives the above reports and supervises the group companies.

Whistleblower System

In order to facilitate early detection and correction of compliance-related problems, such as violations of laws and regulations, misconduct, corruption*, violations of internal rules and harassment, the Group has established an internal reporting desk at the Company, the Bank of Yokohama, the Higashi-Nippon Bank, and outside law firms so that all officers and employees (including part-time and temporary employees) can directly report and consult on such problems.

If a violation of compliance is confirmed through a whistleblowing report, corrective measures are taken and recurrence prevention measures are formulated. Personnel measures, such as disciplinary action against the subject of the whistleblowing are considered and implemented, and feedback is provided to the whistleblower to the extent necessary.

* Abuse of authority to obtain illicit benefits, such as bribery, embezzlement, breach of trust, extortion of benefits, and provision or receipt of entertainment or gifts that exceed socially accepted norms

Initiatives to Prevent Money Laundering

In order to prepare for the risk that financial institutions may be involved in money laundering, terrorist financing, and proliferation financing, we will comply with basic requirements, such as identification and verification at the time of transactions, which are prescribed in the relevant laws and regulations. We also undertake effective countermeasures against money laundering, terrorist financing, and proliferation financing based on the Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism issued by the Financial Services Agency. Through these efforts, we do our part to maintain the soundness of the financial system.

Specifically, each Group company prepares the document prepared by specified operator based on the Act on Prevention of Transfer of Criminal Proceeds as its risk assessment document, comprehensively and correctly identifies and assesses risks, and takes risk reduction measures such as proper notification of suspicious transactions. In addition, we continue our efforts to enhance our system through the "Anti-Money-Laundering Program," which is established annually to verify the effectiveness of our risk mitigation measures.

Elimination of Anti-Social Elements

Our organization as a whole works toward the elimination of all relationships, including transactions, with anti-social elements.

Specifically, the Group has formulated a Basic Policy on Anti-Social Forces. Executives and employees are provided with training and guidance, and each Group company works with lawyers and public administration agencies such as law enforcement to prevent transactions and interactions with anti-social elements.

Initiatives to Strengthen Customer Protection and Customer Information Management Systems

The Group considers the management of customer protection to be one of its most important management issues. The Group provides e-learning and group training every year to all officers and employees (including part-time and temporary employees) on topics such as fiduciary duty, management of customer information, abuse of a dominant bargaining position, and management of conflicts of interest. In this way, the Group ensures customer protection and conducts honest and fair corporate activities in strict compliance with laws and rules.

The Group has established a management department to centrally manage complaints in accordance with its regulations. This department receives consultations and complaints from customers, consolidates complaints received, and provides instructions and guidance to departments and branches complained about to resolve the complaints. The Compliance Conference (Management Committee) and other bodies deliberate on analysis of the details and causes of complaints and improvement measures, then report to the Board of Directors. Ongoing efforts are made for improvement under the supervision of Board of Directors. In addition, we have entered into a basic agreement with the Japanese Bankers Association, which is a "designated dispute resolution organization" under the Banking Law to conduct the financial ADR System, a procedure for resolving disputes with customers through the involvement of a third party.

Anti-Corruption Initiatives

Our Group Anti-Corruption Policy prohibits bribery of public officials, both directly and indirectly, in Japan and overseas, ensures fair and sound relationships with all stakeholders, including customers, shareholders, outsourcing partners, and business partners, and prohibits all forms of corrupt behavior, including embezzlement, breach of trust, and offering or receiving entertainment or gifts that exceed socially accepted norms.

In order to disseminate and ensure compliance with our Group Anti-Corruption Policy, the Group makes the Group Anti-Corruption Policy known to all officers and employees (including part-time and temporary employees) through e-learning and study meetings on specific cases. In addition, the Group prepares timely and accurate accounting records for all transactions, expenditures, and disposal of assets, properly maintains relevant documents, and conducts due diligence when selecting and renewing outsourcing and business partnerships.

Thanks to these efforts, there were zero disciplinary actions or dismissals for corruption in FY2024 and no fines or settlement expenses were incurred.

We also comply with laws and regulations regarding donations for political activities. We did not make any donations for political activities in FY2024.

The Internal Audit Department conducts internal audits of all departments at least once every five years, independent of the executive divisions, concerning the status of compliance with the Group Anti-Corruption Policy and compliance initiatives, and makes recommendations for correction and improvement in problem areas.

Internal Audit System

Role of Internal Auditing

The Internal Audit Department (the Group's internal audit department), verifies and evaluates the appropriateness and effectiveness of internal management systems and internal controls, including compliance and risk management, from a standpoint independent of the executive divisions, with the aim of ensuring the sound and appropriate operation of business and contributing to the achievement of management goals, and makes recommendations for correcting and improving issue points.

Group Internal Audit System

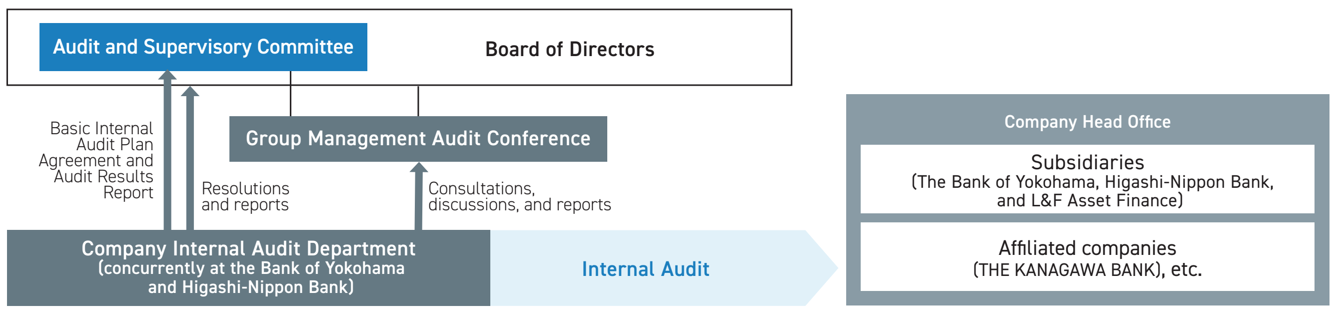
In order to ensure that internal audits can be conducted using uniform methods and standards within the Company, the Company and its subsidiaries have established the "Basic Rules for Internal Audits" to be followed when establishing policies and rules.

The members of the Internal Audit Department of the Company are generally assigned concurrently to the Internal Audit Departments of the Bank of Yokohama and Higashi-Nippon Bank. This establishes a system for efficient and effective internal audits on a group-wide basis and conducts consistent internal audits, thus strengthening the internal audit function.

The Company's Internal Audit Department establishes a mid-term basic internal audit plan and conducts internal audits of each department and consolidated subsidiary based on the basic internal audit plan formulated each fiscal year, and reports the results and the status of the executive department responses to issues to the Group Management Audit Conference, the Board of Directors, and the Audit and Supervisory Board*1 once every three months.

In order to conduct more effective internal audits, we collaborate with auditors, accounting auditors, and departments in charge of internal control functions by periodically exchanging information.

*1 The Company transitioned to a Company with an Audit and Supervisory Committee in June 2025. The Company's Internal Audit Department regularly reports the results of internal audits and the status of the executive department responses to issues to the Audit and Supervisory Committee.



Efforts to Improve Internal Audit Performance and Efficiency

In order to be forward looking in preventing the emergence of risks, which fluctuate due to changes in the internal and external environment and in order to effectively and efficiently allocate limited audit resources to audit targets, our Internal Audit Department conducts risk-based audits by assessing risks inherent in departments and operations subject to internal audits (risk assessment) and by determining audit targets, frequency, and depth according to the results. For audit areas requiring advanced expertise, we are cooperating with external institutions as needed to enhance our audit framework.

Furthermore, in order to maintain and improve the quality of audits, we are promoting the securing of diverse experts*2 and developing training plans for audit staff. In FY2024, we introduced the Continuing Professional Education (CPE) program, which provides 20 hours of continuous professional education per year, as part of our efforts to develop human resources on a planned basis and to strengthen our auditing infrastructure. (As of March 31, 2025, 52 employees (of which, 36 are men, 16 are women, and 8 are mid-career hires) belonged to this program.)

*2 Ten (10) Certified Internal Auditors (CIA), seven (7) Certified Information Systems Auditors (CISA), one (1) Certified Public Accountant (CPA), three (3) Securities Analysts, and others

Vision and KPIs of the Internal Audit Department

The Company's Internal Audit Department has adopted the vision of "supporting the achievement of management goals" set by the Board of Directors. In order to realize this vision, the Company has formulated a roadmap for enhancing the internal audit system and strengthening the auditing foundation, and regularly reports the status of progress to the Group Management Audit Conference, the Board of Directors, and the Audit & Supervisory Board*3. In addition, we have set KPIs for achieving the vision (including an increase in the percentage of qualified auditors and an increase in the number of audit-focused*4 man-hours on specific themes) and are working to achieve the vision set by the Board of Directors.

*3 The Company transitioned to a Company with an Audit and Supervisory Committee in June 2025.
*4 In FY2024, we conducted audits focusing on themes such as the status of credit risk management, the appropriateness of the cybersecurity management system, and the status of sustainability initiatives.

Customer-Focused Business Operations

Customer-Focused Business Operations Web

Action Policy

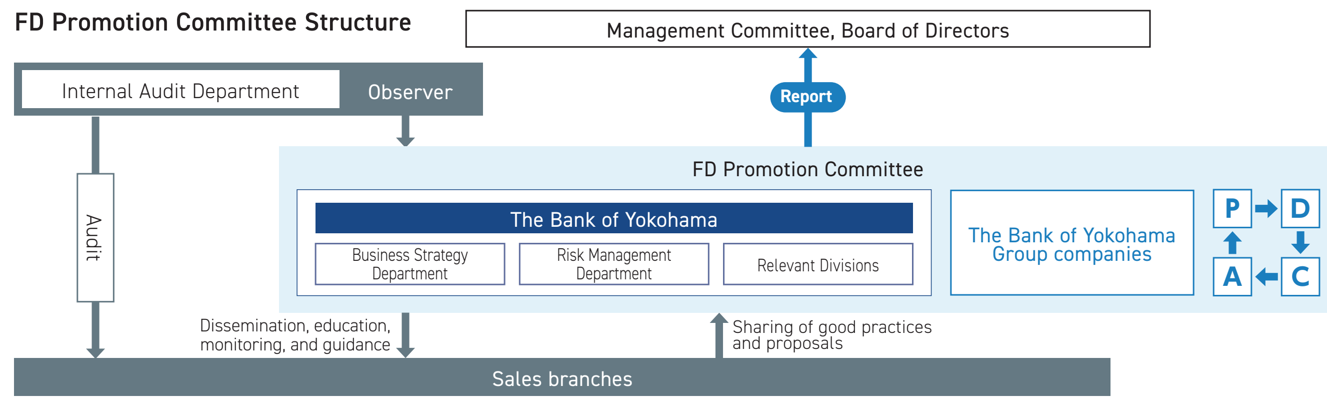
Fiduciary Duty Declaration Web

As part of our commitment to customer-oriented business operations, we have formulated and published our "Declaration of Fiduciary Duty", which was approved by the Board of Directors. The Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK have adopted an action policy based on this Declaration and are working to conduct customer-focused business operations. Please see our website for the Declaration of Fiduciary Duty.

Each group company has established a department to supervise customer-oriented business operations and a risk management department. The supervising departments oversee overall customer-oriented business operations by formulating annual plans based on the Declaration and reporting regularly to the Management Committee etc., developing internal systems, reviewing and monitoring products and services, enhancing training, and conducting customer surveys. The risk management departments monitor customer-oriented business operations from the perspective of customer protection, ensuring the suitability of product proposals and the provision of information, ensure the suitability and sufficiency of each function through periodic reports to the Board of Directors, and provide guidance for relevant departments. In addition, the Board of Directors of the Group supervises the efforts of each Group company. In addition to complying with all applicable laws, regulations, and rules in the sale of financial products, we will solicit business appropriately in accordance with the solicitation policies set forth by each company and comply with relevant laws, ordinances, etc. concerning the protection of customers' personal information and work in accordance with the policies set by the company.

In order to steadily implement customer-oriented business operations based on the Declaration, the Bank of Yokohama Group has established an FD Promotion Committee at the Bank's head office to evaluate and confirm the status of the implementation of its fiduciary duty and to hold cross-organizational discussions and considerations regarding necessary responses and improvement measures.

FD Promotion Committee Structure



External Evaluation of Customer-Oriented Initiatives

R&I Customer-Focused Financial Sales Company Evaluation Web

The Bank of Yokohama has been recognized for its efforts in selling customer-focused financial instruments, and in July 2025, the Bank received an "SS rating" in the "R&I Customer-Focused Financial Sales Company Evaluation" published by Rating and Investment Information Inc. (R&I), which is a credit rating agency.

Key points of R&I's evaluation of the Bank of Yokohama (excerpts from the evaluation report)

1. **Formulation and publication of policies, etc. related to customer-oriented business operations**
   Customer-oriented business operation (Fiduciary Duty: FD) is positioned as an important management issue. In April 2024, the FD Promotion Committee was established to strengthen the efforts of the entire Group. Management is more deeply involved in understanding the status of efforts and considering solutions to issues. The Bank's policy on FD includes the newly included concept of providing "true benefit to customers," and continues to set detailed action plans and implement the PDCA cycle steadily.
2. **Pursuit of customers' best interests**
   Skill improvements are made with an accurate grasp of proposal skills of each sales representative according to their level of proficiency. Efforts are focused on further improving the quality of proposals by sales staff by introducing contents in which they can learn new market explanatory materials, basic knowledge of investment, and proposal points. The most recent customer survey confirmed that customer satisfaction of sales representatives' explanatory skills has increased.
3. **Sales policy formulation and sales of financial instruments**
   The sale of financial products shall be on a "long-term, diversified, and funded" basis. It aims to share the "purpose" of the fund management with its clients through a goal-based approach and propose a portfolio that contributes to the formation of assets over the medium to long term based on core and satellite strategies. In recent years, careful after-sales follow-ups have been conducted, mainly for customers with long-term unrealized losses. Clients are provided with information to help them review their investment policies, improve their profit and loss situation, and build relationships of trust.
4. **Ensuring product governance**
   Based on the rules set within the bank, investment trusts and insurance products are selected and regularly monitored. In addition, information from external evaluation organizations is also utilized to improve the product lineup. The effectiveness of product governance is enhanced by incorporating 2-line and 3-line verification of proposals and audits into the PDCA cycle in this selection and monitoring, and by reviewing the product and sales management systems.
5. **Appropriate motivational framework and other initiatives for employees**
   In line with the start of the New Medium-term Management Plan, the basic policy was to set targets by accumulating various measures for the realization of FD. For performance evaluation, an evaluation system that emphasizes the balance of assets and the expansion of accumulated investment has been established. The ratio of revenue to total valuation has declined significantly compared to the previous year. Regarding the items constituting personnel evaluations, the system was revised to further strengthen the customer-oriented attitude, such as by maximizing the ratio of evaluations on FD practices.

Group Non-Financial Data

* Unless otherwise specified, figures for CFG are totals for the Concordia Financial Group and its main subsidiaries, the Bank of Yokohama and the Higashi-Nippon Bank. In addition, CFG and the combined total from FY2023 onwards include figures for THE KANAGAWA BANK.

Environment

Amount of energy used

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Municipal gas	1,000m³	329	332	385
Fuel oil	KL	2	1	1
Kerosene	KL	3	2	4
Diesel fuel	KL	0	4	0
Gasoline	KL	266	268	269
Electricity	1,000KWh	38,120	37,058	35,543
Steam	GJ	11,060	11,341	11,304
Hot water	GJ	42	46	36
Cold water	GJ	16,654	17,793	16,821

* Energy consumption excluding gasoline is calculated for the domestic sites of the entire Group, including the Concordia Financial Group and all of its consolidated subsidiaries.
* Third-party verification of energy consumption has been obtained. See P. 105 for details.

Resources & Waste

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Total water consumption *1	m³	65,360	67,513	67,648
Cooling water inflow*2	m³	15,145	16,163	14,455
Paper purchases *3	t	232.5	227.4	216.7
Of which, eco-friendly paper *3	t	150.7	198.6	193.4
Waste generated *4	t	751.5	848.4	848.8
Of which, amount of final disposal *4	t	75.2	77.8	77.1
Of which, amount recycled *4	t	676.3	770.6	771.7

*1 Figures for the Bank of Yokohama are compiled from its head office and business centers, figures for the Higashi-Nippon Bank from its business centers, and figures for THE KANAGAWA BANK from its head office.
*2 For the Bank of Yokohama, the figures for business centers are tabulated.
*3 Figures for the Bank of Yokohama are compiled from its head office, Tokyo, and business centers, figures for the Higashi-Nippon Bank from its head offices (locations in the Tokyo Nihonbashi Tower and the Bank of Yokohama head office) and business centers, and figures for THE KANAGAWA BANK from its head office.
*4 Figures for the Bank of Yokohama and for the Higashi-Nippon Bank are compiled from their head offices (locations in the Tokyo Nihonbashi Tower and the Bank of Yokohama head office), business centers, Osaki Branch Office and 24 other locations, and figures for THE KANAGAWA BANK from its head office.

Greenhouse Gas (GHG) Emissions

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Scope 1 (direct emissions)	t-CO_2	843	782	885
Scope 2 (indirect emissions)	t-CO_2	6,804	3,500	2,618
Scope 3	t-CO_2eq	81,931	91,712	93,656
Of which, Category 1 (purchased products and services)	t-CO_2eq	48,619	54,520	56,395
Of which, Category 2 (capital goods)	t-CO_2eq	20,487	25,610	23,650
Of which, Category 3 (fuel and energy-related activities not included in Scope1 and 2)	t-CO_2eq	3,672	3,651	3,560
Of which, Category 4 (transportation, shipping - upstream)	t-CO_2eq	4,778	3,334	5,198
Of which, Category 5 (waste from operations)	t-CO_2eq	959	917	966
Of which, Category 6 (business travel)	t-CO_2	784	816	846
Of which, Category 7 (commuting)	t-CO_2	2,101	2,310	2,490
Of which, Category 8 (leased assets - upstream)	t-CO_2	525	540	539
Total emissions (Scopes 1, 2)	t-CO_2	7,648	4,283	3,504
Total emissions (Scopes 1, 2, 3)	t-CO_2eq	89,581	95,995	97,162

* The scope of calculation for Scope 1 and Scope 2 covers the domestic locations of the entire Group, including the Concordia Financial Group and all of its consolidated subsidiaries.
* For Scope 2 calculations, CO2 emissions are calculated as 0 for the portion of real renewable electricity use.
* The scope of calculation for Scope 3 covered the domestic locations of the Concordia Financial Group, the Bank of Yokohama, and the Higashi-Nippon Bank until FY2022, and included the domestic locations of THE KANAGAWA BANK from FY2023.
* Scope 3 Categories 9-14 are not applicable due to the nature of our business.
* For Scope 3 Category 15, please refer to P. 103.
* GHG emissions are verified by a third party. See P. 105 for details.

Governance

Corporate Governance

<Concordia Financial Group>

Item	Unit	FY2022	FY2023	FY2024
Number of Directors		7	8	8
Of which, number of outside directors		3	3	3
Number of Audit & Supervisory Board Members		5	5	5
Of which, number of outside members of Audit & Supervisory Board		3	3	3
Number of female directors *5		1	1	1
Proportion of female board members	%	16.7	15.4	15.4
Average attendance rate for Board of Directors meetings	%	97.6	99.4	97.9

*5 Including outside directors.

<The Bank of Yokohama, the Higashi-Nippon Bank, THE KANAGAWA BANK *6>

Item	Unit	FY2022	FY2023	FY2024
		Total	Total *6	Total *6
Number of Directors		14	21	21
Of which, number of outside directors		2	3	3
Number of female directors *7		1	1	1
Average attendance rate for Board of Directors meetings	%	100.0	99.6	100.0

*6 Up until FY2022, figures represented the Bank of Yokohama and the Higashi-Nippon Bank, but figures for FY2023 and FY2024 include THE KANAGAWA BANK.
*7 Including outside directors.

Compliance

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Number of customer consultations	Cases	5,834	7,824	5,295
Of which, telephone consultations	Cases	4,645	6,363	4,242
Complaints	Cases	1,745	1,524	1,191
Inquiries	Cases	2,900	4,839	3,051
Of which, number of Customer's Voices cards received	Cases	60	51	41
Of which, number of Customer Voices received on website	Cases	1,129	1,410	1,012
Complaints	Cases	587	691	437
Requests	Cases	426	589	455
Compliments	Cases	49	57	55
Others	Cases	67	73	65
Number of internal and external reports received (on hotline)	Cases	37	22	22

Society

Human capital (diversity, etc.)

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Number of employees		5,296	5,529	5,645
Of which, number of female employees		2,441	2,553	2,633
Proportion of female employees	%	46.1	46.2	46.6
Number of temporary and interim employees, and number of overseas local personnel hired		3,314	3,387	3,293
Average age		40.3	40.6	40.3
Average number of years of service	Years	16.6	16.7	16.2
Of which, average years of employment (male)	Years	18.0	18.0	17.4
Of which, average years of employment (female)	Years	14.7	15.0	14.8
Average annual salary	¥1,000	7,510	7,748	7,782
Average monthly salary	¥1,000	462	480	488
Wage differential between men and women (all workers) *8	%	50.3	49.7	48.9
Of which, full-time employees	%	68.5	66.6	69.1
Of which, part-time and fixed-term-contract workers	%	64.9	66.6	62.3
Proportion of unionized employees	%	82.0	81.1	80.7
Personnel hired		171	246	436
Of which, number of women hired		90	118	201
Total number of new graduates hired		144	181	304
Of which, number of women hired		76	82	135
Total number of mid-career hires *9		27	65	132
Of which, number of women hired		14	36	66
Number of persons using the reemployment system *10		1,040	1,120	1,115
Employment rate of persons with disabilities *11	%	2.53	2.65	2.54
Number of employees retiring for personal reasons		262	240	203
Proportion of employees retiring for personal reasons	%	4.5	4.1	3.4
Number of managers *12		1,622	1,795	1,229
Of which, number of female managers		266	313	253
Percentage of female managers *12	%	16.4	17.4	20.6
Total number of managers *12		2,975	3,265	3,437
Of which, number of female managers		1,038	1,196	1,329

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Percentage of female managers *12	%	34.9	36.6	38.7
Average number of days of paid leave taken	Days	15.5	14.8	14.4
Average rate of utilization of paid leave	%	79.7	76.1	74.9
Percentage of employees taking childcare leave (men) *13	%	113.8	111.7	104.5
Average number of days of childcare leave taken (men)	Days	11.6	6.1	15.2
Percentage of employees taking childcare leave (women) *14	%	102.4	101.7	108.7
Percentage of employees taking childcare leave (men and women)	%	107.7	106.3	106.0
Number of employees taking nursing care leave		2	1	0
Percentage of employees using the reduced working hour system *15	%	27.6	27.7	25.3
Average working hours above legally set working hours (or average overtime hours)	Hours/month	11 hours 48 minutes	11 hours 56 minutes	11 hours 59 minutes
Employee attitude survey *16	Points	3.28	3.37	3.40
Number of work accidents	Cases	67	93	78

* 8 Average annual wages for part-time and fixed-term-contract workers and those who work reduced hours are calculated by converting the number of employees into equivalent full-time employees with regular working hours.
* 9 Includes employees changed to bank employees.
*10 Headcount of senior staff and re-employed part-time workers at the end of the period.
*11 Due to the special recognition of affiliated companies, calculations for the Bank of Yokohama include the figures for Hamagin Business Challenged (special subsidiary) and as affiliated companies, Hamagin Research Institute, Hamagin Finance, and Hamagin TT Securities.
*12 The Bank of Yokohama's calculations do not include seconded employees, while the calculations for the Higashi-Nippon Bank and THE KANAGAWA BANK include seconded employees in the company from which they are seconded (excluding employees on leave of absence). As for managers, only those with subordinates have been included since FY2024.
*13 Percentage of male employees taking childcare leave (%) = Number of male employees who took (started) childcare leave (in the relevant fiscal year)/Number of male employees with spouse giving birth (in the relevant fiscal year) x100.
*14 Percentage of female employees taking childcare leave (%) = Number of female employees who took (started) childcare leave (in the relevant fiscal year)/Number of female employees giving birth (in the relevant fiscal year) x100.
*15 Shorter working hour system utilization rate (%) = System users at end of fiscal year/Men and women with preschool children x 100 (Employees on leave or assignment are not included.)
*16 Evaluation on a 5-point scale (5 being the highest). The figures for FY2022 are the weighted average of the Bank of Yokohama and the Higashi-Nippon Bank and the figures for FY2023 and FY2024 are the weighted average of the Bank of Yokohama, the Higashi-Nippon Bank, and THE KANAGAWA BANK.

Human capital (Human resource development)

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Number of people using the bank's internal recruitment system		147	138	147
Number of job titles or employment types changed (bank employee change)		9	21	19
Number of job titles or employment types changed (course change)		36	25	21
Annual training expenses	¥ million	84	124	202
Total training hours per year	Hours	97,567	95,762	139,213
Average training hours per person	Hours	19.8	19.8	25.1
Number of training participants (total)		7,440	8,658	12,964

Social Contribution Activities

Item	Unit	FY2022	FY2023	FY2024
		CFG		
Social contribution activity expenditures	¥1,000	100,051	205,210	136,726
Of which, donations to non-profit organizations	¥1,000	41,139	39,765	24,009
Number of financial education course participants *17		53,921	81,812	103,119

*17 The number of participants in various financial seminars, work experience programs, and on-site classes, as well as the number of visitors (users) to the websites "Hamagin Money Classroom" and "Higashi-Nippon Bank Money Classroom" are aggregated.

ESG Information

External evaluation

MSCI ESG Ratings

We have received an AAA, the highest rating, as our MSCI ESG Rating*, which analyzes and evaluates the degree to which a company manages environmental, social, and governance risks.

* THE USE BY Concordia Financial Group, Ltd. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Concordia Financial Group, Ltd. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

CDP

We received a "B" score in the CDP* 2024 climate change survey.

* An organization that requests companies to disclose information about their greenhouse gas emissions and their efforts to address climate change

ESG Finance Awards Japan

At the 6th ESG Finance Awards Japan, we received the Bronze Award in recognition of our contribution to the decarbonization of local communities through the Hamagin Carbon Offset Linked private placement bond "Yokohama Zero" and our commitment to strengthening collaboration with other regional banks.

D&I Award 2024

We received the highest rank "Best Workplace" in the "D&I Award 2024," a certification system that evaluates corporate diversity and inclusion by JobRainbow Co., Ltd.

Excellent Health Management Corporation

The Bank of Yokohama has been certified as a "Health Management Excellent Corporation 2025 - White 500", and the Higashi-Nippon Bank as a "Health Management Excellent Corporation 2025" in the Large Corporations category of the "Health Management Excellent Corporations Certification System" established by the Ministry of Economy, Trade and Industry and the Japan Health Council.

Platinum Kurumin, Kurumin

The Bank of Yokohama has been certified by the Ministry of Health, Labour and Welfare as "Platinum Kurumin" and Higashi-Nippon Bank as "Kurumin," as defined by the Act on Advancement of Measures to Support Raising Next-Generation Children.

Eruboshi

The Bank of Yokohama has acquired the third level of "Eruboshi" (L Star) certification, which is granted to companies that have formulated and submitted a general business owner action plan and that meet certain requirements, such as excellent implementation of measures to promote women's activities.

PRIDE Index 2024

We received the highest rating of "Gold" in the "Pride Index 2024," which evaluates the company's commitment to LGBTQ+ and other sexual minorities from the voluntary organization "work with Pride."

R&I Customer-Focused Financial Sales Company Evaluation

The Bank of Yokohama has received an "SS rating" in the "R&I Customer-Focused Financial Sales Company Evaluation" published by Rating and Investment Information Inc., which is a credit rating agency.

DX Certified Enterprises

Our company has been certified as "DX Certified Enterprises" in the "DX (Digital Transformation) Certification System" established by the Ministry of Economy, Trade and Industry (METI).

Japan Federation of IT Organizations Cyber Index Corporate Survey 2024

The Company has received a "one star" rating in the Japan Federation of IT Organizations Cyber Index Corporate Survey 2024 for its excellent initiatives and information disclosure.

Participation in Initiatives

The Group participates in and endorses various initiatives to fulfill its social responsibilities as a financial institution, to meet the demands of the international community and to contribute to the attainment of a sustainable society.

PFA21 Principles for Financial Action for the 21st Century
TCFD
インパクト志向金融宣言 Japan Impact-driven Financing Initiative
GX League
PCAF
TNFD Forum Member
Keidanren Initiative for Biodiversity Conservation

Inclusion in ESG Indexes (as of June 30, 2025)

GPIF Selected Indexes

- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- S&P/JPX Carbon Efficient Index
- 2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
- 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

FTSE4Good

2025 Sompo Sustainability Index

*THE INCLUSION OF Concordia Financial Group, Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Concordia Financial Group, Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Consolidated Financial Statements

Concordia Financial Group

Consolidated Balance Sheet

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
ASSETS:			
Cash and due from banks (Notes 3, 13, and 28)	¥ 4,445,659	¥ 4,133,789	$ 29,730,886
Call loans and bills bought (Note 28)	30,939	33,629	206,912
Monetary claims bought (Note 5)	27,830	33,286	186,117
Trading assets (Note 4)	1,517	1,730	10,150
Money held in trust	8,399	—	56,174
Securities (Notes 5, 13, and 28)	2,922,081	2,947,434	19,541,773
Loans and bills discounted (Notes 7, 13, and 28)	16,745,606	16,602,619	111,988,275
Foreign exchanges (Notes 7 and 8)	20,835	24,573	139,339
Lease receivables and investment assets (Note 27)	75,442	78,003	504,532
Other assets (Notes 9 and 13)	296,702	323,922	1,984,232
Property, plant and equipment (Note 10)	167,705	168,068	1,121,550
Intangible assets (Note 11)	18,156	18,946	121,421
Net defined benefit asset (Note 18)	65,692	61,192	439,326
Deferred tax assets (Note 26)	1,577	983	10,550
Customers' liabilities for acceptances and guarantees (Note 12)	47,927	37,419	320,522
Allowance for loan losses	(82,935)	(83,889)	(554,639)
TOTAL	¥24,793,138	¥24,381,712	$165,807,120
LIABILITIES:			
Deposits (Notes 13, 14, and 28)	¥20,412,965	¥19,974,124	$136,514,181
Negotiable certificates of deposit (Note 28)	246,890	353,370	1,651,107
Call money and bills sold (Note 28)	106,519	217,080	712,364
Payables under repurchase agreements (Note 13)	73,351	115,423	490,544
Payables under securities lending transactions (Notes 13 and 28)	85,077	80,481	568,966
Trading liabilities (Note 4)	6	12	41
Borrowed money (Notes 13, 15, and 28)	2,089,351	2,021,582	13,972,792
Foreign exchanges (Note 8)	1,024	704	6,851
Bonds payable (Note 16)	20,000	40,000	133,752
Due to trust account	46,566	41,729	311,418
Other liabilities (Note 17)	342,992	178,157	2,293,806
Provision for bonuses	5,851	4,962	39,136
Provision for directors' bonuses	56	51	379
Provision for share-based compensation	602	313	4,027
Net defined benefit liability (Note 18)	957	910	6,405
Provision for reimbursement of deposits	1,864	2,278	12,471
Provision for contingent losses	1,496	1,483	10,007
Reserves under special laws	29	29	196
Deferred tax liabilities (Note 26)	850	10,571	5,688
Deferred tax liabilities for land revaluation	16,162	16,256	108,087
Acceptances and guarantees (Note 12)	47,927	37,419	320,522
Total liabilities	23,500,544	23,096,944	157,162,740
EQUITY (Notes 18 and 19):			
Capital stock – common stock – authorized, 3,000,000 thousand shares in 2025 and 2024; issued, 1,144,616 thousand shares in 2025 and 1,177,616 thousand shares in 2024	150,078	150,078	1,003,669
Capital surplus	204,725	231,561	1,369,127
Retained earnings	839,132	784,229	5,611,802
Treasury shares – common stock – at cost, 3,128 thousand shares in 2025 and 13,471 thousand shares in 2024	(1,652)	(8,485)	(11,048)
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	44,498	69,959	297,586
Deferred gains or losses on hedges	469	549	3,139
Revaluation reserve for land	34,657	36,381	231,776
Foreign currency translation adjustment	1,696	1,394	11,348
Remeasurements of defined benefit plans	14,098	13,030	94,286
Total	1,287,705	1,278,699	8,611,685
Noncontrolling interests	4,888	6,067	32,695
Total equity	1,292,594	1,284,767	8,644,380
TOTAL	¥24,793,138	¥24,381,712	$165,807,120

See notes to consolidated financial statements.

Consolidated Statement of Income

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥ 203,575	¥ 184,296	$1,361,433
Interest and dividends on securities	45,392	39,490	303,569
Interest on call loans and bills bought	1,985	2,674	13,276
Interest on receivables under securities borrowing transactions	0	—	0
Interest on due from banks	17,027	6,682	113,876
Other interest income	6,216	7,696	41,575
Trust fees	242	278	1,622
Fees and commissions	76,968	74,134	514,735
Trading income	705	697	4,721
Other operating income (Note 22)	36,624	36,622	244,933
Other income (Note 23)	10,437	21,929	69,802
Total income	399,176	374,504	2,669,542
EXPENSES:			
Interest expenses:			
Interest on deposits	30,646	19,658	204,953
Interest on negotiable certificates of deposit	689	39	4,614
Interest on call money and bills sold	8,925	4,102	59,689
Interest on payables under repurchase agreements	5,673	5,919	37,944
Interest on payables under securities lending transactions	4,305	3,757	28,793
Interest on borrowed money	5,469	5,933	36,577
Interest on bonds payable	179	296	1,198
Other interest expenses	10,280	14,423	68,750
Fees and commissions	17,291	15,933	115,636
Trading expenses	—	19	—
Other operating expenses (Note 24)	44,966	58,961	300,720
General and administrative expenses	134,127	133,552	896,991
Provision of allowance for loan losses	4,843	7,565	32,391
Other expenses (Note 25)	12,859	12,950	86,002
Total expenses	280,257	283,112	1,874,258
INCOME BEFORE INCOME TAXES	118,918	91,392	795,284
INCOME TAXES (Note 26):			
Current	37,094	22,185	248,072
Deferred	(1,246)	2,022	(8,338)
Total income taxes	35,847	24,208	239,734
NET INCOME	83,071	67,183	555,550
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(265)	(251)	(1,777)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 82,805	¥ 66,931	$ 553,773
	Yen		U.S. Dollars
PER SHARE INFORMATION (Notes 2.x and 21):			
Basic net income per share	¥71.63	¥57.16	$0.48
Diluted net income per share	71.63	57.16	0.48
Dividend on common stock	29.00	23.00	0.19

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
NET INCOME	¥ 83,071	¥ 67,183	$ 555,550
OTHER COMPREHENSIVE INCOME (Note 30):			
Valuation difference on available-for-sale securities	(25,461)	80,302	(170,277)
Deferred gains or losses on hedges	(80)	(2,908)	(539)
Revaluation reserve for land	(461)	—	(3,088)
Remeasurements of defined benefit plans	1,084	9,380	7,254
Share of other comprehensive income of entities accounted for using equity method	285	607	1,912
Total other comprehensive income (loss)	(24,633)	87,381	(164,738)
COMPREHENSIVE INCOME	¥ 58,438	¥ 154,565	$ 390,812
Comprehensive income attributable to owners of the parent	¥ 58,172	¥ 154,313	$ 389,035
Comprehensive income attributable to noncontrolling interests	265	251	1,777

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2025

	Thousands	Millions of Yen												
							Accumulated Other Comprehensive Income							
	Number of Shares of Common Stock Outstanding	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Shares	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Remeasurements of Defined Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, APRIL 1, 2023	1,174,113	¥150,078	¥247,364	¥ 8	¥741,440	¥(17,366)	¥(10,342)	¥ 3,457	¥36,360	¥ 779	¥ 3,657	¥1,155,439	¥ 5,815	¥1,161,255
Net income attributable to owners of the parent					66,931							66,931		66,931
Cash dividends,¥20.5 per share for common stock					(24,122)							(24,122)		(24,122)
Purchases of treasury shares	(10,142)					(7,096)						(7,096)		(7,096)
Disposals of treasury shares	174		4			169						173		173
Retirements of treasury shares			(15,807)			15,807						—		—
Reversal of revaluation reserve for land					(20)							(20)		(20)
Net change in the year				(8)			80,302	(2,908)	20	614	9,373	87,393	251	87,645
BALANCE, MARCH 31, 2024	1,164,144	¥150,078	¥231,561	¥ —	¥784,229	¥ (8,485)	¥ 69,959	¥ 549	¥36,381	¥1,394	¥13,030	¥1,278,699	¥ 6,067	¥1,284,767
Net income attributable to owners of the parent					82,805							82,805		82,805
Cash dividends,¥25.0 per share for common stock					(29,164)							(29,164)		(29,164)
Purchases of treasury shares	(22,657)					(20,002)						(20,002)		(20,002)
Disposals of treasury shares	0		0			0						0		0
Retirements of treasury shares			(26,836)			26,836						—		—
Reversal of revaluation reserve for land					1,261							1,261		1,261
Net change in the year							(25,461)	(80)	(1,723)	302	1,067	(25,895)	(1,179)	(27,074)
BALANCE, MARCH 31, 2025	1,141,487	¥150,078	¥204,725	¥ —	¥839,132	¥ (1,652)	¥ 44,498	¥ 469	¥34,657	¥1,696	¥14,098	¥1,287,705	¥ 4,888	¥1,292,594

	Thousands of U.S. Dollars (Note 1)												
						Accumulated Other Comprehensive Income							
	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Shares	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Remeasurements of Defined Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2024	$1,003,669	$1,548,597	$ —	$5,244,629	$(56,750)	$ 467,863	$ 3,678	$243,303	$ 9,323	$87,145	$8,551,457	$40,580	$8,592,037
Net income attributable to owners of the parent				553,773							553,773		553,773
Cash dividends, $0.17 per share for common stock				(195,039)							(195,039)		(195,039)
Purchases of treasury shares					(133,768)						(133,768)		(133,768)
Disposals of treasury shares		0			0						0		0
Retirements of treasury shares		(179,470)			179,470						—		—
Reversal of revaluation reserve for land				8,439							8,439		8,439
Net change in the year						(170,277)	(539)	(11,527)	2,025	7,141	(173,177)	(7,885)	(181,062)
BALANCE, MARCH 31, 2025	$1,003,669	$1,369,127	$ —	$5,611,802	$ (11,048)	$297,586	$ 3,139	$231,776	$11,348	$94,286	$8,611,685	$32,695	$8,644,380

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
OPERATING ACTIVITIES:			
Income before income taxes	¥ 118,918	¥ 91,392	$ 795,284
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation	12,774	13,268	85,429
Impairment loss	2,054	188	13,740
Gain on bargain purchase	—	(15,579)	—
Loss (gain) on step acquisitions	—	154	—
Share of (profit) loss of entities accounted for using equity method	(644)	2,475	(4,311)
Increase (decrease) in allowance for loan losses	(954)	2,024	(6,382)
Increase (decrease) in provision for bonuses	889	241	5,948
Increase (decrease) in provision for directors' bonuses	4	5	32
Increase (decrease) in provision for share-based compensation	288	67	1,930
Decrease (increase) in net defined benefit asset	(4,844)	(3,231)	(32,398)
Increase (decrease) in net defined benefit liability	22	29	154
Increase (decrease) in provision for reimbursement of deposits	(414)	29	(2,769)
Increase (decrease) in provision for contingent losses	12	(233)	84
Interest income	(274,197)	(240,840)	(1,833,729)
Interest expenses	66,169	54,129	442,518
Loss (gain) related to securities	10,271	27,332	68,692
Loss (gain) on money held in trust	(25)	—	(169)
Foreign exchange losses (gains)	4,476	(49,083)	29,936
Loss (gain) on disposals of non-current assets	1,208	845	8,084
Loss (gain) on return of assets from retirement benefits trust	581	—	3,892
Net decrease (increase) in trading assets	212	1,535	1,424
Net increase (decrease) in trading liabilities	(6)	(39)	(42)
Net decrease (increase) in loans and bills discounted	(142,987)	(456,361)	(956,246)
Net increase (decrease) in deposits	438,841	57,764	2,934,805
Net increase (decrease) in negotiable certificates of deposit	(106,480)	49,700	(712,098)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	67,769	(173,434)	453,214
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	15,365	63,536	102,756
Net decrease (increase) in call loans and others	8,106	66,051	54,211
Net increase (decrease) in call money and others	(152,633)	(1,732,111)	(1,020,757)
Net increase (decrease) in payables under securities lending transactions	4,595	(83,177)	30,735
Net decrease (increase) in foreign exchanges – assets	3,738	716	25,002
Net increase (decrease) in foreign exchanges – liabilities	319	245	2,140
Net decrease (increase) in lease receivables and investment assets	2,141	(3,544)	14,323
Net decrease (increase) in due to trust account	4,836	7,126	32,347
Interest and dividends received	276,765	235,233	1,850,901
Interest paid	(63,452)	(52,335)	(424,348)
Other, net	99,485	(57,678)	665,319
Subtotal	393,211	(2,193,555)	2,629,651
Income tax paid	(16,954)	(23,931)	(113,386)
Net cash provided by (used in) operating activities	¥ 376,257	¥(2,217,487)	$ 2,516,265
INVESTING ACTIVITIES:			
Purchases of securities	(879,606)	(868,067)	(5,882,478)
Proceeds from sales of securities	466,168	554,388	3,117,559
Proceeds from redemption of securities	458,781	359,646	3,068,158
Payments for increase in money held in trust	(8,397)	—	(56,162)
Purchases of property, plant and equipment	(10,175)	(9,353)	(68,049)
Proceeds from sales of property, plant and equipment	820	1,458	5,488
Purchases of intangible assets	(5,631)	(8,074)	(37,659)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 3)	—	7,630	—
Other, net	(370)	(150)	(2,476)
Net cash provided by (used in) investing activities	21,589	37,479	144,381
FINANCING ACTIVITIES:			
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(20,000)	(20,000)	(133,752)
Purchases of treasury shares	(20,002)	(7,002)	(133,769)
Proceeds from sales of treasury shares	0	99	0
Cash dividends paid	(29,164)	(24,122)	(195,039)
Cash dividends paid to non-controlling interests	(1,444)	—	(9,662)
Net cash provided by (used in) financing activities	(70,611)	(51,025)	(472,222)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(0)	0	(0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	327,234	(2,231,033)	2,188,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,025,908	6,256,941	26,923,751
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)	¥4,353,143	¥ 4,025,908	$ 29,112,175

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Concordia Financial Group, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2025

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of Concordia Financial Group, Ltd. (the "Company") and its consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, in accordance with the Enforcement Regulation for the Banking Act, and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. As permitted by the Japanese Financial Instruments and Exchange Act, amounts less than one million yen have been omitted. As a result, the totals do not necessarily agree with the sum of the individual amounts. Yen amounts, other than per share amounts, have been rounded down to millions of yen. Yen per share amounts have been rounded down to two decimal places.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.53 to U.S. $1, the rate of exchange at March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation — The consolidated financial statements include the accounts of the Company, its consolidated subsidiaries and its associates accounted for using equity method.

The number of consolidated subsidiaries as of March 31, 2025 and 2024 were 11 and 13, respectively.

In addition, The Higashi-Nippon Business Service Co., Ltd. and THE KANAGIN BUISINESS SERVICE CO.,Ltd. has been excluded from the scope of consolidation from the current fiscal year due to the liquidation.

The number of associates accounted for by the equity method as of March 31, 2025 and 2024 was four.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

The balance sheet dates of the consolidated subsidiaries are the same as the balance sheet date of the Company.

The consolidated financial statements do not include the accounts of 16 subsidiaries in 2025, and six subsidiaries in 2024, because the total assets, total income, net income, retained earnings, and accumulated other comprehensive income of these entities would not have had a material effect on the consolidated financial statements.

Name of principal companies

Yokohama Next Limited Partnership

Non-consolidated subsidiaries are excluded from the scope of consolidation since the impact of their exclusion is immaterial in making reasonable judgments concerning the Bank of Yokohama Ltd., (the "BANK") and its consolidated subsidiaries financial position and business performance in terms of assets, ordinary income, net income (amount corresponding to the Bank's equity position), retained earnings (amount corresponding to the Bank's equity position) and accumulated other comprehensive income (amount corresponding to the Bank's equity position).

The number of Non-consolidated companies, etc. even though Concordia Financial Group, Ltd. owns a majority of voting rights of those companies in its own account was 11 as of March 31, 2025.
They are not treated as subsidiaries because they are owned by subsidiaries or subsidiary corporations, etc. engaged in the investment business as business transactions for the purpose of acquiring capital gains through investment development and not for the purpose of including them in the Group.

Non-consolidated subsidiaries not accounted for using the equity method

Name of principal companies

Yokohama Next Limited Partnership

Non-consolidated subsidiaries that are not accounted for using the equity method are excluded as there is no material effect on the Group's consolidated financial statements in terms of net income (amount corresponding to the Bank's equityposition), retained earnings (amount corresponding to the Bank's equity position) and accumulated other comprehensive income (amount corresponding to the Bank's equity position).

Affiliated corporations, etc. not accounted for using the equity method

Name of principal companies

Chiba Yokohama Partnership1 Investment Limited Partnership

Affiliated corporations, etc. not accounted for using the equity method are excluded as there is no material effect on the Group's consolidated financial statements in terms of net income (amount corresponding to the Bank's equity position), retained earnings (amount corresponding to the Bank's equity position) and accumulated other comprehensive income (amount

corresponding to the Bank's equity position).

b. Trading-Purpose Transactions — "Transactions for trading purposes" (for the purpose of capturing gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market-related indices or from arbitrage opportunities) are included in "Trading assets" and "Trading liabilities" on a trade-date basis. Trading securities and monetary claims bought for trading purposes recorded in these accounts are stated at fair value and trading-related financial derivatives are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Profits and losses on transactions for trading purposes are shown as "Trading income" or "Trading expenses" on a trade-date basis.

c. Securities — Securities are classified and accounted for, depending on management's intent, as follows:

(1) Held-to-maturity debt securities, which are expected to be held to maturity with a positive intent and ability to hold to maturity, are reported at amortized cost computed using the straight-line method.

(2) Available-for-sale securities are reported at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Securities for which there is no market value are recorded at cost determined by the moving average method.

For other-than-temporary declines in fair value, securities are reduced to net realizable value by a charge to income.

The valuation difference on available-for-sale securities is included directly in accumulated other comprehensive income, net of applicable income taxes except for the amounts recognized in the profits and losses due to the application of fair value hedge.

The valuation method for securities constituting trust assets in money held in trust is the same as (1). and (2) above.

d. Property, Plant and Equipment — Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation of property, plant and equipment owned by the Group is computed mainly using the straight-line method.

The range of useful lives is from 2 to 60 years for buildings and from 2 to 20 years for equipment.

Depreciation of leased property and equipment owned by consolidated subsidiaries is calculated by the straight-line method over the lease periods.

e. Software — Cost of computer software obtained for internal use is amortized principally using the straight-line method over the estimated useful lives of 5 to 7 years.

f. Long-Lived Assets — The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Revaluation Reserve for Land — Under the "Law of Land Revaluation," The Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting revaluation reserve for land represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the consolidated statement of income. Continuous readjustment is not permitted, unless the land value subsequently declines significantly, such that the amount of the decline in value should be removed from the revaluation reserve for land account and related deferred tax liabilities.

The carrying amount of the land after the above one-time revaluation exceeded the market value by ¥30,302 million ($202,654 thousand) and ¥34,375 million as of March 31, 2025 and 2024, respectively.

h. Deferred Charges — Bond issue expenses are recognized as expense when incurred.

i. Allowance for Loan Losses — Allowance for loan losses of major consolidated subsidiaries is provided based on the following categories of borrowers in accordance with the policy and guidelines for write-offs and provisions.

Legal bankruptcy: borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings

Virtual bankruptcy: borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation

Possible bankruptcy: borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy in the future

In need of special caution: borrowers in need of caution whose debts consist, in whole or in part, of substandard loans (accruing loans contractually past due for three months or more and restructured loans)

In need of caution: borrowers requiring careful management in the future, e.g., those with problematic loan terms and repayment conditions or those with weak or unstable business conditions

Normal: borrowers with good business conditions and no particular financial issues identified

(1) For claims to borrowers who are in the "Legal bankruptcy" category and "Virtual bankruptcy" category, the allowance for loan losses is provided based on the amounts of claims, after the write-off described below, net of the expected amounts of recoveries from collateral and guarantees.

(2) For claims to borrowers whose loans are classified as "Possible bankruptcy" category or "In need of special caution" category over a certain amount, for which future cash flows from the principals and interests could be reasonably estimated, the allowance for loan losses is provided for the difference between the present value of expected future cash flows discounted at the initial contractual interest rate and the carrying value of the claims (the "DCF method"). In addition, for claims for which the allowance for loan losses has been provided based on the DCF method in the previous period and for which certain requirements are met during the period of the business improvement plans, the allowance for loan losses is provided using the DCF method continuously.

(3) For claims to borrowers that are in the "Possible bankruptcy" category other than (2), the allowance for loan losses is provided based on the expected credit losses over the next three years. The expected credit losses are calculated based on the carrying amount of the loans less the estimated recoverable amounts of collaterals and guarantees, multiplied by the loss ratio based on the average of the actual historical loan loss ratio over a certain period in the past with necessary adjustments such as future prospects.

(4) For claims other than the above, the allowance for loan losses is provided based on the expected credit losses over the next three years for borrowers in the "In need of special caution" category and over the next one year for borrowers in the "In need of caution" category and "Normal" category. The expected credit losses are calculated based on the carrying amount of the loans less the estimated recoverable amounts of collaterals and guarantees for borrowers in the "In need of special caution" category (for borrowers in the "In need of caution" category and "Normal" category, based on the carrying amount of the loans), multiplied by the loss ratio based on the average of the actual historical loan loss ratio over a certain period in the past with necessary adjustments such as future prospects.

Changes in accounting estimates

The allowance for loan losses for borrowers "in need of caution" was previously calculated based on the expected credit losses over the next year. However, for some borrowers that require management support, the Bank has changed the method of calculating the allowance for loan losses to one based on expected losses over the next three years, reflecting the analysis of the current loss situation and future prospects, in order to respond to the impact of future changes in the economic environment on credit risks.

For collateralized or guaranteed claims to borrowers who are in the "virtual bankruptcy" category or "legal bankruptcy" category, the amount exceeding the estimated value of collateral or guarantees has been deducted as deemed uncollectible directly from those claims. As of March 31, 2025 and 2024, the deducted amounts were ¥ 16,083 million ($107,563 thousand) and ¥ 18,585 million, respectively.

Other consolidated subsidiaries maintain allowances for possible loan losses that are provided as deemed necessary to cover expected losses based on their own experience.

j. **Provision for Bonuses** — Provision for bonuses is provided in the amount of the estimated bonuses that are attributable to each fiscal year.

k. **Provision for Directors' Bonuses** — Provision for directors' bonuses is provided in the amount of the estimated bonuses that are attributable to each fiscal year.

l. **Provision for Share-Based Compensation** — Provision for share-based compensation is provided in the amount of the estimated payment based on the stock compensation system for directors, etc. of the Company and major consolidated subsidiaries that are attributable to each fiscal year.

m. **Provision for Reimbursement of Deposits** — Provision for reimbursement of deposits that were derecognized as liabilities under certain conditions is provided for possible losses on future claims of withdrawal based on historical reimbursement experience.

n. **Provision for Contingent Losses** — Provision for contingent losses is provided for contingent losses not covered by other provisions in an amount deemed necessary based on estimated losses in the future.

o. **Reserve under Special Laws** — Reserve under special laws is provided for contingent liabilities from brokering of security transactions in accordance with Section 1 of Article 46-5 of the Japanese Financial Instruments and Exchange Act.

p. **Retirement and Pension Plans** — Major consolidated subsidiaries have contributory funded defined benefit pension plans, lumpsum payment plans, and defined contribution pension plans for employees. Other consolidated subsidiaries have lump-sum payment plans, and some of these subsidiaries have defined contribution pension plans.

Past service costs: Past service costs are amortized using the straight-line method over a certain number of year (10 years) within the average remaining service period of employees when the costs are incurred.

Major consolidated subsidiaries accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses are amortized on a straight-line basis over 10 to 15 years within the average remaining service period. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

q. **Stock Options** — Compensation expenses for employee stock options are recognized based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services in accordance with Accounting Standards Board of Japan ("ASBJ") Statement No. 8, "Accounting Standard for Stock Options". Stock options granted to nonemployees are accounted for based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as subscription rights to shares as a separate component of equity until exercised.

r. **Leases** — Finance leases that are deemed to transfer ownership of the leased property to the lessee are recognized as lease receivables, and finance leases that are not deemed to transfer ownership of the leased property to the lessee are recognized as investments in lease.

Lease revenue and lease costs are recognized over the lease period.

s. **Income Taxes** — The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

t. **Translation of Foreign Currencies** — Assets and liabilities denominated in foreign currencies and accounts of overseas branches held by the Group are translated at exchange rates prevailing as of the balance sheet date.

u. **Derivatives and Hedging Activities** — Derivative financial instruments are classified and accounted for as follows: (a) all derivatives, except those entered into for hedging purposes, are recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the statement of income or (b) for derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of a high correlation and effectiveness between the hedging instruments and the hedged items, the gains or losses on the derivatives are deferred until maturity of the hedged transactions (deferral hedge accounting).

Consolidated banking subsidiaries apply deferral hedge accounting based on the rules of the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24 for interest rate derivatives to manage interest rate risk from various financial assets and liabilities as a whole. Under these rules, the effectiveness of a fair value hedge is assessed by an identified group of hedge deposits, loans, and similar instruments and by a corresponding group of hedging instruments, such as interest rate swaps in the same maturity category. Also, under these rules, the effectiveness of cash flow hedges is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

Consolidated banking subsidiaries apply deferral hedge accounting based on the rules of the JICPA Industry Audit Committee Report No. 25 for currency swaps and funding swaps used for the purpose of currency exchange.

In addition, in order to hedge foreign exchange risk for securities denominated in foreign currencies (except for bonds) identified as hedged items in advance, fair value hedge is applied as portfolio hedge as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged securities denominated in foreign currencies.

v. **Cash and Cash Equivalents** — For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash and due from the Bank of Japan.

w. **Cash Dividends** — Cash dividends charged to retained earnings are dividends paid during the year and represent year-end dividends for the preceding year and interim dividends for the current fiscal year.

x. **Per Share Information** — Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

y. **Application of Japanese Group Tax Sharing System** — The Company and major consolidated subsidiaries have applied Japanese Group Tax Sharing System.

z. **Significant Accounting Estimates** — Items for which amounts are recorded in the consolidated financial statements for the current fiscal year based on accounting estimates that may have a significant effect on the consolidated financial statements for the next fiscal year are as follows:

Allowance for loan losses: ¥ 82,935 million ($554,639 thousand) and ¥83,889 million as of March 31, 2025 and 2024, respectively. The Group calculates the amount of allowance for loan losses as described in Note 2, "Summary of Significant Accounting Policies, i. Allowance for Loan Losses." and uses the following key assumptions in recognizing the amount.

- Future prospects of borrowers in determining the borrower classification based on their status and business improvement plans,

- Estimation of disposable amounts of real estate collaterals in the future based on the past results,
- Prospects for the collection of principal and interest of receivables based on the current performance under the cash flow estimation method, and
- Future prospects based on long-term historical results and trends to be taken into account in making necessary adjustments to the loss rate based on the historical average in calculating the expected credit losses.

Since the consolidated fiscal year ended March 31, 2021, with respect to borrowers in certain industries whose financial position and future business activities have been significantly affected by COVID-19 (hereinafter, "Specified Industries"), the Bank has calculated the amount of expected credit losses with additional necessary adjustments in the case of the possibility of future deterioration in cash flows, taking into account the uncertainty of future prospects and credit risk. For the current consolidated fiscal year, a certain period of time has passed since the reclassification of COVID-19 into Category 5 under the Infectious Diseases Control Law, and the subsequent performance of the borrowers has been reflected in the determination of borrower classification. Accordingly, the Bank has judged that uncertainty in future prospects of the Specified Industries under the determination of borrower classification has been decreasing. Based on the above, the Bank does not make additional adjustments to the amount of expected credit losses for borrowers in the Specified Industries from the current consolidated fiscal year.

Accounting Standards Issued but Not Yet Effective

ASBJ issued the " Accounting Standard for Leases" (ASBJ Statement No. 34,September 13, 2024) and " Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024). In addition, other related guidance, including Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance were revised by ASBJ.

(a) Overview

These standards and guidance prescribe the accounting treatment whereby lessees are required to recognize assets and liabilities for all leases in the same manner as accounting principles generally accepted internationally.

(b) Scheduled date of adoption

The Company expects to adopt these accounting standards from the beginning of the fiscal year ending March 31, 2028.

(c) Impact of adopting the implementation guidance

The Company is currently evaluating the impact of adopting these accounting standards on its consolidated financial statements.

Additional Information

(Stock compensation system that utilizes trusts)

(1) Outline of Transactions

The Company introduced a stock compensation system that utilizes trusts (the "System") for the purpose of sharing interests with its shareholders and boosting the motivation to promote the sustainable growth of the Company group as a whole and to enhance corporate value over the medium to long term.

The System applies to the directors (excluding outside directors and non-executive directors) and the executive officers of the Company and major consolidated subsidiaries. In the System, the Company entrusts the trust bank with cash to the extent approved by resolution at the general meeting of shareholders of the Company, combined with the cash contributed by the subsidiaries to the extent approved by resolution at the general meeting of shareholders of the subsidiaries, and creates the trust in which the beneficiaries are directors, etc. who satisfy the beneficiary requirements. The trust acquires shares of the Company from the stock market by using the cash entrusted as the source of financing.

During the trust period, beneficiaries receive: a certain number of points that are awarded in accordance with the respective stock-granting rules of each company; shares of the Company that are granted in the number accounting for a certain ratio of the number of such points; and cash in the amount equivalent to the conversion value of shares of the Company corresponding to the number of remaining points after the conversion of the shares in accordance with the provisions of the trust agreement.

Under the System, two types of trusts are created. One type is the trust which executes the granting or payment (the "Granting, etc.") of shares of the Company and cash in the amount equivalent to the conversion value of the Company shares (the "Shares of the Company, etc.") after the retirement of directors, etc. according to their respective job positions, and the other type is the trust which executes the Granting, etc. of the Shares of the Company, etc. after the end of the medium-term management plan period according to the extent to which performance targets of the medium-term management plan have been fulfilled.

(2) Shares of the Company Residing in the Trust

Shares of the Company residing in the trust are recognized as treasury shares in equity at the carrying amounts in the trust. The carrying amounts of such treasury shares as of March 31, 2025 and 2024, were ¥1,037 million ($6,937 thousand) for 2,425 thousand shares and ¥1,037 million for 2,425 thousand shares, respectively.

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" in the consolidated statement of cash flows and "Cash and due from banks" in the consolidated balance sheet as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Cash and due from banks	¥4,445,659	¥4,133,789	$29,730,886
Interest-bearing deposits included in due from banks (other than due from the Bank of Japan)	(92,515)	(107,881)	(618,711)
Cash and cash equivalents	¥4,353,143	¥4,025,908	$29,112,175

4. TRADING ASSETS AND LIABILITIES

Trading assets and liabilities as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Trading assets:			
Trading securities	¥1,452	¥1,651	$ 9,711
Trading-related financial derivatives	65	79	439
Total	¥1,517	¥1,730	$10,150
Trading liabilities — trading-related financial derivatives	¥ 6	¥ 12	$ 41

5. SECURITIES

Securities as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Japanese national government bonds	¥ 322,468	¥ 204,960	$ 2,156,548
Japanese local government bonds	1,053,129	1,076,520	7,042,932
Japanese corporate bonds	410,825	457,249	2,747,445
Japanese corporate stocks	218,677	230,447	1,462,430
Other securities	916,980	978,256	6,132,418
Total	¥2,922,081	¥2,947,434	$19,541,773

The carrying amounts and aggregate fair value of securities and monetary claims bought as of March 31, 2025 and 2024, were as follows:

	Millions of Yen			
March 31, 2025	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 97,449	¥108,497	¥ 1,275	¥204,670
Debt securities	951,394	231	35,505	916,120
Other securities	857,810	30,005	41,969	845,846
Held-to-maturity	876,420	29	43,033	833,416

	Millions of Yen			
March 31, 2024	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 99,162	¥123,737	¥ 930	¥ 221,970
Debt securities	877,021	749	16,975	860,795
Other securities	932,286	35,068	45,490	921,864
Held-to-maturity	883,529	378	15,691	868,217

	Thousands of U.S. Dollars			
March 31, 2025	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 651,703	$725,591	$ 8,532	$1,368,762
Debt securities	6,362,569	1,551	237,451	6,126,669
Other securities	5,736,708	200,668	280,678	5,656,698
Held-to-maturity	5,861,170	196	287,791	5,573,575

The above balances do not include non-listed shares and equity investments in non-consolidated subsidiaries and associates, accounted for by the equity method or the cost method, of ¥85,776 million ($573,644 thousand) and ¥68,357 million as of March 31, 2025 and 2024, respectively. "Other securities" includes monetary claims bought whose fair value can be reliably determined, of ¥6,754 million ($45,169 thousand) and ¥9,081 million as of March 31, 2025 and 2024, respectively.

Information on available-for-sale securities which were sold during the years ended March 31, 2025 and 2024, was as follows:

	Millions of Yen		
March 31, 2025	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 9,472	¥6,024	¥ 79
Debt securities	298,737	50	3,155
Other securities	125,196	1,863	5,161
Total	¥433,406	¥7,939	¥8,396

	Millions of Yen		
March 31, 2024	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 4,058	¥1,727	¥ 9
Debt securities	341,554	1,363	4,060
Other securities	231,392	1,283	16,406
Total	¥577,004	¥4,374	¥20,476

	Thousands of U.S. Dollars		
March 31, 2025	Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	$ 63,350	$40,292	$ 534
Debt securities	1,997,841	337	21,101
Other securities	837,265	12,466	34,516
Total	$2,898,456	$53,095	$56,151

Impairment losses on securities whose fair value can be reliably determined, other than trading securities, for the year ended March 31, 2025, was ¥443 million ($2,963 thousand), which consisted of ¥ 383 million ($2,565 thousand) for equity securities and ¥ 59 million ($398 thousand) for debt securities.

Impairment losses on securities whose fair value can be reliably determined, other than trading securities, for the year ended March 31, 2024, was ¥120 million, which consisted of ¥120 million for debt securities.

Securities also include corporate stocks and investments in unconsolidated subsidiaries and affiliates, which totaled ¥20,625 million ($137,934 thousand) and ¥16,093 million as of March 31, 2025 and 2024, respectively.

Japanese national government bonds and others as of March 31, 2025 and 2024, included bonds of ¥40,562 million ($271,266 thousand) and ¥102,337 million , respectively, which were being rented to third parties without collateral under lending contracts.

The amount of guarantee obligations for privately-placed bonds (Paragraph 3 of Article 2 of the Financial Instruments and Exchange Act) included in securities as of March 31, 2025 and 2024, was ¥73,658 million ($492,599 thousand) and ¥75,864 million, respectively.

6. Money Held in Trust

(1) Money Held in Trust for Trading Purposes
Not applicable for 2025.

(2) Money Held in Trust for Held to Maturity Purposes
Not applicable for 2025.

(3) Money Held in Trust for Other Purposes

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Acquisition Cost	¥ 8,423	—	$ 56,331
Consolidated Balance Sheet Amount	8,399	—	56,174
Valuation Differences	(23)	—	(157)
Gains	—	—	—
Losses	23	—	157

7. LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Bills discounted	¥ 15,909	¥ 27,749	$ 106,397
Loans on bills	265,677	285,205	1,776,747
Loans on deeds	15,093,167	14,947,702	100,937,387
Overdrafts	1,370,852	1,341,961	9,167,744
Total	¥16,745,606	¥16,602,619	$111,988,275

Claims in accordance with the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. The claims are included in corporate bonds in "Securities" (limited to those issued in private placement of securities prescribed in Section 3 of Paragraph 2 in the Financial Instruments and Exchange Act, and those with wholly or partially guaranteed redemption of the principal and payment of the interest), loans and bills discounted, foreign exchanges, accrued interest and advances in "Other assets" and customers' liabilities for acceptances and guarantees in the consolidated balance sheet, and securities loaned (limited to those under a loan for use or lease contract) provided in the notes.

Bankrupt or De facto bankrupt are those claims that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings or submission of an application to start rehabilitation proceedings and quasi-loans. The loans and bills discounted include "Bankrupt or De facto bankrupt" totaling ¥ 57,384 million ($383,763 thousand) and ¥60,127 million as of March 31, 2025 and 2024, respectively.

Doubtful claims are those claims with a strong likelihood that claim principals cannot be recovered and interest cannot be received according to the contract because of difficulties in the financial conditions and business performance of debtors who are not yet legally bankrupt, excluding those claims classified as Bankrupt or De facto bankrupt. Doubtful claims were ¥ 152,796 million ($1,021,848 thousand) and ¥161,600 million as of March 31, 2025 and 2024, respectively.

Loans past due over three months are those loans for which principal or interest payments are more than three months past due (calculated from the day following the contractual payment date), excluding loans classified as Bankrupt or De facto bankrupt and Doubtful claims. Loans past due over three months were ¥ 4,742 million ($31,718 thousand) and ¥ 4,522 million as of March 31, 2025 and 2024, respectively.

Restructured loans are those loans whose terms have been modified by reducing or waiving interest, granting interest payment extensions, granting principal repayment extensions, forgiving debt, or otherwise providing some arrangements favorable to the borrower in connection with the borrower's business restructuring or to otherwise provide support, excluding those loans classified as Bankrupt or De facto bankrupt, Doubtful claims or Loans past due three months or more.

Restructured loans were ¥9,163 million ($61,281 thousand) and ¥11,702 million as of March 31, 2025 and 2024, respectively.

The above loans are presented at the amounts prior to deduction of allowances for loan losses.

Contracts of overdraft facilities and loan commitment limits are contracts under which the Group lends to customers up to the prescribed limits in response to customer applications for loans as long as there is no violation of any condition in the contracts. As of March 31, 2025 and 2024, the amounts of unused commitments were ¥ 2,929,062 million ($19,588,462 thousand) and ¥2,756,374 million, respectively. As of March 31, 2025 and 2024, the amounts of unused commitments whose remaining contract terms were within one year were ¥1,502,205 million ($10,046,185 thousand) and ¥ 1,587,072 million, respectively.

As many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions whereby the Group can refuse customer applications for loans or decrease the contract limits for certain reasons (e.g., changes in financial situation and deterioration in customers' creditworthiness). At the inception of the contracts, the Group obtains real estate, securities, or other assets as collateral if considered to be necessary. Subsequently, the Group performs periodic reviews of the customers' business results based on internal rules and takes necessary measures to reconsider conditions in the contracts and/or require additional collateral and guarantees.

Discounting bills are treated as secured lending transactions. As of March 31, 2025 and 2024, the Group has the right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought, and their total face value was ¥15,963 million ($106,758 thousand) and ¥27,865 million, respectively.

8. FOREIGN EXCHANGES

Foreign exchanges as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Assets			
Foreign exchange bills bought	¥ 53	¥ 115	$ 361
Foreign exchange bills receivable	409	701	2,741
Due from foreign correspondent accounts	20,371	23,757	136,237
Total	¥20,835	¥24,573	$139,339
Liabilities			
Foreign exchange bills sold	¥ -	¥ 1	$ -
Foreign exchange bills payable	1,024	702	6,851
Total	¥ 1,024	¥ 704	$ 6,851

9. OTHER ASSETS

Other assets as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Accrued income	¥ 26,067	¥ 26,088	$ 174,328
Derivatives other than for trading – assets	53,207	34,755	355,833
Cash collateral paid for financial instruments	11,322	18,336	75,721
Temporary advances	72,362	76,549	483,931
Installments receivable	31,155	32,058	208,356
Other	102,587	136,134	686,063
Total	¥296,702	¥323,922	$1,984,232

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Buildings, net	¥ 60,843	¥ 59,532	$ 406,897
Land	90,950	94,569	608,240
Construction in progress	5,327	4,146	35,632
Other	10,583	9,819	7,0781
Total	¥167,705	¥168,068	$1,121,550

The accumulated depreciation of property, plant and equipment as of March 31, 2025 and 2024, amounted to ¥ 186,146 million ($1,244,877 thousand) and ¥183,964 million, respectively.

11. INTANGIBLE ASSETS

Intangible assets as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Software	¥17,785	¥18,575	$118,946
Other	370	370	2,475
Total	¥18,156	¥18,946	$121,421

12. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are presented as assets, representing the Group's rights of indemnity from the applicants.

13. ASSETS PLEDGED

Assets pledged as collateral and the related liabilities as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Assets pledged as collateral:			
Cash and due from banks	¥ 42,624	¥ 40,524	$ 285,059
Securities	1,661,419	1,585,482	11,110,942
Loans and bills discounted	1,483,567	1,722,962	9,921,534
Other	2,897	840	19,378
Relevant liabilities to above assets:			
Deposits	¥ 39,581	¥ 61,684	$ 264,706
Payables under repurchase agreements	73,351	115,423	490,544
Payables under securities lending transactions	85,077	80,481	568,966
Borrowed money	2,057,049	1,989,964	13,756,771

In addition to the above, assets pledged as collateral for transactions, such as exchange settlement transactions, or as substitute securities for initial margin on futures transactions and others were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Securities	¥37,246	¥32,356	$249,091
Other assets amounting	70,051	76,051	468,476

Additionally, initial margins of futures markets, cash collateral paid for financial instruments liabilities, and guarantee deposits on office space included in other assets were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Initial margins of futures markets	¥ 2,662	¥ 2,653	$ 17,805
Cash collateral paid for financial instruments	11,322	18,336	75,721
Guarantee deposits on office space	5,823	6,128	38,943

14. DEPOSITS

Deposits as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Current deposits	¥ 762,329	¥ 846,450	$ 5,098,174
Ordinary deposits	15,026,046	14,966,170	100,488,508
Savings deposits	213,684	222,970	1,429,038
Deposits at notice	60,183	44,270	402,487
Time deposits	3,887,318	3,492,922	25,996,912
Other deposits	463,402	401,339	3,099,062
Total	¥20,412,965	¥19,974,124	$136,514,181

15. BORROWED MONEY

As of March 31, 2025 and 2024, the weighted-average annual interest rate applicable to borrowed money was 0.22% and 0.29%, respectively.

Annual maturities of borrowed money as of March 31, 2025, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2026	¥ 363,372	$ 2,430,101
2027	596,283	3,987,716
2028	1,119,356	7,485,832
2029	3,021	20,209
2030	1,832	12,253
2031 and thereafter	5,484	36,681
Total	¥2,089,351	$13,972,792

16. BONDS PAYABLE

Bonds payable as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unsecured fixed (0.37% interest until September 2024) and floating (Libor linked interest after September 2024) subordinated bonds, payable in Japanese yen, due September 2029	¥ —	¥10,000	$ —
Unsecured fixed (0.45% interest until March 2025) and floating (Swaps mid rate linked interest after March 2025) subordinated bonds, payable in Japanese yen, due March 2030	—	10,000	—
Unsecured fixed (0.60% interest until September 2025) and floating (Swaps mid rate linked interest after September 2025) subordinated bonds, payable in Japanese yen, due September 2030	20,000	20,000	133,752
Total	¥20,000	¥40,000	$133,752

Annual maturities of bonds payable as of March 31, 2025, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2030 and thereafter	¥20,000	$133,752

17. OTHER LIABILITIES

Other liabilities as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Income taxes payable	¥ 27,474	¥ 9,529	$ 183,741
Accrued expenses	14,713	10,934	98,397
Unearned revenue	53,162	47,200	355,529
Derivatives other than for trading – liabilities	43,061	29,363	287,978
Suspense receipts	87,003	22,648	581,848
Cash collateral received for financial instruments	31,601	15,237	211,336
Other	85,976	43,243	574,977
Total	¥342,992	¥178,157	$2,293,806

18. RETIREMENT AND PENSION PLANS

Major consolidated subsidiaries have defined benefit corporate pension plans, lump-sum payment plans, and defined contribution pension plans for their employees. In addition, it is possible for major consolidated subsidiaries to pay additional retirement benefits. Major consolidated subsidiaries contribute to a retirement benefit trust to fund defined benefit corporate pension plans and lumpsum payment plans.Other consolidated subsidiaries have lump-sum payment plans, and some of these subsidiaries have defined contribution pension plans. These subsidiaries recorded their net defined benefit liability at the amount that would be required if employees retired at each balance sheet date (the "simplified method").

(1) Defined benefit plans

(a) The changes in defined benefit obligation for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥81,258	¥84,858	$543,429
Increase in changes in the scope of consolidation	—	1,532	—
Current service cost	1,726	1,930	11,549
Interest cost	1,157	995	7,739
Actuarial losses	(6,465)	(2,700)	(43,240)
Benefits paid	(5,219)	(5,444)	(34,906)
Other	85	85	569
Balance at end of year	¥72,542	¥81,258	$485,140

In the above schedule, the amount of retirement benefit plans is calculated by applying the simplified method for other consolidated subsidiaries.

(b) The changes in plan assets for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥141,541	¥128,810	$946,575
Increase in changes in the scope of consolidation	—	1,084	—
Expected return on plan assets	3,413	3,144	22,828
Actuarial losses	(3,306)	10,839	(22,114)
Contributions from the employer	1,316	1,514	8,803
Benefits paid	(3,900)	(3,938)	(26,086)
Return of assets from retirement benefits trust	(1,871)	—	(12,515)
Other	85	85	569
Balance at end of year	¥137,277	¥141,541	$918,060

(c) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Funded defined benefit obligation	¥ 71,295	¥ 80,053	$ 476,796
Plan assets	(137,277)	(141,541)	(918,060)
	(65,982)	(61,488)	(441,264)
Unfunded defined benefit obligation	1,247	1,205	8,343
Net liability (asset) arising from defined benefit obligation	¥ (64,734)	¥ (60,282)	$(432,921)

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Net defined benefit liability	¥ 957	¥ 910	$ 6,405
Net defined benefit asset	(65,692)	(61,192)	(439,326)
Net liability (asset) arising from defined benefit obligation	¥(64,734)	¥(60,282)	$(432,921)

In the above schedule, the amount of retirement benefit plans is calculated by applying the simplified method for other consolidated subsidiaries.

(d) The components of net periodic benefit costs for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Current service cost	¥ 1,726	¥ 1,930	$ 11,549
Interest cost	1,157	995	7,739
Expected return on plan assets	(3,413)	(3,144)	(22,828)
Recognized actuarial losses	(1,514)	280	(10,126)
Past service costs	(304)	(304)	(2,035)
Loss on return of assets from retirement benefits trust	581	—	3,892
Other	18	52	125
Net periodic benefit costs	¥(1,747)	¥ (189)	$(11,684)

(e) Amounts recognized in other comprehensive income (income taxes and before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Past service costs	¥ (304)	¥ (304)	$ (2,035)
Actuarial losses	2,134	13,820	14,274
Total	¥1,830	¥13,516	$12,239

(f) Amounts recognized in accumulated other comprehensive income (income taxes and before income tax effect) in respect of defined retirement benefit plans as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unrecognized past service costs	¥ 1,926	¥ 2,231	$ 12,886
Unrecognized actuarial losses	18,667	16,532	124,840
Total	¥20,594	¥18,764	$137,726

(g) Plan assets

(i) Components of plan assets

Plan assets as of March 31, 2025 and 2024, consisted of the following:

	2025	2024
Domestic equity investments	21%	23%
[Of which, domestic equity investment contributed to retirement benefit trusts]	[10]	[12]
Overseas equity investments	17	16
Domestic debt investments	15	15
Overseas debt investments	30	30
Other	17	16
Total*	100%	100%

* In "Total", retirement benefit trusts for lump-sum payment plans and defined benefit corporate pension plans for the years ended March 31, 2025 and 2024, were included as 16% and 17%, respectively.

(ii) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined by considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(h) Assumptions used for the years ended March 31, 2025 and 2024, are set forth as follows:

	2025	2024
Discount rate	Mainly 2.2-2.3%	Mainly 1.4-1.6%
Expected rate of return on plan assets	Mainly 2.5	Mainly 2.5
Future salary growth	Mainly 5.8-8.7	Mainly 5.7-8.7

(2) Defined contribution plans

The required amount contributed to defined contribution plans by the Company and its consolidated subsidiaries for the years ended March 31, 2025 and 2024, were ¥466 million ($3,120 thousand) and ¥449 million, respectively.

19. EQUITY

Japanese banks are subject to the Companies Act of Japan (the "Companies Act") and the Banking Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the stockholders meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to stockholders subject to certain limitations and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act and the Banking Act provide certain limitations on the amounts available for dividends or the purchase of treasury shares.

b. Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus

The Banking Act requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of the legal reserve and additional paid-in capital equals 100% of capital stock. Under the Companies Act, the total amount of additional paid-in capital and legal retained earnings may be reversed without limitation. The Companies Act also provides that capital stock, legal retained earnings, additional paid-in capital, other capital surplus, and other retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the stockholders.

c. Treasury Shares and Treasury Subscription Rights to Shares

The Companies Act also provides for companies to purchase treasury shares and dispose of such treasury shares by resolution of the Board of Directors. The amount of treasury shares purchased cannot exceed the amount available for distribution to the stockholders which is determined by a specific formula. Under the Companies Act, subscription rights to shares are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury subscription rights to shares and treasury shares. Such treasury subscription rights to shares are presented as a separate component of equity or deducted directly from subscription rights to shares.

20. STOCK OPTIONS

Not applicable for 2025 and 2024.

21. PER SHARE INFORMATION

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2025 and 2024, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2025	Net Income	Weighted-Average Shares	EPS	
Basic EPS — Net income available to common stockholders	¥82,805	1,155,888	¥71.63	$0.48
Effect of dilutive warrants	—	—	—	—
Diluted EPS — Net income for computation	¥82,805	1,155,888	¥71.63	$0.48
Year Ended March 31, 2024				
Basic EPS — Net income available to common stockholders	¥66,931	1,170,889	¥57.16	
Effect of dilutive warrants	—	0	—	
Diluted EPS — Net income for computation	¥66,931	1,170,890	¥57.16	

* In the calculation of basic EPS and diluted EPS, shares of the Company residing in the trust related to stock compensation system which are recognized as treasury shares in equity are included in treasury shares deducted in the calculation of weighted-average shares during the period. The average number of such treasury shares deducted is 2,425 thousand and 2,443 thousand, for the years ended March 31, 2025 and 2024, respectively.

22. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Gain on foreign exchange transactions – net	¥ 1,619	¥ 574	$ 10,832
Gain on sales and redemption of bonds and other securities	782	2,280	5,232
Gain on derivatives	2,826	2,735	18,903
Lease receipts	29,830	29,450	199,497
Other	1,565	1,581	10,469
Total	¥36,624	¥36,622	$244,933

23. OTHER INCOME

Other income for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Gain on sales of stock and other securities	¥ 7,157	¥ 2,149	$ 47,864
Recovery of claims previously charged-off	1,220	1,637	8,164
Gain on disposals of non-current assets	73	622	489
Gain on bargain purchase	—	15,579	—
Other	1,986	1,941	13,285
Total	¥10,437	¥21,929	$ 69,802

24. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Losses on sales and redemption of bonds and other securities	¥17,139	¥31,420	$114,621
Losses on write-downs of bonds and other securities	216	272	1,449
Lease costs	27,375	27,138	183,077
Other	235	130	1,573
Total	¥44,966	¥58,961	$300,720

25. OTHER EXPENSES

Other expenses for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Losses on sales of stocks and other securities	¥ 391	¥ 70	$ 2,621
Losses on write-downs of stocks and other securities	462	—	3,096
Loss on disposals of non-current assets	1,281	1,467	8,573
Impairment loss*	2,054	188	13,740
Direct charge-off of loans	5,939	4,265	39,719
Share of loss of entities accounted for using equity method	—	2,475	—
Loss on step acquisitions	—	154	—
Loss on return of assets from retirement benefits trust	581	—	3,892
Other	2,147	4,329	14,361
Total	¥12,859	¥12,950	$86,002

*March 31, 2025

Impairment losses include 1,818 million yen of loss due to the reduction of book value of land to recoverable amount because grounds in Kanagawa prefecture owned by the Bank ceased to be used as welfare facilities and became idle assets.

The recoverable amount is measured based on the net sales value, which is calculated by deducting the estimated disposal cost from the appraised value based on the real estate appraisal standards.

*March 31, 2024

There are no items to report.

26. INCOME TAXES

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rate of approximately 30.6% for the years ended March 31, 2025 and 2024.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Deferred tax assets:			
Allowance for loan losses	¥29,731	¥30,544	$198,835
Write-downs of securities	2,742	2,727	18,341
Loan-related fees	6,046	3,685	40,435
Other	10,669	9,174	71,353
Less valuation allowance	(6,167)	(5,827)	(41,244)
Total deferred tax assets	43,022	40,304	287,720
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	19,458	29,748	130,132
Gain on contribution of the employees' retirement benefit trust	4,990	5,037	33,375
Other	17,846	15,106	119,351
Total deferred tax liabilities	42,295	49,892	282,858
Net deferred tax assets (liabilities)	¥ 727	¥ (9,588)	$ 4,862

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2024 was as follows:

	2025	2024
Normal effective statutory tax rate		30.6%
Gain on bargain purchase		(5.2)
Other—net		1.1
Actual effective tax rate		26.5%

A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2025 and the actual effective tax rate reflected in the accompanying consolidated statement of income was not required under Japanese accounting standards due to immaterial differences.

The Company and certain of its consolidated subsidiaries have Japanese Group Tax Sharing System from the current fiscal year.Accordingly, the accounting treatments and disclosures of income taxes, local corporate taxes and tax effect accounting are in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42).

Revision of amounts of deferred tax assets and liabilities due to change in income tax rate

Due to the enactment of "Act on Partial Revision of the Income Tax Act, etc. (Act No.13 of 2025)" on March 31, 2025, the "Special Corporation Tax for National Defence" will be imposed from the consolidated fiscal year beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate used for calculating deferred tax assets and liabilities was changed from the previous rate of 30.6% to 31.5% for temporary differences expected to be reversed in the consolidated fiscal year beginning on or after April 1, 2026. As a result of this change in tax rate, deferred tax assets decreased by ¥ 328 million ($2,199 thousand), valuation difference on available-for-sale securities decreased by ¥ 518 million ($3,468 thousand), deferred gains or losses on hedges decreased by ¥ 6 million($41 thousand), remeasurements of defined benefit plans decreased by ¥ 185 million ($1,239 thousand), and income taxes - deferred decreased by ¥ 381 ($2,549 thousand) million for the current consolidated fiscal year ended March 31, 2025. Furthermore, deferred tax liabilities for land revaluation increased by ¥ 461 ($3,088 thousand) million and revaluation reserve for land decreased by the same amount.

27. LEASES

Lease transactions as a lessee

The minimum rental commitments under noncancelable operating leases as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Due within one year	¥ 753	¥1,000	$ 5,038
Due after one year	2,929	3,140	19,588
Total	¥3,682	¥4,141	$24,626

Lease transactions as a lessor

A consolidated subsidiary leases certain equipment and other assets to various customers.

The net lease investment assets are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Gross lease receivables	¥71,752	¥73,066	$479,853
Unguaranteed residual values	1,888	1,823	12,630
Unearned interest income	(3,950)	(3,792)	(26,422)
Lease investment assets	¥69,690	¥71,098	$466,061

Maturities of lease receivables for finance leases that are deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2026	¥2,525	$16,891
2027	1,612	10,785
2028	876	5,864
2029	582	3,897
2030	212	1,424
2031 and thereafter	65	440
Total	¥5,876	$39,301

Maturities of lease investment assets for finance leases that are not deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2026	¥20,807	$139,150
2027	17,041	113,966
2028	12,883	86,162
2029	9,045	60,494
2030	5,231	34,983
2031 and thereafter	6,743	45,098
Total	¥71,752	$479,853

The minimum rental commitments under noncancelable operating leases as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Due within one year	¥333	¥ 482	$2,233
Due after one year	558	532	3,734
Total	¥892	¥1,014	$5,967

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policies for Financial Instruments

The Group engages in banking as its mainstay business, as well as securities, leasing, conducting survey research and other information services, venture capital, and other financial service businesses. As the Group positions services exclusively for local small and medium-sized businesses and individuals as its core business, it is a fundamental policy of the Group to aim to minimize any adverse effects of economic fluctuations and the changing market environment and to provide financial services reliably. Under this policy, the Group endeavors to maintain sound management by continuously identifying, assessing, monitoring, and controlling the various risks inherent in financial instruments that correspond to the strategic goals of the Company, including medium-term management plans and management policies.

(2) Nature and Extent of Risks Arising from Financial Instruments

The financial assets of the Group, which mainly consist of loans to small and medium-sized businesses and personal housing loans, are exposed to customer credit risk. Securities mainly consist of debt securities, equity securities, and investment trusts, and are accounted for as trading securities, held-to-maturity securities, and available-for-sale securities. These securities are exposed to issuers' credit risk and the risk of market price fluctuations.

The financial liabilities of the Group are mainly personal deposits, which consist of liquidity deposits and fixed deposits. These deposits are exposed to liquidity risk, such as losses generated by unexpected withdrawals.

There are certain mismatches in interest rates and contract periods between financial assets, such as loans, and financial liabilities, such as deposits, that are exposed to market risks from changes in variable interest rates. However, part of this risk is mitigated by using interest-rate swap derivatives.

Assets and liabilities denominated in foreign currencies are exposed to foreign exchange risk that affects those values with changes of foreign currency exchange rates.

The Group uses swaps, futures, forward and option contracts, and other similar types of contracts based on either interest rates, foreign exchange rates, or securities prices. These financial instruments are used in trading activities to generate trading revenues and fee income and are also used in Asset and Liability Management ("ALM") activities to control exposure to fluctuations in such market rates or prices.

The Group uses derivatives to provide customers with risk-hedging methods, to complement their ALM activities, to hedge market risks, and to strengthen earnings. The Group carefully studies the risks involved with derivative transactions and maintains a policy of limiting the volume of the risks within a range that it is capable of controlling based on its financial strength.

Derivatives used for hedging purposes are recorded on the basis of hedge accounting in accordance with the Japanese accounting standard for financial instruments. Such derivatives are interest rate swaps and currency swaps that are utilized to control the risks from loans and bills discounted, bonds, foreign currency monetary claims and debt. The Group reviews the effectiveness of hedging activities using the methods permitted under the accounting standards.

Similar to other market transactions, derivative transactions are subject to a variety of risks, including market, credit, and liquidity. Among those risks, the Group emphasizes establishing a risk management structure to understand and manage market risk and credit risk.

Certain consolidated subsidiaries hold lease receivables and installment receivables. These financial instruments are exposed to market risks from changes in variable interest rates and credit risk.

(3) Risk Management for Financial Instruments

(a) Credit risk management

Under the consensus that credit risk is the risk with most influence on the Group's financial stability, the Company has established a "Credit Policy" and takes every initiative to optimize its credit portfolio management and credit control of individual accounts.

In addition, the Company has developed an "Internal Credit Rating System" and a "Self-Assessment System" to categorize the credibility of debtors and individual loan projects from an independent point of view.

The Company monitors the credit risk management situation of the Group and the credit concentration risk of the whole our group. The Company provides guidance and advice as needed.

(b) Market risk management (foreign exchange risk and interest risk)

It is a fundamental policy of the Company to enter into market transactions that appropriately meet customers' needs, which have been increasingly diversified due to the development of financial engineering (such as the emergence of various derivative transactions), as well as in transactions that enhance the profitability of the Group.

Management obtains the information related to the characteristic of the subsidiaries' market risks for the risk evaluation and decision. Those actions are for monitoring whether the subsidiaries undertake appropriate risks with its financial strength and the returns are appropriate for those risks.

The compliance status of the various risk limits and the market business's profit and loss situation are directly reported to management on a daily basis. These are based on reports from the risk management division of the subsidiary. The status of the market risk is reported in the ALM and risk management meeting held every month.

Each bank of the Group separates the market operations into trading operations and banking operations. Each bank of the Group's trading operations includes profit-generating trading transactions that take advantage of short-term fluctuations and differences in value among markets in indices, such as interest rates, foreign exchange rates, and market quotations of financial instruments. The trading operations also deal with transactions for the purpose of mitigating possible losses incurred from the above-mentioned transactions. The financial instruments that are allowed to be dealt with in the trading operations include Japanese government bonds ("JGBs"), JGB futures, interest rate swaps, and interest rate futures. Operations other than trading operations are defined as banking operations. The trading operations are carried out in a rigid manner in compliance with each bank of the Group's internal rules on definition of trading transactions, authorities for fair value calculation, and its methods.

The Group currently utilizes various effective measurement methods suitable for operational features and investment policies, in addition to Value-at-Risk("VaR") and Basis Point Value, to quantify market risk.

The Group performs quantitative analysis on market risks relating to all financial instruments in principle, using mainly VaR. In calculating VaR, the Company uses the historical simulation method (confidence interval: 99.9%, observation period: 1,250 days).

As for holding periods, the Group has set 10 days for financial instruments for trading purposes and periods considered appropriate (primarily from one month to one year, based on the position settlement periods and other factors) for financial instruments for nontrading purposes (those for banking operations).

The aggregate amount of the market risks (estimated loss amount) of the Group's trading business was ¥112 million ($749 thousand) and ¥106 million as of March 31, 2025 and 2024, respectively. The aggregate amount of the market risks of the banking business, excluding market risks of unlisted equity securities and other financial instruments whose fair value cannot be reliably determined, stood at ¥299,509 million ($2,003,003 thousand) and ¥313,896 million as of March 31, 2025 and 2024, respectively. It should be noted that the aggregate amounts of market risks represent a simple sum of amounts of each market risk categorized by risk type.

It should be noted that VaR measures the amount of market risk at certain probability levels statistically calculated based on historical market fluctuations, and therefore, there may be cases where market risks cannot be captured in such situations where market conditions are changing dramatically beyond what was experienced historically.

(c) Liquidity risk management

Managing liquidity risk is recognized as a top-priority issue for the Group. Each bank of the Group closely stipulates its internal regulations and the methods of liquidity risk management to be used in day-to-day operations, as well as appropriate countermeasures to be taken in case of concern or in critical situations regarding liquidity risk.

The risk supervisory department directly reports the status of compliance with various risk limits to management on a daily basis. These are based on reports from the risk management division of the subsidiary. The status of the liquidity risk and the fund raising are reported in ALM and risk management meeting held every month.

In case of concern or in critical situations related to liquidity risk for the subsidiary, the Company will take necessary actions for those issues. The crisis committee will set up a task force at the subsidiary if the committee concludes it is necessary based on the reports from the subsidiary.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments may differ depending on the adoption of certain assumptions.

(5) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead. Cash and due from banks, call loans and bills bought, call money and bills sold, and Payables under securities lending transactions are settled in a short period of time and their carrying amounts approximate fair value; therefore, notes are omitted.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2025	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Securities:			
Held-to-maturity securities	¥ 876,420	¥ 833,416	¥(43,004)
Available-for-sale securities[*1]	1,959,883	1,959,883	—
(2) Loans and bills discounted	16,745,606		
Allowance for loan losses[*2]	(82,188)		
Net	16,663,418	16,643,024	(20,393)
Total assets	¥19,499,722	¥19,436,325	¥(63,397)
(1) Deposits	¥20,412,965	¥20,407,916	¥ (5,049)
(2) Negotiable certificates of deposit	246,890	246,889	(0)
(3) Borrowed money	2,089,351	2,089,395	43
Total liabilities	¥22,749,207	¥22,744,200	¥ (5,006)
Derivative instruments[*3]:			
Hedge accounting is not applied	¥ 8,903	¥ 8,903	—
Hedge accounting is applied	1,302	1,302	—
Total derivative instruments	¥ 10,205	¥ 10,205	—

	Millions of Yen		
March 31, 2024	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Securities:			
Held-to-maturity securities	¥ 883,529	¥ 868,217	¥(15,312)
Available-for-sale securities[*1]	1,995,548	1,995,548	—
(2) Loans and bills discounted	16,602,619		
Allowance for loan losses[*2]	(83,116)		
Net	16,519,502	16,551,219	31,716
Total assets	¥19,398,580	¥19,414,985	¥16,404
(1) Deposits	¥19,974,124	¥19,974,076	¥ (47)
(2) Negotiable certificates of deposit	353,370	353,370	0
(3) Borrowed money	2,021,582	2,021,592	10
Total liabilities	¥22,349,076	¥22,349,039	¥ (36)
Derivative instruments[*3]:			
Hedge accounting is not applied	¥ 10,515	¥ 10,515	—
Hedge accounting is applied[*4]	(5,056)	(5,056)	—
Total derivative instruments	¥ 5,458	¥ 5,458	—

March 31, 2025	Thousands of U.S. Dollars Carrying Amount	 Fair Value	 Unrealized Gain/Loss
(1) Securities:			
Held-to-maturity securities	$ 5,861,170	$ 5,573,575	$(287,595)
Available-for-sale securities[*1]	13,106,959	13,106,959	—
(2) Loans and bills discounted	111,988,275		
Allowance for loan losses[*2]	(549,643)		
Net	111,438,632	111,302,247	(136,385)
Total assets	$130,406,761	$129,982,781	$ (423,980)
(1) Deposits	$136,514,181	$136,480,414	$ (33,767)
(2) Negotiable certificates of deposit	1,651,107	1,651,103	(4)
(3) Borrowed money	13,972,792	13,973,083	291
Total liabilities	$152,138,080	$152,104,600	$ (33,480)
Derivative instruments[*3]:			
Hedge accounting is not applied	$ 59,543	$ 59,543	—
Hedge accounting is applied	8,709	8,709	—
Total derivative instruments	$ 68,252	$ 68,252	—

*1 Investment trusts whose net asset value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) is treated as fair value are included in the available-for-sale securities.
*2 Allowances for loan losses relevant to loans and bills discounted have been deducted.
*3 Derivative instruments include derivative transactions, both in trading assets and liabilities and other assets and liabilities. Derivative instruments are presented net of assets and liabilities associated with derivative transactions.
*4 The Group has applied the " Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Issues Task Force No. 40) to hedging relationships included in the scope of application of the Practical Solution, such as deferred hedging through interest rate swap transactions that aim to reduce market fluctuation risk in available-for-sale securities (debt securities) and deferred hedging through currency swap transactions that aim to reduce foreign exchange fluctuation risk in monetary receivables and payables denominated in foreign currencies in accordance with the " Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No.25).

(b) The carrying amounts of non-marketable securities and investments in partnerships in the consolidated balance sheet are as follows. These are not included in "available-for-sale securities" in the fair value information of financial instruments.

	Millions of Yen 2025	 2024	Thousands of U.S. Dollars 2025
Non-marketable equity securities [*1*2*3]	¥13,644	¥8,170	$91,251
Investments in partnerships[*3*4*5]	51,506	44,093	344,459

*1 Non-marketable equity securities are not subject to the fair value disclosure in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19).
*2 Equity securities in affiliates are not included and totaled ¥6,811 million ($45,553 thousand) and ¥5,881 million as of March 31, 2025 and 2024, respectively.
*3 During the year ended March 31, 2025, impairment losses on non-marketable equity securities of ¥79 million ($531 thousand) and on investments in partnerships of ¥4 million ($30 thousand) were recognized.
During the year ended March 31, 2024, there is no impairment losses on non-marketable equity securities and investments in partnerships.
*4 Investments in partnerships are not subject to disclosure under Paragraph 24-16 of the Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31).
*5 Investments in unconsolidated subsidiaries and affiliates are not included, and totaled ¥13,813 million ($92,379 thousand) and ¥10,212 million as of March 31, 2025 and 2024, respectively.

(6) Maturity Analysis for Financial Assets and Liabilities with Contractual Maturities

March 31, 2025	Millions of Yen Due in 1 Year or Less	 Due after 1 Year through 3 Years	 Due after 3 Years through 5 Years	 Due after 5 Years through 7 Years	 Due after 7 Years through 10 Years	 Due after 10 Years
Due from banks	¥4,190,371	¥ —	¥ —	¥ —	¥ —	¥ 1,500
Call loans and bills bought	30,939	—	—	—	—	—
Securities:						
Held-to-maturity securities	26,179	252,430	187,500	225,250	111,400	77,265
Available-for-sale securities with contractual maturities	192,687	171,935	266,397	106,114	94,005	925,551
Loans and bills discounted	3,412,390	2,820,929	2,046,163	1,471,795	1,485,487	5,117,305
Total	¥7,852,567	¥3,245,295	¥2,500,062	¥1,803,159	¥1,690,893	¥6,121,622

March 31, 2024	Millions of Yen Due in 1 Year or Less	 Due after 1 Year through 3 Years	 Due after 3 Years through 5 Years	 Due after 5 Years through 7 Years	 Due after 7 Years through 10 Years	 Due after 10 Years
Due from banks	¥3,968,194	¥ —	¥ —	¥ —	¥ —	¥ 1,500
Call loans and bills bought	33,629	—	—	—	—	—
Securities:						
Held-to-maturity securities	12,317	237,194	105,763	242,206	212,000	77,960
Available-for-sale securities with contractual maturities	152,312	188,192	187,493	106,159	96,357	998,956
Loans and bills discounted	3,524,611	2,788,811	2,142,642	1,467,073	1,463,066	4,823,570
Total	¥7,691,065	¥3,214,198	¥2,435,898	¥1,815,439	¥1,771,424	¥5,901,987

March 31, 2025	Thousands of U.S. Dollars Due in 1 Year or Less	 Due after 1 Year through 3 Years	 Due after 3 Years through 5 Years	 Due after 5 Years through 7 Years	 Due after 7 Years through 10 Years	 Due after 10 Years
Due from banks	$28,023,618	$ —	$ —	$ —	$ —	$ 10,031
Call loans and bills bought	206,912	—	—	—	—	—
Securities:						
Held-to-maturity securities	175,077	1,688,161	1,253,934	1,506,387	745,001	516,720
Available-for-sale securities with contractual maturities	1,288,618	1,149,839	1,781,567	709,651	628,674	6,189,740
Loans and bills discounted	22,820,773	18,865,310	13,683,970	9,842,809	9,934,379	34,222,601
Total	$52,514,998	$21,703,310	$16,719,471	$12,058,847	$11,308,054	$40,939,092

Note: As of March 31, 2025, loans and bills discounted whose cash flow cannot be estimated, such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans, amounting to ¥ 209,259 million ($1,399,447 thousand) and loans and bills discounted with no contractual maturities amounting to ¥ 182,578 million ($1,221,015 thousand) are not included.
As of March 31, 2024, loans and bills discounted whose cash flow cannot be estimated, such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans, amounting to ¥ 220,837 million and loans and bills discounted with no contractual maturities amounting to ¥ 172,676 million are not included.

March 31, 2025	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Deposits	¥19,661,850	¥ 478,545	¥252,209	¥ 4,207	¥16,152	—
Negotiable certificates of deposit	246,890	—	—	—	—	—
Call money and bills sold	106,519	—	—	—	—	—
Payables under repurchase agreements	73,351	—	—	—	—	—
Payables under securities lending transactions	85,077	—	—	—	—	—
Borrowed money	363,372	1,715,639	4,854	5,484	—	—
Japanese corporate bonds	—	—	—	20,000	—	—
Total	¥20,537,061	¥2,194,185	¥257,063	¥29,692	¥16,152	—

March 31, 2024	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Deposits	¥19,288,911	¥ 436,298	¥ 234,213	¥ 3,628	¥11,071	—
Negotiable certificates of deposit	353,370	—	—	—	—	—
Call money and bills sold	217,080	—	—	—	—	—
Payables under repurchase agreements	115,423	—	—	—	—	—
Payables under securities lending transactions	80,481	—	—	—	—	—
Borrowed money	262,699	630,619	1,121,739	6,524	—	—
Japanese corporate bonds	—	—	—	40,000	—	—
Total	¥20,317,966	¥1,066,918	¥1,355,953	¥50,153	¥11,071	—

March 31, 2025	Thousands of U.S. Dollars Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Deposits	$131,491,008	$ 3,200,332	$1,686,681	$ 28,137	$108,023	—
Negotiable certificates of deposit	1,651,107	—	—	—	—	—
Call money and bills sold	712,364	—	—	—	—	—
Payables under repurchase agreements	490,544	—	—	—	—	—
Payables under securities lending transactions	568,966	—	—	—	—	—
Borrowed money	2,430,100	11,473,548	32,462	36,681	—	—
Japanese corporate bonds	—	—	—	133,752	—	—
Total	$137,344,089	$14,673,880	$1,719,143	$198,570	$108,023	—

Note: The cash flow from demand deposits is included in "Due in 1 Year or Less."

(7) Breakdown of fair value of financial instruments by input level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used in fair value measurement

Level 1 fair value: fair value measured using (unadjusted) quoted market prices in active markets for the identical assets or liabilities

Level 2 fair value: fair value measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: fair value measured using significant unobservable inputs

If multiple inputs are used that have a significant impact on the fair value measurement, the fair value is classified at the lowest priority level to which each input belongs.

(a) Financial instruments measured at fair value in the consolidated balance sheet

March 31, 2025	Millions of Yen Level 1	Level 2	Level 3	Total
Securities classified as:				
Available-for-sale:				
Bonds				
Japanese national government bonds	¥236,535	¥ —	¥ —	¥ 236,535
Japanese local government bonds	—	268,959	—	268,959
Japanese corporate bonds	—	332,627	77,997	410,625
Stocks	189,113	15,557	—	204,670
Other securities[*1]	—	640,747	131,647	772,394
Total	¥425,649	¥1,257,892	¥209,644	¥1,893,186

March 31, 2025	Millions of Yen Level 1	Level 2	Level 3	Total
Derivative instruments[*2]:				
Interest rate contracts	¥—	¥ 7,996	¥—	¥ 7,996
Foreign exchange	—	2,169	—	2,169
Stock contracts	—	—	—	—
Bond contracts	(4)	—	—	(4)
Other contracts	—	—	44	44
Total	¥(4)	¥10,166	¥44	¥10,205

*1 Investment trusts whose net asset value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) is treated as fair value are not included. The amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-3 is ¥57,049 million, and the amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-9 is ¥9,647 million.

*2 Derivative transactions included in trading assets and liabilities and in other assets and liabilities are collectively presented. Net receivables and payables arising from derivative transactions are presented on a net basis, and items that result in net payables in total are presented on a negative basis.

March 31, 2024	Millions of Yen Level 1	Level 2	Level 3	Total
Securities classified as:				
Available-for-sale:				
Bonds				
Japanese national government bonds	¥117,268	¥ —	¥ —	¥ 117,268
Japanese local government bonds	—	286,476	—	286,476
Japanese corporate bonds	—	377,946	79,103	457,049
Stocks	205,864	16,106	—	221,970
Other securities*1	—	680,062	191,410	871,473
Total	¥323,132	¥1,360,591	¥270,514	¥1,954,238

March 31, 2024	Millions of Yen Level 1	Level 2	Level 3	Total
Derivative instruments*2:				
Interest rate contracts	¥—	¥8,051	¥—	¥8,051
Foreign exchange	—	(2,649)	—	(2,649)
Stock contracts	—	—	—	—
Bond contracts	13	—	—	13
Other contracts	—	—	43	43
Total	¥13	¥5,401	¥43	¥5,458

*1 Investment trusts whose net asset value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) is treated as fair value are not included. The amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-3 is ¥32,147 million, and the amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-9 is ¥9,161 million.

*2 Derivative transactions included in trading assets and liabilities and in other assets and liabilities are collectively presented. Net receivables and payables arising from derivative transactions are presented on a net basis, and items that result in net payables in total are presented on a negative basis.

March 31, 2025	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Securities classified as:				
Available-for-sale:				
Bonds				
Japanese national government bonds	$1,581,860	$ —	$ —	$ 1,581,860
Japanese local government bonds	—	1,798,701	—	1,798,701
Japanese corporate bonds	—	2,224,490	521,618	2,746,108
Stocks	1,264,720	104,042	—	1,368,762
Other securities*1	—	4,285,076	880,408	5,165,484
Total	$2,846,580	$8,412,309	$1,402,026	$12,660,915

March 31, 2025	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Derivative instruments*2:				
Interest rate contracts	$ —	$53,480	$ —	$53,480
Foreign exchange	—	14,507	—	14,507
Stock contracts	—	—	—	—
Bond contracts	(31)	—	—	(31)
Other contracts	—	—	296	296
Total	$ (31)	$67,987	$296	$68,252

*1 Investment trusts whose net asset value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) is treated as fair value are not included. The amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-3 is $381,527 thousand, and the amount reported in the Consolidated Balance Sheet for investment trusts that apply the treatment of Paragraph 24-9 is $64,516 thousand.

*2 Derivative transactions included in trading assets and liabilities and in other assets and liabilities are collectively presented. Net receivables and payables arising from derivative transactions are presented on a net basis, and items that result in net payables in total are presented on a negative basis.

1. Reconciliation of beginning balance to ending balance of investment trusts that apply the treatment of Paragraph 24-3

	Millions of Yen 2025	2024	Thousands of U.S. Dollars 2025
Beginning balance	¥32,147	¥31,942	$214,992
Profit or loss or other comprehensive income for the current period			
Included in profit or loss (*1)	—	—	—
Included in other comprehensive income (*2)	70	205	468
Net purchases, sales and redemptions	24,831	—	166,067
Transfers into the treatment of Paragraph 24-3	—	—	—
Transfers out of the treatment of Paragraph 24-3	—	—	—
Ending balance	57,049	32,147	381,527
Net unrealized gain (loss) on investment trusts held as of the reporting date that is included in profit or loss for the current period (*1)	¥ —	¥ —	$ —

(*1) Included in "Other ordinary income" and "Other ordinary expenses" presented in the Consolidated Statement of Income.
(*2) Included in "Valuation difference on available-for-sale securities" presented in the Consolidated Statements of Comprehensive Income.

2. Details of the restrictions on the cancellation of investment trusts that apply the treatment of Paragraph 24-3 as of the end of the current fiscal year

Investment trusts that require several months from the time of application for cancellation to the time of execution of cancellation: ¥ 57,049 million ($381,527 thousand) and ¥ 32,147 million as of March 31, 2025 and 2024.

3. Reconciliation of beginning balance to ending balance of investment trusts that apply the treatment of Paragraph 24-9

	Millions of Yen 2025	2024	Thousands of U.S. Dollars 2025
Beginning balance	¥9,161	¥6,431	$61,268
Profit or loss or other comprehensive income for the current period			
Included in profit or loss (*1)	—	—	—
Included in other comprehensive income (*2)	175	126	1,170
Net purchases, sales and redemptions	310	2,602	2,078
Transfers into the treatment of Paragraph 24-9	—	—	—
Transfers out of the treatment of Paragraph 24-9	—	—	—
Ending balance	9,647	9,161	64,516
Net unrealized gain (loss) on investment trusts held as of the reporting date that is included in profit or loss for the current period (*1)	¥ —	¥ —	$ —

(*1) Included in "Other ordinary income" and "Other ordinary expenses" presented in the Consolidated Statement of Income
(*2) Included in "Valuation difference on available-for-sale securities" in "Other comprehensive income" presented in the Consolidated Statements of Comprehensive Income.

(b) Financial instruments not measured at fair value in the consolidated balance sheet

	Millions of Yen			
March 31, 2025	Level 1	Level 2	Level 3	Total
Securities classified as:				
Held-to-maturity:				
Bonds				
Japanese national government bonds	¥76,080	¥ —	¥ —	¥ 76,080
Japanese local government bonds	—	751,029	—	751,029
Japanese corporate bonds	—	189	—	189
Other	—	6,116	—	6,116
Loans and bills discounted	—	—	16,643,024	16,643,024
Total	¥76,080	¥757,336	¥16,643,024	¥17,476,441

	Millions of Yen			
March 31, 2025	Level 1	Level 2	Level 3	Total
Deposits	—	¥20,407,916	—	¥20,407,916
Negotiable certificates of deposit	—	246,889	—	246,889
Borrowed money	—	2,089,395	—	2,089,395
Total	—	¥22,744,200	—	¥22,744,200

	Millions of Yen			
March 31, 2024	Level 1	Level 2	Level 3	Total
Securities classified as:				
Held-to-maturity:				
Bonds				
Japanese national government bonds	¥84,037	¥ —	¥ —	¥ 84,037
Japanese local government bonds	—	778,387	—	778,387
Japanese corporate bonds	—	199	—	199
Other	—	5,592	—	5,592
Loans and bills discounted	—	—	16,551,219	16,551,219
Total	¥84,037	¥784,180	¥16,551,219	¥17,419,436

	Millions of Yen			
March 31, 2024	Level 1	Level 2	Level 3	Total
Deposits	—	¥19,974,076	—	¥19,974,076
Negotiable certificates of deposit	—	353,370	—	353,370
Borrowed money	—	2,021,592	—	2,021,592
Total	—	¥22,349,039	—	¥22,349,039

	Thousands of U.S. Dollars			
March 31, 2025	Level 1	Level 2	Level 3	Total
Securities classified as:				
Held-to-maturity:				
Bonds				
Japanese national government bonds	$508,796	$ —	$ —	$ 508,796
Japanese local government bonds	—	5,022,603	—	5,022,603
Japanese corporate bonds	—	1,270	—	1,270
Other	—	40,907	—	40,907
Loans and bills discounted	—	—	111,302,247	111,302,247
Total	$508,796	$5,064,780	$111,302,247	$116,875,823

	Thousands of U.S. Dollars			
March 31, 2025	Level 1	Level 2	Level 3	Total
Deposits	—	$136,480,414	—	$136,480,414
Negotiable certificates of deposit	—	1,651,103	—	1,651,103
Borrowed money	—	13,973,083	—	13,973,083
Total	—	$152,104,600	—	$152,104,600

(Note 1) Valuation techniques and inputs in measuring fair value

Securities

Shares are measured at market prices and are classified mainly as Level 1 based on their market activity. Bonds are measured based on the Trading Reference Statistics issued by the Japan Securities Dealers Association or quoted prices by the financial institutions with which they are traded. Japanese government bonds are classified mainly as Level 1, and Japanese municipal and corporate bonds (excluding private placements) are classified mainly as Level 2. The asset-backed securities included in other securities are measured based on the quoted prices by the financial institutions with which they are traded, which are classified as Level 3.

The fair value of private placement bonds is measured by discounting the future cash flows at the risk-free interest rate plus credit risk premium estimated based on internal ratings, which is classified as Level 3.

The fair value of investment trusts is measured based on their published net asset value.

The fair value of investment trusts is classified mainly as Level 2.

Loans and bills discounted

The fair value of loans and bills discounted with variable interest rates approximates the carrying amount as long as borrowers' credit risks have not changed significantly after lending because market interest rates are promptly reflected in the variable interest rates. The fair value of loans and bills discounted with fixed interest rates is measured mainly by discounting future cash flows at the risk-free interest rate plus credit risk premium estimated based in internal ratings. The fair value of loans and bills discounted with a short contractual term (within one year) approximates the carrying amount, and the carrying amount is used as the fair value.

For loans and bills discounted to the borrowers in the "Legal bankruptcy," "Virtual bankruptcy" and "Possible bankruptcy," the estimated amount of bad debts is measured based on the present value of the estimated future cash flows or the expected recoverable amount of collaterals and guarantees. The fair value approximates the amount reported in the consolidated balance sheet less the allowance for loan losses at the consolidated balance sheet date, and therefore, such value is used as the fair value.

The fair value of loans and bills discounted is classified as Level 3.

Deposits and negotiable certificates of deposit

The fair value of demand deposits is the amount that would be required to be paid at the consolidated balance sheet date (carrying amount). The fair value of time deposits and negotiable certificates of deposit is measured as the present value of future cash flows, grouped by product and remaining term, discounted at market interest rates. The fair value of deposits with a short contractual term (within one year) approximates the carrying amount, and the carrying amount is used as the fair value.

The fair value of deposits and negotiable certificates of deposit is classified as Level 2.

Borrowed money

The fair value of borrowed money with variable interest rates approximates the carrying amount because market interest rates are promptly reflected in the variable interest rates and credit risks of the Bank and its consolidated subsidiaries have not changed significantly after borrowing. The fair value of borrowed money with fixed interest rates is the present value of future cash flows discounted using a rate that reflects the remaining term and the credit risk of the borrowed money. The fair value of borrowed money with a short contractual term (within one year) approximates the carrying amount, and the carrying amount is used as the fair value.

The fair value of borrowed money is classified as Level 2.

Derivative transactions

For derivative transactions, unadjusted quoted prices in active markets are classified as Level 1, which include bond futures.

However, since most derivative transactions are over-the-counter transactions and there is no observable quoted price, the fair value is measured using valuation techniques such as the discounted cash flow method and option pricing models based on the type of transactions and maturity period. The major inputs used in the valuation techniques are interest rates, foreign exchange rates and volatility. Price adjustments are also made based on the credit risks for counterparties and consolidated subsidiaries themselves. If unobservable inputs are not used or the effect is immaterial, the fair value is classified as Level 2, which includes interest rate swap and forward exchange contracts. If significant unobservable inputs are used, the fair value is classified as Level 3.

(Note 2) Level 3 fair value of financial instruments measured at fair value in the consolidated balance sheet

(1) Quantitative information on significant unobservable inputs

March 31, 2025	Valuation technique	Significant unobservable inputs	Range	Weighted average
Securities classified as:				
Available-for-sale:				
Private placement bonds	Discounted cash flow	Probability of default	0.0% — 13.3%	0.4%
		Loss given default	20.0% — 100.0%	69.2%

March 31, 2024	Valuation technique	Significant unobservable inputs	Range	Weighted average
Securities classified as:				
Available-for-sale:				
Private placement bonds	Discounted cash flow	Probability of default	0.0% — 13.3%	0.5%
		Loss given default	20.0% — 100.0%	70.4%

(2) Reconciliation from the beginning balances to the ending balances and net unrealized gains or losses recognized in profit or loss for the period

	Millions of Yen							
		Total gains (losses) for the period						
	April 1, 2024	Included in earnings *1	Included in other comprehensive income *2	Net of purchases, sales, issues and settlement	Transfers into Level 3	Transfers out of Level 3	March 31,2025	Change in unrealized gains (losses) for assets and liabilities still held at March 31, 2025 *1
Securities classified as:								
Available-for-sale:								
Japanese corporate bonds	¥ 79,103	¥ (59)	¥ (535)	¥ (511)	—	—	¥ 77,997	—
Other securities	191,410	(491)	(225)	(59,046)	—	—	131,647	—
Total	¥270,514	¥(550)	¥(760)	¥(59,557)	—	—	¥209,644	—
Derivative instruments								
Other contracts	43	(0)	—	0	—	—	44	—
Total	¥ 43	¥ (0)	—	¥ 0	—	—	¥ 44	—

	Millions of Yen							
		Total gains (losses) for the period						
	April 1, 2023	Included in earnings *1	Included in other comprehensive income *2	Net of purchases, sales, issues and settlement	Transfers into Level 3	Transfers out of Level 3	March 31,2024	Change in unrealized gains (losses) for assets and liabilities still held at March 31, 2024 *1
Securities classified as:								
Available-for-sale:								
Japanese corporate bonds	¥ 83,801	¥ (96)	¥ (103)	¥(4,497)	—	—	¥ 79,103	—
Other securities	158,649	21,801	2,381	8,578	—	—	191,410	—
Total	¥242,450	¥21,705	¥2,277	¥ 4,080	—	—	¥270,514	—
Derivative instruments								
Other contracts	42	0	—	0	—	—	43	—
Total	¥ 42	¥ 0	—	¥ 0	—	—	¥ 43	—

	Thousands of U.S. Dollars							
		Total gains (losses) for the period						
	April 1, 2024	Included in earnings *1	Included in other comprehensive income *2	Net of purchases, sales, issues and settlement	Transfers into Level 3	Transfers out of Level 3	March 31,2025	Change in unrealized gains (losses) for assets and liabilities still held at March 31, 2025 *1
Securities classified as:								
Available-for-sale:								
Japanese corporate bonds	$ 529,016	$ (398)	$(3,581)	$ (3,419)	—	—	$ 521,618	—
Other securities	1,280,080	(3,286)	(1,506)	(394,880)	—	—	880,408	—
Total	$1,809,096	$(3,684)	$(5,087)	$(398,299)	—	—	$1,402,026	—
Derivative instruments								
Other contracts	291	(1)	—	6	—	—	296	—
Total	$ 291	$ (1)	—	$ 6	—	—	$ 296	—

*1 Included in "Other operating income" and "Other operating expenses" in the consolidated statements of income.
*2 Included in "Valuation difference on available-for-sale securities" in "Other comprehensive income" in the consolidated statements of comprehensive income.

(3) Description of the valuation process for fair value measurement

The Group has established policies and procedures for fair value measurement in the Risk Management Department and verified the appropriateness of the fair value measurement. The fair value is measured using appropriate valuation models that reflect the nature, characteristics and risks of individual assets. When using quoted prices obtained from third parties, the Group verifies the appropriateness of the prices through appropriate methods such as valuation techniques and inputs used and comparison with its own estimates.

(4) Effects on fair value measurement when changing significant unobservable inputs

Probability of default (PD)

PD is an estimate of the likelihood of default events. A significant increase (decrease) in the PD results in a significant decrease (increase) in the fair value.

Loss given default (LGD)

LGD is an estimate of the ratio of losses expected to be incurred in the default events to the total outstanding balance of bonds and loans. A significant increase (decrease) in the LGD results in a significant decrease (increase) in the fair value.

29. DERIVATIVE INFORMATION

Derivative Transactions to Which Hedge Accounting is Not Applied at March 31, 2025 and 2024

The Group's derivative contracts that were quoted on listed exchanges, outstanding as of March 31, 2025 and 2024, were as follows:

	Millions of Yen				Thousands of U.S. Dollars			
March 31, 2025	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts — Futures written	¥ 672	—	¥(4)	¥(4)	$4,500	—	$(31)	$(31)

	Millions of Yen			
March 31, 2024	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts — Futures purchased	¥16,182	—	¥ 13	¥ 13

The Group's derivative contracts that were not quoted on listed exchanges, outstanding as of March 31, 2025 and 2024, were as follows:

	Millions of Yen				Thousands of U.S. Dollars			
March 31, 2025	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:								
Interest rate swaps:								
Receive fixed and pay floating	¥1,129,359	¥924,812	¥(24,701)	¥(24,701)	$7,552,726	$6,184,797	$(165,196)	$(165,196)
Receive floating and pay fixed	1,125,021	865,191	32,518	32,518	7,523,718	5,786,074	217,471	217,471
Receive floating and pay floating	1,301,260	677,960	164	164	8,702,334	4,533,940	1,102	1,102
Caps and others written	32,617	32,495	(1,181)	(681)	218,133	217,316	(7,902)	(4,556)
Caps and others purchased	31,760	31,760	1,196	1,196	212,399	212,399	8,005	8,005
Foreign exchange:								
Forward exchange contracts — written	159,348	63,022	(6,759)	(6,759)	1,065,662	421,469	(45,207)	(45,207)
Forward exchange contracts — purchased	172,491	76,329	7,621	7,621	1,153,560	510,465	50,968	50,968
Options written	38,047	22,327	(1,267)	208	254,445	149,321	(8,474)	1,394
Options purchased	35,936	22,327	1,272	75	240,332	149,321	8,511	506
Other:								
Earthquake derivatives:								
Written	4,820	—	(4)	—	32,234	—	(31)	—
Purchased	4,820	—	48	—	32,234	—	327	—

	Millions of Yen			
March 31, 2024	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	¥1,063,098	¥982,969	¥ (3,750)	¥ (3,750)
Receive floating and pay fixed	1,037,223	912,383	12,981	12,981
Receive floating and pay floating	1,080,180	843,960	(1,189)	(1,189)
Caps and others written	26,364	25,914	(504)	(16)
Caps and others purchased	25,000	25,000	513	513
Foreign exchange:				
Forward exchange contracts — written	266,101	52,898	(7,623)	(7,623)
Forward exchange contracts — purchased	264,569	52,401	10,010	10,010
Options written	27,360	16,185	(845)	403
Options purchased	27,794	16,185	865	(96)
Other:				
Earthquake derivatives:				
Written	4,470	—	(4)	—
Purchased	4,470	—	47	—

Derivative Transactions to Which Hedge Accounting is Applied at March 31, 2025 and 2024

The Group's derivative contracts that were not quoted on listed exchanges, outstanding as of March 31, 2025 and 2024, were as follows:

		Millions of Yen			Thousands of U.S. Dollars		
March 31, 2025	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value	Contract Amount	Contract Amount Due after One Year	Fair Value
Deferral hedge accounting:							
Interest rate contracts – Interest rate swaps – receive floating and pay fixed	Available-for-sale securities	¥ —	¥ —	¥ —	$ —	$ —	$ —
Foreign exchange – Currency swaps	Deposits denominated in foreign currencies, due from banks denominated in foreign currencies, etc.	327,708	696	1,302	2,191,592	4,657	8,709
Special hedging treatment:							
Interest rate contracts – Interest rate swaps – receive floating and pay fixed	Loans and bills discounted, etc.	53,276	53,276	—	356,294	356,294	—

		Millions of Yen		
March 31, 2024	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Deferral hedge accounting:				
Interest rate contracts – Interest rate swaps –receive floating and pay fixed	Available-for-sale securities	¥ —	¥ —	¥ —
Foreign exchange – Currency swaps	Deposits denominated in foreign currencies, due from banks denominated in foreign currencies, etc.	465,968	805	(5,056)
Special hedging treatment:				
Interest rate contracts – Interest rate swaps – receive floating and pay fixed	Loans and bills discounted, etc.	58,836	57,321	—

The above interest rate swaps with special hedging treatment that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 27 is included in the hedged items (i.e., loans and bills discounted).

30. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income (loss) for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Valuation difference on available-for-sale securities:			
Gains (losses) arising during the year	¥ (44,258)	¥ 84,613	$ (295,981)
Reclassification adjustments to profit or loss	8,562	30,756	57,265
Amount before income tax effect	(35,695)	115,369	(238,716)
Income tax effect	10,233	(35,067)	68,439
Total	¥ (25,461)	¥ 80,302	$ (170,277)
Deferred gains or losses on hedges:			
Gains (losses) arising during the year	¥ (6,321)	¥ (7,872)	$ (42,274)
Reclassification adjustments to profit or loss	6,214	3,682	41,557
Amount before income tax effect	(107)	(4,190)	(717)
Income tax effect	26	1,282	178
Total	¥ (80)	¥ (2,908)	$ (539)
Revaluation Reserve for Land			
Adjustments arising during the year	—	—	—
Reclassification adjustments to profit or loss	—	—	—
Amount before income tax effect	—	—	
Income tax effect	(461)	—	(3,088)
Total	¥ (461)	—	$ (3,088)
Remeasurements of defined benefit plans:			
Adjustments arising during the year	¥ 3,159	¥ 13,540	$ 21,127
Reclassification adjustments to profit or loss	(1,328)	(23)	(8,888)
Amount before income tax effect	1,830	13,516	12,239
Income tax effect	(745)	(4,135)	(4,985)
Total	¥ 1,084	¥ 9,380	$ 7,254
Share of other comprehensive income of entities accounted for using equity method:			
Total	¥ 285	¥ 607	$ 1,912
Total other comprehensive (loss)income	¥ (24,633)	¥ 87,381	$ (164,738)

31. SEGMENT INFORMATION

Under the ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available, and such information is evaluated regularly by the chief operating decisionmaker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Segment information has been omitted because the Group operates in one segment, the banking business.

32. RELATED PARTY TRANSACTIONS

a. Related Party Transactions

Transactions between subsidiaries of the Company and Related Parties

Directors of the Company or major shareholders (individuals only), etc.

For the fiscal year ended March 31, 2025

Party Classification	Name of Company or Individual	Address	Capital	Type of Business	Percentage of Voting Rights Held by the Company	Relations with Related Party	Type of Transaction	Amounts of the Transactions	Account Classification	Balance at the fiscal year-end
Director or Close relative of a director	Saya Kaneko			Close relative of an auditor of a subsidiary		Credit transaction	Lending*		Loans and bills discounted	¥28 million ($189 thousand)
Director or Close relative of a director	Takehiro Kaneko			Close relative of an auditor of a subsidiary		Credit transaction	Lending*		Loans and bills discounted	¥52 million ($353 thousand)
Director or Close relative of a director	Tomoyuki Ishihara			Close relative of an auditor of a subsidiary		Credit transaction	Lending*		Loans and bills discounted	¥16 million ($107 thousand)

*The terms and conditions of transactions and policies of determining the terms and conditions are similar to general cases.

For the fiscal year ended March 31, 2024

Party Classification	Name of Company or Individual	Address	Capital	Type of Business	Percentage of Voting Rights Held by the Company	Relations with Related Party	Type of Transaction	Amounts of the Transactions	Account Classification	Balance at the fiscal year-end
Director or Close relative of a director	Saya Kaneko			Close relative of an auditor of a subsidiary		Credit transaction	Lending*		Loans and bills discounted	¥29 million
Director or Close relative of a director	Takehiro Kaneko			Close relative of an auditor of a subsidiary		Credit transaction	Lending*		Loans and bills discounted	¥54 million

*The terms and conditions of transactions and policies of determining the terms and conditions are similar to general cases.

b. Notes to the Parent Company or Major Affiliated Companies

None

33. SUBSEQUENT EVENTS

a. Dividends

On May 12, 2025, the Board of Directors resolved the following appropriation of retained earnings:

Appropriation of Retained Earnings as of March 31, 2025

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends - common stock (¥16.00 - $0.11 per share)	¥18,302	$122,400

b. Business Combination through Acquisition

At the Board of Directors meeting held on November 14, 2024, The Company resolved to acquire 85.0% of common shares issued of Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (the trade name was changed to L&F Asset Finance, Ltd. on April 1, 2025), a wholly owned subsidiary of Sumitomo Mitsui Trust Bank, Limited, and to make it a subsidiary, and entered into a share purchase agreement on November 14, 2024. On April 1, 2025, the Company acquired shares, and L&F Asset Finance, Ltd. became a subsidiary of the Company.

1. Outline of the business combination

(1) Name and type of business of the acquiree

Name of the acquiree: L&F Asset Finance, Ltd.

Type of business: Loan business, Guarantee business, and all other incidental business

(2) Main purpose of the business combination

Although the Company has a long-term vision of becoming " A solution company rooted and selected as a partner in communities" , the business environment surrounding the Company is expected to be affected by accelerating changes in social structures caused by population decline, leading to increases in inheritances, vacant and older properties, and foreign workers.

As a specialized real estate finance company offering personal home loans, rental property loans, and real estate loans, L&F Asset Finance, Ltd. has developed thorough credit processes based on its proprietary debtor evaluation and property assessment expertise cultivated over many years to meet diverse financial needs related to borrower attributes (foreigners, the elderly, etc.), property characteristics (older properties, etc.), and use of funds (inheritance-related, etc.) that banks are not always able to fully address.

By accepting L&F Asset Finance, Ltd., which has its proprietary expertise and customer base into the Company and conducting joint business with Sumitomo Mitsui Trust Bank, Limited, The Company is going to respond to meet the diversifying financial needs that accompany these social changes and fulfill its mission and role of contributing to the sustainable development of local communities through its financial intermediation function more than ever before.

(3) Business combination date

April 1, 2025

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name of the acquiree after business combination

L&F Asset Finance, Ltd.

(6) Ratio of voting rights acquired

85.0%

(7) Main grounds for determining the acquirer

The Company acquired shares for cash consideration.

2. Acquisition cost of the acquiree and breakdown by type of consideration for the acquisition

Cash consideration for the acquisition:	¥54,485 million	($364,375 thousand)
Acquisition cost:	¥54,485 million	($364,375 thousand)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Concordia Financial Group, Ltd.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Concordia Financial Group, Ltd. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Member of
Deloitte Touche Tohmatsu Limited

Appropriateness of Borrower Classifications in Determination of Allowance for Loan Losses	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
The Group is a financial group that owns consolidated subsidiaries engaged in banking business ("consolidated banking subsidiaries") and operates business offices mainly in Kanagawa Prefecture and Tokyo. The Group has set a long-term vision of becoming "a solution company rooted in communities and selected as a partner to walk together" and continued to strengthen loans to small and medium-sized enterprises ("SMEs") and individuals in the region. As a result, its financial assets mainly consist of loans to SMEs and loans to individuals. Loans are exposed to credit risk caused by customers' default on contracts and if corporate business performance, value of real estate collaterals, or personal household trends, and other factors fluctuate significantly, loan losses may occur and affect the Group's financial performance. In order to prepare for the risk of loan losses arising from the default or bankruptcy of borrowers of consolidated banking subsidiaries, the Group determines borrower classifications based on their financial position, financial performance and other factors in accordance with its policy and guidelines for the self-assessment of asset quality, and determines an allowance for loan losses based on the classifications, as described in Note 2, "Summary of Significant Accounting Policies, i. Allowance for Loan Losses." The Group recorded loans of ¥16,745,606 million, and the allowance for loan losses of ¥82,935 million on the consolidated balance sheet as of March 31, 2025. In determining the allowance for loan losses, several key assumptions are used, as described in Note 2, "Summary of Significant Accounting Policies, z. Significant Accounting Estimates." Among them, future prospects in the determination of borrower classifications involve a relatively higher degree of subjective judgments by management as they are based on a comprehensive consideration of the actual conditions of the borrowers. Therefore, in determining classifications for borrowers who meet certain criteria, the Group has a system in place where the classifications determined by operating divisions are subject to approval by the division at the head office in charge of the secondary assessment to ensure prudence.	We performed the following audit procedures, among others, to address the key audit matter: Tests of internal controls over the determination of borrower classifications • We assessed the appropriateness of the rules on the determination of borrower classifications by inspecting relevant rules and regulations and examined their appropriateness in light of accounting standards for financial instruments and others. • We tested the design and operating effectiveness of controls over the approval of operating divisions' determination of borrower classifications by the division at the head office in charge of secondary assessment, by making inquiries and inspecting internal approval documents and other relevant documents, and we examined whether such approval was based on the appropriateness of significant judgment factors, such as the borrowers' financial position, financial performance and future prospects. • We tested the design and operating effectiveness of controls to ensure that significant underlying information on borrowers used in controls over the determination of borrower classifications is prepared accurately and completely based on supporting documents, such as financial statements and business improvement plans obtained from borrowers, by making inquiries, inspecting relevant documents, and comparing significant underlying information with its supporting documents. Evaluation of the appropriateness of borrower classifications of specific borrowers subject to the key audit matter To evaluate management's judgments on the rationality and feasibility of the prospects for improvement in borrower's financial position based on future earnings of such borrowers, we selected large borrowers whose classifications depend on the prospects for improvement in their financial position based on future earnings and other factors and whose deterioration in the borrower classifications could have a significant impact on the Group's financial performance based on certain criteria. We performed the following audit procedures, among others, for the borrowers selected: • We made inquiries and inspected relevant documents to understand the basis for management's judgments mentioned above.

In the case of borrowers who have been classified as "in need of caution" based on the prospects for improvement in their financial position through future earnings and other factors, even though their financial position has deteriorated significantly, the determination of borrower classifications involves a higher degree of management's subjective judgments in evaluating the rationality and feasibility of such future prospects because the prospects for future earnings during the period until their financial position improves are significant factors in determining the borrower classifications. Based on the above reasons, we have identified the appropriateness of the borrower classification of large borrowers in determining the allowance for loan losses, whose borrower classifications depend on the prospects for improvement in their financial position based on future earnings and other factors and whose deterioration in the borrower classifications could have a significant impact on the Group's financial performance, as a key audit matter.	• We assessed the appropriateness of the evaluation of the actual financial position, taking into account the possibility of unrealized losses on assets, quasi-equity loans, and other factors. • We assessed the appropriateness of the evaluation of the cash flow forecast. • With respect to profitability improvement measures within the prospects for future earnings, we assessed whether such measures were reasonably expected to improve profitability based on historical results and other factors and whether such measures took into account the costs required for such measures by making inquiries and inspecting relevant documents. • With respect to major cost-reduction measures within the prospects for future earnings, we assessed whether the reduction prospects were reasonable in comparison with historical results and other factors and whether the reduction measures were consistent with the major profitability improvement measures by making inquiries and inspecting relevant documents.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Integrated Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to Concordia Financial Group, Ltd. and its subsidiaries were ¥268 million and ¥54 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

September 18, 2025

Non-Consolidated Financial Statements

Bank of Yokohama

Non-Consolidated Balance Sheet

The Bank of Yokohama, Ltd.
March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
ASSETS:			
Cash and due from banks	¥ 4,269,087	¥ 3,992,990	$ 28,550,041
Call loans	285,939	223,629	1,912,256
Monetary claims bought	25,321	27,451	169,341
Trading assets	1,517	1,730	10,150
Money held in trust	8,399	—	56,174
Securities	2,530,427	2,510,721	16,922,537
Loans and bills discounted	14,783,397	14,612,994	98,865,763
Foreign exchanges	18,713	22,723	125,145
Other assets	235,559	251,502	1,575,331
Property, plant and equipment	141,506	142,690	946,343
Intangible assets	14,960	15,731	100,051
Prepaid pension costs	39,445	38,037	263,795
Deferred tax assets	5,348	—	35,766
Customers' liabilities for acceptances and guarantees	43,795	32,783	292,887
Allowance for loan losses	(66,320)	(67,815)	(443,528)
TOTAL	¥22,337,098	¥21,805,172	$149,382,052
LIABILITIES:			
Deposits	¥18,562,149	¥17,971,667	$124,136,624
Negotiable certificates of deposit	120,090	204,950	803,116
Call money	106,519	197,080	712,365
Payables under repurchase agreements	73,351	115,423	490,544
Payables under securities lending transactions	81,378	76,599	544,226
Trading liabilities	6	12	41
Borrowed money	2,021,872	1,984,154	13,521,521
Foreign exchanges	1,194	836	7,986
Due to trust account	46,566	41,729	311,418
Other liabilities	265,280	102,291	1,774,098
Provision for bonuses	4,680	3,688	31,301
Provision for directors' bonuses	23	23	156
Provision for share-based compensation	316	174	2,119
Provision for reimbursement of deposits	1,454	1,831	9,727
Provision for contingent losses	915	638	6,123
Deferred tax liabilities	—	4,091	—
Deferred tax liabilities for land revaluation	16,162	16,256	108,087
Acceptances and guarantees	43,795	32,783	292,887
Total liabilities	21,345,757	20,754,236	142,752,339
EQUITY:			
Capital stock — common stock — authorized, 3,000,000 thousand shares in 2025 and 2024; issued, 1,204,576 thousand shares in 2025 and 2024	215,628	215,628	1,442,043
Capital surplus	177,244	177,244	1,185,344
Retained earnings:			
Legal retained earnings	38,384	38,384	256,699
Other retained earnings	491,178	528,307	3,284,814
Valuation difference on available-for-sale securities	33,778	54,440	225,899
Deferred gains or losses on hedges	469	549	3,139
Revaluation reserve for land	34,657	36,381	231,775
Total equity	991,340	1,050,935	6,629,713
TOTAL	¥22,337,098	¥21,805,172	$149,382,052

Non-Consolidated Statement of Income

The Bank of Yokohama, Ltd.
Year Ended March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥176,166	¥157,708	$1,178,138
Interest and dividends on securities	44,096	36,653	294,901
Interest on call loans	2,362	2,674	15,799
Interest on due from banks	16,551	6,572	110,688
Other interest income	5,630	7,159	37,656
Trust fees	242	278	1,621
Fees and commissions	61,168	57,894	409,072
Trading income	91	35	609
Other operating income	5,165	5,427	34,544
Other income	7,142	3,556	47,768
Total income	318,617	277,960	2,130,796
EXPENSES:			
Interest expenses:			
Interest on deposits	29,140	19,468	194,883
Interest on negotiable certificates of deposit	455	9	3,046
Interest on call money	8,841	4,107	59,129
Interest on payables under repurchase agreements	5,673	5,919	37,944
Interest on payables under securities lending transactions	4,296	3,754	28,734
Interest on borrowed money	5,421	6,143	36,258
Other interest expenses	10,279	14,421	68,742
Fees and commissions	20,922	18,916	139,919
Trading Expenses	—	19	—
Other operating expenses	13,561	30,532	90,696
General and administrative expenses	103,110	100,900	689,561
Provision of allowance for loan losses	4,650	9,077	31,104
Other expenses	5,822	4,767	38,939
Total expenses	212,176	218,038	1,418,955
INCOME BEFORE INCOME TAXES	106,441	59,922	711,841
INCOME TAXES:			
Current	32,291	18,205	215,953
Deferred	(1,632)	(502)	(10,919)
Total income taxes	30,658	17,702	205,034
NET INCOME	¥ 75,782	¥ 42,219	$ 506,807

Non-Consolidated Financial Statements

Higashi-Nippon Bank

Non-Consolidated Balance Sheet

The Higashi-Nippon Bank, Limited
March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
ASSETS:			
Cash and due from banks	¥ 127,158	¥ 109,492	$ 850,387
Securities	337,211	371,190	2,255,142
Loans and bills discounted	1,628,787	1,670,578	10,892,714
Foreign exchanges	2,293	1,962	15,338
Other assets	14,767	16,835	98,760
Property, plant and equipment	26,834	24,751	179,459
Intangible assets	2,557	2,585	17,106
Prepaid pension costs	6,130	5,053	40,995
Customers' liabilities for acceptances and guarantees	1,654	1,613	11,065
Allowance for loan losses	(11,991)	(13,651)	(80,196)
TOTAL	¥2,135,403	¥2,190,412	$14,280,770
LIABILITIES:			
Deposits	¥1,507,890	¥1,593,858	$10,084,199
Negotiable certificates of deposit	181,800	203,000	1,215,810
Call money	255,000	210,000	1,705,343
Payables under securities lending transactions	3,699	3,881	24,740
Borrowed money	37,000	34,100	247,442
Foreign exchanges	6	34	43
Other liabilities	9,345	4,714	62,501
Provision for bonuses	397	501	2,660
Provision for directors' bonuses	14	10	96
Provision for share-based compensation	134	61	901
Provision for reimbursement of deposits	396	433	2,654
Provision for contingent losses	580	844	3,884
Deferred tax liabilities	46	773	311
Deferred tax liabilities for land revaluation	2,614	2,551	17,483
Acceptances and guarantees	1,654	1,613	11,064
Total liabilities	2,000,581	2,056,380	13,379,131
EQUITY:			
Capital stock — common stock — authorized, 388,000 thousand shares in 2025 and 2024; issued, 176,869 thousand shares in 2025 and 2024	38,300	38,300	256,136
Capital surplus	24,600	24,600	164,518
Retained earnings:			
Legal retained earnings	1,904	1,904	12,735
Other retained earnings	57,117	52,673	381,983
Valuation difference on available-for-sale securities	7,341	10,893	49,094
Revaluation reserve for land	5,558	5,660	37,173
Total equity	134,821	134,032	901,639
TOTAL	¥2,135,403	¥2,190,412	$14,280,770

Non-Consolidated Statement of Income

The Higashi-Nippon Bank, Limited
Year Ended March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥20,677	¥20,086	$138,284
Interest and dividends on securities	4,333	3,391	28,978
Interest on due from banks	323	71	2,166
Other interest income	1	2	9
Fees and commissions	4,633	4,894	30,985
Other operating income	45	169	304
Other income	1,695	2,284	11,337
Total income	31,709	30,899	212,063
EXPENSES:			
Interest expenses:			
Interest on deposits	1,152	120	7,709
Interest on negotiable certificates of deposit	253	29	1,696
Interest on call money	461	0	3,084
Interest on payables under securities lending transactions	8	3	59
Interest on borrowed money	26	—	176
Fees and commissions	1,142	1,071	7,639
Other operating expenses	3,471	947	23,219
General and administrative expenses	16,767	18,082	112,137
Provision of allowance for loan losses	1,447	—	9,681
Other expenses	1,037	820	6,935
Total expenses	25,769	21,076	172,335
INCOME BEFORE INCOME TAXES	5,940	9,822	39,728
INCOME TAXES:			
Current	826	497	5,525
Deferred	697	2,662	4,664
Total income taxes	1,523	3,160	10,189
NET INCOME	¥ 4,416	¥ 6,662	$ 29,539

Non-Consolidated Financial Statements

Kanagawa Bank

Non-Consolidated Balance Sheet

The Kanagawa Bank, Limited
March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
ASSETS:			
Cash and due from banks	¥ 48,869	¥ 32,632	$ 326,821
Monetary claims bought	—	81	—
Securities	69,118	80,381	462,239
Loans and bills discounted	409,502	405,917	2,738,601
Foreign exchanges	8	58	58
Other assets	931	6,210	6,230
Property, plant and equipment	3,853	3,937	25,770
Intangible assets	87	—	587
Customers' liabilities for acceptances and guarantees	248	267	1,661
Allowance for loan losses	(4,104)	(3,699)	(27,449)
TOTAL	¥528,516	¥525,785	$3,534,518
LIABILITIES:			
Deposits	¥468,009	¥ 471,631	$3,129,871
Borrowed money	26,500	21,600	177,222
Other liabilities	3,273	1,268	21,889
Provision for bonuses	149	132	1,001
Provision for retirement benefits	553	603	3,700
Provision for reimbursement of deposits	13	13	90
Deferred tax liabilities	24	353	167
Deferred tax liabilities for land revaluation	522	507	3,496
Acceptances and guarantees	248	267	1,661
Total liabilities	499,295	496,377	3,339,097
EQUITY:			
Capital stock – common stock – authorized, 28 shares in 2025 and 2024; issued, 6 shares in 2025 and 2024	6,191	6,191	41,407
Capital surplus	5,101	5,101	34,114
Retained earnings:			
Legal retained earnings	1,090	1,090	7,293
Other retained earnings	14,798	13,967	98,967
Valuation difference on available-for-sale securities	1,079	2,082	7,218
Revaluation reserve for land	960	975	6,422
Total equity	29,221	29,408	195,421
TOTAL	¥528,516	¥525,785	$3,534,518

Non-Consolidated Statement of Income

The Kanagawa Bank, Limited
Year Ended March 31, 2025 — Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
INCOME:			
Interest income:			
Interest on loans and bills discounted	¥ 6,920	¥ 6,680	$46,286
Interest and dividends on securities	664	613	4,442
Interest on call loans	0	0	0
Interest on due from banks	127	39	850
Other interest income	0	1	3
Fees and commissions	1,590	1,437	10,639
Other operating income	69	99	466
Other income	804	2,129	5,381
Total income	10,178	11,001	68,067
EXPENSES:			
Interest expenses:			
Interest on deposits	373	69	2,498
Interest on call money	0	(5)	0
Interest on borrowed money	13	1	92
Interest on lease	1	1	7
Fees and commissions	315	346	2,110
Other operating expenses	631	724	4,224
General and administrative expenses	5,930	6,685	39,660
Provision of allowance for loan losses	866	1,902	5,794
Other expenses	585	504	3,917
Total expenses	8,717	10,230	58,302
INCOME BEFORE INCOME TAXES	1,460	770	9,765
INCOME TAXES:			
Current	483	235	3,230
Deferred	109	84	734
Total income taxes	592	319	3,964
NET INCOME	¥ 867	¥ 450	$ 5,801

Financial Highlights

Concordia Financial Group (Consolidated)

Years Ended March 31	Millions of Yen* 2025	Millions of Yen* 2024	Thousands of U.S. Dollars** 2025
At year-end:			
Total assets	¥24,793,138	¥24,381,712	$165,807,120
Cash and due from banks	4,445,659	4,133,789	29,730,886
Deposits	20,412,965	19,974,124	136,514,181
Loans and bills discounted	16,745,606	16,602,619	111,988,275
Securities	2,922,081	2,947,434	19,541,773
Total equity	1,292,594	1,284,767	8,644,380
Capital stock	150,078	150,078	1,003,669
For the year:			
Total income	¥ 399,176	¥ 374,504	$ 2,669,542
Total expenses	280,257	283,112	1,874,258
Net income attributable to owners of the parent	82,805	66,931	553,773

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥149.53=$1 effective on March 31,2025

Bank of Yokohama (Non-Consolidated)

Years Ended March 31	Millions of Yen* 2025	Millions of Yen* 2024	Thousands of U.S. Dollars** 2025
At year-end:			
Total assets	¥22,337,098	¥21,805,172	$149,382,052
Cash and due from banks	4,269,087	3,992,990	28,550,041
Deposits	18,562,149	17,971,667	124,136,624
Loans and bills discounted	14,783,397	14,612,994	98,865,763
Securities	2,530,427	2,510,721	16,922,537
Total equity	991,340	1,050,935	6,629,713
Capital stock	215,628	215,628	1,442,043
For the year:			
Total income	¥ 318,617	¥ 277,960	$ 2,130,796
Total expenses	212,176	218,038	1,418,955
Net income	75,782	42,219	506,807

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥149.53=$1 effective on March 31,2025

Higashi-Nippon Bank (Non-Consolidated)

Years Ended March 31	Millions of Yen* 2025	Millions of Yen* 2024	Thousands of U.S. Dollars** 2025
At year-end:			
Total assets	¥2,135,403	¥2,190,412	$14,280,770
Cash and due from banks	127,158	109,492	850,387
Deposits	1,507,890	1,593,858	10,084,199
Loans and bills discounted	1,628,787	1,670,578	10,892,714
Securities	337,211	371,190	2,255,142
Total equity	134,821	134,032	901,639
Capital stock	38,300	38,300	256,136
For the year:			
Total income	¥ 31,709	¥ 30,899	$ 212,063
Total expenses	25,769	21,076	172,335
Net income	4,416	6,662	29,539

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥149.53=$1 effective on March 31,2025

Kanagawa Bank (Non-Consolidated)

Years Ended March 31	Millions of Yen* 2025	Millions of Yen* 2024	Thousands of U.S. Dollars** 2025
At year-end:			
Total assets	¥528,516	¥525,785	$3,534,518
Cash and due from banks	48,869	32,632	326,821
Deposits	468,009	471,631	3,129,871
Loans and bills discounted	409,502	405,917	2,738,601
Securities	69,118	80,381	462,239
Total equity	29,221	29,408	195,421
Capital stock	6,191	6,191	41,407
For the year:			
Total income	¥ 10,178	¥ 11,001	$ 68,067
Total expenses	8,717	10,230	58,302
Net income	867	450	5,801

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥149.53=$1 effective on March 31,2025

Capital Ratio

Concordia Financial Group (International standard)

[Consolidated]

(Billions of yen)	As of March 31, 2025	As of March 31, 2024
(1) Total capital ratio (4)/(7)	15.67%	14.90%
(2) Tier 1 capital ratio (5)/(7)	15.40%	14.35%
(3) Common equity Tier 1 capital ratio (6)/(7)	15.39%	14.35%
(4) Total capital	1,230.7	1,254.2
(5) Tier 1 capital	1,209.4	1,207.4
(6) Common equity Tier 1 capital	1,209.3	1,207.3
(7) Risk-weighted assets	7,853.3	8,412.2
(8) Total required capital (7) × 8%	628.2	672.9

Bank of Yokohama (International standard)

[Consolidated]

(Billions of yen)	As of March 31, 2025	As of March 31, 2024
(1) Total capital ratio (4)/(7)	14.61%	16.04%
(2) Tier 1 capital ratio (5)/(7)	14.28%	15.41%
(3) Common equity Tier 1 capital ratio (6)/(7)	14.27%	15.41%
(4) Total capital	1,031.9	1,109.4
(5) Tier 1 capital	1,008.3	1,066.0
(6) Common equity Tier 1 capital	1,008.3	1,065.9
(7) Risk-weighted assets	7,061.3	6,916.0
(8) Total required capital (7) × 8%	564.9	553.2

Higashi-Nippon Bank (Domestic standard)

[Consolidated]

(Billions of yen)	As of March 31, 2025	As of March 31, 2024
(1) Capital adequacy ratio (2)/(3)	8.77%	8.25%
(2) Total capital	119.9	115.7
(3) Risk-weighted assets	1,367.4	1,402.3
(4) Total required capital (3) × 4%	54.6	56.0

Kanagawa Bank (Domestic standard)

[Consolidated]

(Billions of yen)	As of March 31, 2025	As of March 31, 2024
(1) Capital adequacy ratio (2)/(3)	9.69%	9.43%
(2) Total capital	28.3	27.2
(3) Risk-weighted assets	291.8	288.9
(4) Total required capital (3) × 4%	11.6	11.5

Board Members

(As of July 1, 2025)

Concordia Financial Group

Directors

Representative Director, President	Tatsuya Kataoka
Representative Director	Nobuo Onodera
Director	Michifumi Katsuta
Outside Directors	Mitsuru Akiyoshi
	Mami Yoda
	Shigeru Ishii
Director (Full Time Audit & Supervisory Committee Member)	Kazuhiro Maehara
Outside Director (Audit & Supervisory Committee Member)	Mayumi Noguchi
	Yoshikazu Suzuki

Executive Officers

Executive Officers	Yutaro Koshiba
	Toshihiko Onuki
	Hiroaki Suzuki
	Kazumi Nobe
	Masatoshi Akahori
	Hitoshi Inoue
	Kazuhiro Sukegawa
	Masaru Tanaka
	Tomoki Arai

Bank of Yokohama

Directors

Representative Director, President	Tatsuya Kataoka
Representative Director, Deputy President	Nobuo Onodera
Director and Executive Officer, Deputy President	Yutaro Koshiba
Directors and Managing Executive Officers	Michifumi Katsuta
	Toshihiko Onuki
Directors and Executive Officers	Hiroaki Suzuki
	Kazumi Nobe
Non-Executive Directors	Mami Yoda
	Shigeru Ishii

Supervisory Board Members

Full-time Audit & Supervisory Board Members	Mitsuhiro Hara
	Keigo Makino
Outside Full-time Audit & Supervisory Board Member	Taro Teruuchi
Outside Audit & Supervisory Board Member	Hideyuki Takizawa

Executive Officers

Managing Executive Officers	Akihiko Bandai
	Yutaka Ota
Executive Officers	Masatoshi Akahori
	Tohru Ikeda
	Junichi Nihei
	Hidenobu Ueda
	Naoyuki Miyamoto
	Masahiro Kono
	Hitoshi Inoue

Higashi-Nippon Bank

Directors

Representative Director, President	Kazuhiro Sukegawa
Directors and Managing Executive Officers	Toshiya Kubota
Directors and Executive Officers	Kouji Ogawa
	Yasuhiro Ishihara
	Maki Uchida
	Kenji Tateda
Outside Director	Tomoko Okiyama

Supervisory Board Members

Full-time Audit & Supervisory Board Member	Akira Okuzumi
Outside Audit & Supervisory Board Members	Hitomi Yamada
	Motohiro Ikehara

Executive Officers

Managing Executive Officer	Isao Tsukada
Executive Officers	Isao Ueda
	Kouich Ishizaka
	Koichiro Yamashita
	Toshio Kenjo
	Daisuke Tabata
	Katsuhito Fujisaki

Kanagawa Bank

Directors

Representative Director, President	Tomoki Arai
Directors and Executive Officers	Koji Nagano
	Atsushi Honma
	Hiroyuki Motoi
	Kazuya Miyashita
Non-executive Director	Hiroaki Suzuki

Supervisory Board Members

Full-time Audit & Supervisory Board Member	Makoto Motoyama
Outside Audit & Supervisory Board Members	Takeshi Onozaki
	Kohei Nomiyama

Executive Officers

Executive Officers	Kazuki Higuchi
	Tomoya Murayama
	Go Tanaka

Corporate Information

CORPORATE DATA

Concordia Financial Group

(As of March 31, 2025)

Company Name
Concordia Financial Group, Ltd.

Head Office
7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo
(Tokyo Nihombashi Tower, 34th floor)
Tel: +81 (3) 5200-8201

Date of Establishment
April 1, 2016

Paid-in Capital
¥150,078 million

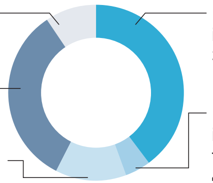
Internet Address
https://www.concordia-fg.jp/en/index.html

Rating Information (As of June 30, 2025)

	Moody's	R&I	JCR
Concordia Financial Group	A3	AA-	AA
Bank of Yokohama	A2	AA-	AA
Higashi-Nippon Bank	-	-	AA
Kanagawa Bank	-	-	-

Shareholder Composition Percentage of total

(As of March 31, 2025)



*Decimal points are truncated to the second place, so the total percentage may not add up to 100%.

Bank of Yokohama

(As of March 31, 2025)

Company Name
The Bank of Yokohama, Ltd.

Head Office
1-1, Minatomirai 3-chome, Nishi-ku,
Yokohama, Kanagawa 220-8611, Japan
Tel: +81 (45) 225-1111

Date of Establishment
December 16, 1920

Paid-in Capital
¥215,628 million

Number of Employees
4,316

Number of Branches and Offices (As of June 30, 2025)
601
Domestic: 596 (202 branches, 4 sub-branches, 390 ATM locations)
Overseas: 2 Branches, 3 Representative offices

Internet Address
https://www.boy.co.jp/e/index.html

Higashi-Nippon Bank

(As of March 31, 2025)

Company Name
The Higashi-Nippon Bank, Limited

Head Office
11-2, Nihonbashi 3-chome, Chuo-ku,
Tokyo 103-8238, Japan
Tel: +81 (3) 3273-6221

Date of Establishment
April 5, 1924

Paid-in Capital
¥38,300 million

Number of Employees
965

Number of Branches and Offices (As of June 30, 2025)
Domestic: 89 (84 branches, 3 sub-branches, 2 Unmanned branch offices)

Internet Address
https://www.higashi-nipponbank.co.jp/

Kanagawa Bank

(As of March 31, 2025)

Company Name
THE KANAGAWA BANK, LTD.

Head Office
166, Chojamachi 9-chome, Naka-ku,
Yokohama, Kanagawa 231-0033, Japan
Tel: +81 (45) 261-2641

Date of Establishment
July 30, 1953

Paid-in Capital
¥6,191 million

Number of Employees
364

Number of Branches and Offices (As of June 30, 2025)
Domestic: 35 (34 branches, 1 Unmanned branch offices)

Internet Address
https://www.kanagawabank.co.jp/

INTERNATIONAL NETWORK (Bank of Yokohama)

(As of July 1, 2025)

Asia

Shanghai Branch:
19F, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai 200120, People's Republic of China
Tel: +86 (21) 6877-6800 Fax: +86 (21) 6877-6680 GENERAL MANAGER Aki Murakami

Hong Kong Representative Office:
Suite 2109, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, S.A.R., People's Republic of China
Tel: +852-2523-6041 Fax: +852-2845-9022 CHIEF REPRESENTATIVE Kensuke Sato

Bangkok Representative Office:
No. 57 Park Ventures Ecoplex, Unit1005, 10th Floor, Wireless Road, Lumpini, Patumwan Bangkok 10330, Thailand
Tel: +66 2254-7251 Fax: +66 2254-7255 CHIEF REPRESENTATIVE Shinichiro Mori

Singapore Branch:
5 Shenton Way #22-01 UIC Building, Singapore 068808
Tel: +65 6216-1500 Fax: +65 6216-1510 GENERAL MANAGER Ryo Kashimura

North America

New York Representative Office:
780 Third Avenue., 32nd Floor, New York, NY 10017, U.S.A.
Tel: +1 (212) 750-0022 Fax: +1 (212) 750-8008 CHIEF REPRESENTATIVE Takashige Shimotori

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