

SIHD

ANNUAL REPORT 2026

Year Ended March 31, 2026

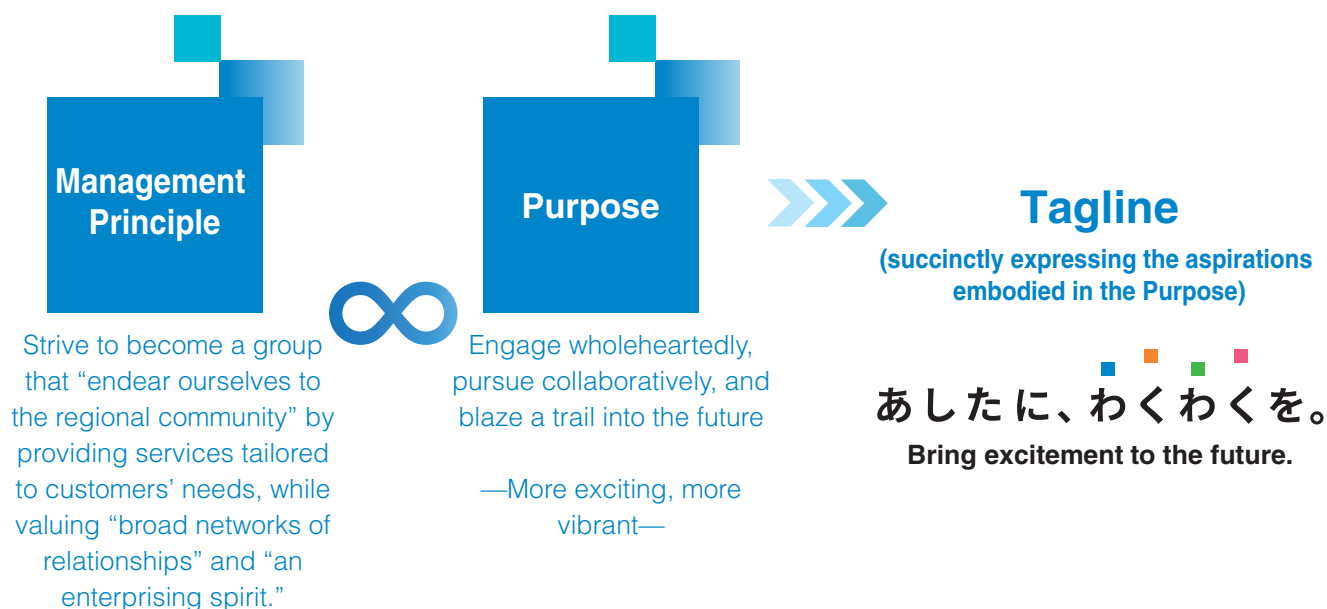


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SENSHU IKEDA HOLDINGS, INC.

Significance of Existence



Group’s Brand Personality and Brand Style

Established the Brand Personality and Brand Style based on the Purpose to gain the support of internal and external stakeholders.

Brand Personality

“What makes the SIHD Group unique” defines how the Purpose is embodied



- Human
- Ambitious
- Progressive
- Original

Engage sincerely as a member of the community.

Approach everything with determination and enthusiasm.

Be the first to take on challenges, looking to the future.

Create unique value, serving as the starting point for co-creation.

Brand Style

Design that visualizes the brand image based on the Purpose and the Brand Personality

A world where people and value fuse and evolve

At the Senshu Ikeda Holdings Group, there are opportunities for people, industries and culture, and diverse values to meet, interact, and blend.

Colors represent individuals, companies, and aspirations. When diverse personalities and ideas resonate with one another, giving rise to new possibilities, the region evolves.

This continuous fusion will drive the region and Japan forward.



S I H D

Corporate Identity This symbol in the shape of Kansai's six prefectures is suitable for the new financial group, leading the Kansai region characterized by a spirit of openness.

The vertical lines stretching upward express the spread of the various networks linking the Kansai area that were created with the birth of the new financial group.

The brand color is associated with water, a clear blue that symbolizes the growth potential of the new financial group and the corporate culture of unrestricted freedom.

CONTENTS

Top Message	3
Messages from Outside Directors	11
Sixth Medium-Term Business Plan	18
Human Capital Management	26
SX Strategy	30
Addressing Climate Change and Natural Capital (Initiatives Based on the TCFD and TNFD Recommendations)	31
Message from the Chairman of the Board of Directors	37
Corporate Governance	38
Compliance Structure	48
Structure for preventing Money laundering and the financing of terrorism	50
Risk Management Structure	52
Approach to Facilitation of Financing	57
Corporate Information	59
Business Description of the Group	61
Organization and Board of Directors	62
Consolidated Financial Information of Senshu Ikeda Holdings	66
Non-consolidated Financial Information of The Senshu Ikeda Bank (Unaudited)	106



Hirohito Sakaguchi

Director, Representative Corporate
Officer, President & CEO

Transforming our strengthened management foundation into a force for growth and progressing to the next stage of growth

Management environment

The changing roles of regional financial institutions in the transition to a world with interest rates

It has now been approximately one year since I assumed the position of Director, Representative Corporate Officer, President & CEO. During this time, there have been significant changes in the management environment surrounding the Group.

First of all, we have transitioned from a prolonged era of negative interest rates to a world with interest rates, which has fundamentally changed the earnings environment for regional financial institutions. However, continuing to rely on this environment will not allow us to achieve sustainable growth. With stronger demand for management with an awareness of cost of capital and ROE in recent years, we are seeing major changes in what shareholders and investors expect from regional financial institutions. Rather than simply accumulating profit, we are now in an era in which there is a greater focus on improving corporate value and achieving sustainable growth.

The competitive environment surrounding regional financial institutions has also drastically changed. As the population declines and industry structures change, partnerships and reorganizations among regional financial institutions are increasing. Alongside changes to sales bases, this can be attributed to the changing roles required of financial institutions, including anti-money laundering and cybersecurity measures, and the costs associated with such changes, which are increasing year on year.

Furthermore, customers' needs are also changing significantly. Solutions required for corporate customers are becoming increasingly sophisticated and diverse, while advancements in digitalization are transforming the way we contact individual customers. In addition to financial services, expectations are growing for regional financial institutions to provide support for overall management challenges, including business succession, human resource shortages, and DX solutions.

These changes are not temporary—rather, we are now at a turning point at which the roles of regional financial institutions will undergo a major transformation. As a Group, we recognize that we are at a critical juncture where we must move onto the next stage of growth while looking to these changes.

Review of the previous Medium-Term Business Plan

Reinforcing our business foundations amid a harsh management environment and developing a platform for the next stage of growth

In the five-year period of our previous Medium-Term Business Plans, the Fifth Medium-Term Business Plan and the Fifth Medium-Term Business Plan Plus, we worked to strengthen our business foundations amid an incredibly challenging management environment. The prolonged zero-interest-rate environment led to an increasingly harsh earnings environment for regional financial institutions, and for us, securing core business earnings itself became a major challenge.

Amid this environment, we not only sought to increase our loan balance, but also shifted to solution sales in order to solve customers' challenges. By proposing solutions outside the framework of financial services, including for business succession, staffing service, and M&As, we steadily increased the number of solutions provided and strengthened our relationships with customers.

In other areas, we worked to rebuild our sales system and implement operational reforms to strengthen profitability. To redirect our limited management resources to higher-growth fields, we also engaged in measures to improve management efficiency and productivity. As a result, core business profit steadily improved, and supported in part by the transition to a world with interest rates, we were able to significantly strengthen our revenue base.

These successes were not only a result of changes to our systems and mechanisms. Amid a challenging environment, these achievements were driven by each of the frontline employees who worked to enhance their solution and proposal capabilities while ensuring customer-oriented sales. Personally, I think the Group's most important assets are the human resources and organizational capabilities we developed during this period.

Amid a zero-interest-rate environment, our foremost priority was to strengthen our management foundation and create a lean organization. In today's world with interest rates, however, we have shifted from a phase of strengthening our foundations to one of proactively investing our management resources to drive further growth. Building on the foundations we have built to date, we will proceed with our full-scale pursuit of the next stage of growth.

Long-Term Management Strategy and Sixth Medium-Term Business Plan

Aiming to become a corporate group capable of sustainable growth in ten years' time

With this in mind, we formulated the Long-Term Management Strategy and the Sixth Medium-Term Business Plan, in which we redefined the vision for the Group from a ten-year long-term perspective. Looking further ahead, rather than exclusively pursuing short-term performance improvements and earnings growth, we looked at what role we would be required to play for our local communities and customers and engaged in numerous discussions to address the issues head-on.

Essential to this process was a project led by young and mid-career employees who were selected through the internal posting. While carrying on with their regular duties, the project team held repeated discussions with a strong desire to better the Group. Alongside inspections of overseas companies and research into leading companies, the team carefully considered the ideal vision for the Group in 10 to 20 years' time. Their efforts were deeply inspiring.

It was particularly encouraging to see the team think carefully about what it would take for the Group to continue to be required by local communities in the future, rather than simply looking at their own careers and short-term performance. One of the major successes of the project was our discovery of numerous perspectives and ideas that would not have emerged from the management team alone. Through these discussions, we established a new Purpose: Engage wholeheartedly, pursue collaboratively, and blaze a trail into the future—More exciting, more vibrant—.

In addition to being a message for our customers, this purpose is also a message for our employees. The Purpose embodies our desire to be an organization that sincerely confronts the issues facing its local communities and customers, thinks for itself, and continues to take on new challenges.

In our Long-Term Management Strategy, we are aiming to become a Group that can consistently achieve an ROE of 10% or higher in ten years' time. Our action plan for the first three years of this process is the Sixth Medium-Term Business Plan.

The targets set forth in this plan—ROE of 10% and ¥30.0 billion in holding company's consolidated net income in FY2028—are not easily achievable at this point. That said, our aim is not to temporarily achieve these figures but

to build a management foundation that can maintain these levels in a sustainable manner. Instead of simply extending our current trajectory, we will treat these targets as a milestone as we aim to achieve even loftier goals and to drive the Group toward the next stage of growth.

Further penetration of the Osaka market

Utilizing the growth potential of the region to create new growth opportunities

In the Sixth Medium-Term Business Plan, the most important growth strategy for me personally is further penetration of the Osaka market. For many years, Osaka has been the main sales base for the Group. Upon further analysis of the market, however, we believe that there is still significant room for growth.

In the Hokusetsu and Senshu areas, for example, we have built a solid foundation through many years of sales activities. On the other hand, in the Osaka City market, we have not been able to establish a strong enough presence. In fact, there are still many companies and customers with whom we have not developed sufficient relationships. We believe that this untapped market presents one of our biggest growth opportunities.

Osaka is one of Japan's leading economic hubs and home to numerous companies. Even amid Japan's ongoing population decline, the Osaka market continues to demonstrate high potential for growth. So long as there are still customers we have yet to reach and many companies we have not yet been able to serve, there is significant room for growth for us as a regional financial institution.

To capture these growth opportunities, as part of the Sixth Medium-Term Business Plan we will increase the number of corporate sales personnel from 220 to 260 and reinforce the headquarters' support system. Instead of leaving





inexperienced staff on the frontline alone, we will strengthen our system for helping our customers solve their challenges by ensuring support from specialist staff and relevant officers at the headquarters.

Our biggest aim is not to simply increase our loan balance. Providing loans is the first step to building relationships with our customers, and our ultimate aim is to address the various management challenges that extend beyond, including business succession, human resource shortages, M&As, and asset management.

In the Sixth Medium-Term Business Plan, we will work to boost our presence in the Osaka market using the proposal capabilities and expertise we have cultivated to date. Osaka presents us with significant potential, and we believe that transforming this potential into business opportunities will support our sustainable growth and enhancement of corporate value in ten years' time.

Diversification of revenue opportunities

Creating new revenue opportunities through solutions for local companies

In the Sixth Medium-Term Business Plan, we will transform our revenue structure as we aim to achieve ¥30.0 billion in holding company's consolidated net income and an ROE of 10%. However, we cannot rely on increasing loans in order to achieve growth, as we have done in the past. For us to improve corporate value while fulfilling our role as a regional financial institution, it is paramount that we diversify our sources of earnings in addition to asset-based businesses.

But we are not focusing solely on increasing new businesses. In the process of helping local companies address their management challenges, we will aim to create new revenue opportunities. Many companies are currently facing an array of challenges relating to human resource shortages, business succession, and a lack of successors. Going beyond the framework of financial services to provide solutions to these challenges will present new growth opportunities for us as a regional financial institution.

A leading example is the **area of business succession and M&As**, where the ageing of business owners has led to a steady increase in the number of inquiries regarding business succession in recent years. Alongside acting as an intermediary for M&As, we are building a system to provide close support to business owners from the early stages of business succession and to work alongside them to find the optimal solutions. Moreover, in the event that a potential buyer is not found immediately, we are working with Senshu Ikeda Investment Management Co., Ltd. to create a system to support corporate value enhancements while providing temporary capital. Supporting the growth of local companies and ensuring smooth business succession will ultimately lead to the creation of new revenue opportunities.

In addition, the staffing service business will also be an important growth area. The biggest management challenge currently facing many companies is not funding but the lack of human resources. We are seeing an increasing number of cases in which inquiries from business owners regarding human resources lead to further conversation and understanding of different management challenges such as business succession, organizational reforms, and growth investments. This is helping to build new relationships that would not have been possible with financial services alone.

We are also moving forward with new projects such as **Banking as a Service (BaaS)** and **01Bank**. For BaaS, by linking the customer touchpoints of our partner companies with financial functions, we will create new opportunities to meet customers with whom we previously had no connections. As for 01Bank, we are working to develop a new financial service that utilizes digital technologies to meet the funding needs of small-scale businesses.

Going forward, what we aim for is not merely to provide financial services. Rather, we are aiming to create new revenue opportunities by getting closely involved with the growth of local companies and the challenges they face.

Through initiatives like these, we will create a revenue base that does not rely on interest rates on loans and link this to sustainable growth.

Moreover, as one key pillar of our inorganic strategies for sustainable growth, in April of this year we announced a **capital and business alliance with Shiga Bank**. As the environment surrounding regional financial institutions undergoes drastic change, the burden on each bank in non-competitive areas such as money laundering countermeasures and other measures for financial crime, cybersecurity, and advances in digital transformation is growing. In this era, it is important that we switch from competing alone to co-creation with partners.

With almost no overlap with the customer base of Shiga Bank, we can combine our respective strengths and know-how in the closely connected economic zones of Osaka-Hyogo and Shiga-Kyoto. For example, by linking Shiga Bank's expertise as a national leader in environmental finance and ESG management with our own strengths in staffing service, business succession, M&As, and the proposal capabilities we have cultivated over the years, we can provide high-value-added services to the customers of both institutions. Through this alliance, in addition to collaboration in non-competitive areas, we will co-create new value and work to boost our regional economies and reinforce our regional financial capabilities.

Human capital management

Further strengthening investment in people to enhance the overall competitiveness of the organization

To execute the various measures within the Long-Term Management Strategy and the Sixth Medium-Term Business Plan, **our most important management resource will be our people**. No matter how outstanding our strategies or mechanisms are, we will not see any results if we cannot develop the human resources required to execute them. Ultimately, we believe the source of a regional financial institution's competitive advantage is its people.

With the recent developments in AI and digital technologies, we are seeing rapid advancements in operational efficiency and automation in the financial industry. We are also proactively moving forward with the use of digital

technologies. Personally, no matter how far digital technologies progress, I do not believe that the value of regional financial institutions will be lost. If anything, it will become more important than ever before to be able to work closely with customers to find solutions to their challenges and concerns.

Of course, financial expertise and specialist knowledge are essential. But these alone are not enough. The ability to listen carefully to customers and build relationships with them, and to understand the fundamental challenges facing their businesses and families, is essential. Moving forward, before being financial specialists, it will be more important for us as a regional financial institution to be a trusted partner for our customers.

Based on this mindset, in the Sixth Medium-Term Business Plan, we are planning to invest a cumulative total of ¥5.7 billion in human capital over three years. I believe that investing in our people will lead to greater competitiveness in the future, and so we will reinforce initiatives aimed at both improving compensation and developing human resources. Alongside an increase in base salary and a review of our remuneration systems, we will strengthen investment in human resources development, enhancing education and training and promoting reskilling, for example. By creating an environment in which employees' hard work is appropriately recognized and in which they feel a sense of growth, we will work to maximize the capabilities of each employee.

We are also working to improve our human resource portfolio. To execute the course of action set out in the Long-Term Management Strategy, we will clarify what types of personnel we need and how to appropriately develop them, and ensure a stronger link between our human resources strategy and our management strategy.

Improving employee engagement is another important theme. If we can ensure every employee understands the organization's course of action and that their own growth aligns with the Company's growth, their collective strengths will no doubt lead to a greater value proposition for our customers.

The biggest point of difference between regional financial institutions moving forward will be people. This is precisely why we will work to enhance the organization's overall competitiveness by investing in people and developing human resources.

Corporate governance

Evolving into a Board of Directors that engages in strategic discussions and developing next-generation management human resources

In June 2025, we transitioned to a Company with Nomination Committee, etc. The biggest change since this transition has been the role of the Board of Directors. Previously, the Board of Directors had numerous opportunities to discuss and approve individual matters that had exceeded certain criteria. Since the transition, however, we have clearly separated the roles of oversight and execution, and delegated authority to the execution side. As a result, **the Board of Directors no longer needs to spend time approving individual matters, which has significantly increased the time it can spend discussing medium- to long-term management challenges and growth strategies.**

With the formulation of our Long-Term Management Strategy and our capital and business alliance with Shiga Bank, for example, we did not engage in discussions with a predetermined conclusion. Rather, we spent time, including with outside directors, discussing the environment surrounding the Group and our future vision. Shifting Board of Directors meetings from platforms for approving matters to platforms for discussing strategies has been a major success.

Moreover, our transition to a Company with Nomination Committee, etc. has enabled more systematic discussions on the development of management human resources and successor planning. We are currently at the stage of discussing the process of successor selection and the approach to evaluation, and moving forward we will make further use of the expertise of our outside directors and their objective viewpoints to systematically develop management human

resources for the next generation. We recognize the importance of creating systems to develop human resources for the future, not only for the position of Director, Representative Corporate Officer, President & CEO.

To enhance corporate value in a sustainable manner in an era of dizzying change, it is essential that we improve the transparency and effectiveness of management. Going forward, while engaging in constructive dialogue with our outside directors, we will work to create a more effective governance structure.

Enhancing corporate value through a virtuous cycle of growth investments and shareholder returns

Moving forward, we will place more importance than ever before on dialogue with our shareholders and investors. Given the growing demand for profitability and capital efficiency, we will proactively create opportunities for dialogue with shareholders and investors and carefully explain our approach and strategy to ensure a deeper understanding of our activities.

My particular focus is on ensuring a balance between growth investments, financial soundness, and shareholder returns. While continuing investments aimed at future growth, we will secure sufficient capital as a regional financial institution and appropriately take risks. It is important that we then steadily return our profits to shareholders. It is this virtuous cycle that will lead to a sustainable enhancement of corporate value.

In terms of shareholder returns, we have set a progressive dividend policy with a dividend payout ratio of 40% as our target. This is not a medium-term policy; we believe it is important to continue with this policy from a long-term perspective. Through performance improvements and corporate value enhancements, we will deliver profits to our shareholders in a stable manner. In the future, while continuing to engage in dialogue with our shareholders and investors, we will aim for sustainable growth and enhanced corporate value.

Hirohito Sakaguchi

Director, Representative Corporate Officer, President & CEO



Messages from Outside Directors



Shinoi Sakata
Outside Director

Hidehito Hisakawa
Outside Director

Keiko Kaneko
Outside Director

Message from Retired Outside Director

Becoming an organization that “brings excitement to the future” Using reforms for further growth

**Atsuko
Ogasawara**
Outside Director

Participating
meeting
bodies

- Board of Directors ● Nomination Committee
- Remuneration Committee (Chairman)
- Management Committee (Observer)



Realizing the progress in governance reform alongside the achievements of the Medium-Term Business Plan

I was elected as an independent outside director during the COVID-19 pandemic in June 2020. At a time when the management environment was already presenting challenges, the COVID-19 pandemic brought major restrictions on social and economic activities. The Fifth Medium-Term Business Plan started, which sought to provide thorough solutions under a zero-interest rate environment, and following the two years of the Fifth Medium-Term Business Plan Plus, the hard work of all employees enabled the Group to achieve its numerical targets, recover performance, and achieve growth. And, with the return of a world with interest rates, stock prices and dividends have improved significantly compared

to those of six years ago, and I have been able to step down with peace of mind.

During my six years in office, the Group faced numerous challenges, including compliance issues and the establishment of O1Bank, a new type of digital bank. However, I have seen major change in the operation of the Board of Directors and the governance framework. In particular, the Company's transition to a Company with Nomination Committee, etc.—which according to a survey (2025) by the Japan Exchange Group only 2.5% of all listed companies have—was a major endeavor. This new structure helped streamline the agenda items



Teruji Yamamura
Outside Director

Atsuko Ogasawara
Outside Director

Kenji Fukuda
Outside Director

submitted to the Board of Directors by delegating them to executive departments and the Management Committee. This in turn helped to increase the amount of time that the Board of Directors can spend discussing corporate value enhancements from a long-term perspective and developing the relevant strategies.

This change led to the establishment of the Purpose, the Group's long-term vision that upholds the ideal state in ten years' time, and the formulation of the Sixth Medium-Term Business Plan, which presents the specific numerical targets required to fulfil the vision. This also led to the capital and business alliance with Shiga Bank, which is one way in which the Group can contribute to the community as a regional bank and strengthen regional financial capabilities. However, it has only been a year since this structural change, and so the Group is still at the stage of development. In the future, the challenge will be to improve the effectiveness of this framework. The Group's Purpose, developed primarily by young employees who volunteered through an internal posting process, must be more than a mere articulation of our goals. We must continue to communicate the aspirations it embodies and translate them into action.

■ The growing importance of outside directors in improving the effectiveness of each committee ■

Following this change to the Company's structure, I became a member of the Nomination Committee and Remuneration Committee, serving as chairman of the latter. As mentioned earlier, although we are still in

the first year, we revised officers' remuneration systems, including those for the Group companies, increasing remuneration to more suitable levels. At the Nomination Committee, as the first step in our development of a succession plan, we were given opportunities to meet with director and corporate officer candidates. Outside directors account for the majority of members in each committee, including the Audit Committee, and it is important that we continue to play active roles to ensure they do not become mere rubber-stamp organizations.

■ Further promoting active participation by women and paving the way for female directors within the Group ■

One regret I have from my six years in office is that we were not able to promote any internal female employees to an officer role, although the number of outside officers increased from one (myself) to three. In the Sixth Medium-Term Business Plan, the Group has positioned human capital management as a growth investment, and has set a target to increase the ratio of women in managerial positions to 35%. I look forward to the Group achieving this target and promoting a female director within the Group. For me, this will "bring excitement to the future." I look forward to the future growth of the Senshu Ikeda Holdings Group.

Linking a desire to “benefit customer” to organizational reform and further growth

Keiko Kaneko

Outside Director

Participating
meeting
bodies

● Board of Directors ● Nomination Committee
● Audit Committee ● Management Committee (Observer)
*Switched from Audit Committee member to Remuneration Committee member on June 25, 2026



Enhancing discussions from a medium- to long-term perspective and working to address regional issues

In line with the Company's transition to a Company with Nomination Committee, etc. and the ensuing delegation of authority to the execution side, it has developed a system that enables more in-depth discussions of essential themes, including long-term management strategies, growth investments, and ideal means of support for regional companies.

My focus is on how the Group addresses issues facing regional economies. The challenges facing SMEs in Osaka and the Kansai region are becoming increasingly apparent, whether they involve successor shortages or business succession issues. Rather than simply extending the lifespan of local companies, it is important to promote the dynamism of the entire region while passing on technologies and employment to the next generation. By reinforcing its M&A functions and establishing an investment company, it is paramount that the Group supports the growth of local companies and their business succession.

One of the Group's strengths is its frontline capabilities coupled with a strong desire to benefit customers. Employees' desire to change systems and mechanisms in line with what customers really require, without being constrained by existing rules and practices, has led to a range of new endeavors, including the establishment of O1Bank.

Enhancing the effectiveness of governance through dialogue with the frontlines

As a member of the Audit Committee, my focus is on accompanying internal audits and engaging with the frontlines. Directly understanding the atmosphere and issues on the frontlines that cannot be seen through documents and reports alone is essential to enhancing the effectiveness of governance. During my visits to the frontlines, I have seen employees approach compliance and risk management not as obligations imposed on them, but as matters they take personal responsibility.

The Group is currently introducing a three-line management structure in which the frontline departments, management departments, and internal audit departments take on responsibility for their role in risk management. As a result, we are seeing first-line departments (frontline departments) take ownership of risks and engage in risk management initiatives with a strong sense of understanding. Moreover, the headquarters side does not just exercise greater one-way management controls, but rather operates systems in a way that is closely aligned with the frontlines. In doing so, rather than simply strengthening controls, governance is changing to become more integrated with frontline operations.

Cybersecurity is another theme that is growing in importance for financial institutions. As cyberattacks become more sophisticated, the Group is using threat-led penetration testing (TLPT), which tests practical defense capabilities, to improve its readiness against any cyber-related risks. I hope to deepen the discussions on this matter not only at Board of Directors meetings but also through off-site meetings, and quickly translate any issues into improvements.

Enhancing effective governance through objective standpoints and frontline perspectives

At the Nomination Committee, we are creating opportunities for dialogue and discussion with candidates for management human resources to directly understand their character and mindset. Moreover, through objective discussions primarily among outside directors, we are developing a decision-making process that is not influenced by specific positions or circumstances. In doing so, we are working to provide employees with a strong sense of understanding and peace of mind. Furthermore, in the development of next-generation management human resources, we have high expectations for the promotion of diverse individuals, including currently successful female general Managers and will encourage the incorporation of diverse perspectives.

When contributing to execution-side discussions as an Audit Committee member and an observer of the Management Committee, a thorough understanding of frontline conditions is essential. There are many issues that cannot be understood through reports to the Board of Directors alone, and so it is important to gauge actual conditions by accompanying audits, communicating with the frontlines, and meeting with small-scale Group companies. From my position as an outside director with an understanding of frontline conditions, I strive to provide advice and recommendations on matters and issues that might not be seen by those on the inside.

Platforms for discussion among outside directors are also key. By combining my experience at a manufacturer, for example, with expertise from other industries, I believe it is possible to reassess management issues from diverse perspectives that are not bound by conventional knowledge in the finance sector.

Deepening discussions with a medium- to long-term perspective and building a management foundation to support further growth

Hidehito Hisakawa

Outside Director

Participating
meeting
bodies

- Board of Directors ● Nomination Committee (Chairman)
- Remuneration Committee
- Management Committee (Observer)



A Board of Directors that discusses governance and medium- to long-term strategies

The quality of discussions at Board of Directors meetings has changed since the transition to a Company with Nomination Committee, etc. With more time to discuss medium- to long-term themes including long-term management strategies and medium-term business plans, the Board of Directors has transformed into an organization that focuses more on the direction in the medium to long term.

The recently formulated Long-Term Management Strategy and Sixth Medium-Term Business Plan followed approximately one year of ongoing discussions. It was significant that I was able to participate in these discussions from the strategy development stage. In the process, I focused on how to design the Group's growth strategies. When looking at the environment currently surrounding regional financial institutions, there is a risk that simply building upon their current ways could lead to a decline in the future. That is why I participated in the discussions with a clear focus on which business areas could be developed into growth drivers and how the Group as a whole could drive top-line growth. I also believe that the efforts to establish an agile framework that enables the Group to take on new challenges in response to market needs, including through M&A, will contribute to a growth strategy that goes beyond the conventional boundaries of a regional financial institution.

As for the capital and business alliance with Shiga Bank, progress was regularly reported to the Board of Directors, and information was also shared with outside directors in real-time. Personally, I think it is significant that this alliance is a flexible collaboration. While utilizing the regional foundations and sales knowhow of each institution, I hope the Group can provide new value to customers in both regions through business succession solutions and corporate support.

The importance of spread of the Purpose and the effectiveness of Group governance

The formulation process for the newly announced Long-Term Management Strategy and Purpose was extremely valuable. Young and mid-career employees led numerous discussions to come up with a purpose and long-term strategy themselves. The process was also meaningful in terms of the development of next-generation human resources. However, the formulation of the Purpose and the Long-Term Management Strategy is only the beginning. Moving forward, it is essential that the Group continues to check whether their significance has taken root on the frontlines and whether each employee has successfully

taken ownership and incorporated them into their actions. As the Group proceeds with its growth strategies, it is paramount that it sophisticates Group governance. The more the Group delves into new areas, the more important collaboration between the audit framework and the Bank becomes. With regard to O1Bank in particular, while its growth potential is significant, we recognize that ongoing monitoring is required not only of its profitability but also of its governance and internal controls. Taking both its growth potential and risks into account, we need to work closely with the Audit Committee and conduct particularly close reviews. The Board of Directors will also continue to examine the effectiveness of governance in new business areas.

Full-scale development of next-generation management human resources

At the Nomination Committee, I, serving as its chairman, understand that one of the committee's most important roles is examining how to develop and select management human resources who can steadily execute the Group's Long-Term Management Strategy. To do so, the committee has set up platforms for dialogue and discussion with candidates so that we can understand their personalities and mindset first-hand.

However, we also understand that our efforts to build a systematic framework for the development and succession of next-generation management human resources are a work in progress. As such, we will continue to enhance our discussions on the experience and capabilities required for next-generation management human resources, including on a development roadmap. We will examine various methods of development, such as MBAs, external training, and experience in highly complex roles, and engage in further discussions on an appropriate systematic framework. In the future, an understanding of AI and digital technologies will become a key management capability. In addition to their importance for operational efficiency, they will also be key to new value creation. Management must therefore understand and actively make use of this change. From my position as an outside director, in addition to simply evaluating results, I will continuously monitor progress with the development of next-generation management human resources and organizational reforms, and link this to sustainable corporate value enhancements.

Transforming frontline enthusiasm and Group collaboration into a force for sustainable growth

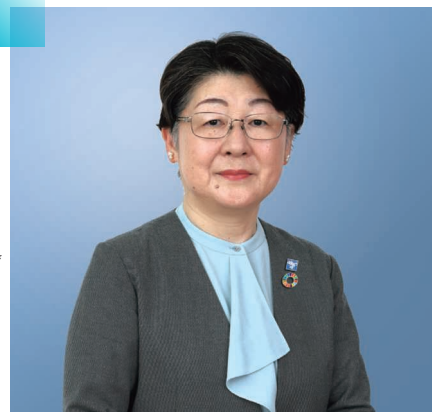
Shinoi Sakata

Outside Director

Participating
meeting
bodies

●Board of Directors ●Remuneration Committee (Chairman)*
●Audit Committee ●Management Committee (Observer)

*Assumed the position of Chairman of the Remuneration Committee on June 25, 2026.



Evolving into a Board of Directors that discusses medium- to long-term strategies

One characteristic of the Group's Board of Directors is that it focuses more on discussing important medium- to long-term themes, including the Group's long-term management strategies and medium-term business plans, than individual matters. Since the transition to a Company with Nomination Committee, etc., the intended role of the Board of Directors—that is, as a platform for discussing the Group's medium- to long-term direction—has become more clearly defined.

Moreover, as the number of small-scale Group companies increases, it is important that we examine how to manage and audit each organization. I participate in discussions while considering how we can promote governance as a holding company and link this to overall optimization.

The Group is bank-centered, with each Group company conducting its business based on clearly defined roles. Another of its strengths is the way each Group company works together to create value, and so looking at how to further strengthen this collaboration is another important theme.

Enhancing engagement and taking ownership of strategies

In the process of formulating the Group's Long-Term Management Strategy, Purpose, and materiality, the project led by young employees, who were selected through the open posting, was particularly impressive. It was a genuine, full-fledged project that involved overseas inspections, and I think it conveyed to employees the Company's commitment to developing young personnel. I also participated in these discussions, focusing on whether the content would naturally bring to mind the qualities of Senshu Ikeda. Ultimately, they were all accurate expressions of its qualities. However, the formulation of the Group's Long-Term Management Strategy and Purpose is only the start. It is essential now to look at how to promote understanding on the frontlines and ensure each employee takes ownership and acts accordingly. The Group is currently engaged in department-specific activities to think about the Purpose, and initiatives like these are a positive step forward.

To ensure Group governance functions effectively, moving forward, it is essential to improve Groupwide engagement. This does not only apply to high-profile subsidiaries such as O1Bank, but also to all companies supporting the Group from behind the scenes, which are all members of the holding company group. It is important that each and every company takes ownership of the Group's long-term strategy.

The targets for FY2028 set out in the Sixth Medium-Term Business Plan are by no means easy to achieve. To

achieve these targets, the Group must ensure both organic and inorganic growth. In this sense, our establishment of O1Bank and the capital and business alliance with Shiga Bank hold significant potential. First, it is paramount to quickly generate specific achievements. The Group must then build on these achievements and look at their horizontal rollout.

As an outside director, while monitoring each business and growth investment to ensure they are in line with the Group's medium-term business plan and key strategies, I will continuously check the direction of its alliances and initiatives for growth.

Linking frontline enthusiasm to corporate value enhancements

In FY2025, one key theme at Remuneration Committee discussions was the introduction of a restricted stock compensation plan. In the future, it is important that we continue to monitor whether the ratio of fixed remuneration and incentive-based remuneration is appropriate, and confirm whether the plan is functioning as an incentive to improve corporate value and stock price.

However, overemphasizing incentives could lead to compliance issues, which would mean they serve no purpose. As such, it will be important to take a balanced view of both the remuneration systems and audits and internal controls. As a member of both the Remuneration Committee and the Audit Committee, I will continue to check whether risk management and internal controls are being implemented correctly while encouraging efforts aimed at corporate value enhancements.

When I participate in discussions as an Audit Committee member, I can sense first-hand the enthusiasm and forward-looking approach of frontline employees. A sincere commitment to working with customers and regions has taken root on the frontlines, creating a culture in which the Group's new Purpose and materiality can be firmly taken on board.

In the future, the roles of general managers and frontline management capabilities will become increasingly important. The approach and management capabilities of general managers who lead the frontlines on a daily basis have a major impact on the organizational culture and employees' enthusiasm. Engagement and governance are two sides of the same coin. I believe that being an organization where the frontlines take the initiative can ultimately help to ensure effective governance and corporate value enhancements.

Ensuring effective governance through ongoing dialogue with the frontlines

Kenji Fukuda

Outside Director

Participating
meeting
bodies

● Board of Directors ● Audit Committee (Chairman)
● Management Committee (Observer)



Participating in Board of Directors discussions with a frontline perspective

Prior to becoming an outside director of Senshu Ikeda Holdings, I was an outside audit & supervisory board member of Senshu Ikeda Bank. As such, I value both my perspective of management from the bank-side of operations and my broader perspective of the holdings company. Based on my experience, I have felt real qualitative change in Board of Director discussions since the Company's transition to a Company with Nomination Committee, etc.

With clearer separation of supervision and execution, the Board of Directors now has more time to discuss medium- to long-term themes including the Group's long-term management strategies and medium-term business plans. It is an environment in which outside directors can speak openly about their opinions. Before Board of Directors meetings, as outside directors we are individually given detailed briefings, enabling us to participate in discussions with an understanding of backgrounds and issues that may not be apparent through documents alone.

As both an outside director and chairman of the Audit Committee, I place importance on visiting sales frontlines and listening to the opinions of workers there. Speaking with employees in this way helps me understand to what extent the headquarters' ideas have reached the frontlines and learn about any challenges they face. While checking on actual conditions that cannot be seen through documents and meetings, and participating in Board of Director discussions with a frontline perspective, I will work to ensure more effective governance.

Creating value across the Group to boost its growth capabilities

The Purpose and Long-Term Management Strategy the Group recently announced include new ideas previously not found among regional financial institutions. In this sense, it was incredibly meaningful to have young and mid-career employees take the lead in their formulation through repeated discussions.

It is important, however, to assess the extent to which the Group's Purpose and Long-Term Management Strategy have taken root on the frontlines, and how to link their ideas to employees' actions. To do so, we are speaking with frontline employees to see how well the ideas of management are being shared. In the event that they have not been sufficiently understood, we will make improvements to our methods of communication and operation.

In discussions relating to the Group's medium- to long-term strategies, my focus is on what type of value it must generate as a Group. In today's world with interest rates, it has become easier for banks to generate profit on a

standalone basis. Without relying on these circumstances, however, as an outside director I will examine how the Group can generate synergy with its securities- and leasing-based Group companies.

In terms of the Group's Long-Term Management Strategy, rather than proceeding with its content in a fixed manner, it is essential to flexibly revise its content in line with environmental changes. In an era of ongoing advancements in AI and digitalization, it is not easy to accurately forecast conditions in ten years' time. This is why the Group must move forward with its strategies while making changes as necessary. As for the capital and business alliance with Shiga Bank, the Group will look at the optimal means of collaboration for the entire Kansai region.

Creating an audit framework that can respond to changing risks

As chairman of the Audit Committee, my priority is to create a framework that enables the Group as an organization to respond to changing risks. The Group is currently moving forward with the creation of a risk management framework based on its three-line management approach. Rather than simply creating the required systems, however, it is important that the Group continues to check that the role of each line is functioning effectively. At the Audit Committee, we are engaging in dialogue with frontline employees to check that first-, second-, and third-line management are all functioning correctly.

As for risk management, alongside conventional scandals, we are seeing the rapid emergence of highly complex risk domains including cybersecurity and money laundering. While these areas require high levels of expertise on the audit side, there are also cases in which sufficient response is not possible through internal personnel alone. As such, it is important that the Group reinforces its audit framework while making use of external specialists as necessary.

Strengthening our audit functions is another key challenge. Financial institutions often place emphasis on their sales departments, with the number of personnel in risk management and audit departments comparatively lower. However, for the Group to steadily execute its Long-Term Management Strategy, it must reinforce its audit department functions. At the Audit Committee, while enhancing discussions with executive departments and audit departments, we will strive to create a sophisticated and effective governance system.

Maximizing the strengths of employees through dialogue and supporting the growth of regional financial institutions

Teruji Yamamura

Outside Director

Participating
meeting
bodies

- Board of Directors ● Nomination Committee
- Remuneration Committee ● Audit Committee
- Management Committee (Observer)



Linking the frontlines with the headquarters and promoting effective discussions

Since the Company's transition to a Company with Nomination Committee, etc., the Board of Directors and each committee have been holding discussions from diverse perspectives, including those of outside directors. Before Board of Directors meetings, outside directors are given briefings on agenda items and opportunities to exchange opinions, helping us to engage in discussions with a thorough understanding of contexts and issues that are difficult to gauge through documents alone. As outside directors, we participate in these discussions using our respective experience and expertise.

Moreover, as one part of our activities at the Audit Committee, we place great importance on visiting branches and Group companies. I spend around four to five hours at each site to individually speak with numerous employees. Due to my position as an outside director, employees tend to speak quite openly with me. Relaying my findings back to the Board of Directors and Audit Committee is one of the most important responsibilities as an outside director.

It is particularly important to check whether the frontlines are proactively engaging in their duties. In addition to simply listening to their requests for the headquarters and any operational issues they face, we must look at their enthusiasm—that is, whether they truly have a desire to better the Group, or whether they are becoming increasingly exhausted. This information is key to ensuring more effective governance.

Executing strategies with a focus on employee confidence and understanding

In terms of the Group's long-term management strategies and medium-term business plans, my focus is on whether their content enables the frontlines to work with confidence. For example, whether it is the capital and business alliance with Shiga Bank, future growth investments, or M&As, while it is of course important to focus on profitability and stock price, I place importance on whether they are positive moves for the employees, and whether they will be well received.

No matter how rational a strategy may be, it will not contribute to the strength of the organization unless frontline employees understand its importance and embrace its content. Financial services are provided by people. As such, ensuring understanding among employees and enabling them to work proactively will ultimately lead to the enhancement of corporate value.

In this sense, our role as outside directors is not only to oversee these strategies, but to check whether they are

being embraced by the frontlines through dialogue, and to support course corrections as necessary.

With the normalization of interest rates, advancements in digitalization, and competition among different industries, the environment surrounding regional financial institutions is undergoing major change. This is precisely why it is important to continue to check that frontline perspectives and the direction of management are in step. In the case of our alliance with Shiga Bank, I will speak with frontline employees during my on-site inspections to seek their honest opinions and gauge how they are embracing this new initiative.

The value of regional financial institutions is supported by the power of their employees

Based on my management experience to date, I believe that companies grow as their people grow. The same goes for regional financial institutions. As digitalization advances, it becomes increasingly difficult for banks to differentiate themselves through banking services alone. From a customer's perspective, banks may appear much the same when viewed solely in terms of functional offerings such as ATMs, fund transfers, and payment services. This is why the ultimate point of differentiation is the people who work there. What matters is whether customers have a staff member they would want to turn to when they need help and whether the people at the institution are genuinely committed to the communities and customers they serve. I believe that the accumulation of such efforts builds trust and enhances the institution's value as a regional financial institution.

Of course, digitalization and use of AI will be important moving forward. For non-customer-facing areas, we must proactively make use of information technologies to enhance convenience and efficiency. On the other hand, people will continue to be hugely important in areas where we engage with customers, share their concerns and challenges, and work with them to find solutions.

While AI can make decisions based on past data, it is only people that can envision the future. One of the strengths of the Senshu Ikeda Group is that the Group has supported regional customers for many years. By making use of this advantage and creating an organization in which every employee proactively takes on new endeavors, I believe we can continue to enhance corporate value.

Sixth Medium-Term Business Plan

Overview of Long-Term Management Strategy Positioning of Sixth Medium-Term Business Plan

Formulated the Long-Term Management Strategy and the three-year Sixth Medium-Term Business Plan, through both forecasting and backcasting approaches, toward the ideal state.

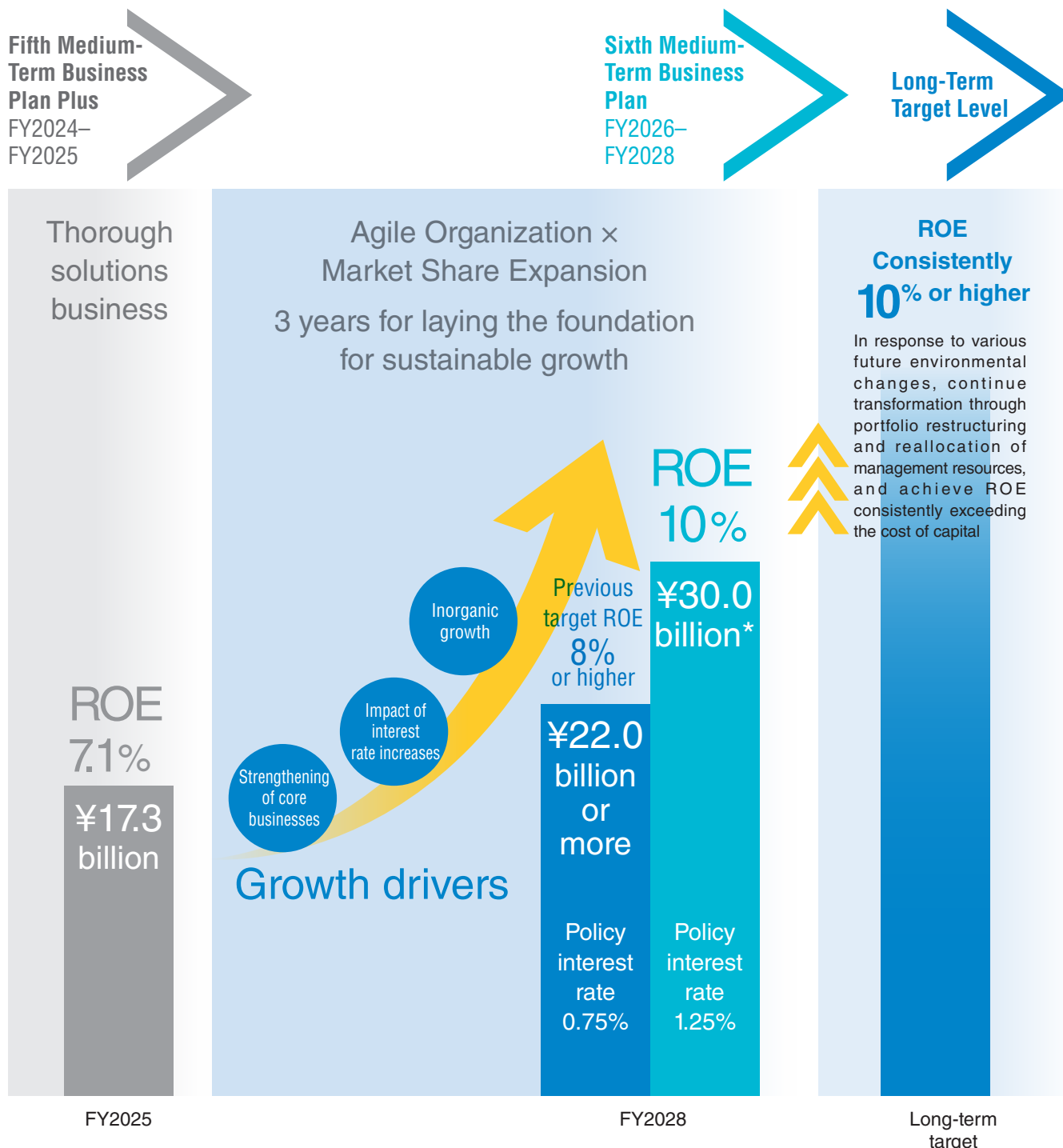


The Company's Profit Growth

Raised the ROE target for FY2028 to 10%. Aim for an ROE consistently exceeding the cost of capital (consistently 10% or higher).

Assuming a policy interest rate of 1.25% for FY2028 (currently 0.75%), target an ROE of 10% and profit attributable to owners of parent of ¥30.0 billion. Target performance indicators will be updated in response to changes in the environment, such as the future policy interest rate trend.

- Accelerate organic and inorganic growth for businesses with market demand and certain capabilities.
- Advance expansion and control of balance sheets to effectively reflect the interest rate cycle in earnings, in addition to the impact of interest rate increases.



*As O1 Bank is a new business and there is uncertainty about the outlook, its profit is not reflected in the forecast for profit attributable to owners of parent for FY2028.

Sixth Medium-Term Business Plan: Key Strategies and Target Performance Indicators

Under the Sixth Medium-Term Business Plan (FY2026 to FY2028), formulated in March 2026, we will implement our key strategies over the next three years to expand our market share among both corporate and individual customers through agile organizational management and the strengthening of our management foundation, thereby establishing a solid foundation for sustainable growth.

Based on the assumption that the policy interest rate will be 1% in FY2026 and 1.25% in FY2027, we have established target performance indicators of holding company's consolidated net income of ¥30.0 billion and an ROE of 10% for FY2028.

Overview of the Sixth Medium-Term Business Plan: Key Strategies and Target Performance Indicators

We will further expand the foundation for sustainable growth by strengthening our core businesses and diversifying our revenue structure (organic + inorganic*).

*Inorganic: Driving strengthening of core businesses and expansion of business domains through strategic investments and alliances with industry peers and other industries

Sixth Medium-Term Business Plan (FY2026 to FY2028) Open a New Chapter Powered by the Purpose —Faster, Deeper, Together—

“Agile Organization × Market Share Expansion” 3 years for laying the foundation for sustainable growth

Key Strategies			Target Performance Indicators		
Value Creation and Growth Strategy	Pursue community-oriented solutions-based sales	In-depth analysis of the Osaka market, expansion and control of balance sheet, develop BaaS business Corporate: Activities primarily targeting companies in Osaka City to gain new customers and become the main bank corresponding to market needs Retail: Segment-based sales leveraging physical branches and personnel	Assumed policy interest rate: FY2026: 1.00%, FY2028: 1.25%		
				FY2026	FY2028
	Diversify revenue structure	Business succession, M&A, LBO loans Equity business Securities management	Holding company's consolidated Net income	¥19.1 billion	¥30.0 billion
	Promote financing focused on sustainability and resolving regional issues	Strengthen investments, loans, and services that contribute to resolving regional and social issues (including sustainable finance, business revitalization, human resource and DX support, and life planning)	ROE	7.5%	10%
Management foundation enhancement strategy	Promote human capital management and organizational transformation	Enhance engagement by strengthening employee relations (ER)	Capital adequacy ratio (Based on the finalized Basel III framework)	Mid-9% range	Mid-9% range
	Promote digital strategy and enhance productivity	Enhance customer touchpoints and improve convenience Utilize generative AI			
	Initiatives to enhance corporate value	Growth investments and cost control Capital and dividend policy	Core OHR (Senshu Ikeda Bank alone)	61.9%	55% or less

Initiatives to Enhance Corporate Value

(1) Basic Concept Regarding Business Portfolio

The Group established a Basic Concept Regarding Business Portfolio in May 2022 for the purpose of clarifying its business portfolio strategies and increasing the effectiveness of supervision by the Board of Directors.

1. Purpose of business portfolio management

The purpose of business portfolio management shall be to demonstrate synergies among businesses and strive for sustained enhancement of corporate value of the Group as a whole, consisting of the Company, its consolidated subsidiaries, and affiliated companies under the equity method (hereinafter, “the Group”), through the rearrangement of the overall business portfolio and allocation of management resources.

2. Classification of business areas

In business portfolio management, the business areas of the Group shall be classified into the corporate solutions division, retail division, private banking division, regional co-creation division, and other (market division), and the individual divisions shall be the basic unit for management judgments relating to the business portfolio.

3. Types of management judgments

The types of management judgments relating to the business portfolio shall be as follows.

- (1) Entry into new businesses
- (2) Expansion and improvement of existing businesses
- (3) Contraction of existing businesses and withdrawal from existing businesses
- (4) Selection of business models (solo or in alliance with external parties)
- (5) Other changes in business portfolio of a scale that would potentially have an impact on the corporate value of the Group

- (6) Allocation of management resources in line with the implementation of (1) through (5)

4. Governance structure

- (1) The Board of Directors of the Company will decide on basic matters regarding business portfolio management and supervise the implementation of business portfolio management.
- (2) The Management Committee of the Company will deliberate on important matters regarding business portfolio management under the supervision of the Board of Directors, and the President will make decisions on such matters.

5. Evaluation of businesses and consideration of nonfinancial value

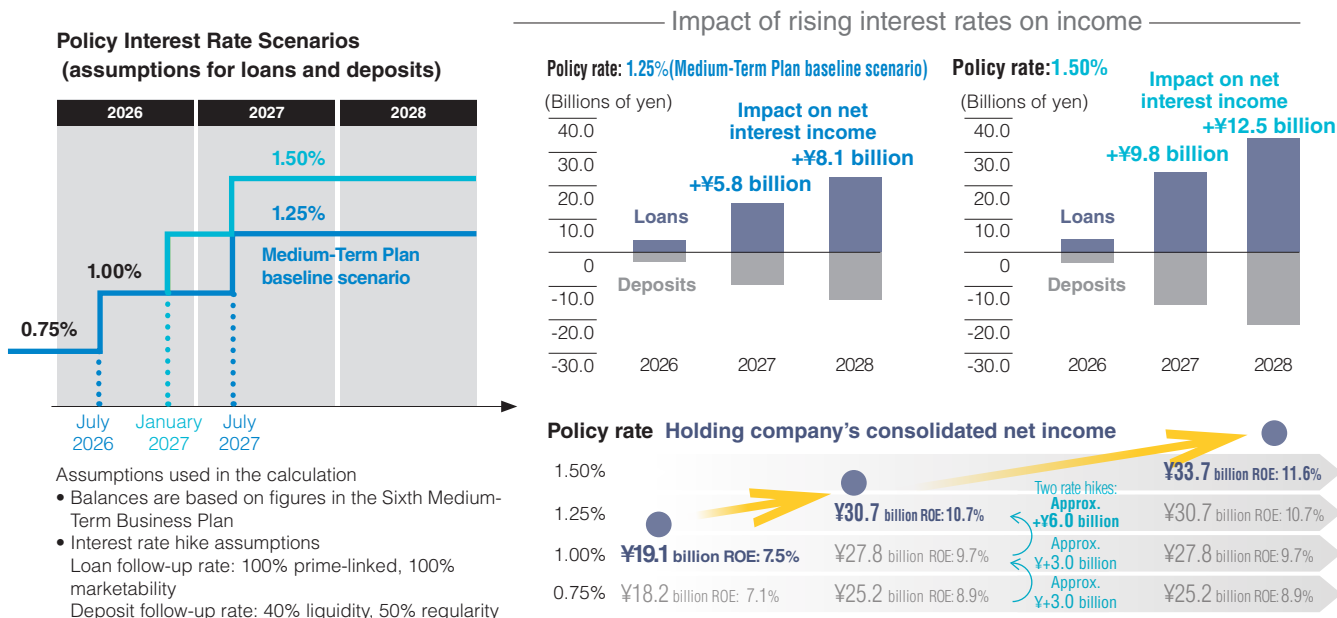
- (1) In business portfolio management, businesses will be evaluated with the profitability of the individual division, growth potential, and synergy with other businesses as the basic focus of evaluation.
- (2) In making management judgments relating to the business portfolio, in addition to using the results of business evaluations, due consideration will also be given to non-financial value, including consistency with the Management Principle and contribution to regional communities.

6. Incorporation into management plans

When formulating or revising the Medium-Term Business Plan and other management plans, the Board of Directors will deliberate on the need to review the business portfolio and management resources allocation plans and incorporate the outcomes of those deliberations in the management plans.

(3) Interest Rate Simulation

We assume there will be two policy interest rate hikes by FY2028, resulting in a policy interest rate of 1.25%. We estimate that each 0.25% policy interest rate increase will increase profit by approximately ¥3.0 billion and improve ROE by approximately 1%. Based on these assumptions, our simulation indicates that Holding company's consolidated net income will reach approximately ¥30.0 billion and ROE approximately 10% in FY2028.



(4) Expansion and Control of Balance Sheets

The following indicates our overall approach to balance sheet expansion and control.

On the asset side, we will focus on deepening our presence in the local Osaka market, while on the financing side we will increase deposit balances to support balance sheet expansion. In a world with interest rates, we will expand the balance sheet while securing appropriate interest margins on both the asset and funding sides.

Asset Side

Deepening our presence in the local Osaka market

Allocate resources to central Osaka to capitalize on high economic density, and strengthen our response to business succession needs

Corporate loans

- Strengthen activities to gain new customers in Osaka City
- Expand primary banking relationships through thorough and deeper solutions-based sales

Structured finance

- Expand LBO loans and strengthen credit screening systems

Housing loans

- Risk-based pricing
- Expand multi-product transactions and improve LTV

Continue to improve yields through a portfolio centered on yen-denominated bonds

Yen-denominated bonds

- Expand the ladder portfolio to increase baseline carry income

Balance Sheet (as of March 31, 2026) *Except for O1Bank-related business

Loans	Deposits, etc.
¥4.9 trillion	¥5.9 trillion
2026: +¥170.0 billion	2026: +¥100.0 billion
2028: +¥530.0 billion	2028: +¥500.0 billion
Corporate: ¥2.5 trillion	Individual: ¥4.2 trillion
Consumer loans: ¥2.2 trillion	Corporation: ¥1.4 trillion
Public sector: ¥0.1 trillion	Public sector: ¥0.2 trillion
Rate of variable rate loans: 82%	
Securities	
¥0.9 trillion	
2026: +¥120.0 billion	
2028: +¥230.0 billion	
Other	Other
Bank of Japan current deposits: ¥0.6 trillion	Borrowing from Bank of Japan: ¥0.4 trillion

Financing Side

Increase deposit balances to support balance sheet expansion

Leveraging our prosperous business areas, we will further strengthen measures and initiatives tailored to interest rates, customer base, and branding (empathy)

Customer base and empathy

Acquire stable deposit balances

- Payroll accounts, pension accounts, apps, settlement accounts
- BaaS business with local companies
- Launch new products that resonate with customers

Interest rate

Increase fixed-term deposits while accepting an appropriate cost

- Large fixed-term deposits from corporate customers and local governments
- Promotional fixed-term deposit products

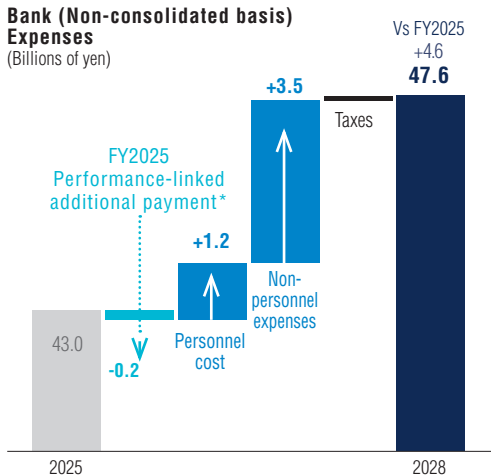
Borrowing from Bank of Japan

- Maturity of Bank of Japan measure to stimulate bank lending
- Increased borrowings from the Bank of Japan associated with expanded climate response investments and loans

(5) Growth Investments

The following outlines our approach to growth investment aimed at strengthening our management foundation. During the three-year Sixth Medium-Term Business Plan, we will make cumulative growth investments of approximately ¥12.0 billion. We will invest ¥5.7 billion in human capital and ¥6.2 billion in strategic investments in systems and digital transformation (DX). By generating top-line growth that exceeds the increase in expenses, we will improve productivity.

Bank (Non-consolidated basis) Expenses (Billions of yen)



Major factors contributing to higher expenses in FY2028 (Increase compared with FY2025)

Personnel cost (+1.2)	Non-personnel cost (+3.5)
Human capital investment: base salary increases, personnel system reforms, etc.	- Strategic investments - Human resource-related expenses (including mid-career recruitment) - Optimization of existing expenses
Cost control	

FY2026 to FY2028 Growth Investment

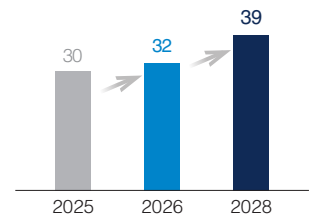
Growth Investments 3-year total: Approx. ¥12.0 billion

- Human capital investments** → 3-year total FY2026 to FY2028: **¥5.7 billion**
- Base salary increases
 - Personnel system reforms and remuneration system revisions
 - Human resource development investments

- Strategic investments** → 3-year total FY2026 to FY2028: **¥6.2 billion**
- Customer touchpoint enhancements and customer convenience improvements (BaaS, etc.)
 - Operational transformation through higher productivity, a Group-wide digital platform

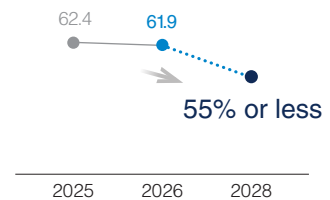
Productivity Improvement by FY2028

Core business gross profit per employee* (Millions of yen)



*Core business gross profit ÷ number of bank employees

Core OHR (Senshu Ikeda Bank alone) (%)



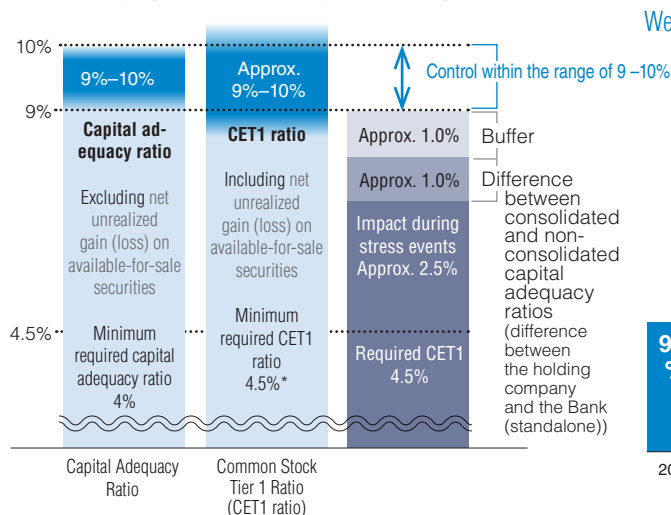
*Introduced in FY2023. Provided as a profit-sharing payment if the initial earnings plan is exceeded to boost employee engagement and align interests with shareholders

(6) Financial Capital Dividend Strategy

Capital adequacy ratio The following outlines our approach to managing the capital adequacy ratio.

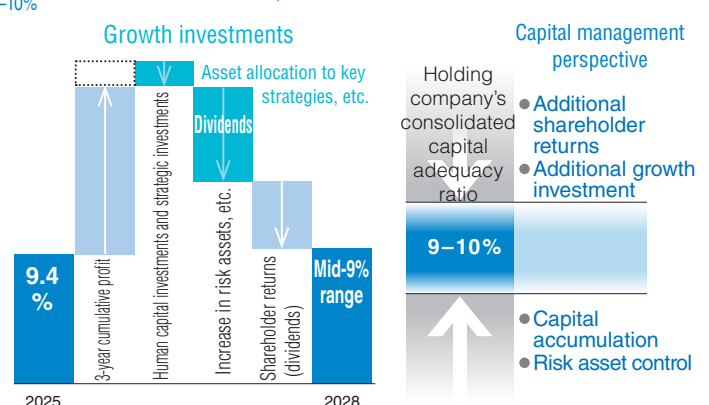
We will manage our capital adequacy ratio within a target range of 9% to 10% while maintaining an appropriate balance among three priorities: enhanced capital adequacy, growth investment, and shareholder returns.

Holding Company's Consolidated Capital Adequacy Ratio Level



Capital Allocation (FY2025 to FY2028)

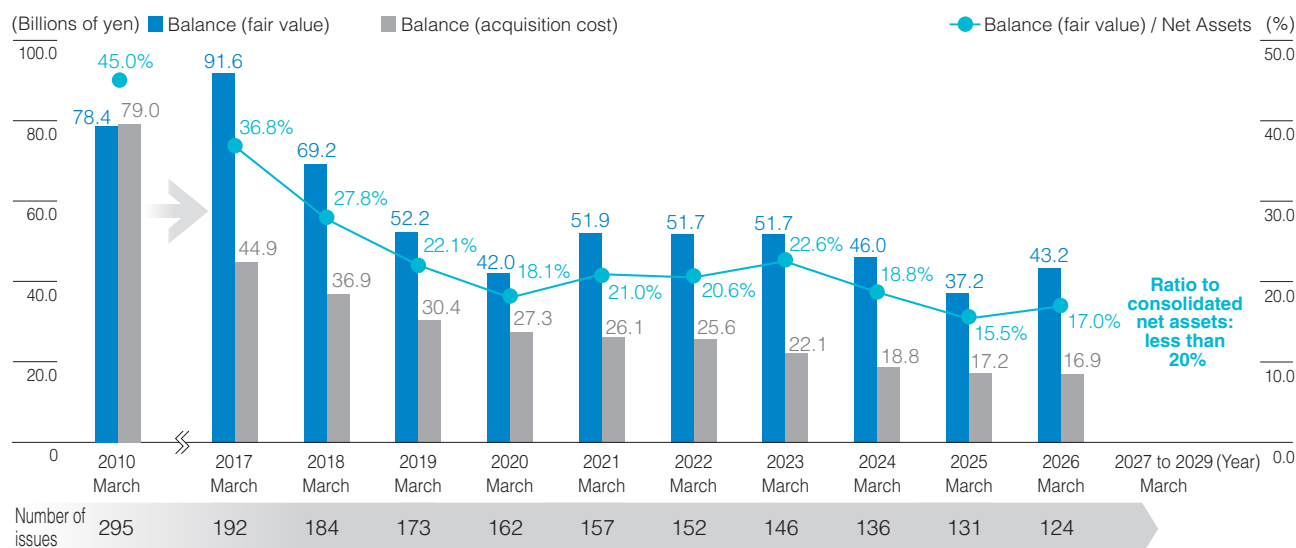
We aim for balanced management of enhanced capital adequacy, growth investment, and shareholder returns.



*Condition for using Foundation Internal Ratings-Based Approach (FIRB)

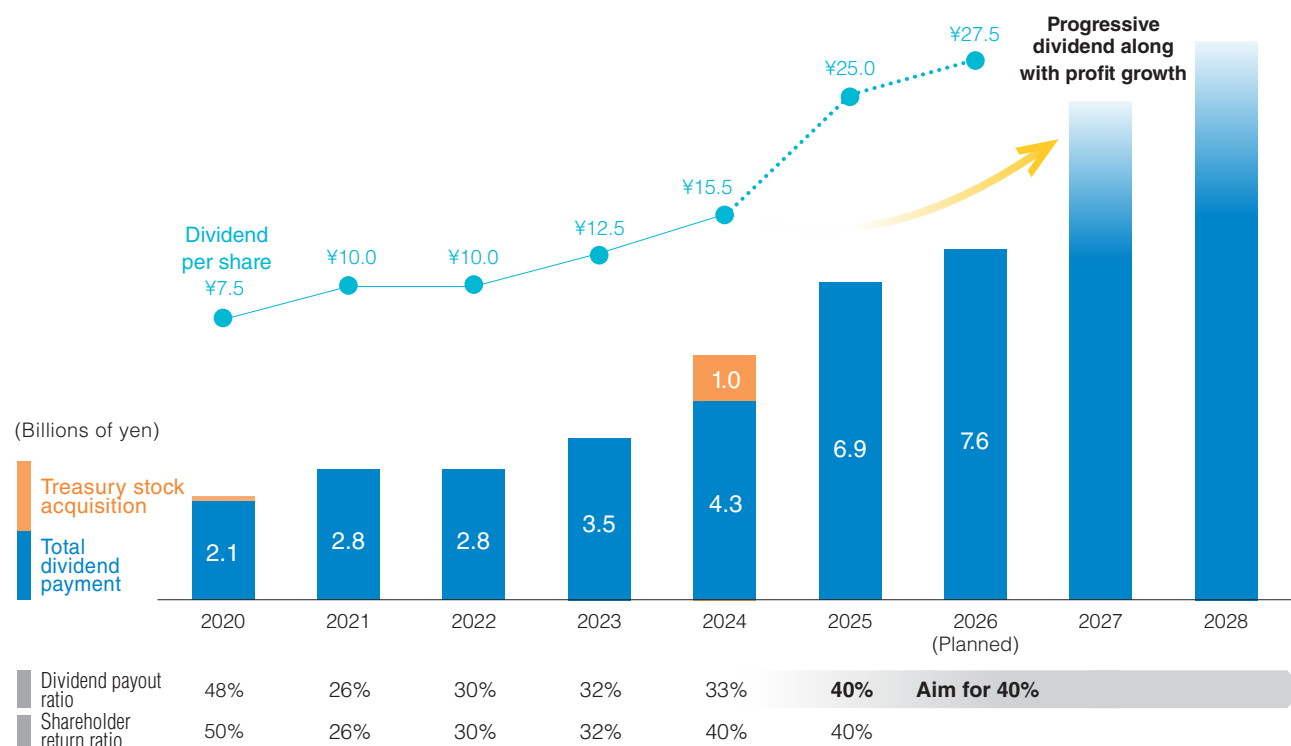
Cross-Shareholdings The chart below shows changes in our cross-shareholdings from the end of March 2010, when the Company was established, through the end of March 2026. Although the number of cross-shareholding issues has declined, rising stock prices resulted in the ratio of cross-shareholdings to consolidated net assets reaching 17.0% in FY2025. We will continue to maintain this ratio below 20%.

Reduction in cross-shareholdings (including deemed holdings)



Shareholder Returns The following outlines our shareholder return policy. During the period covered by the Sixth Medium-Term Business Plan, we will continue to implement progressive dividend payments as profits grow, while aiming for a dividend payout ratio of 40%. We also intend to conduct flexible treasury stock acquisition.

Shareholder return policy—Aim for a dividend payout ratio of 40%. Implement progressive dividend payments as profits grow, and conduct flexible treasury stock acquisition.



Human Capital Management

Alignment Between Management Strategy and Human Resources Strategy

We have formulated a human resources strategy and Group workforce plan aligned with our management strategy.

Basic Concept: Alignment Between Management Strategy and Human Resources Strategy

Achieving the Purpose

>>>>>> Long-Term Management Strategy >>>>>>

Sixth Medium-Term Business Plan (FY2026 to FY2028)



Management Strategy

Value Creation and Growth Strategy

- Pursue community-oriented solutions-based sales
- Diversify revenue structure
- Promote financing focused on sustainability and resolving regional issues

Management Foundation Enhancement Strategy

- Promote human capital management and organizational transformation
- Promote digital strategy and enhance productivity
- Initiatives to enhance corporate value

Human Resources Strategy

Human resource development	Evolve into a growth platform that maximizes individual potential
Diversity and productivity	Further develop into a diverse workforce that fosters mutual growth
Engagement	Transform into an organization that continues to embrace challenges, with appeal and pride at its core

Group workforce plan (strategic workforce allocation)

	FY2025	FY2028
Total number of employees	3,588	3,540
of whom, sales personnel	780	840
Strategic redeployment: 100 employees		Corporate sales: +40 (20% increase) Strategic subsidiaries*: +60

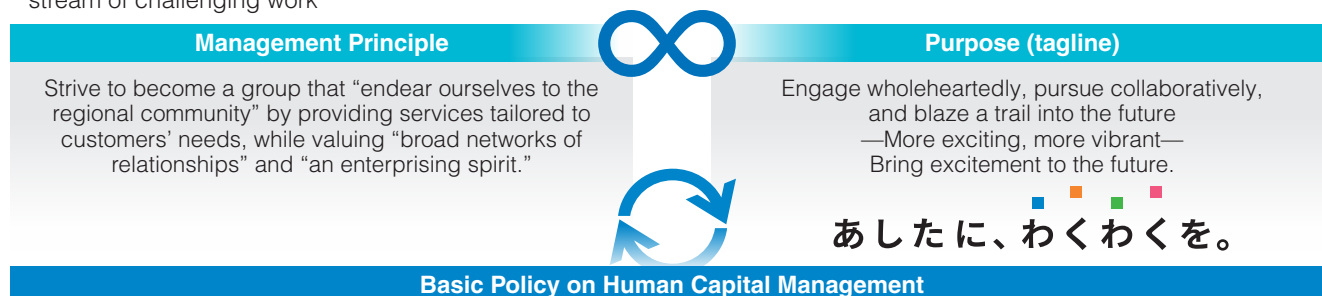
- **Workforce created through operational efficiency improvements: 40**
- **Mid-career hires: 60**

*M&A subsidiaries, securities subsidiaries, 01Bank

Link Between our Management Principle, Purpose, and the Basic Policy on Human Capital Management

Relationship between the Management Principle, Purpose, and the Basic Policy on Human Capital Management

- Our Management Principle and Purpose define who we are as a company and what we aspire to become. Our Basic Policy on Human Capital Management sets out the fundamental approach for realizing that vision through our people
- The values embodied in our Management Principle, namely “broad networks of relationships” and “an enterprising spirit,” are directly reflected in our human capital philosophy of “where people gather for people, and people gather for work.” By attracting talented individuals, we broaden our networks, bring together people who aspire to grow together, and foster a culture that continually creates challenging work, thereby putting our enterprising spirit into practice across the organization
- Our Purpose embodies the mindset and passion we expect of our people. It attracts people who share our Purpose and want to learn and grow together, while inspiring employees to put the Purpose into practice and create a continuous stream of challenging work

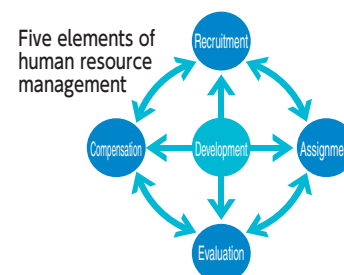


Basic Policy on Human Capital Management

Shared Values

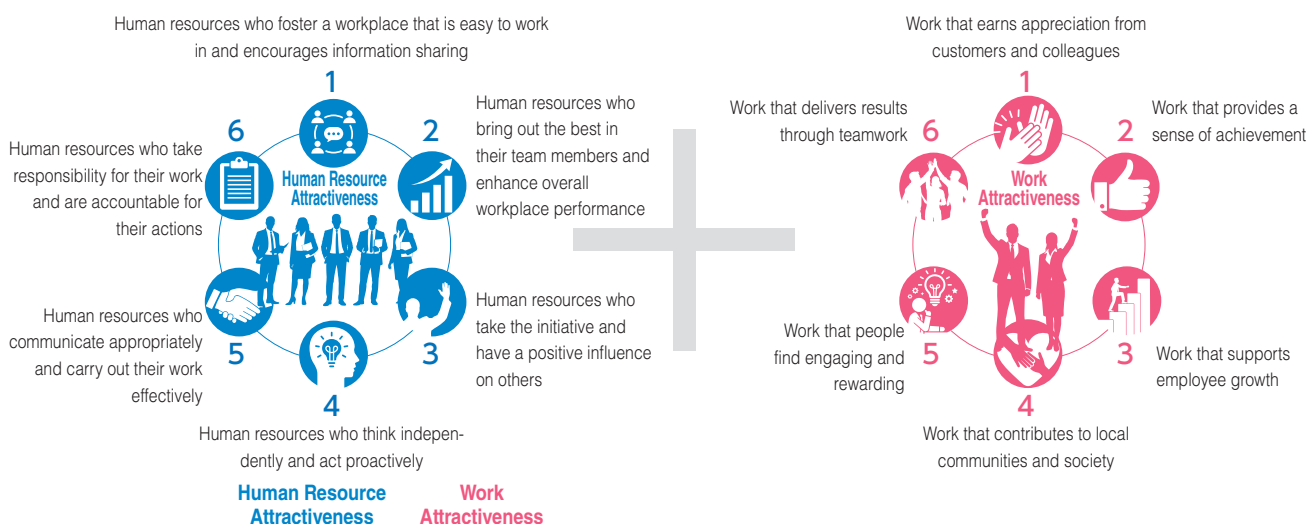
Where people gather for people, and people gather for work

- (1) **Where people gather for people:** The people who work in our Group never stop growing and striving toward their goals, and we will attract those who find such people appealing and who want to work hard alongside them.
- (2) **Where people gather for work:** The Group aims to solve customer challenges, an approach which creates much challenging work, and we will attract those who find such work motivating.



Human Capital Management Index

To support the realization of the core values of the Basic Policy on Human Capital Management, “where people gather for people, and people gather for work,” employee surveys are used to quantify the extent to which each of the six characteristics of attractive people and attractive work exists within the Group. As this index improves, employees’ abilities can be more fully leveraged, contributing to the achievement of our management strategy.



FY2025 **34.6 + 36.5 = 71.1**

Target: **75.0 or more** in FY2028

Link Between Human Resources Strategy and KPIs Based on Human Capital-Related Risks and Opportunities

	Human Capital-Related Risks and Opportunities		Impact on management strategy when risks and opportunities materialize
Human Resource Development	Risks	Insufficient investment in human resource development reduces learning opportunities and limits skill development	Declining solution quality results in customers switching to competing banks
	Opportunities	Providing an environment that supports employee development encourages self-directed growth and generates new ideas	More sophisticated solutions and new business models diversify the revenue structure, improving current and future earnings capacity
Diversity and Productivity	Risks	Decision-makers, organizational managers, and employees in certain roles become increasingly homogeneous	The loss of workforce diversity reduces the Group's ability to adapt to changes in the business environment
	Opportunities	Developing and recruiting talent with knowledge and insight on digital and other areas fosters new perspectives and ideas beyond conventional ways of working	Reallocating resources made available through DX initiatives to higher value-added activities improves productivity
Engagement	Risks	Delays in health and productivity management and work style reform reduce competitiveness in recruiting talent and lead to employee turnover	Employee turnover makes it difficult to assign personnel with the required skills, disrupting business operations
	Opportunities	Encouraging employees to take on challenges and rewarding contributions fairly improves the retention of talented employees and increases their motivation to contribute	Providing an environment where employees can fully demonstrate their abilities improves productivity

Human Resources Strategy

Evolve into a growth platform that maximizes individual potential

Create an environment that encourages every employee to grow, contribute, and realize their full potential

Personnel management based on ability and aptitude

Provide personalized development opportunities

Encourage proactive behavior

Support self-directed career development

Further develop into a diverse workforce that fosters mutual growth

Build an organization where people with diverse backgrounds and external specialists can thrive, without being constrained by traditional full-time employment models

Higher productivity and added value

Promote the active contribution of diverse human resources and external specialists

Transform into an organization that continues to embrace challenges, with appeal and pride at its core

Create a corporate culture where employees are encouraged to take on creative challenges and are appropriately recognized and rewarded for their contributions, making the Group a company they are proud to tell their family and friends about

Foster a culture of challenge and innovation

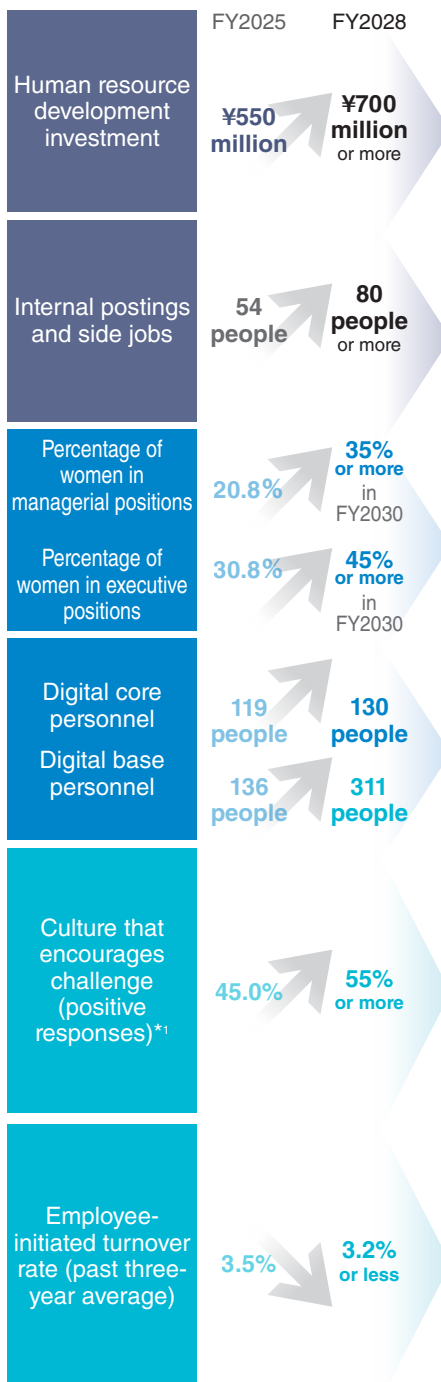
Promote health and productivity management

Evaluations and rewards that reflect employees' willingness to take on challenges

Advance work style reforms

Realizing the well-being of individuals and the organization

KPIs



Overall KPI (proprietary indicator)

Human Capital Management Index*2

FY2028
75 or more

FY2025
71.1

Visualize the attractiveness of human resources and work through employee surveys to support continuous improvement

Sustainably enhance social and economic value

*1 Employee engagement survey results

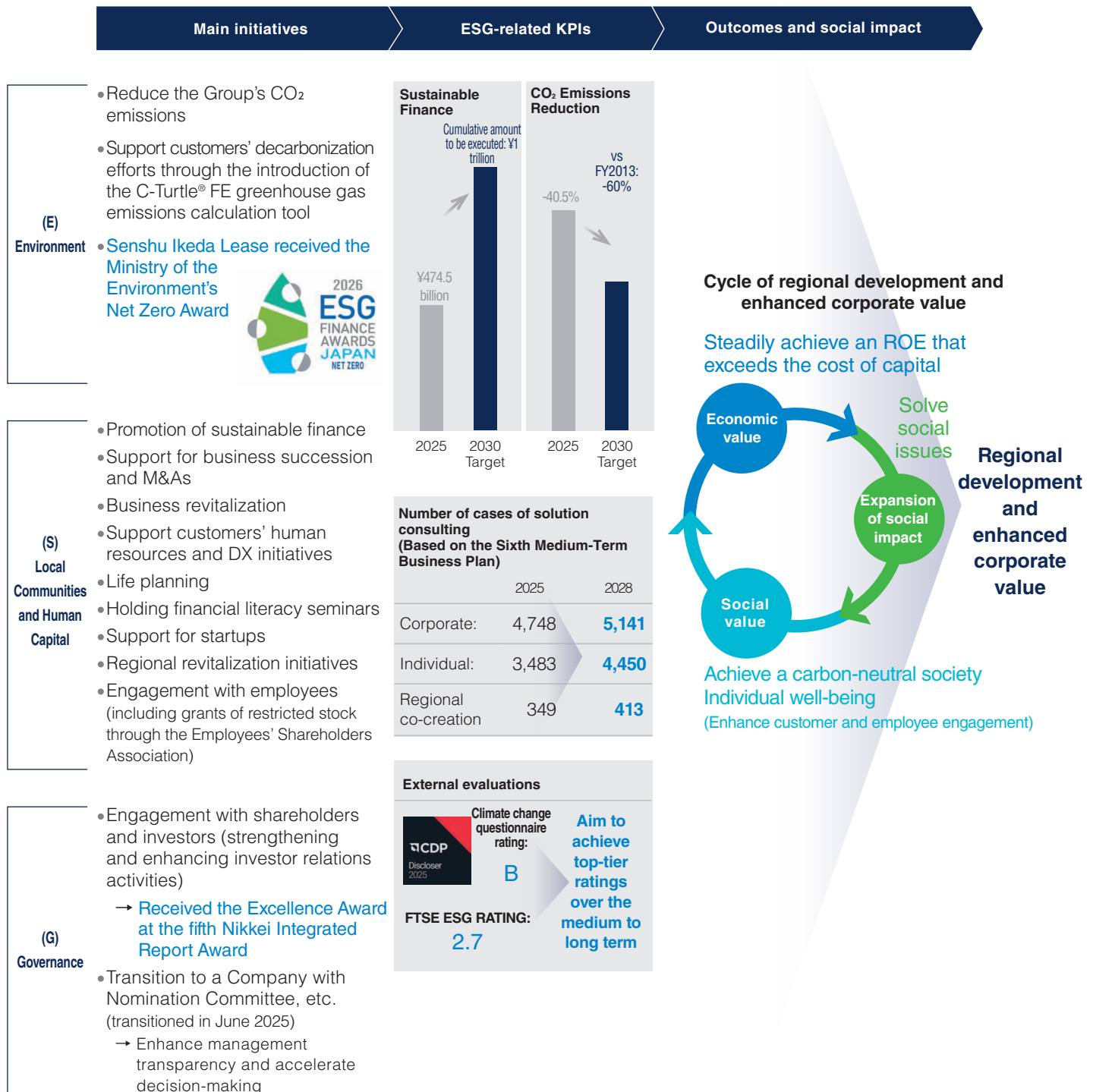
*2 To support the realization of the core values of the Basic Policy on Human Capital Management, "where people gather for people, and people gather for work," employee surveys are used to visualize the attractiveness of human resources (such as leading by example) and the attractiveness of work (such as contributing to local communities), from the perspective of whether employees are able to fully realize their potential

SX Strategy

Promote Financing Focused on Sustainability and Resolving Regional Issues

Achieve regional development and enhanced corporate value by further strengthening our solutions-based sales and other initiatives.

Sustainable Management—Engage wholeheartedly in resolving social issues and achieve **regional development and enhanced corporate value**



Addressing Climate Change and Natural Capital (Initiatives Based on the TCFD and TNFD Recommendations)

Governance



Governance structure

We recognize climate change, natural capital, and other sustainability-related issues as important management issues. Under the oversight of the Board of Directors, we are promoting concrete initiatives to address these issues. The Sustainability Committee, held quarterly with participation by the President, officers in charge and others, deliberates on sustainability matters including climate change issues, natural capital and biodiversity, and the deliberations are regularly reported to the Board of Directors to ensure appropriate supervision. In addition, we submit and report key initiatives to the Board of Directors after discussions by the Management Committee.



Main deliberations by the Sustainability Committee (FY2025)

- Response to TCFD and TNFD Recommendations
- Response to the CDP questionnaire
- Status of company-wide efforts regarding sustainability
- Progress of sustainable finance execution amounts and CO₂ emissions reduction targets
- Recent sustainability-related trends
- Support for customers' decarbonization and energy conservation efforts
- Revision of the sustainable investment and loan policy
- Sustainability initiatives under the Sixth Medium-Term Business Plan
- The Group's sustainable management

Sustainability Declaration

Through our business activities, we seek to resolve regional issues, contribute to the realization of sustainable local communities, and achieve our own sustainable growth.

Sixth Medium-Term Business Plan

We have identified the promotion of financing focused on sustainability and resolving regional issues as one of our key strategies.

Strategy

Recognition of Risks and Opportunities



We conducted a qualitative assessment of climate change-related risks and opportunities over three time horizons: short-term (less than 5 years), medium-term (about 15 years), and long-term (about 30 years).

Major risks and their impact on the Company			Time horizons
Risks	Transition risks	● Deterioration of the business environment of business partners due to a consumer-oriented shift to low-carbon products and services, and damage to loans assets for these partners ● Deterioration of the Company's reputation due to insufficient climate change response	Short-to long-term
		● Deterioration of the business environment of business partners due to policy changes and tightening of regulations, and damage to loans assets for these partners	Medium-to long-term
	Physical risks	● Damage to real estate collateral due to disasters ● Impact on business partners' business and employment due to disasters and decline in productivity ● Impact of damage to the Company's base	Medium-to long-term
Opportunities		● Increased demand among companies for capital spending in order to respond to a low-carbon society ● Increased business opportunities and demand for funds for product and service-related businesses and renewable energy businesses that support decarbonization ● Reduction of business costs due to reduction of energy consumption	Short-to long-term

Carbon-related assets

	Energy including electric power	Transportation	Materials and buildings	Agriculture, food, and forest products	Total
Percentage of the Company's loans and other assets	0.9%	2.6%	24.3%	1.4%	29.2%

*Carbon-related assets are defined as the sectors of "energy including electric power," "transportation," "materials and buildings," and "agriculture, food, and forest products."

Scenario Analysis

Transition risks

Based on analysis by various specialized institutions such as TCFD and SASB (Sustainability Accounting Standards Board), we investigated the magnitude of potential risk by sector and investigated the sectors with the greatest impact, taking into account the Company's exposure. As a result of this investigation, "electric power" and "oil, gas and consumable fuel (including oil retail and wholesale)" were selected as priority sectors. We identified the risks and opportunities for businesses in these sectors and analyzed the impact on future business. The priority sectors may be added to or changed based on future professional analysis and market trends.

Analysis conducted

Scenario used:	The IEA's NZE scenario, etc.
Data used	● Resource demand ● Forecast data related to composition by power source in power generation ● Tax forecast data, etc.
Analysis content	We projected the financial condition and business performance of borrowers and estimated the resulting changes in our credit-related costs
Analysis targets	"Electric power" and "oil, gas and consumable fuel (including oil retail and wholesale)"
Analysis period	Until 2050
Analysis results	Credit-related costs would increase by up to approximately ¥4.0 billion

Physical risks

We analyzed the impact of the amount of collateral value damage caused by damage to real estate collateral of business loan partners and the impact of deterioration in business performance due to business stagnation, etc. on increases in credit-related costs using a hazard map, while referring to the RCP8.5 scenario (4°C scenario), etc. of the Intergovernmental Panel on Climate Change (IPCC).

Content of analysis conducted

Scenario used	RCP8.5 scenario (4°C scenario), etc. of the Intergovernmental Panel on Climate Change (IPCC)
Data used	A hazard map of the loanee's head office location and collateral property location
Analysis content	Projection of the impact of deterioration of business performance and damage to collateral, etc. in the event of a large-scale flood caused by climate change
Analysis targets	Business loan partners (excluding large companies)
Analysis period	Until 2050
Analysis results	Credit-related costs would increase by up to approximately ¥3.0 billion

Scenario analysis results

From the above analysis, we have confirmed that the impact of climate change risk on our strategy is limited, as the increase in credit-related costs estimated by the above analysis can be reduced through medium- and long-term efforts. As this calculation is based on certain assumptions, we will continue to work on improving and refining scenario analyses.

Reflection in Strategy

The Senshu Ikeda Bank, a subsidiary, has established a sustainable investment and loan policy under which it conducts financing and investment activities that take ESG (environment, society, governance) considerations into account, with a view to realizing a sustainable local community. The Bank actively supports financing and investment activities that contribute to expanding positive ESG impact. In addition, the Bank also carefully considers whether or not to make investments or loans that may have a negative impact on ESG (environment, society, governance) and strives to reduce and avoid this impact.

Overview of the sustainable investment and loan policy

Policy on initiatives involving investments and loans that contribute to expanding positive impacts

- Investments and loans that use funds to solve problems in the environmental and social fields
- Investments and loans that support and promote initiatives towards SDGs

Policy on investments and loans that could potentially involve the negative impacts

- | | |
|-----------------------|--|
| Cross-sector policies | <ul style="list-style-type: none"> ● Projects that adversely affect wetlands designated under the Ramsar Convention ● Projects that adversely affect UNESCO World Heritage Sites ● Projects that violate the Washington Convention ● Projects involving human rights abuses, including forced labor and child labor ● Projects contrary to public order and morals or in violation of applicable laws and regulations |
|-----------------------|--|

Sector-specific policies	Prohibited	● Weapons
	Prohibited in principle	● Coal-fired power generation
	Subject to careful review	● Deforestation and palm oil plantation development ● Coal mining and oil and gas extraction ● Large-scale hydroelectric power generation

Please refer to our website for the full text of the sustainable investment and loan policy.

<https://www.senshuikeda-hd.co.jp/news/pdf/20260303.pdf>

Based on the results of our monitoring, we did not undertake any investment or loan activities during FY2025 that could potentially involve the negative impacts described above. The operation of the sustainable investment and loan policy is reported to the Board of Directors, thereby ensuring appropriate supervision.

CDP Climate Change Questionnaire

Senshu Ikeda Holdings received a B rating in the 2025 Climate Change Questionnaire by CDP, an international environmental non-profit organization.

Dependence and Impact on Natural Capital by Loan Recipient Sector

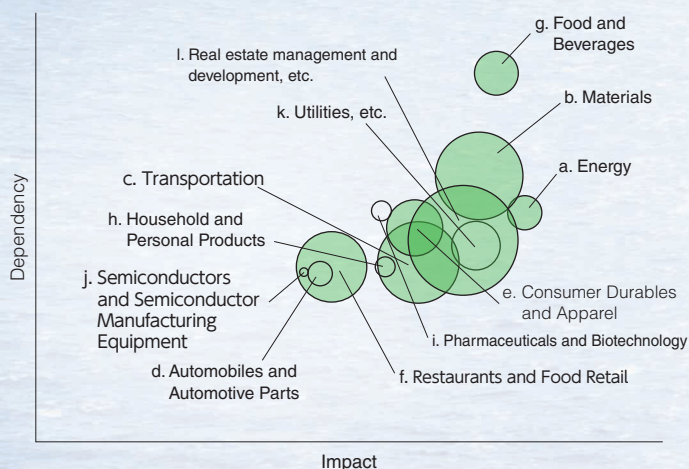
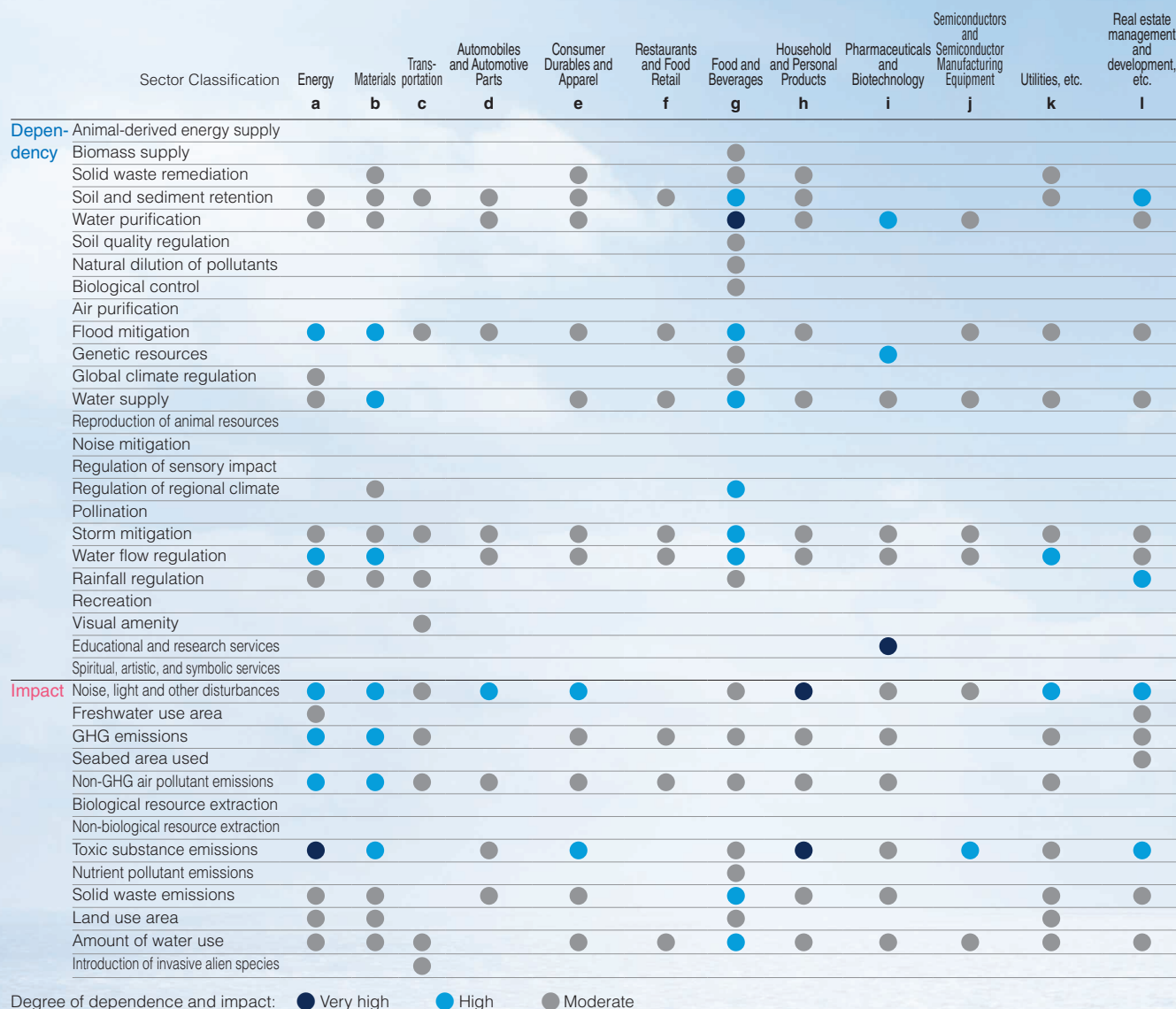
The Group's business area is characterized by the presence of mountains surrounding Osaka Bay and the Osaka Plain, where diverse natural environments such as oceans, mountains, rivers, and farmland can be seen, and where a wide range of industries are concentrated, with urban areas and nature existing side by side.



In order to understand the relationship between business activities and natural capital, the Group referred to the TNFD Recommendations Additional Guidance for Financial Institutions and conducted an analysis of the dependence and impact on natural capital for each of Senshu Ikeda Bank's loan recipient sectors.

Implementation method: Conducted in line with the LEAP approach recommended in the TNFD recommendations

Tools used: ENCORE (a tool to visualize degree of dependence on and impact on natural capital)



Our analysis identified the Food and Beverages, Materials, and Energy sectors as having relatively high levels of dependence on and impact upon nature.

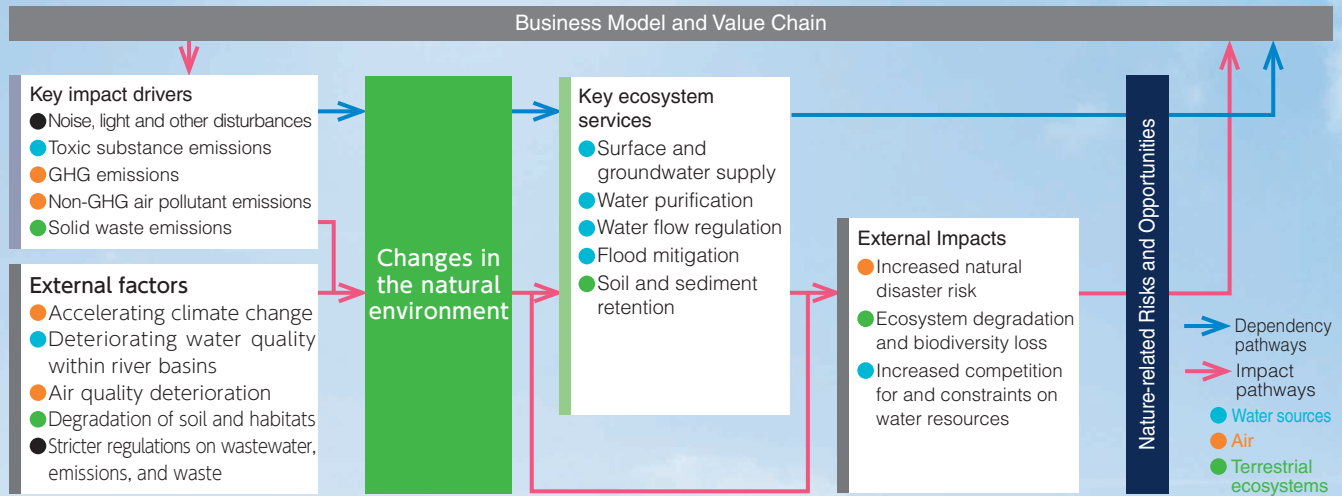
Based on the proportion of our loan portfolio and regional characteristics, we conducted a more detailed analysis of the Materials sector.

Sectoral dependence and impact bubble chart

- Bubble size: Proportion of loan portfolio
- Strategically important sectors

Analysis of Dependency and Impact Pathways Across the Value Chain

For the Materials sector value chain, we identified potentially relevant environmental assets, impact drivers, and ecosystem services, and organized the corresponding dependency and impact pathways as shown below.



Summary of Nature-related Risks and Opportunities

The nature-related risks and opportunities for the Materials sector, together with the corresponding risks and opportunities for our Group, are summarized below.

	Risks and Opportunities for the Sector	Risks and Opportunities for the Group
Physical risks	Water shortages and deteriorating water quality constrain operations, destabilize raw material procurement, resulting in reduced earnings Heavy rainfall, flooding, and landslides disrupt business sites and logistics networks, resulting in reduced earnings	Impairment of loan assets Loss of revenue opportunities
Transition risks	Social criticism regarding adverse impacts on ecosystems and operational restrictions reduce corporate value Stricter emissions regulations, environmental incidents, and litigation increase compliance costs and compensation liabilities	Decline in social reputation and corporate value Damage to loan assets
Opportunities	Investments in water treatment and water recycling facilities, together with watershed conservation initiatives, strengthen competitiveness Investments in disaster prevention, mitigation, and resilient infrastructure strengthen competitiveness Transitioning to energy-efficient equipment, renewable energy, and emissions treatment facilities, etc. strengthens competitiveness Recycling, resource circularity, and the development of environmentally friendly products strengthen competitiveness	Increased investment and loan opportunities Increase in social reputation and corporate value Lower credit risk of loan assets

The Group will continue to enhance our disclosures in line with the TNFD recommendations.

Risk Management



The Group is running its operation based on the risk capital management system that controls all risks within certain proportion of capital base, under the integrated risk management structure.

We recognize that the transition risks and physical risks of climate change may have a significant impact on business operations, strategies and financial plans through the performance of our business partners. Based on the results of scenario analysis, we respond to the impact on the business operations of our business partners within the framework of credit risk management and report on the risks related to climate change to our Risk Management Committee.

The risks of climate change require consideration of the timeline and its uncertainties, but regarding the risks to the

Group, which are driven by climate change, we will monitor the situation and consider an appropriate response while using the existing management framework.

As mentioned above, we have set a sustainable investment and loan policy and an investment and loan policy for specific sectors, and we carefully consider the negative impact of climate change when deciding whether or not to make a loan. Moreover, by exchanging opinions with business partners based on understanding risks in significant sectors using scenario analysis, we plan to promote support for climate change response, such as sustainable finance and initiatives to reduce CO₂. We believe that such a response will lead to a reduction of risks for the Group.

Indicators and Targets

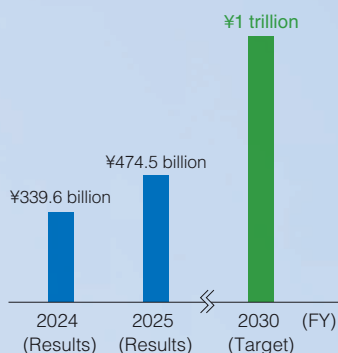
Sustainable Finance Target



	Target (FY2022 to FY2030)	Results (As of March 31, 2026)
Sustainable finance executed ^{1,2} (cumulative)	¥1 trillion	¥474.5 billion

*1 Investments and loans that use funds to solve problems in the environmental and social fields, and investments and loans that support and promote initiatives towards SDGs

*2 The balance of investments and loans that are part of the BOJ's Funds-Supplying Operations to Support Financing for Climate Change Responses is ¥68.0 billion (as of March 31, 2026)

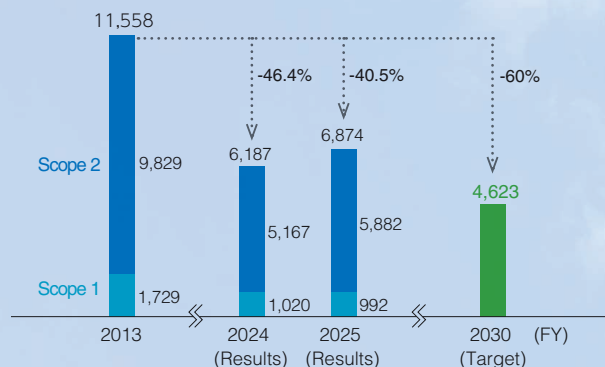


CO₂ Emissions Reduction Targets



	Long-term Target (Up to FY2050)	Medium-term Target (Up to FY2030)	Results (As of March 31, 2026)
CO ₂ emissions	Achieve carbon neutrality	60% reduction	40.5% reduction 6,874t-CO ₂

CO₂ Emissions (t-CO₂)



CO₂ Emissions

		(t-CO ₂)	
What is measured		FY2024	FY2025
Scope 1	Gasoline, natural gas	1,020	992
Scope 2	Electricity	5,167	5,882
Scope 1 and Scope 2 combined ^{*1}		6,187	6,874
Scope 3	1. Products and services purchased ^{*2}	2,376	1,894
	2. Capital goods	11,994	11,767
	3. Fuel- and energy-related activities not included in Scope 1 and 2	1,073	1,058
	4. Upstream transport and delivery ^{*2}	374	395
	5. Waste generated in operations ^{*2}	83	81
	6. Energy consumption associated with employee travel	476	483
	7. Employee commuting	878	891
	15. Investments ^{*2}	5,230,984	6,981,881
		Housing loans ^{*4}	142,343

*1 Independent third-party assurance of our FY2024 results has been obtained from SOCOTEC Certification Japan Co., Ltd. We also plan to obtain the same third-party assurance for our FY2025 results.

*2 Calculated for Senshu Ikeda Bank alone.

*3 The calculations cover ¥1.9 trillion in loans to domestic businesses. Beginning with FY2025, Scope 3 emissions of borrowers have been included within the scope of reporting, resulting in a significant year-on-year increase in reported emissions.

*4 Calculated based on ¥2.1 trillion of housing loans.

Breakdown of Scope 3, 15 investments (loans to domestic businesses)

The Group calculates financed emissions using C-Turtle® FE, a platform that supports the visualization and reduction of financed emissions in accordance with the internationally recognized PCAF Standard for financial institutions.

		FE (t-CO ₂)		Data quality score	
TCFD sector		Sc1,2	Sc3	Sc1,2	Sc3
Energy	Oil and gas	23,930	144,795	2.48	3.83
	Power utilities	111,619	72,779	2.42	2.61
Transportation	Air cargo	561	1,883	4.00	4.00
	Passenger air transportation	12,601	3,017	4.00	4.00
	Maritime transportation	47,402	17,184	2.64	3.17
	Rail transportation	11,665	45,111	1.98	2.21
	Trucking services	198,785	78,586	3.98	3.99
	Automobiles and parts	13,520	242,013	3.36	3.54

	TCFD sector	FE (t-CO ₂)		Data quality score	
		Sc1,2	Sc3	Sc1,2	Sc3
Materials and buildings	Metals and mining	167,259	382,920	2.92	3.29
	Chemicals	102,565	241,279	3.06	3.48
	Construction materials	19,925	48,661	2.98	3.44
	Capital goods	371,359	1,767,289	3.72	3.84
	Real estate management and development	56,028	85,586	3.60	3.73
Agriculture, food and forest products	Beverages	6,206	44,261	1.35	2.21
	Agriculture	9,961	11,767	4.00	4.00
	Processed foods and meats	35,070	124,255	3.77	3.92
	Paper manufacturing and forestry products	31,327	62,060	2.67	3.44
Other		737,747	1,650,905	3.26	3.56
Total		1,957,530	5,024,351	3.34	3.59

Enhancing Support for Customers

The Group is working to enhance support for business partners pursuing decarbonization in terms of both financial and non-financial support.

Nonfinancial Support

Three steps for decarbonization management



Understand

As a partner financial institution, we participate in the Energy Conservation and Regional Partnership established by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, and we provide information on decarbonization, government support measures such as energy efficiency assessments and subsidies, and work with multiple local governments to promote awareness among business leaders in their respective regions.

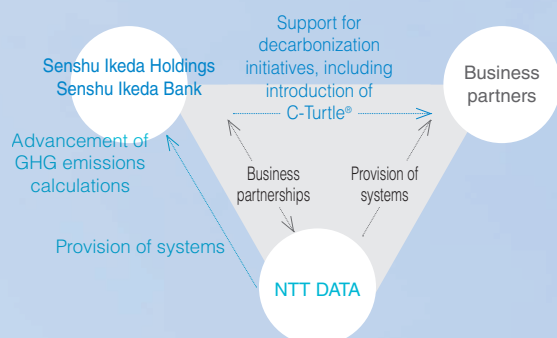
Examples of collaboration with local governments

- We have signed a collaboration agreement with Osaka City regarding the promotion and support of decarbonized management toward the realization of Zero Carbon Osaka and will promote and support decarbonization efforts among businesses in the city.
- Senshu Ikeda Bank and Senshu Ikeda Lease participate in the Itami Decarbonization Consortium. Together with Itami City and other supporting organizations, we support local businesses by (1) promoting both decarbonization and lower operating costs, and (2) helping address corporate and regional challenges.

Measure

We have entered into an agreement with NTT DATA that enables eligible customers to use its C-Turtle® GHG emissions visualization platform free of charge*, and we provide support for implementing the calculation tool.

*Subject to eligibility requirements, including annual sales thresholds



Reduce

Working with external partners, we help customers improve energy efficiency by proposing LED lighting upgrades and replacement of air conditioning systems, as well as assisting with applications for energy efficiency subsidies.

Financial Support (Promotion of Sustainable Finance)

The Group promotes sustainable finance in the form of investments and loans that contribute to solving environmental and social issues and support and promote efforts to achieve the SDGs.

Examples of sustainable finance

- Sustainability linked loans
- Green loans
- Positive Impact Finance
- Senshu Ikeda SDGs Management Support Loans
- The Senshu Ikeda Bank SDGs *Kizuna Fukamaru* (deepening relations) private placement bonds
- Housing loans for environmentally friendly housing

Senshu Ikeda Bank participates as a designated financial institution in the interest subsidy program to promote value chain decarbonization of the Ministry of the Environment in order to support businesses working to reduce carbon dioxide emissions.

Human Resource Development

The Ministry of the Environment's certification system, Decarbonization Advisor Basic, has been adopted as a recommended qualification in our Qualification Acquisition Guidelines, and we promote the acquisition of this qualification.



Message from the Chairman of the Board of Directors

Enhancing the effectiveness of the Board of Directors through the transition to a Company with Nomination Committee, etc. to increase corporate value

Atsushi Ukawa

Director & Chairman



Board of Directors after the transition to a Company with Nomination Committee, etc.

Since July 2025, one effect of this change in the organizational design has been a reduction in the number of individual matters requiring Board of Directors approval, allowing the Board to devote more time to discussions of fundamental policies and the review of reports. In particular, the Board of Directors was able to devote considerable time to discussions on the Long-term Management Strategy and the Sixth Medium-Term Business Plan announced on March 30, 2026. The transition also encouraged greater participation by Outside Directors and more active discussions, confirming that the timing of the change in the organizational design was appropriate.

Each of the Nomination Committee, the Remuneration Committee, and the Audit Committee is chaired by an Outside Director. At meetings of the Board of Directors, each Chairman reports on their committee's activities and responds to questions from the Board of Directors.

Evaluation of the effectiveness of the Board of Directors in FY2025

Reflecting these developments, our FY2025 Board of Directors effectiveness evaluation produced an average score of 4.5 points across all evaluation items, compared with an average of 4.1 points for peer companies, representing an improvement of 0.1 point from the previous fiscal year. Survey responses were overwhelmingly positive, and both internal and outside directors provided numerous comments affirming the overall effectiveness of the Board of Directors. As a whole, the Board's effectiveness was evaluated favorably. In particular, the delegation of authority over individual matters and the clearer separation between supervision and execution were seen as enabling the Board of Directors to focus more on strategic discussions. These initiatives, including the change in the organizational design, have helped create an environment in which the Board of Directors can more fully exercise its supervisory function.

At the same time, the evaluation identified the need for deeper discussions on strategic agenda items such as Group management, sustainability, and human resources strategy. We will continue improving Board of Directors operations during FY2026 to address this challenge.

Improving corporate value

Since assuming the positions of President & CEO of both the Company and the Bank in 2018, I have implemented a range of measures to address balance sheet and profit and loss issues. We have also pursued the Fourth, Fifth, and Fifth Plus Medium-Term Business Plans, guided by a growth strategy focused on unlocking the potential of our people, deepening our understanding of customers' needs and challenges, and strengthening our presence in the communities we serve.

As interest rates have begun to rise again, regional financial institutions have entered a new phase, shifting from simply "surviving" by securing periodic earnings to "competing successfully" through revenue growth.

Since becoming Director & Chairman, I have focused on strengthening the Board's governance function by clearly distinguishing between execution and supervision in the way Board meetings are conducted as the Chairman of the Board of Directors. In my role as a full-time Audit Committee member (and Audit & Supervisory Committee member at Senshu Ikeda Bank), I also conduct interviews with personnel across the organization to confirm that first-line functions (the headquarters responsible for overseeing sales frontlines and business operations) are being carried out appropriately in accordance with our Management Principle and Purpose, and that second-line functions (the headquarters responsible for monitoring the adequacy of responses to various risk and compliance requirements) are operated in a well-balanced manner. Through these activities, I work to ensure the balanced and effective operation of our three-line management structure.

Through these efforts, I remain committed to fulfilling my responsibilities in FY2026.

Corporate Governance

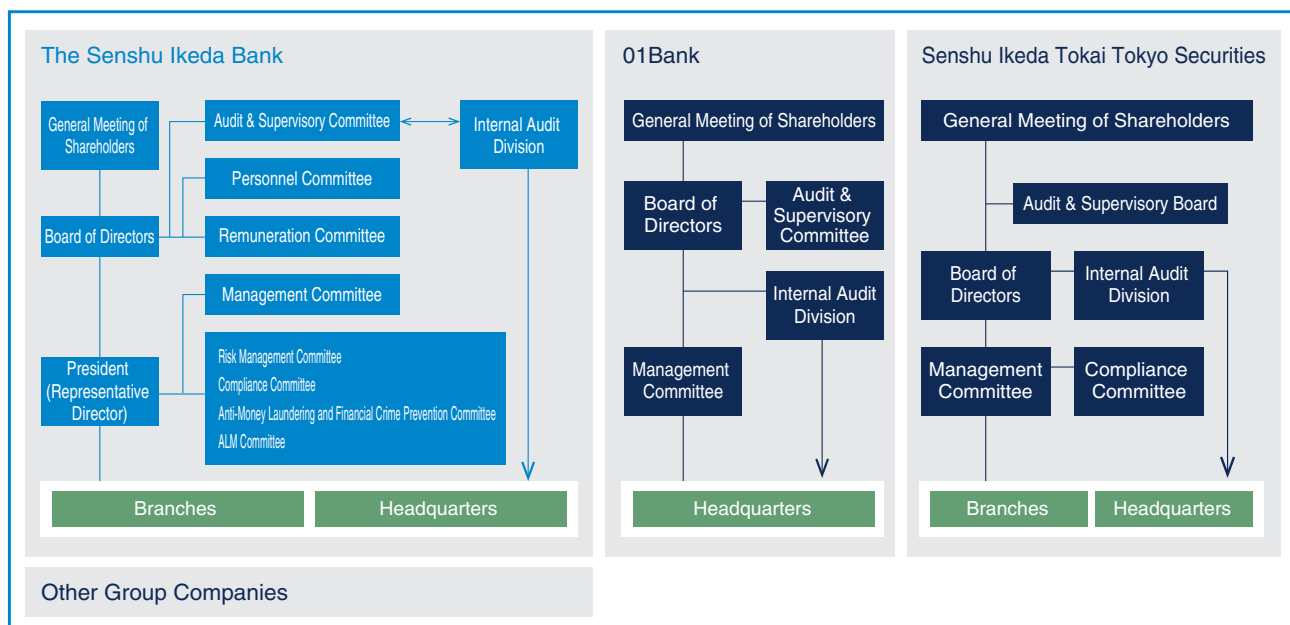
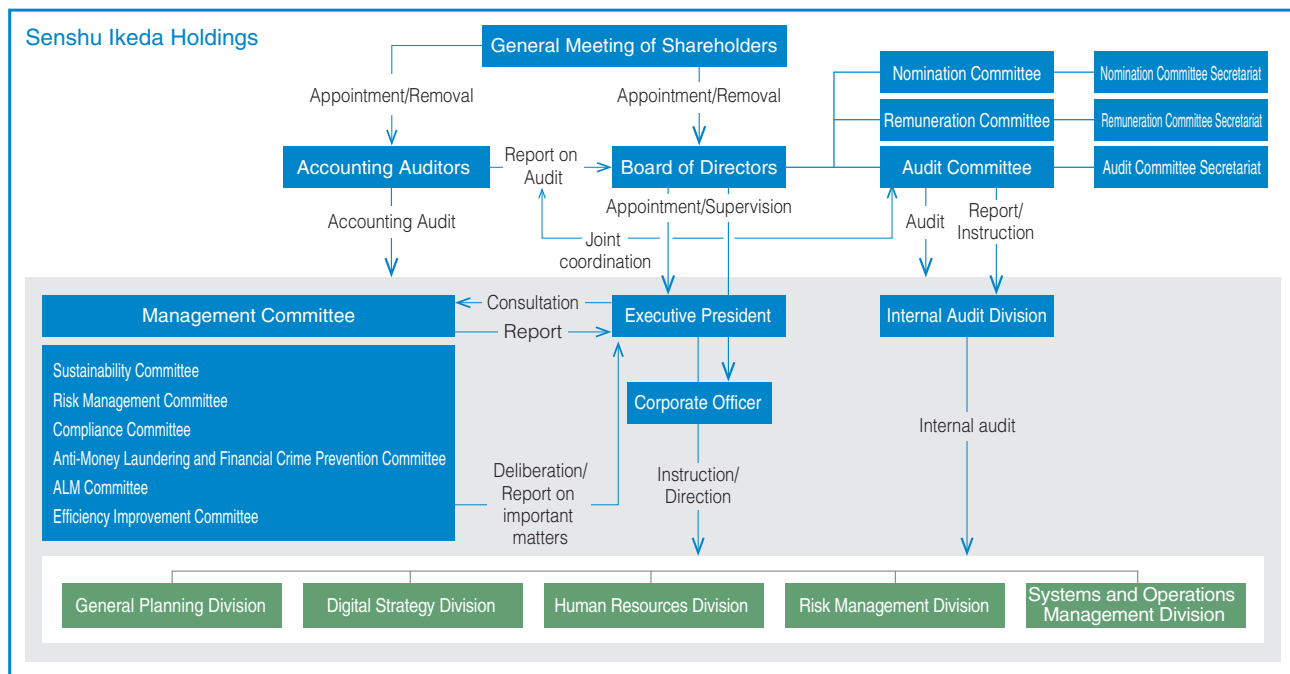
Key Features of the Corporate Governance of the Senshu Ikeda Holdings Group

Basic Principles

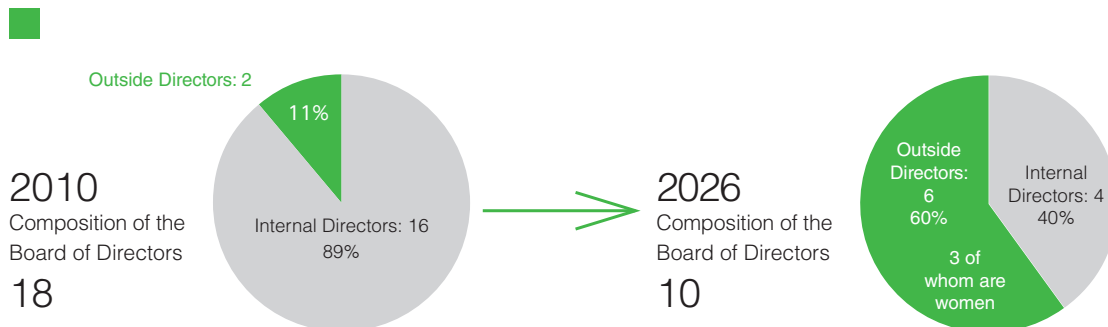
The Company is a holding company with subsidiaries such as the Senshu Ikeda Bank, which upholds the Management Principle of striving to become a group that “endear ourselves to the regional community” by providing services tailored to customers’ needs, while valuing “broad networks of relationships” and “an enterprising spirit.” In order to ensure sustainable growth and the medium- to long-term enhancement of corporate value, the Company is engaged in initiatives to develop its corporate governance in line with the following basic principles.

- (1) We respect the rights of our shareholders and strive to ensure their equality.
- (2) We consider the interests of stakeholders and strive to ensure appropriate cooperation.
- (3) We disclose corporate information in an appropriate manner and strive to ensure the transparency of such information.
- (4) The Board of Directors strives to enhance the effectiveness of its supervision and audits of the execution of duties in line with its fiduciary responsibilities for our shareholders.
- (5) We strive to engage in constructive dialogue with our shareholders in order to contribute to sustainable growth and the medium- to long-term enhancement of corporate value.

Corporate governance system of the Group



Composition of the Board of Directors



Key corporate governance initiatives

- Transition to a Company with Nomination Committee, etc.
- Appointment of female outside directors
- Introduction of a restricted stock compensation plan
- Maintain cross-shareholdings at less than 20% of consolidated net assets (The ratio to consolidated net assets was 17.0%)

Overview of Meeting Bodies

Board of Directors

The Board of Directors is comprised of ten directors, including four internal directors and six outside directors. It is chaired by Director & Chairman, Atsushi Ukawa. The Board of Directors generally meets once a month to determine matters required by law, basic management policies and important management matters, and to supervise the execution of duties by corporate officers, etc.

Nomination Committee

The Nomination Committee is comprised of five directors, including one internal director and four outside directors, and is chaired by an outside director. The Nomination Committee resolves and deliberates on the following matters.

- (1) Proposals for the appointment and dismissal of directors
- (2) Appointment and removal of representative corporate officers and corporate officers with titles
- (3) Appointment and removal of representative corporate officers
- (4) Board composition policy and skills matrix
- (5) Policy on the appointment and removal of directors
- (6) Policy on the appointment and removal of corporate officers
- (7) Criteria for independence of outside directors
- (8) Succession plan
- (9) Other matters relating to the appointment of director candidates and the removal of directors that the Nomination Committee considers necessary or that are referred to it by the Board of Directors

Remuneration Committee

The Remuneration Committee is comprised of five directors including one internal director and four outside directors, and is chaired by an outside director. The

Remuneration Committee resolves and deliberates on the following matters.

- (1) Details and policy on remuneration of individual directors and corporate officers (including employee remuneration, etc. when a corporate officer concurrently serves as an employee)
- (2) Other matters relating to remuneration of directors and corporate officers that the Remuneration Committee considers necessary or that are referred to it by the Board of Directors

Audit Committee

The Audit Committee is comprised of five directors, including one internal director and four outside directors, and is chaired by an outside director. The Audit Committee determines matters relating to audit policies, audit plans, audit methods, the allocation of audit responsibilities, and proposals concerning the appointment of the accounting auditors to be submitted to the General Meeting of Shareholders.

Management Committee

The Management Committee is established to assist the representative corporate officer and president in making decisions on important matters related to business execution. The Management Committee is comprised of representative corporate officers, corporate officers with titles, and corporate officers commissioned with responsibilities (excluding persons concurrently serving as president of a Group company). It is chaired by Director, Representative Corporate Officer, President and CEO, Hirohito Sakaguchi. The Management Committee meets once a week in principle. Directors (excluding those concurrently serving as corporate officers) may attend

Management Committee meetings and express their opinions. In addition, the Secretary-General of the Audit

Committee and the General Manager of the Internal Audit Division may attend meetings as observers.

List of members, etc. of each body

Officers of Senshu Ikeda Holdings	Inside/Outside	Board of Directors	Nomination Committee	Remuneration Committee	Audit Committee	Management Committee
Director Ukawa	Internal	◆			●	●
Director Sakaguchi	Internal	●	●	●		◆
Director Tsukagoshi	Internal	●				●
Director Fujiwara	Internal	●				●
Director Kaneko	Outside	●	●	●		●
Director Hisakawa	Outside	●	◆	●		●
Director Sakata	Outside	●		◆	●	●
Director Fukuda	Outside	●			◆	●
Director Yamamura	Outside	●	●	●	●	●
Director Fujii	Outside	●	●		●	●
Corporate Officer & Senior Managing Officer Matsushita	Internal					●
Corporate Officer & Senior Managing Officer Shinohara	Internal					●
Corporate Officer & Managing Officer Iimuro	Internal					●
Corporate Officer & Managing Officer Hounoki	Internal					●
Corporate Officer & Managing Officer Nagai	Internal					●
Corporate Officer Narita	Internal					●

◆ Chairman ● Member ● Observer

Main Agenda Items of the Board of Directors in FY2025

Management Strategy

Long-Term Management Strategy

- Current state of regional financial institutions
- Direction of management strategy
- Progress of the Long-term Management Strategy Project (phase 2)
- Framework of business and brand strategies
- Finalization of the draft purpose and refinement of the management principle framework
- Branding initiatives
- Group management
- Sustainable management
- Digital strategy
- Human capital management
- Review of the FY2024 Human Resource Development Plan and Formulation of the FY2025 Human Resource Development Plan
- Status of 01Bank following its launch
- Establishment of an M&A advisory subsidiary and an investment-focused subsidiary

Financial and capital strategies

- FY2025 second-quarter (six months) financial results, revision of the shareholder return policy, and interim dividend
- FY2025 earnings outlook and revisions to business performance and dividend forecasts
- Disposal and allocation of treasury stock, and related timely disclosure
- Shareholding policy for cross-shareholdings and shares held in retirement benefit trust (by individual issue)

Governance

- Self-evaluation of effectiveness of the Board of Directors and related disclosures
- Revisions to the compensation standards for Directors and other officers
- Initiatives to strengthen communication between management and employees
- Progress in implementing the three-line management structure
- Formulation of the FY2026 anti-money laundering and other crime risk management and prevention program

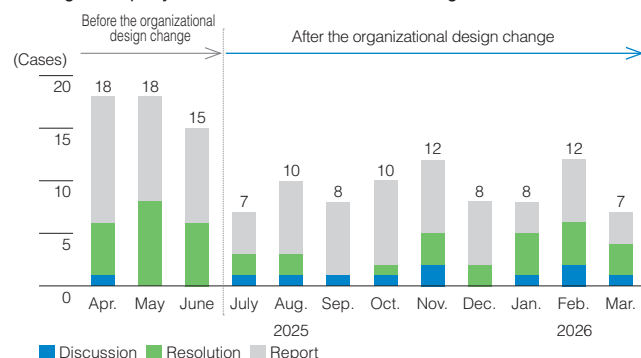
Other

- CEO Report
- Nomination Committee Report
- Remuneration Committee Report
- Audit Committee Report
- Reports on the execution of duties by corporate officers

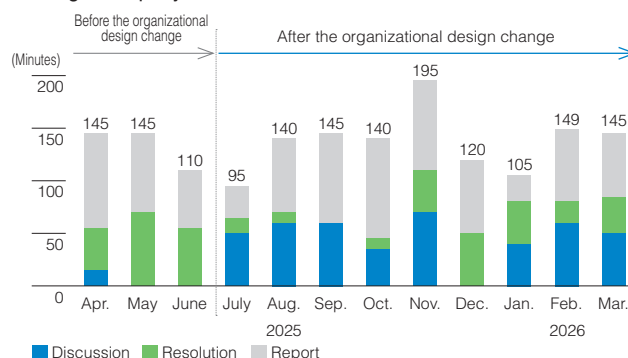
(Reference) Number of agenda items and deliberation time after the organizational design change

Following the transition to a Company with Nomination Committee, etc., the number of individual matters requiring resolution has decreased, while the number of discussion and reporting items focusing on medium- to long-term issues has increased.

Holdings Company Board of Directors: Number of agenda items submitted



Holdings Company Board of Directors: Deliberation time



Main agenda items of each committee in FY2025 (following the transition to a Company with Nomination Committees, etc.)

Nomination Committee (9 meetings)

Hidehito Hisakawa (Chairman)	Outside Director
Atsuko Ogasawara	Outside Director
Keiko Kaneko	Outside Director
Teruji Yamamura	Outside Director
Hirohito Sakaguchi	Director, Corporate Officer, President

Main Agenda Items

- Formulation and progress of officer successor development and placement plans under the succession plan
- Skill set required of officers
- Officer appointments at Group companies
- Sessions between outside directors and internal executives and employees

Average attendance rate of committee members who are outside directors: 97.2%

Remuneration Committee (10 meetings)

Atsuko Ogasawara (Chairman)	Outside Director
Hidehito Hisakawa	Outside Director
Shinoi Sakata	Outside Director
Teruji Yamamura	Outside Director
Hirohito Sakaguchi	Director, Corporate Officer, President

Main Agenda Items

- Review of the officers' remuneration system
- Review of individual officers' performance evaluation
- Revision of the Policy on Determining Officer Remuneration
- Officers' remuneration systems of Group companies

Average attendance rate of committee members who are outside directors: 100%

Audit Committee (13 meetings)

Kenji Fukuda (Chairman)	Outside Director
Keiko Kaneko	Outside Director
Shinoi Sakata	Outside Director
Teruji Yamamura	Outside Director
Atsushi Ukawa	Director (Non-executive)

Main Agenda Items

- On-site audits of branches of The Senshu Ikeda Bank
- Exchange of opinions with representative corporate officers and outside directors
- Reports from and exchange of opinions with accounting auditors
- Auditing of execution of duties by directors and corporate officers

Average attendance rate of committee members who are Outside Directors: 98.1%

Main Expertise and Background of Our Directors

	Name	Corporate management/ Governance	Financial accounting	Risk management/ Compliance	Organization/ Personnel	Marketing	IT/Digital	Social (ESG/SDGs)	Finance	Region
Internal Directors	Atsushi Ukawa	●	●	●	●		●	●	●	●
	Hirohito Sakaguchi	●	●	●	●	●			●	●
	Osamu Tsukagoshi	●	●	●					●	
	Takayoshi Fujiwara	●		●	●					●
Outside Directors	Keiko Kaneko			●			●	●		
	Hidehito Hisakawa	●	●		●	●				
	Shinoi Sakata			●	●		●	●		
	Kenji Fukuda	●		●				●	●	
	Teruji Yamamura	●			●	●				
	Yoshiko Fujii	●	●	●				●		

*On June 25, 2025, the Company transitioned from a Company with an Audit & Supervisory Board to a Company with Nomination Committee, etc. In the wake of this, regarding the skill matrix as one of major matters to deliberate in the Nomination Committee, the Company has established a system in which the Committee assesses and judges on its own accord whether knowledge, experience, and abilities for each item possessed by each candidate for Director have arrived at advanced levels.

*In the above list, the skill items in which each person has deep insight or is well-versed are marked with ●, in consideration of the Group's size, characteristics of business, a level of business management required for companies listed on the Prime Market, and other factors, as well as expression to easily understand each candidate's strengths. The criteria of each skill item are as follows.

- **Corporate management/Governance** Has a high level of insight into corporate management and governance, having had experience in top management, management strategy, business management, and internal control supervisory departments or similar, and long experience as an outside director.
- **Financial accounting** Has a high level of insight into finance and accounting, having had experience in finance departments, accounting departments, or similar.
- **Risk management/Compliance** Has experience in risk management departments, legal departments, or similar, and a high level of insight into risk management and compliance, such as being qualified as an attorney-at-law.
- **Organization/Personnel** Has a high level of insight into organizations and human resources, having had experience in human resource departments, experience in the management of entire organizations as top management, or similar.
- **Marketing** Has a high level of insight into marketing, having had experience in sales departments (including as a branch manager at the Bank), or similar.
- **IT/Digital** Has a high level of insight into IT and Digital, having had experience in systems departments, IT strategy planning and formulating departments, or similar.
- **Social (ESG/SDGs)** Has a high level of insight into Social (including ESG), having had experience in departments planning and formulating ESG-related measures, PR departments, or similar.
- **Finance** Is familiar with the banking business, domestic and overseas financial and economic conditions and regulatory trends, having had experience working in the banking business or experience working for financial authorities, etc.
- **Regions** Is familiar with customers, trends, historical, geographical and cultural characteristics in the subsidiary bank's business areas, having had experience working at the Company or subsidiary bank.

Reasons for the appointment of outside directors

Name (Years as a Director)	Independent officer	Expected roles as an outside director	Attendance at meetings of the Board of Directors and each committee
Keiko Kaneko (2 years)	●	Ms. Keiko Kaneko has a wide range of experience and achievements in the business world, having successively held key positions at Panasonic Corporation and Benesse Holdings, Inc., and she also possesses sufficient social credibility. Since June 2024, she has been appropriately supervising our management as an outside director. The Company highly values her experience and capabilities and expects her to provide supervision and advice based on her knowledge.	Board of Directors: 16/17 meetings(94.1%) Nomination Committee: 8/9 meetings (88.9%) Audit Committee: 12/13 meetings (92.3%) *Personnel Committee (voluntary): 3/3 meetings (100%) *Remuneration Committee (voluntary): 2/2 meetings (100%)

Name (Years as a Director)	Independent officer	Expected roles as an outside director	Attendance at meetings of the Board of Directors and each committee
Hidehito Hisakawa (2 years)	●	Mr. Hidehito Hisakawa has a wealth of experience and track record as a corporate manager, having served as Representative Director of EXEDY Corporation, and he also possesses sufficient social credibility. Since June 2024, he has been appropriately supervising our management as an outside director. The Company highly values his experience and capabilities and expects him to provide supervision and advice based on his knowledge.	Board of Directors: 17/17 meetings (100%) Nomination Committee: 9/9 meetings (100%) Remuneration Committee: 10/10 meetings (100%) *Personnel Committee (voluntary): 2/3 meetings (66.7%) *Remuneration Committee (voluntary): 2/2 meetings (100%)
Shinoi Sakata (1 year)	●	Ms. Shinoi Sakata has abundant experience and broad insight in corporate management, including serving as an Executive Officer at SUMITOMO CHEMICAL COMPANY, LIMITED and as a Representative Director of Sumika Technical Information Service, Inc. Given that she possesses a high degree of social credibility, she has appropriately supervised management as an outside director since June 2025. The Company highly values her experience and capabilities and expects her to provide supervision and advice based on her knowledge.	Board of Directors: 13/13 meetings (100%) Remuneration Committee: 10/10 meetings (100%) Audit Committee: 13/13 meetings (100%)
Kenji Fukuda (1 year)	●	Mr. Kenji Fukuda has a wealth of experience and knowledge as an attorney-at-law. The Company believes he is well qualified to conduct oversight of management with independence, from an objective standpoint that considers the broader corporate society, including compliance with laws and regulations. Thus, he has appropriately supervised our management as an outside director since June 2025. The Company highly values his experience and capabilities and expects him to provide supervision and advice based on his knowledge. Although he has no experience in corporate management other than having served as an outside director and outside auditor, he is deemed to appropriately carry out the duties.	Board of Directors: 12/13 meetings (92.3%) Audit Committee: 13/13 meetings (100%)
Teruji Yamamura (1 year)	●	Mr. Teruji Yamamura has a wealth of experience and broad knowledge through years of corporate management, including serving as Representative Director of Duskin Co., Ltd., and possesses a high degree of social credibility. Therefore, since June 2025, he has appropriately supervised our management as an outside director. The Company highly values his experience and capabilities and expects him to provide supervision and advice based on his knowledge.	Board of Directors: 12/13 meetings (92.3%) Nomination Committee: 9/9 meetings (100%) Remuneration Committee: 10/10 meetings (100%) Audit Committee: 13/13 meetings (100%)
Yoshiko Fujii (—)	●	Ms. Yoshiko Fujii has abundant business experience and advanced expertise related to finance and investment, engaged in financial and planning departments at ORIX Corporation. She also possesses experience in business management through serving as an executive officer of said company, as well as sufficient social credibility. Therefore, the Company believes she is capable of fulfilling a role of outside director. The Company highly values her experience and capabilities and expects her to provide supervision and advice based on her knowledge.	—

Policy for the Appointment and Removal of Officers

Basic Policy for the Nomination of Director Candidates

Director candidates (including corporate officers who concurrently serve as directors and outside directors) are appointed by the Nomination Committee based on separately established position requirements*, taking into consideration such matters as the current composition and diversity of the Board of Directors, as well as the management issues and other matters facing the Company and the Group as a whole.

Procedures for the Nomination of Director Candidates

Proposals relating to the appointment of director candidates are determined by resolution of the Nomination Committee.

Basic Policy for the Removal of Directors

If any of the following circumstances applies to a director, the Nomination Committee will consider whether removal is necessary and, if it determines that removal is appropriate, will submit a proposal to remove the director to the General Meeting of Shareholders.

- (1) The director is determined to no longer satisfy the applicable position requirements
- (2) The director has personally engaged in illegal or materially inappropriate business execution
- (3) The director has materially impaired the corporate value of the Company or the Group through neglect of duties
- (4) The director is unable to perform his or her duties appropriately because of physical or mental incapacity

- (5) The director becomes subject to a statutory ground for disqualification under the Companies Act or other applicable laws and regulations

Procedures for the Removal of Directors

The removal of a director is determined by resolution of the Nomination Committee.

Basic Policy for the Appointment of Corporate Officers

Corporate officers are appointed based on the position requirements* established by the Company for corporate officers, taking into consideration the management issues and other matters that each corporate officer will be responsible for addressing. This policy also applies when appointing a corporate officer who is not an officer or an employee of the Company and the Group.

Procedures for the Appointment of Corporate Officers

The appointment of corporate officers is determined by resolution of the Board of Directors based on the deliberations of the Nomination Committee.

Basic Policy for the Removal of Corporate Officers

If any of the following circumstances applies to a corporate officer, such corporate officer shall be removed.

- (1) The corporate officer is determined to no longer satisfy the applicable position requirements
- (2) The corporate officer has personally engaged in illegal or materially inappropriate business execution
- (3) The corporate officer has materially impaired the corporate value of the Company or the Group through neglect of duties
- (4) The corporate officer is unable to perform his or her duties appropriately because of physical or mental incapacity

Procedures for the Removal of Corporate Officers

The removal of a corporate officer is determined by resolution of the Board of Directors based on the deliberations of the Nomination Committee.

* (1) Position requirements: role, responsibilities, and main duties

(2) Personnel requirements: thinking and behavioral characteristics, mindset, knowledge and skills, and professional experience

Evaluation of Effectiveness of Board of Directors

With the objective of enhancing the functions of the Board of Directors, the Company conducts an analysis and evaluation of its effectiveness on an annual basis. Since FY2020, upon ensuring a mechanism in which external organizations are used to highlight issues, a questionnaire survey consisting of five sections, "Composition and operation of the Board of Directors," "Management and business strategies," "Corporate ethics and risk management," "Evaluation and remuneration of executive management team," and "Engagement with shareholders, etc." has been conducted for the purposes of self-evaluation.

Key Themes in Previous Fiscal Year and Details of Initiatives

In FY2025, the Company positioned the following two matters as key themes and worked to improve the effectiveness of the Board of Directors.

(1) Strengthening of the supervisory function of the Board of Directors

In June 2025, the Company transitioned from a Company with an Audit & Supervisory Board to a Company with Nomination Committee, etc., and the Company's major subsidiary, The Senshu Ikeda Bank, transitioned to a Company with an Audit & Supervisory Committee. Amid the need to accelerate management in a rapidly changing environment, we established a framework to realize swifter decision-making and further exercise the supervisory function of the Board of Directors through a further expansion of the scope of delegation of authority and the separation between supervision and execution.

(2) Enhancement discussions on key domains

In formulating long-term management strategy for the next 10 years and the Sixth Medium-Term Business Plan, the Board of Directors met nine times to discuss the final plan. The topics of DX promotion, allocation of management resources, sustainability, and officer remuneration were also discussed in depth.

In addition to initiatives in response to key themes, to further improve operational aspects, it was decided to present some of the Board of Directors' materials in summary form and to clearly state the reasons for reporting items.

For outside directors, we have expanded opportunities for information provision by adopting a system that allows them to observe Management Committee meetings and other meetings and by allotting more time than in the previous fiscal year for pre-meeting briefings of the agenda of Board of Directors meetings, as well as making use of off-site meetings.

Results of Evaluation in the Year Under Review

The Board of Directors held deliberations based on the results of the questionnaire survey and details of initiatives in April and May of 2026. Positive evaluations accounted for the majority of the survey responses and the responses to the open-ended questions included many opinions that recognized the improvement of the effectiveness of the Board of Directors. In addition, given that we have continued to address the key themes identified in the previous fiscal year, the overall assessment is that the effectiveness of the Board of Directors has been ensured.

Key Themes for Further Improvement of Effectiveness

In the responses to the open-ended questions of the questionnaire and in the discussions of the Board of Directors, it was noted that, on the premise that changes to the organizational structure and the expansion of delegation of authority have resulted in a framework for the Board of Directors to exercise its supervisory function, there is a need to further enhance the quality of discussions on more strategic and complex agendas, such as sustainability and human resources strategies. In FY2026, the deepening of discussions on strategic and complex agendas will be positioned as a key theme.

To advance these initiatives, we will strengthen the provision of information that contributes to substantive discussions by enhancing reference materials to assist understanding of the deliberation process and expanding opportunities for input, including through off-site meetings.

At the same time, we will continue to improve meeting operations, including reviewing the methods for explanation of proposals and adjusting meeting schedules, to ensure that sufficient time can be allocated to substantive discussions.

Support for Outside Directors

Practical officer training to enhance the quality of discussions

Officer training

- Cybersecurity (November 2025)
- Purpose management (January 2026)

Similar analysis and evaluation have been conducted at our major subsidiary, The Senshu Ikeda Bank, and we have confirmed that the effectiveness of the Bank's Board of Directors has been ensured.

Participation in external seminars

- January to June 2026: As part of its training program for outside officers, the Company arranged participation in training programs offered by Japan Corporate Governance Network

Status of Audits

Activities of the Audit Committee

Full-time Audit Committee members conduct objective and reasonable audits in accordance with the audit duties established by the Audit Committee by attending important meetings, reviewing important documents, conducting on-site audits of branches, and receiving reports from headquarters divisions.

They also enhance audit effectiveness through exchanges of opinions with internal audit divisions, Group companies, and the accounting auditors. Part-time outside Audit Committee members enhance audit effectiveness by attending meetings of the Board of Directors, exchanging opinions with the representative corporate officers and accounting auditors at Audit Committee meetings, and receiving reports on audit activities from the full-time Audit Committee member.

The Audit Committee and accounting auditors meet regularly to exchange information and opinions on audit-related issues and maintain close cooperation in order to conduct efficient and highly effective audits. The Audit Committee also works closely with audit & supervisory board members and equivalent personnel at subsidiaries and exchanges opinions with internal audit divisions in order to conduct efficient and highly effective audits.

Status of Internal Audits

The Company has established the Internal Audit Division, which conducts internal audits based on the basic rules of intra-group audits, which set out the objectives and guidelines of internal audits. The Company's Internal Audit Division comprises 27 members (including 26 who

concurrently served in the Internal Audit Division of the banking subsidiary; as of March 31, 2026).

The Company develops an effective internal audit structure that has independence and expertise in order to ensure the soundness and adequacy of operation. The Company also inspects and evaluates the adequacy and effectiveness of the risk management and internal control practices, and makes recommendations as appropriate to the senior management of the Company on ways to improve and rectify questionable areas. Thus the Company's internal audit guidelines facilitate effective achievement of management objectives including the improvement of the Group's internal management structure and the enhancement of its corporate value.

The Internal Audit Division conducts internal audits on each division of the Company based on the internal audit plan approved by the Audit Committee each year in accordance with the internal audit guidelines. The Internal Audit Division also conducts internal audits on each Group company, as necessary, on its own or by cooperating and coordinating with internal audit divisions of the subsidiaries, etc. and provides specific instructions and advice on the improvement of operations. The Internal Audit Division promptly reports the results of internal audits to the Audit Committee and, depending on the significance of the internal audit, also reports them to the Management Committee. The Audit Committee also regularly reports the results of internal audits to the Board of Directors.

During the fiscal year under review, the Company has designated 18 priority audit items based on the external and internal environments and conducted audits accordingly.

Supervision of Succession Plan for the Chief Executive Officer (CEO) and Other Officers

Based on the officer successor candidate development regulations, which form part of the succession plan deliberated and determined by the Board of Directors, the Company strategically and systematically develops successor candidates for representative corporate officers, directors, and corporate officers, including the CEO.

The Company invests sufficient time and resources in developing successor candidates. Through their day-to-day responsibilities, each candidate is assessed against the applicable position requirements*, enabling strengths and areas for improvement to be identified while providing continuous support for professional development.

The formulation or revision of development and placement plans for successor candidates for representative corporate officer and director positions is reported to the Nomination Committee, together with progress in implementing these plans.

In FY2025 (after June 25, 2025) the Nomination Committee met nine times. Opportunities were also provided for the outside directors who are the Nomination Committee members to interact with internal executives and employees who are successor candidates.

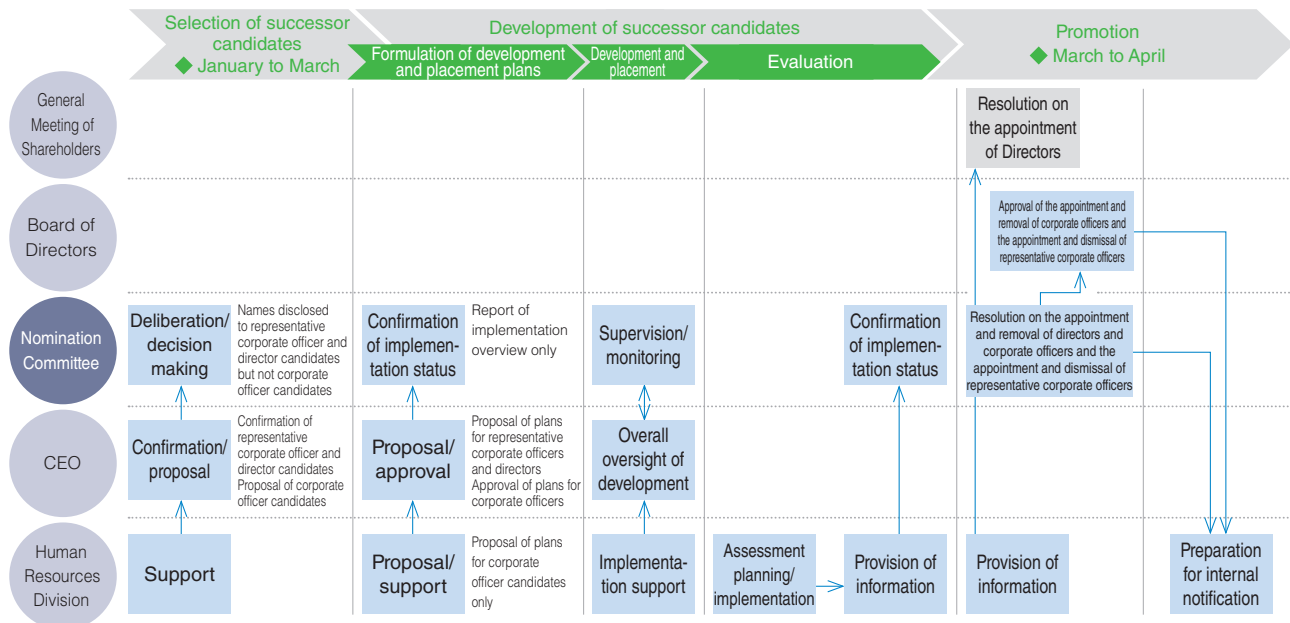
As the outside directors, who constitute the majority of the Nomination Committee, gained more comprehensive information on successor candidates, discussions within the Committee became more substantive.

*The position requirements for representative corporate officers comprise the following elements.

1. Position requirements: 1-1 Role (mission); 1-2 Responsibilities; 1-3 Main duties

2. Personnel requirements: 2-1 Thinking and behavioral characteristics; 2-2 Mindset; 2-3 Knowledge and skills; 2-4 Professional experience

Overview of the Succession Management Process



Policy for Determining Individual Director Remuneration

1. Basic policy

The Company's basic policy is to establish a remuneration system for directors and corporate officers that functions effectively as an incentive for the sustainable enhancement of corporate value while ensuring the prudence required of a financial institution, and to set individual remuneration at an appropriate level in light of each director's or corporate officer's responsibilities. Specifically, remuneration for corporate officers responsible for business execution consists of basic remuneration as fixed remuneration, performance-linked remuneration, and stock-based remuneration. Remuneration for directors responsible for supervision (including outside directors; the same shall apply hereinafter) consists solely of basic remuneration.

Total remuneration is set with reference to remuneration levels at benchmark companies of comparable business scale in related industries and business categories.

2. Basic remuneration

Basic remuneration is paid as a fixed monthly cash amount. The amount of basic remuneration is determined according to position, responsibilities, and other factors and is reviewed as appropriate in light of business performance, remuneration levels at other companies, social conditions, and other relevant factors.

3. Performance-linked remuneration

Performance-linked remuneration is paid in cash and reflects performance indicators in order to raise awareness of the need to improve performance in each fiscal year. The amount calculated according to the degree of achievement against the targets for each fiscal year is paid annually as a bonus at a specified time. Performance indicators and their target values are established when the budget plan for each fiscal year is formulated and are reviewed by the Remuneration Committee as appropriate in response to changes in the business environment.

4. Non-monetary remuneration

To promote the sharing of value with shareholders and increase motivation to contribute to the medium- to long-term enhancement of corporate value, restricted stock is granted annually at a specified time to corporate officers responsible for business execution. Restricted stock is granted by allocating shares in exchange for monetary remuneration claims. The number of shares of restricted stock to be granted is determined by the Remuneration Committee based on position, responsibilities, stock price, and other factors. A claw-back provision allows the Company to acquire granted shares without consideration in the event of misconduct or similar circumstances, thereby strengthening corporate governance.

5. Remuneration mix

The remuneration mix for corporate officers responsible for business execution is determined with reference to remuneration levels at benchmark companies of comparable business scale in related industries and business categories, with performance-linked remuneration and stock-based remuneration accounting for a greater proportion of remuneration at higher positions.

6. Determination procedures

Individual remuneration amounts are determined by resolution of the Remuneration Committee. The number of shares of restricted stock to be allocated to each corporate officer as non-monetary remuneration is determined by resolution of the Remuneration Committee.

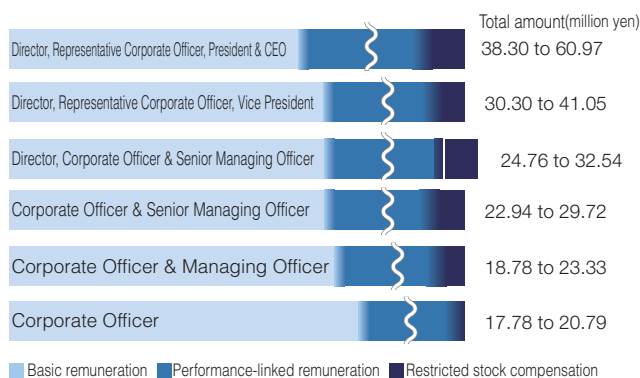
Officer remuneration for the 17th Term (FY2025)

In December 2025, with the objective of evolving the remuneration framework into one that functions as an incentive for the realization of competitive compensation and the sustainable enhancement of corporate value, the Remuneration Committee reviewed the policy for determining remuneration for individual officers and the officers' remuneration systems. As a result of that review, it was decided to raise officer remuneration by an average of around 9.5%, within the scope of the maximum remuneration amount established by resolution of the 12th Annual General Meeting of Shareholders held on June 23, 2021 and to prioritize allocation of that raised portion to performance-linked remuneration and non-monetary remuneration.

For persons concurrently serving at The Senshu Ikeda Bank, Ltd., the amount paid by the Bank is included.

1. Overall view of remuneration

Officer remuneration consists of basic remuneration, performance-linked remuneration, and restricted stock compensation as non-monetary remuneration. Remuneration for Directors with supervisory functions (including outside directors; the same shall apply hereinafter) is composed solely of basic remuneration. As stock options had already been allotted as non-monetary remuneration prior to the review of the officers' remuneration system, for the 17th term (FY2025), the difference between the already allocated stock options and the restricted stock compensation as non-monetary remuneration under the newly introduced plan was paid as restricted stock compensation.



2. Basic Remuneration

The amount of basic remuneration is determined according to position, responsibilities, etc.

3. Performance-linked Remuneration

The performance indicators for the 17th term are as follows, and the amount of performance-linked remuneration fluctuates according to the achievement rate. If the achievement rate (for soundness, the performance indicator itself) falls short of the range shown below, the amount of performance-linked remuneration corresponding to that part will not be paid, and in other cases, the amount according to the achievement rate (for soundness, the performance indicator itself) will be paid, with an upper limit on the amount of payment to be established. The target values for each index are determined by the Board of Directors.

Priority Item	Specific KPI	Weight	Outline
Profitability	Bank non-consolidated core business net income (excluding gains and losses on investment trust cancellations)	50%	Indicator of profitability from the Bank's core business
Future potential	Number of solutions	30%	KPIs established under Vision'25
Soundness	Capital adequacy ratio (holding company consolidated)	20%	Capital adequacy/risk asset

*Relative total shareholder return (relative TSR) versus listed regional banks will be used as a shareholder return coefficient. A coefficient calculated according to relative TSR is applied to the total of the amounts payable for the profitability, future growth potential, and financial soundness components.

For corporate officers other than the president and the vice president, a certain ratio of performance-linked remuneration will be determined by qualitative evaluation according to the performance status of each individual. The Remuneration Committee will establish evaluation criteria for the performance status and the evaluation of each individual.

4. Non-monetary Remuneration

Restricted stock of the Company will be provided.

The Company will enter into a restricted stock allotment agreement with the eligible officers to whom restricted stock compensation is to be provided. The restricted stock allotment agreement stipulates that the allotted stock may not be transferred, pledged as collateral, or otherwise disposed of during a specified period, and that the Company may acquire such stock without consideration upon the occurrence of certain specified events.

Compliance Structure

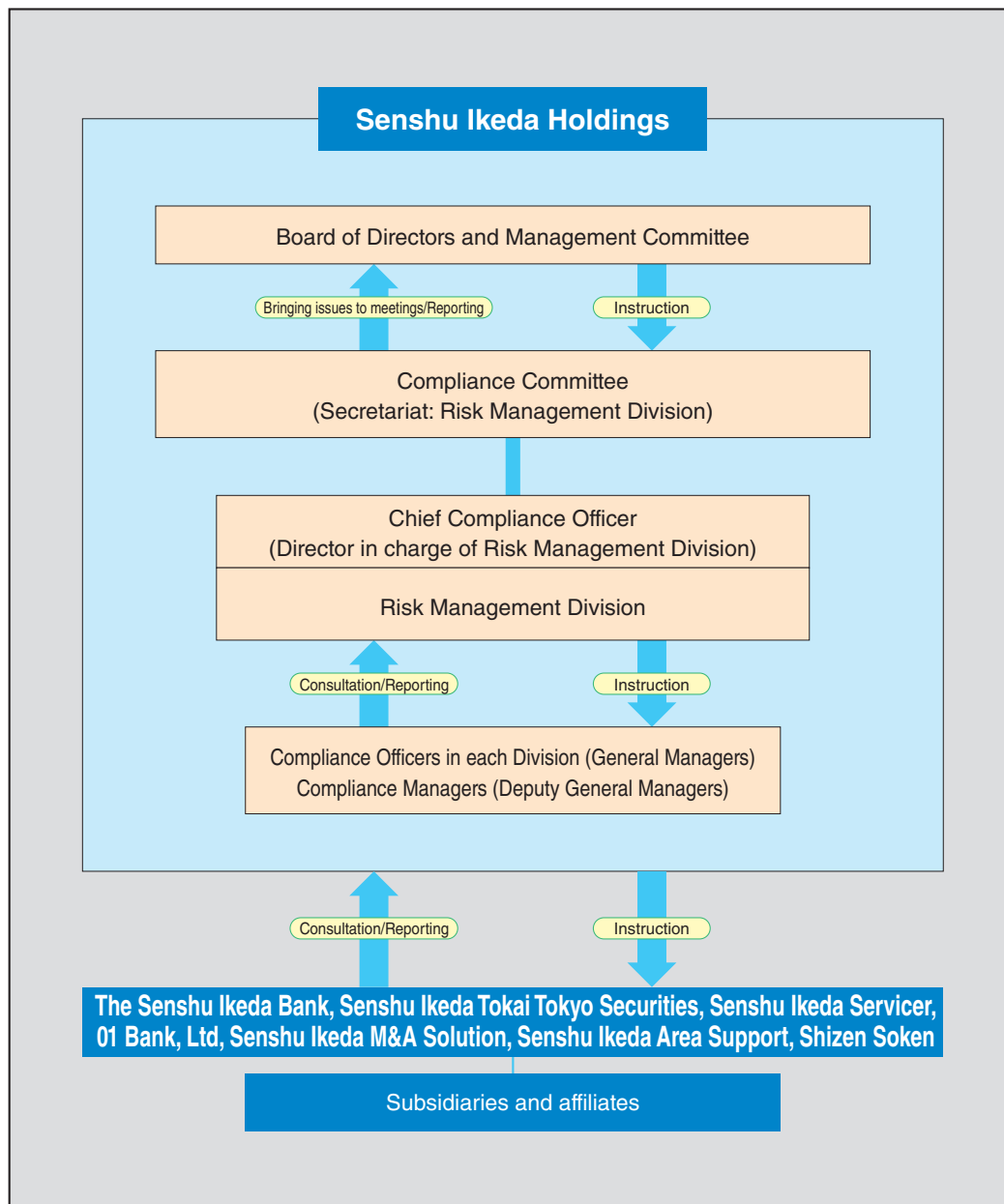
The Company and the Group set “compliance” as one of the most important management priorities. We are coping with it in order to fulfill our social responsibility and public duties, and to earn the trust of our customers and regional communities.

The Company has set up a “Compliance Committee” to deliberate important matters regarding group compliance. We have also formed the “Risk Management Division” under the “Chief Compliance Officer” to manage matters regarding compliance unitarily.

Risk Management Division ensures compliance by creating, reviewing, and following up the “Compliance

Program,” which is a practical plan for reinforcement of compliance, by creating, updating, and distributing the “Compliance Manual,” which stipulates basics regarding compliance, and by conducting compliance education activities through various training programs such as those aimed at preventing harassment, corruption, and misconduct.

We assign “Compliance Officers” and “Compliance Managers” to each division and branch in order to implement and penetrate compliance. In addition, we check the operations from a compliance point of view and



facilitate the conduct of training programs to ensure compliance.

In order to detect compliance problems at early stages and take corrective actions, we have set up and operate a hotline including external contact points to be used by employees of the Company or Group companies to report directly on violations of laws and regulations (e.g., violations of internal regulations, harassment, corruption, bribery) by the Company and Group companies.

Compliance has become an increasingly important issue for financial institutions. The Company and the Group are committed to strict observance of the Banking Act, Financial Instruments and Exchange Act, and related laws and regulations. We also strive to strengthen an appropriate protection system for our customers.

We intend to enrich and enhance our compliance structure through improving various regulations and giving training to our employees continuously so that customers can deal with us “reliably.”

Code of Ethics

The Group sets up Code of Ethics as follows that our directors and employees must abide by. The directors and employees will regard the observance of the Code of Ethics as a fundamental part of routine operations and will conduct fair and honest corporate activities, while complying with laws and rules strictly to implement the Group's management philosophy and policies.

1. Winning the trust from our customers

Taking its social responsibility and public duties into consideration, we will intend to become the most reliable financial group for the customers through conducting sound and appropriate operations, including information management and proper disclosure.

2. Implementing “customer first policy”

We will always consider any matters on customer first basis and will contribute to the development of the regional economy and community through providing high-quality financial services that are both original and innovative.

3. Strict compliance

We will strictly comply with all laws and rules, and will conduct fair and honest corporate activities that are consistent with social code.

4. Fostering a sound risk culture

We understand the nature of risk, taking into account future changes in the environment and the various paths for the spread of risk, and always pursue appropriate risk-taking through open communication that transcends our positions as risk owners ourselves. As a regional financial institution, we will practice the honest and sound risk-taking and risk control expected of us.

5. Respecting human rights and the environment

We will respect personal relationships, characters and personalities of the others, and conduct environment-friendly corporate activities.

6. Eliminating anti-social forces

We will take an uncompromising stance against anti-social forces and organizations, and resolutely eliminate all undue intervention by such forces and organizations which threaten the order and safety of the community.

Structure for preventing Money laundering and the financing of terrorism

Structure for preventing financial crimes including money laundering and financing of terrorism

The Company and the Group companies recognize that it is their social responsibility to prevent financial crimes including money laundering and financing of terrorism (hereinafter “money laundering and other financial crimes”) by complying with the Act on Prevention of Transfer of Criminal Proceeds, the Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism, the Foreign Exchange and Foreign Trade Act, and other related laws and regulations (hereinafter “Criminal Proceeds Act and related laws and regulations”). The Company and the Group companies regard the continuous enhancement of their countermeasures as one of the crucial tasks related to their management strategy and will proactively work to detect and prevent such crimes with the proactive and active involvement of management personnel.

● Organizational structure

The Company and the Group companies will appoint the Company's director in charge of anti-money laundering and other financial crimes as the Group's Chief Anti-Money Laundering and Financial Crime Prevention Officer. Acting as the supervisory body, the Risk Management Division will work in cooperation with the relevant departments and Group companies to prevent money laundering and other financial crimes.

In addition, the Company and the Group companies have established the “Anti-Money Laundering and Financial Crime Prevention Committee” to deliberate on important matters related to the prevention of money laundering and other financial crimes.

● Compliance with laws and regulations

The Company and the Group companies will comply with the Criminal Proceeds Act and related laws and regulations and appropriately implement the necessary measures such as real-time transaction confirmations, reporting suspicious transactions, and confirming measures related to the freezing of assets.

● Risk-based approach

The Company and the Group companies will identify and assess their own risks related to money laundering and other financial crimes. In order to effectively reduce the risks, the Company and the Group companies will take a risk-based approach to implement appropriate measures, such as ensuring that measures taken are proportionate to the risks.

● Customer due diligence and the preservation of records

The Company and the Group companies will periodically survey and analyze customer information and transaction details, and implement necessary customer due diligence measures in accordance with the attributes of each customer. In addition, in accordance with applicable laws and regulations, the Company and Group companies will prepare and preserve records of transactions and the real-time transaction confirmations.

● Reporting suspicious transactions

The Company and the Group companies will establish a system to appropriately handle suspicious customers and transactions, etc. as detected by reports from sales branches, etc. or by the system's monitoring and filtering functions, and promptly report suspicious transactions, having appropriately examined and judged the situation.

● Management of correspondent banks

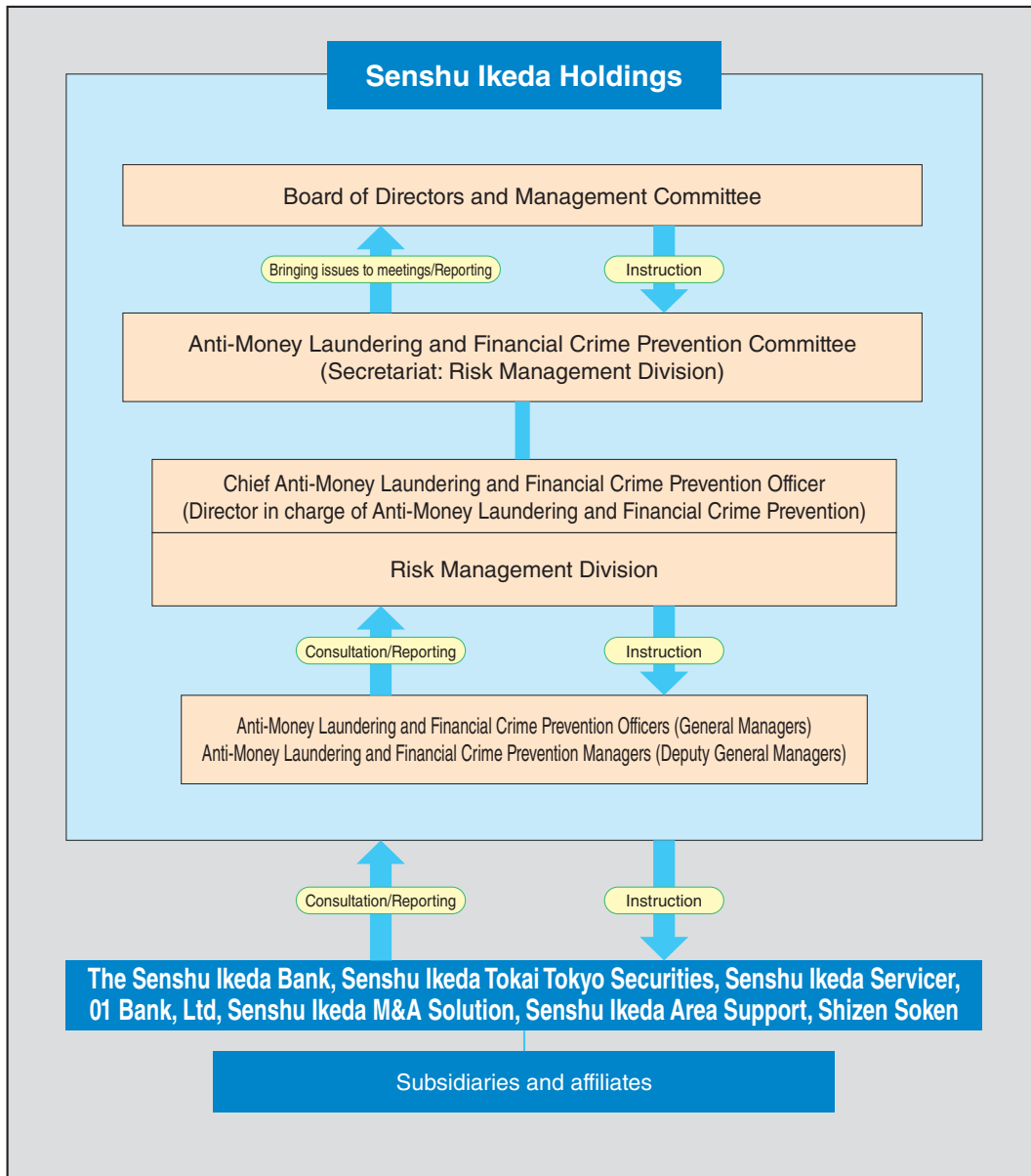
The Company and the Group companies will conduct periodic reviews of correspondent banks to verify and monitor their systems for the prevention of money laundering and other financial crimes. If the correspondent bank is a fictitious bank (so-called “shell bank”) or if it allows transactions with such fictitious banks, then the Company and the Group companies will not enter into or maintain a correspondent agreement with the correspondent bank in question.

● Training for directors and employees

The Company and the Group companies will provide appropriate and continuous training programs for directors and employees to deepen their understanding of money laundering and other financial crimes, as well as maintain and improve legality and expertise.

● Verifying effectiveness

The Company and the Group companies will verify the effectiveness of their measures to prevent money laundering and other financial crimes and strive to enhance and upgrade the management system through periodic monitoring conducted by both the director in charge of anti-money laundering and other financial crimes and the supervising department as well as periodic audits conducted by an independent internal audit department.



Risk Management Structure

■ Basic Approach to Risk Management

While business opportunities for financial institutions multiply as a result of deregulation, sophistication and globalization of financial operations, and the significant development in ICT, the risks that financial institutions face are becoming more complicated and diverse qualitatively.

Moreover, it has been more important for financial institutions to monitor, assess and manage risks properly, and to respond to the changes quickly in the environment in order to earn the stable and continuous profits, while serving various needs of customers. Under such circumstances, the Group regards enhancing and strengthening risk-management structure as a high-priority management task in order to maintain and enhance the soundness of its business execution.

Specifically, the Group determines the structure and various rules regarding risk management and the departments in charge of each risk category at the Board of Directors. The group has also set up the risk management division to oversee the departments regarding risk management. Furthermore, the Risk Management Committee and the ALM Committee, consisting principally of management personnel, have been established, with the purpose of identifying the risk situation within the Group, and to discuss the relevant agenda and countermeasures which shall subsequently be reported and further discussed at the Board of Directors. Thus the Group ensures effective risk management structure at management level.

Meanwhile, as action plans for risk management based on the Group strategies, basic risk management principles are set out annually and reviewed continually in order to deal with the risks newly emerging as a result of changes in environment for timely and adequate way.

With the purpose to objectively examine the adequacy and effectiveness of the risk management structure, the internal audit division which independent from the audited departments conducts an audit. Thus the Group ensures appropriate administrative processing and sound business operations through finding out and improving the matters on risk management.

■ Integrated Risk Management

● Integrated risk management

Integrated risk management refers to the process to adequately manage the risks that financial institutions face. The Company evaluates the risks divided into

categories of credit risk, credit concentration risk outside the calculation of capital ratio, interest rate risk in banking accounts, market risk and operational risk, and compares them with its management strength (capital ratio).

The Group regards development and reinforcement of risk management structure as its crucial management task. Furthermore, the Group has developed an integrated risk management structure that the risk management division manages all risks in order to comprehensively identify and appreciate various risks associated with the Company's operations by as uniform as possible measurement, and to earn the stable revenue, realize appropriate capital composition and allot management resources properly.

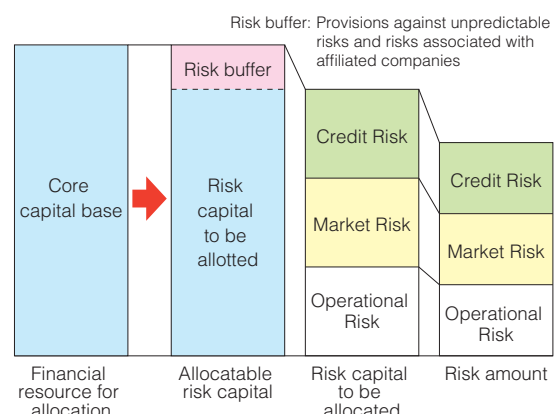
● Risk capital management system

The Group is running its operation based on the risk capital management system that controls all risks within certain proportion of capital base, under the integrated risk management structure.

Specifically, the Company allocates risk capital sourced from core capital base to credit risk, market risk and operational risk, based on the calculated risk amount in each category. The Company has also monitored risk amount continuously to ensure that it is kept within the tolerable limit from management point of view. Thus the Company ensures smooth operations and management soundness across the Group.

● Calculation method for capital ratio regulation

In respect to risk and asset calculation for the purpose of the capital ratio regulation, the Group applies the Foundation Internal Ratings-Based Approach for credit risks and assets and standard measurement methods to calculate the operational risk equivalents.



■ Credit Risk Management

Credit risk, as identified by the Group, is the risk of suffering losses as a result of a decline or loss of the value of assets due to reasons such as the deteriorating financial conditions of or default by the obligor.

The Group has set up the “Credit Risk Management Regulations” to administer finely-tuned responses to risks for the purpose of building up an optimum portfolio. Specifically, we analyze and manage the credit portfolio from various aspects including credit concentration risk, type of business, borrower classification and credit ratings.

Additionally, the Group has set up a “Credit Policy” in the banking subsidiary that clarifies its policy for extending credit in order to maintain and enhance the soundness of its business execution.

As for the credit analysis and management of each loan at the banking subsidiary, the Group makes efforts to ensure the independence of the investigation division from the business promotion division. Management Committee and other appropriate body review each loan for a large obligor as well as the credit policy. Thus, the Group has focused on the development and improvement of its credit analysis system. Meanwhile, Loan Division is managing housing loans receivable.

Furthermore, the internal audit department manages the auditing of the self-assessment of assets in order to maintain and enhance the soundness of the asset base.

■ Market Risk Management

Market risk, as identified by the Group, points to “market risk” and “market liquidity risk.” Market risk is the risk of suffering losses through changes in the prices of assets and liabilities held by the Group due to the fluctuations of market risk factors, such as interest rates, prices of securities, foreign exchange rates and so on. Market liquidity risk is the risk of suffering losses arising from the inability to execute sufficient transactions under appropriate conditions, due to market confusion or an insufficient trading base. The Group has established a “policy on market risk control” and has developed an organizational structure, including the establishment of a risk control division independent of specific business divisions, to measure the volume of risk and monitor the concentration of risk in specific risk factors, etc., in an effort to develop and ensure an appropriate structure to control market risk.

■ Funding Liquidity Risk Management

Funding liquidity risk, as identified by the Group, is the risk of suffering funding difficulties from being unable to raise necessary funds due to market conditions or deterioration in the Group’s financial condition, as well as the risk of suffering losses from being forced to raise funds at higher interest rates than usual.

The Group has established a “policy on liquidity risk control” and takes control of its funding situation through careful monitoring of the fund management and fundraising. The Group also ensures liquidation of its assets and diversifies the sources of fundraising. Thus, the Group has taken every possible measure to manage funding liquidity risk.

■ Operational Risk Management

Operational risk, as identified by the Group, is the risk of suffering losses from the inappropriate business activity of the Group - including its employees-, systems, or external premises.

The Group has set a rule for operational risk management and classified the risks into the six categories as follows; (1) administrative risk, (2) information asset (system) risk, (3) tangible fixed asset risk, (4) personnel risk, (5) legal risk, and (6) reputation risk.

Furthermore, the Group identifies and evaluates all risks associated with new products and services before they are actually developed and provided, for the purpose of adequate risk management. Besides, the Group manages customer information sufficiently and ensures management soundness when outsources certain business operation.

● Administrative risk management

Administrative risk, as identified by the Group, is the risk of suffering losses from administration, fraud, accidents and other risks that the Group’s operations will not be carried out as intended.

The Group prescribes detailed rules on administrative procedures and strives to prevent accidents through doing the administration promptly and accurately, so that the customer can enter into transactions with the Group without any concern. Meanwhile, the Group makes every effort to eliminate administrative risk by measures such as review of the administrative procedure from identification of potential risks through the analysis of administrative processes.

● Information asset (system) risk management

Information asset (system) risk, as identified by the Group, is the risk of suffering losses due to loss, alteration, unauthorized use, leakage of information, as well as to system defects caused by natural disasters or breakdowns.

In consideration of the fact that its business operations are supported by various computer systems, the Group ensures the reliability and security of systems and has established back-up systems and structures in case of emergency.

The Group is also working to establish appropriate operation and management systems to prevent the leakage of information and unauthorized access to its systems through encoding of data and strengthening of access authority management.

● Tangible fixed asset risk

Tangible fixed asset risk, as identified by the Group, is the risk of suffering losses associated with damage of building and equipment or deterioration of working environment as a result of disasters or poor asset management.

The Group is preparing for disaster through conducting quake resistance tests and implementing countermeasures against power failures in order to ensure business continuity in the event of emergencies.

● Personnel risk

Personnel risk, as identified by the Group, is the risk of suffering losses associated with the delay of failing in succession of expertise within the Group, as a result of drain or loss of key staff, or degradation of morale.

The Group is striving to develop working environment to enable each employee to fully exert ability, while helping them to improve their skills.

● Legal risk management

Legal risk, as identified by the Group, is the risk of suffering losses from violations of laws and regulations, as well as inappropriate responses to changes in various systems.

The Group strives to prevent the occurrence of legal risk and to reduce the risk itself by collecting information concerning legal matters, and managing legal risk identified from such information, as well as appropriately responding to legal risk.

● Reputation risk management

Reputation risk, as identified by the Group, is the risk of suffering losses arising from deterioration of the Group's reputation due to circulation of unfounded rumors or due to inadequate responses of the Group concerning the facts.

The Group works to avoid reputation risk by disclosing information proactively thorough increases the transparency of its management, taking into consideration the crucial influence on the management of the Group.

■ Crisis Management

The Group has established the "Crisis Management Rules," which set out the basic policies in responding to emergencies including large-scale disasters and system failures. In the event of large-scale crisis, the Group sets up a "Crisis Management Headquarters" to take charge of company-wide response. Specific action programs are set out in a "Contingency Plan," with the purpose to ensure safety of customers and employees, as well as set up business continuity structure of the financial system.

■ Risk management related to cybersecurity

The Group is committed to improving and strengthening its cybersecurity measures to protect customers from damages caused by increasingly advanced and sophisticated cyberattacks. While ensuring the security of its systems, the Group seeks to provide high-quality financial services to customers by expanding financial services and promoting business transformation leveraging digital technologies.

● Involvement of management personnel

The Group recognizes cybersecurity risk as one of its key management issues and implements cybersecurity measures under the active involvement and leadership of management personnel. In terms of its organizational framework, the Administration and Systems Division implements cybersecurity measures across the Group and establishes frameworks for identifying and preventing risks, detecting and responding to incidents, ensuring prompt recovery from and resolution of incidents, as well as the contingency plans for emergency response.

In addition, taking into account the threats and external developments, the status of security measures and various initiatives is reported regularly to the Group Risk Management Committee. Depending on changes in circumstances, such matters are also reported, as appropriate, to the Group Management Committee and the Board of Directors, thereby enabling management-level monitoring and prompt decision-making.

● Incident response framework

The Group manages cybersecurity risks under an appropriate framework based on the three-line management model. It has established a specialized team for cybersecurity “CSIRT,” comprising members from across the organization. Through the information gathering and monitoring of the latest cyberattack techniques, regular inspections based on vulnerability assessments, and participation in training programs and cyberattack exercises led by the Financial Services Agency and external organizations, the Group strives to strengthen its preparedness for incidents. In the event of a cyberattack, the CSIRT plays a central role in promptly sharing information internally and taking initial response measures. It conducts root cause investigations, implements measures to prevent the spread of damage, carries out recovery measures, and takes other response measures, in accordance with response measures established for each risk scenario based on the nature of the attack. The Group has also established a framework to set up a Crisis Management Headquarters under the direction of the management personnel as necessary, and to take emergency measures.

In addition, Senshu Ikeda Bank, a banking subsidiary, jointly established the “CMS-CSIRT” in FY2023 with member banks of the Regional Bank Integrated Services Center and MEJAR, whose core systems are operated by NTT DATA. Through collaboration with the security divisions of the participating banks and the joint conduct of training exercises and study sessions, Senshu Ikeda Bank is working to further strengthen its security framework.

● Third-party assessments

As part of its efforts to strengthen cybersecurity measures, in addition to system audits conducted by the internal audit department, the Group utilizes third-party assessments of its cybersecurity framework,

among others, and continuously undertakes initiatives to address issues identified through these activities.

● Response to supply chain risks

In recent years, cyberattacks exploiting vulnerabilities in supply chains have become a significant threat. When the Group outsources all or part of its operations or uses cloud services, it conducts eligibility assessments when selecting third parties and regularly verifies, after the execution of contracts, that the required level of security is maintained, thereby seeking to ensure an appropriate level of security throughout the supply chain.

● Access control and data protection

The Group implements access controls through its systems based on employees’ organizational affiliation and position in order to ensure the appropriate management of internal information. In addition, the Group has established mechanisms to prevent unauthorized access and information leakage, including control functions for the transmission of documents to external parties by e-mail, controls over the use of unauthorized external storage devices, and the collection of logs from business-use computers. The Group also implements measures for internet-based services used by customers, including the introduction of systems for the early detection of unauthorized access and the encryption of communications when customers connect to internet banking from their devices, and strives to provide an environment in which customers can use such services with confidence.

● Education and training for executives and employees

The Group regularly conducts cybersecurity exercises, including those involving its affiliated subsidiaries, as well as targeted email attack exercises aimed at improving email literacy. In addition, the Group regularly distributes internal newsletters featuring recent cyberattack cases and information on ensuring the security of information assets, while holding training sessions conducted by external experts for management personnel, thereby enhancing the knowledge and response capabilities according to the roles.

● Customer awareness activities

As a measure against financial crimes, including phishing scams, which have increased significantly in recent years, the Group also undertakes customer awareness activities aimed at enhancing customers' security awareness and preventing damage. These activities include providing, on Senshu Ikeda Bank's website, information on financial crimes that has been collected and organized, as alerts and precautionary information for customers.

Approach to Facilitation of Financing

The Senshu Ikeda Bank (hereinafter the “Bank”) is focused on providing adequate and sufficient financial intermediary function to customers in need of business loans or housing loans, as one of the crucial management priorities. The Bank has formulated basic policy for facilitation of financing (hereinafter the “Policy”) in order

to promote facilitation of financing to those in need particularly under the current tight economic environment.

The Bank intends to communicate with our customers and promote facilitation of financing positively.

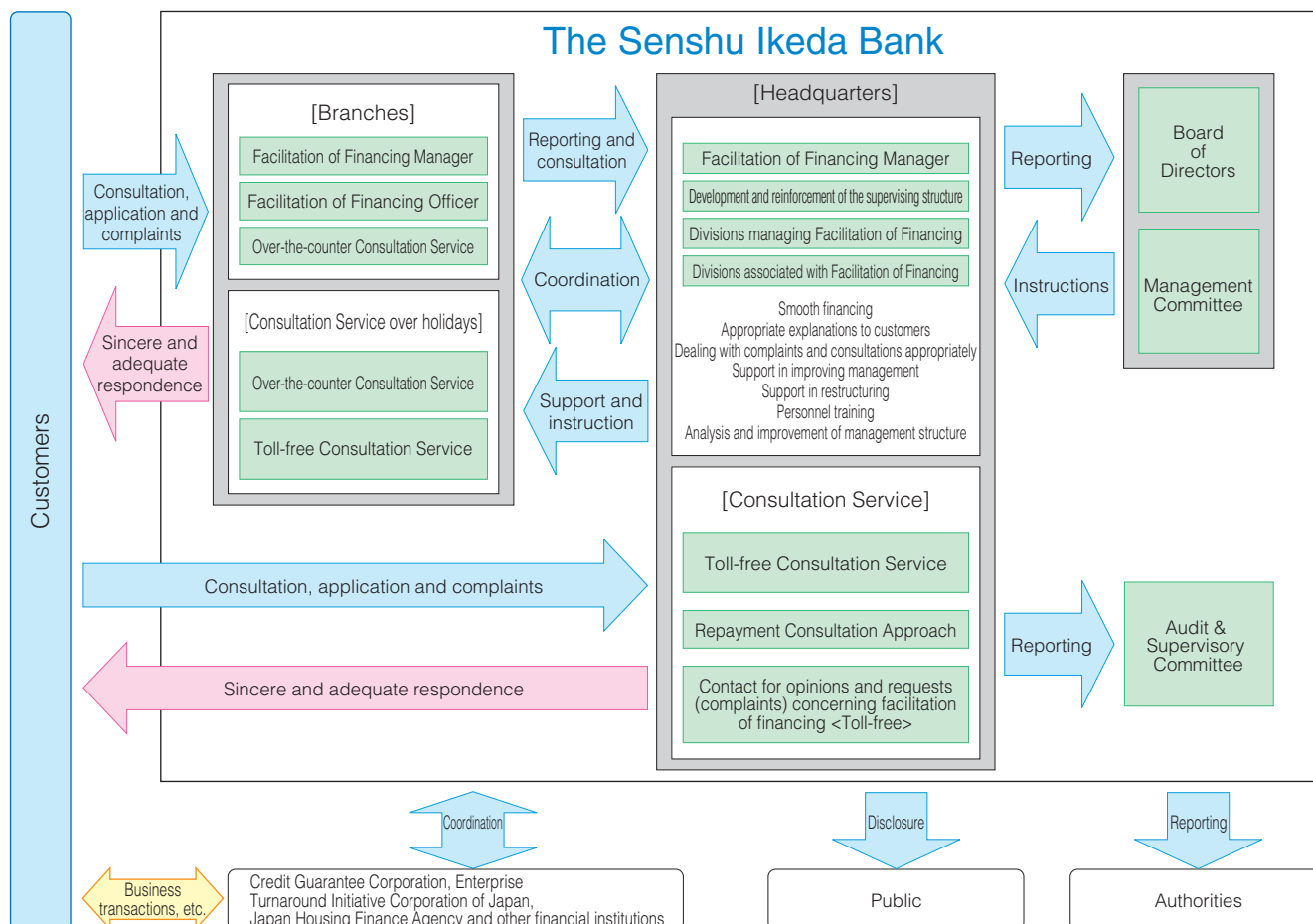
● Organizational structure

- (1) With the purpose to develop a management structure necessary to supply facilitation of financing (hereinafter “Facilitation of Financing Management”) under the Policy, the Bank appoints the Facilitation of Financing Manager to check whether Facilitation of Financing Management is effectively working.
- (2) The Bank appoints the director in charge of the Loan Division to the Facilitation of Financing Manager. The Manager will engage in the development and reinforcement of the structure for Facilitation of Financing Management through checking the progress in respect of Facilitation of Financing Management.
- (3) The Facilitation of Financing Manager coordinates the overall business in respect of Facilitation of Financing Management such as instructions to the division responsible for Facilitation of Financing Management,

and drawing up of the rules governing facilitation of financing, with the purpose to ensure adequacy, sufficiency and effectiveness of Facilitation of Financing Management.

- (4) The Loan Division is responsible for Facilitation of Financing Management. The Loan Division engages in the adequate operation, examination and improvement of Facilitation of Financing Management under the command of the Facilitation of Financing Manager through gathering information necessary for Facilitation of Financing Management.

System for accepting consultation of facilitation of financing



● Basic Policies

- (1) On receiving consultations or applications for new loans, or changes in loan terms from customers, the Bank intends to make sincere effort to conduct adequate and prompt credit screening through considering customers' recent financial results, assets and income as well as future potential and prospect. The Bank also deals with the applications for new loans, after changes in loan terms in a similar way as referred to above.
- (2) The Bank intends to work appropriately and proactively to revitalize the local economies and streamline regional financing by making efforts to supply funds (including new credit granting) smoothly as well as to make changes in loan terms by monitoring the conditions of the customers carefully and fully coordinating with other related financial institutions including other business categories.
- (3) In addition, the Bank intends to provide maximum support to the business improvement efforts of its customers not only through its role as a provider of financing but also through various customer services including business consultation and guidance.
- (4) Furthermore, keeping in mind the purpose of the "Guidelines on Proprietor Guarantees" (Study Group on Guidelines on Proprietor Guarantees, December 5, 2013; hereinafter "Guidelines on Proprietor Guarantees"), the Bank intends to further promote loans that are not dependent on proprietor guarantees, and to this end, the Bank's policy will be to not require proprietor guarantee as a general rule.
- (5) On receiving consultations or applications for new loans, or changes in loan terms from customers, the Bank intends to provide sufficient explanation in order to gain customers' understanding and satisfaction, on the basis of past trading records, customers' knowledge, experience and assets situation. If the Bank has to decline customers' application, we will explain the reason background of the decision as concretely and courteously as possible.
- (6) The Bank intends to improve capability of directors and employees about facilitation of financing by giving internal training, to enable them to make appropriate decisions based on good understanding of customers' situations.
- (7) The Bank intends to respond to any comments, requests, consultations and complaints from customers in respect of facilitation of financing promptly and sincerely.

● Policies for handling of application for loans from small and medium enterprises and sole proprietors

- (1) On receiving applications for changes in business terms such as loan terms from small and medium enterprises and sole proprietors, the Bank intends to accommodate such application and offer adequate changes in terms adequately as far as possible, taking into consideration of the specialty and the circumstance of customers' businesses.
 - (2) The Bank intends to provide small and medium enterprises and sole proprietors with management consultation, guidance and other adequate assistance in support of their effort for management improvement, taking into consideration the operational circumstance of customers.
 - (3) In the cases that customers borrow from other financial institutions as well as the Bank, we will, upon customers' approval, strive to make arrangements in coordination with the other financial institutions in order to help to reduce the burden of repayment.
 - (4) On receiving request for the corporate rehabilitation procedure through Alternative Dispute Resolution (ADR) for corporate rehabilitation (*) or Enterprise Turnaround Initiative Corporation of Japan, the Bank makes utmost effort to respond adequately to such request as far as possible, in full consideration of the prospect of improvement or rehabilitation of the business.
- (Note) This refers to certified dispute resolution procedure in accordance with the Act on Strengthening Industrial Competitiveness, in which a private third-party organization formulates a rehabilitation plan, as coordinator of the interests of creditors.

● Policies for handling of application for housing loan

- (1) On receiving applications for new loans or changes in housing loan terms from housing loan customers, the Bank intends to accommodate such application and offer adequate new loans or changes in terms adequately as far as possible, taking into consideration of circumstances including customers' assets and income and transactions with other financial institutions.
- (2) In the cases that customers have transaction with other financial institutions as well as the Bank or with Japan Housing Finance Agency, we will, upon customers' approval, strive to make arrangements in coordination with the other financial institutions in order to help to reduce the burden of repayment.

Corporate Information

Corporate Data (As of the end of June 2026)

Senshu Ikeda Holdings, Inc.

Establishment: October 1, 2009
Location: 18-14 Chayamachi, Kita-ku, Osaka-City, Osaka 530-0013, Japan
Phone: 81-(0)6-4802-0181
URL: <https://www.senshuikeda-hd.co.jp>
Share Capital: ¥102.9 billion
Business Activities: Management and other related operations of banks and affiliates whose shares can be held in accordance with the Banking Act and other related operations, and businesses which bank holding company can operate in accordance with the Banking Act.
Number of Employees: 205
Stock Listing: Tokyo Stock Exchange

The Senshu Ikeda Bank, Ltd.

Establishment: September 1, 1951
Location: 18-14 Chayamachi, Kita-ku, Osaka-City, Osaka 530-0013, Japan
Phone: 81-(0)6-6375-1005
URL: <https://www.sihd-bk.jp>
Share Capital: ¥61.3 billion
Deposits: ¥5.9843 trillion
Loans: ¥4.9039 trillion
Number of Branches: 139
Number of Employees: 2,018
Credit Ratings: A(Japan Credit Rating Agency, Ltd.)

International Network

Suzhou Representative Office:

399 East Baodai Road,
Wuzhong District, Suzhou,
Jiangsu, China

Phone: 86-(0)512-6585-1791
Facsimile : 86-(0)512-6585-2312

Ho Chi Minh City Representative Office:

7th Floor, Sun Wah Tower,
115 Nguyen Hue Boulevard,
District 1, Ho Chi Minh City,
Vietnam

Phone: 84-(0)28-3821-3295
Facsimile : 84-(0)28-3821-3298

01 Bank, Ltd.

Establishment: February 1, 2024
Location: 9-1, Toyotsucho, Suita City
URL: <https://01bank.co.jp/index.html>
Share Capital: ¥3.0 billion
Number of Employees: 38

Senshu Ikeda Tokai Tokyo Securities Co.,Ltd.

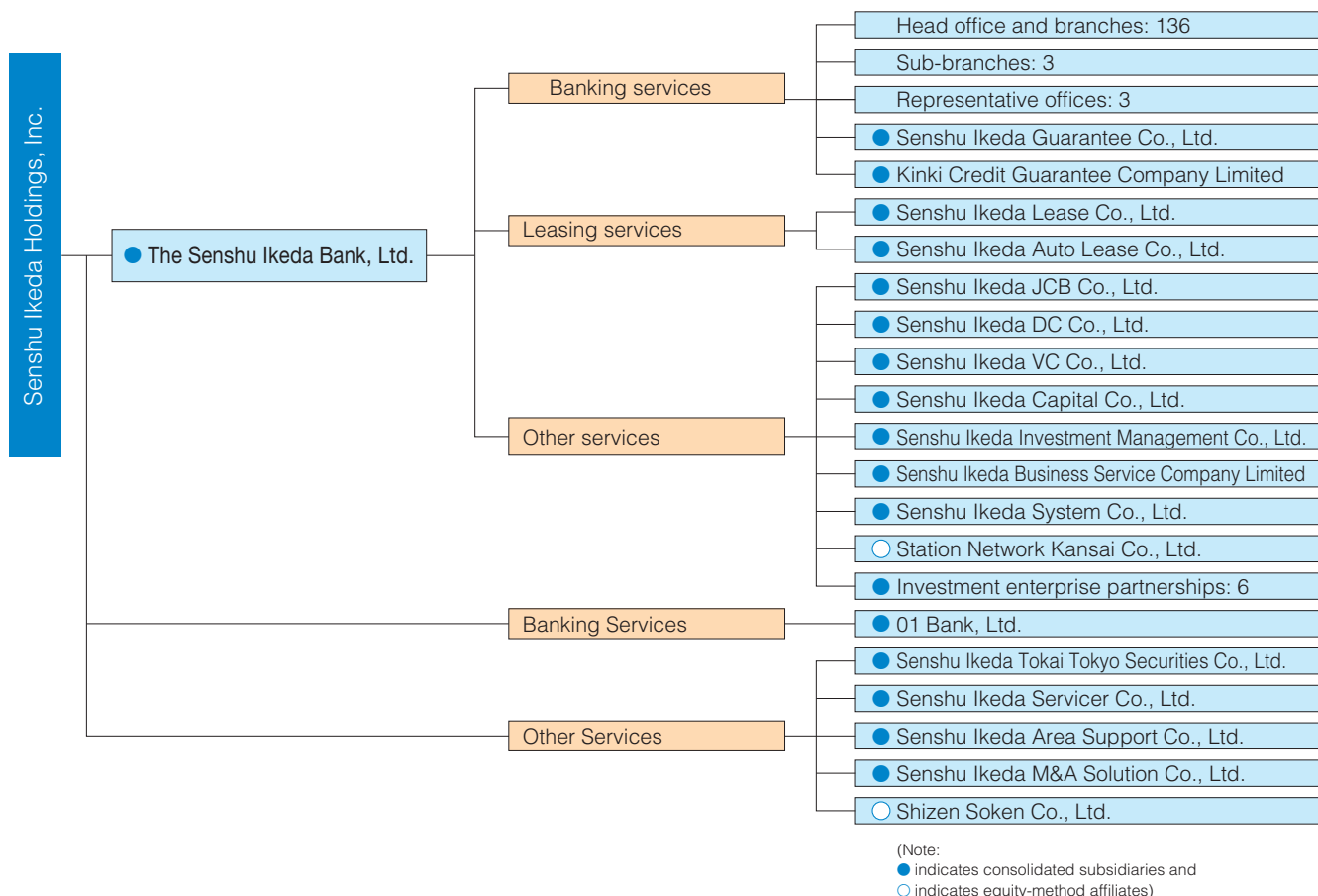
Establishment: January 30, 2013
Location: 3-2-1 Toyosaki, Kita-ku, Osaka-City, Osaka 530-0013, Japan
Phone: 81-(0)6-6485-0031
URL: <https://www.sittsec.co.jp>
Share Capital: ¥1.25 billion
Assets Under Management: ¥452.0 billion
Number of Branches: 7
Number of Employees: 124

Major Shareholders (As of March 31, 2026)

Name	Number of Shares Owned (Thousands)	Proportion of Total Shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,857	11.80
Custody Bank of Japan, Ltd. (Trust Account)	28,307	10.16
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	25,761	9.25
The Senshu Ikeda Bank Employees' Shareholders Association	11,721	4.20
STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Settlement & Clearing Service Division, Mizuho Bank, Ltd.)	5,667	2.03
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Tokyo Branch, Citibank, N.A.)	3,837	1.37
ITAMI SANGYO CO., LTD.	3,692	1.32
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Service Division, Mizuho Bank, Ltd.)	3,680	1.32
Nomura Securities Co., Ltd.	2,880	1.03
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Service Division, Mizuho Bank, Ltd.)	2,750	0.98

Business Description of the Group

■ Organizational Chart of the Group (As of the end of June, 2026)



(Note) Senshu Ikeda Capital Business Succession Fund Kizuna No.3 Investment Enterprise Limited Partnership, which was a consolidated subsidiary of the Company in the fiscal year ended March 31, 2025 was excluded from the scope of consolidation in the fiscal year ended March 31 2026, due to the completion of its liquidation procedures. The Company has invested in the Senshu Ikeda Capital Business Succession Fund Kizuna No. 4 Investment Enterprise Limited Partnership, and has also established Senshu Ikeda M&A Solution Co., Ltd. and Senshu Ikeda Investment Management Co., Ltd., so these are included in the scope of consolidation from the fiscal year ended March 31, 2026.

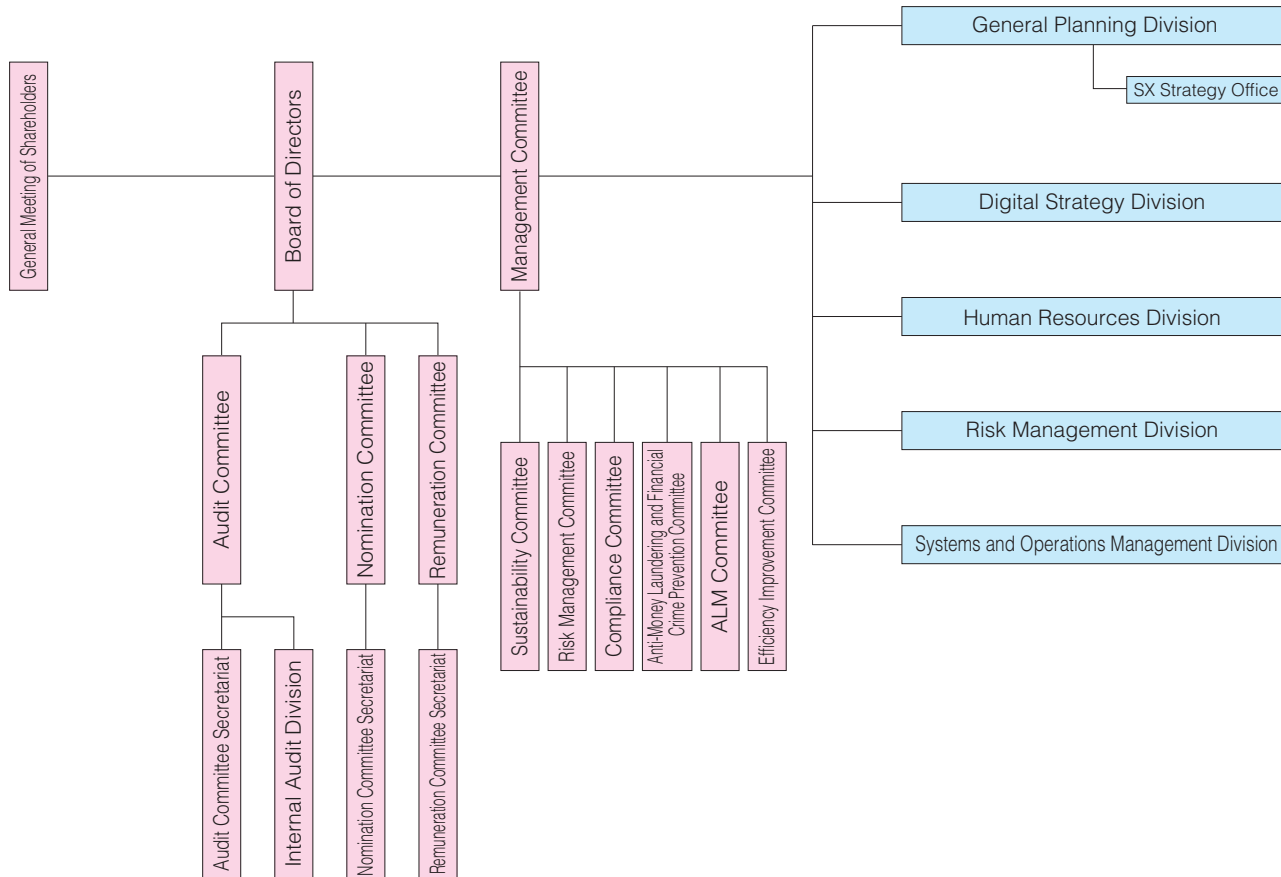
■ Subsidiaries and Affiliates (As of the end of June, 2026)

	Name	Address	Major Business	Date of establishment	Share Capital (millions of Japanese yen)	Investment ratio (%)	
						The Company	Subsidiaries and affiliates
Subsidiaries	The Senshu Ikeda Bank, Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	Banking services	September 1, 1951	61,385	100.00	—
	Senshu Ikeda Tokai Tokyo Securities Co., Ltd.	3-2-1, Toyosaki, Kita-ku, Osaka-city	Securities services	January 30, 2013	1,250	60.00	—
	Senshu Ikeda Servicer Co., Ltd.	3-1-22, Toyosaki, Kita-ku, Osaka-city	Receivables management and collection business	April 15, 2022	500	100.00	—
	01 Bank, Ltd.	9-1, Toyotsucho, Suita City	Banking services	February 1, 2024	3,000	100.00	—
	Senshu Ikeda Area Support Co., Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	On-demand transportation business	March 13, 2024	50	100.00	—
	Senshu Ikeda M&A Solution Co., Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	M&A advisory business	January 30, 2026	300	100.00	—
	Senshu Ikeda Lease Co., Ltd.	4-5-36, Miyahara, Yodogawa-ku, Osaka-city	Leasing services	April 1, 1986	50	—	100.00
	Senshu Ikeda Auto Lease Co., Ltd.	4-5-36, Miyahara, Yodogawa-ku, Osaka-city	Leasing services	July 10, 1996	80	—	95.00
	Senshu Ikeda Guarantee Co., Ltd.	3-1-22, Toyosaki, Kita-ku, Osaka-city	Credit guarantee services	July 20, 1973	180	—	100.00
	Kinki Credit Guarantee Company Limited	3-1-22, Toyosaki, Kita-ku, Osaka-city	Credit guarantee services	April 1, 1975	100	—	100.00
	Senshu Ikeda JCB Co., Ltd.	3-2-1, Toyosaki, Kita-ku, Osaka-city	Credit card services	February 1, 1983	60	—	100.00
	Senshu Ikeda DC Co., Ltd.	3-2-1, Toyosaki, Kita-ku, Osaka-city	Credit card services	September 5, 1990	30	—	100.00
	Senshu Ikeda VC Co., Ltd.	3-2-1, Toyosaki, Kita-ku, Osaka-city	Credit card services	November 2, 1990	40	—	100.00
	Senshu Ikeda Capital Co., Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	Investment services	March 6, 1989	90	—	100.00
	Senshu Ikeda Investment Management Co., Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	Investment services	January 30, 2026	100	—	100.00
	Senshu Ikeda Business Service Company Limited	18-14, Chayamachi, Kita-ku, Osaka-city	Back-office administration	April 1, 1983	30	—	100.00
	Senshu Ikeda System Co., Ltd.	18-14, Chayamachi, Kita-ku, Osaka-city	Computer software development and sale services	June 10, 1985	50	—	100.00
Affiliates	Shizen Soken Co., Ltd.	2-1-11, Jonan, Ikeda-city	Information offering services	November 1, 1996	80	32.50	—
	Station Network Kansai Co., Ltd.	1-4-8, Shibata, Kita-ku, Osaka-city	Planning and operation of ATM at station	June 29, 2000	100	—	40.00

Organization and Board of Directors

Senshu Ikeda Holdings

■ Organization (As of the end of July, 2026)



■ Board of Directors (As of June 25, 2026)

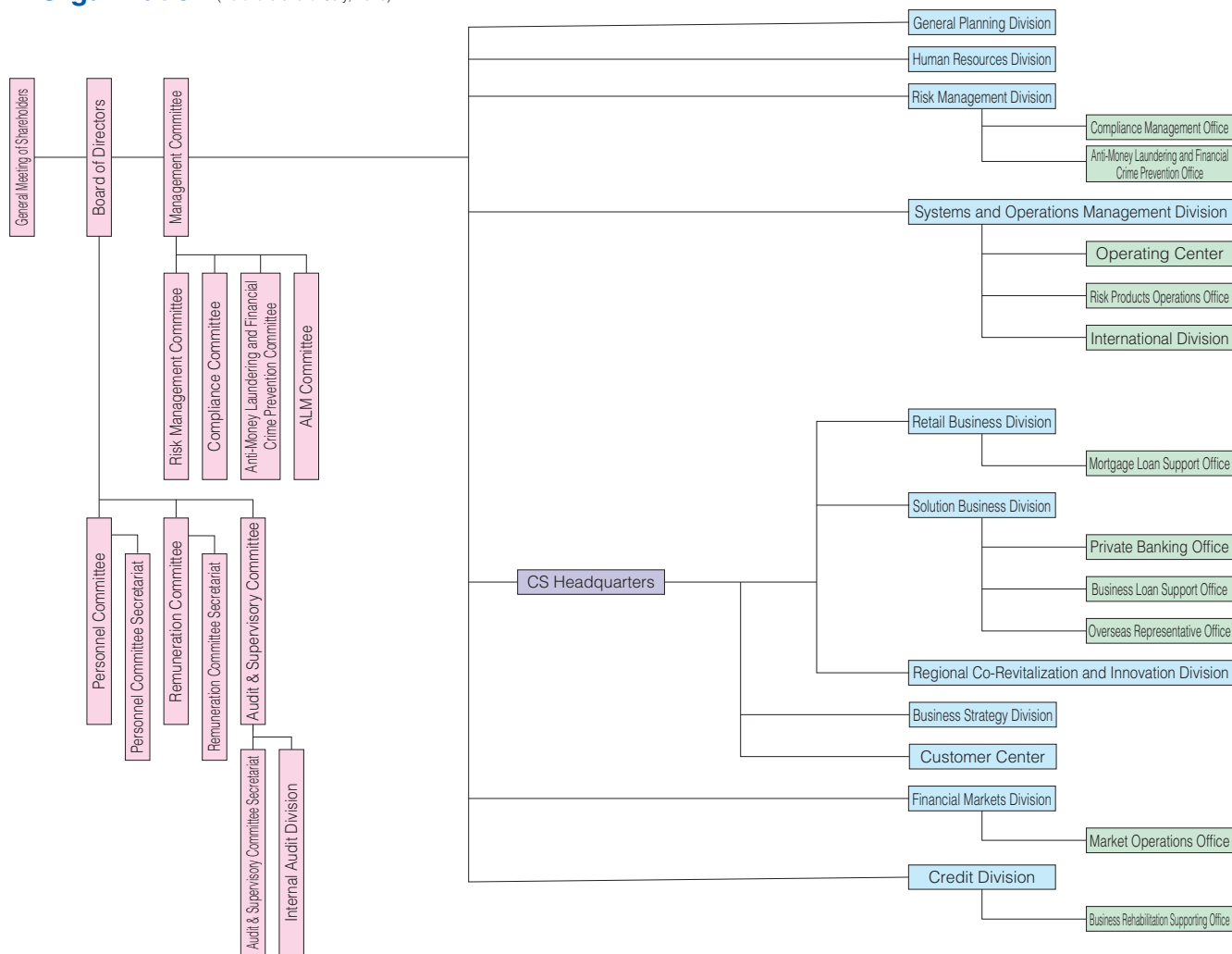
Director & Chairman (Non-executive)	Atsushi Ukawa	Director (Outside)	Keiko Kaneko	Director (Outside)	Teruji Yamamura
Director, Representative Corporate Officer, President & CEO	Hirohito Sakaguchi	Director (Outside)	Hidehito Hisakawa	Director (Outside)	Yoshiko Fujii
Director, Representative Corporate Officer, Vice President	Osamu Tsukagoshi	Director (Outside)	Shinoi Sakata		
Director, Corporate Officer & Senior Managing Officer	Takayoshi Fujiwara	Director (Outside)	Kenji Fukuda		

■ Corporate Officers (As of June 25, 2026)

Representative Corporate Officer, President & CEO (concurrent director)	Hirohito Sakaguchi	Corporate Officer & Senior Managing Officer	Tomoyuki Shinohara	Corporate Officer	Akira Nishikawa
Representative Corporate Officer, Vice President (concurrent director)	Osamu Tsukagoshi	Corporate Officer & Managing Officer	Ryoichi Iimuro	Corporate Officer	Yoshinori Narita
Corporate Officer & Senior Managing Officer (concurrent director)	Takayoshi Fujiwara	Corporate Officer & Managing Officer	Kengo Hounoki	Corporate Officer	Tetsushi Yonemoto
Corporate Officer & Senior Managing Officer	Kyoko Matsushita	Corporate Officer & Managing Officer	Kazuo Nagai	Corporate Officer	Shoji Eto

The Senshu Ikeda Bank

■ Organization (As of the end of July, 2026)



■ Board of Directors (As of June 25, 2026)

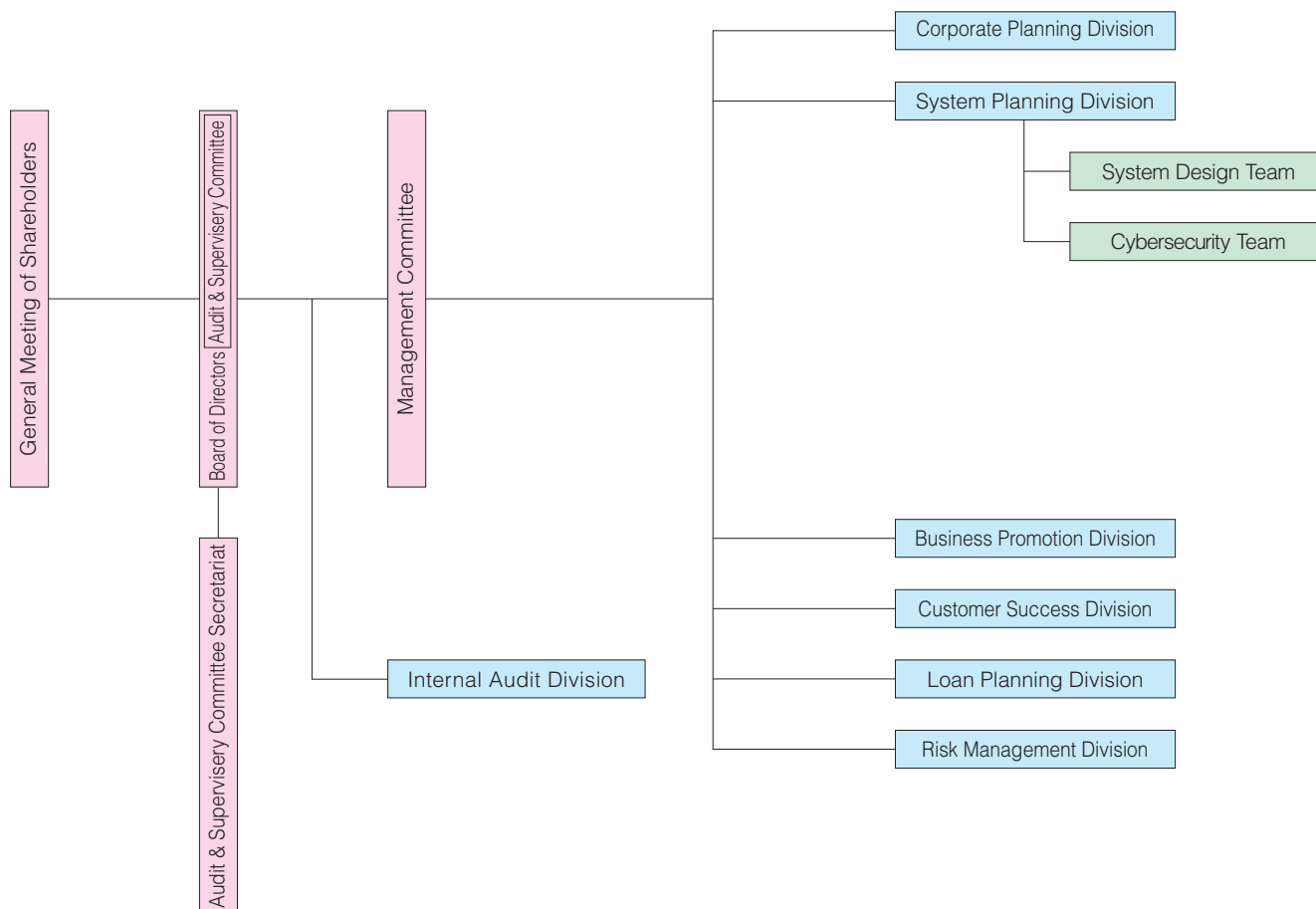
Director & Chairman (Full-time Audit & Supervisory Committee Member)	Atsushi Ukawa	Representative Director, Vice President	Osamu Tsukagoshi	Director, Executive Officer	Tetsuo Yamamoto	Non-executive Director	Keiko Kaneko
Representative Director, President & CEO	Hirohito Sakaguchi	Director, Senior Managing Executive Officer	Takayoshi Fujiwara	Director (Audit & Supervisory Committee Member) (Outside)	Kazuyuki Tanaka	Non-executive Director	Hidehito Hisakawa
		Director, Senior Managing Executive Officer	Tomoyuki Shinohara	Director (Audit & Supervisory Committee Member) (Outside)	Takehiro Sugiyama	Non-executive Director	Shinoi Sakata
						Non-executive Director	Yoshiko Fujii

■ Executive Officers (As of June 25, 2026)

Senior Managing Executive Officer	Akira Harada	Managing Executive Officer	Takahiro Doki	Executive Officer	Akira Ishikawa	Executive Officer	Ryoichi Asaumi
Senior Managing Executive Officer	Kyoko Matsushita	Managing Executive Officer	Kengo Hounoki	Executive Officer	Yoshinori Narita	Executive Officer	Shoji Eto
Managing Executive Officer	Ryoichi Iimuro	Managing Executive Officer	Yasushi Yamanaka	Executive Officer	Kengo Tanaka	Executive Officer	Tomoya Okada
Managing Executive Officer	Masahide Inui	Managing Executive Officer	Kazuo Nagai	Executive Officer	Tetsushi Yonemoto	Executive Officer	So Takagaki
Managing Executive Officer	Yasuji Kanbayashi	Executive Officer	Tsuyoshi Kotani	Executive Officer	Shin-ichi Nishiyama	Executive Officer	Yoshitaka Nishiguchi

01 Bank

■ Organization (As of the end of July, 2026)



■ Board of Directors (As of June 25, 2026)

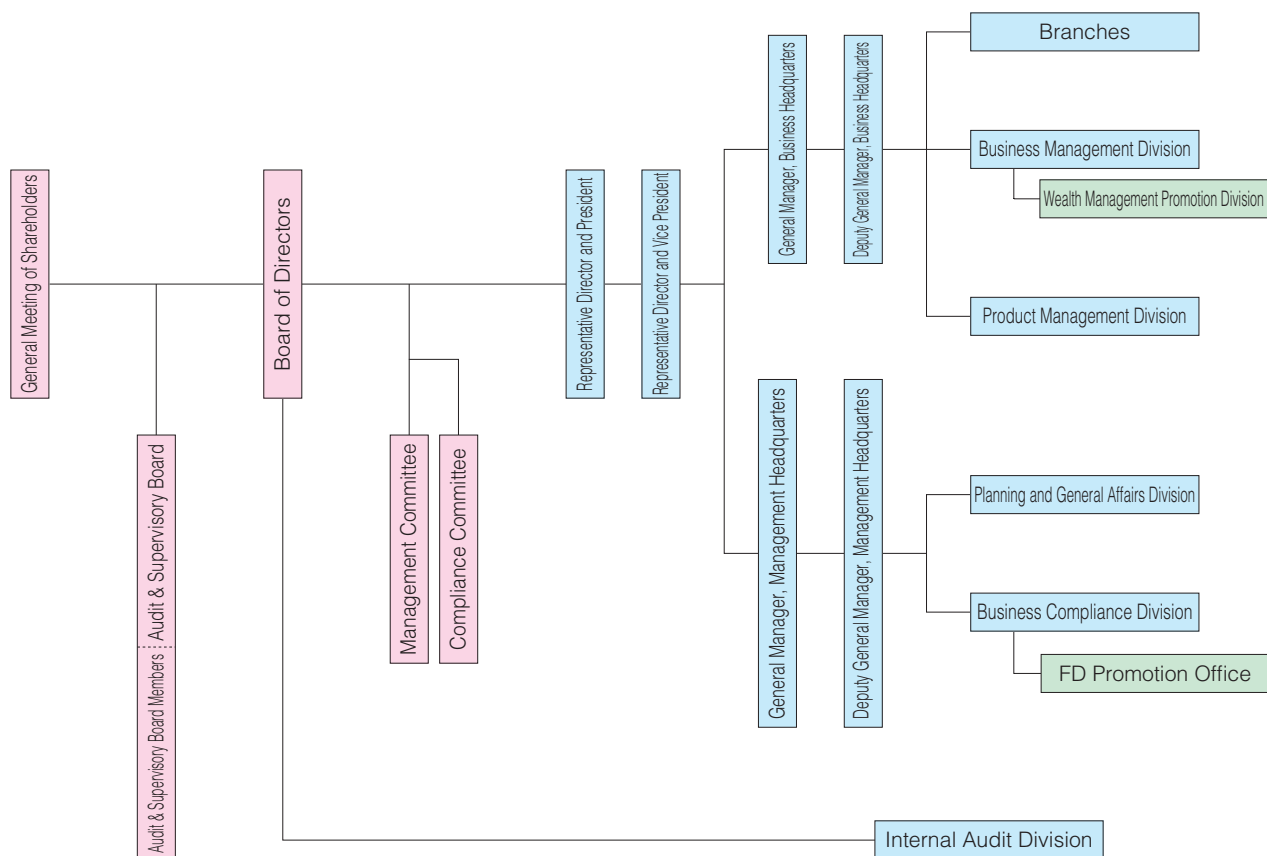
Representative Director, President & CEO	Masaki Itoh	Director (Outside)	Nobuyoshi Yamori
Representative Director, Vice President & COO	Susumu Yamagata	Director (Outside)	Takuya Eguchi
Director, Vice President	Atsushi Otsuka		
Director	Toshiyuki Wada		

■ Executive Officers (As of June 25, 2026)

Executive Officer	Tomoyuki Terada
Executive Officer	Shoji Eto

Senshu Ikeda Tokai Tokyo Securities

■ Organization (As of the end of July, 2026)



■ Board of Directors (As of June 25, 2026)

Representative Director and President	Muneharu Kurita	Audit & Supervisory Board Member (Full-time)	Ken-ichi Hanatate
Representative Director and Vice President	Noriyuki Gotou	Audit & Supervisory Board Member (Outside)	Toshiyuki Wada
Managing Director	Toshiyuki Inoue	Audit & Supervisory Board Member (Outside)	Yoshinobu Deguchi

■ Executive Officers (As of June 25, 2026)

Managing Executive Officer	Masaomi Umezawa	Executive Officer	Shinji Nakatani
Managing Executive Officer	Shigeki Kawamura		

Consolidated Financial Information of Senshu Ikeda Holdings

Consolidated Balance Sheets

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
As of March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Assets			
Cash and due from banks (Notes 28 and 34)	¥ 707,974	¥ 854,992	\$ 4,428,158
Call loans and bills bought (Note 34)	3,197	4,336	19,996
Money held in trust (Notes 6 and 34)	9,000	8,996	56,292
Securities (Notes 5, 7, 12, 20, 34 and 35)	869,859	716,402	5,440,699
Loans and bills discounted (Notes 8, 12, 34 and 35)	4,844,454	4,680,029	30,300,562
Foreign exchange assets (Notes 9 and 34)	6,590	5,862	41,218
Other assets (Notes 10 and 12)	76,864	91,434	480,760
Tangible fixed assets (Note 11)	36,347	36,572	227,339
Intangible fixed assets	5,059	3,842	31,642
Net defined benefit assets (Note 18)	38,663	30,578	241,825
Deferred tax assets (Note 30)	215	1,648	1,344
Customers' liabilities for acceptances and guarantees	7,518	6,920	47,022
Reserve for possible loan losses	(9,763)	(10,295)	(61,064)
Total assets	¥ 6,595,981	¥ 6,431,321	\$ 41,255,823
Liabilities and net assets			
Liabilities			
Deposits (Notes 12, 13 and 34)	¥ 5,845,114	¥ 5,702,410	\$ 36,559,382
Negotiable certificates of deposit	14,000	—	87,565
Payables under securities lending transactions (Notes 12 and 34)	9,875	4,396	61,765
Borrowed money (Notes 12, 14 and 34)	388,214	408,343	2,428,158
Foreign exchange liabilities (Notes 16 and 34)	395	846	2,470
Borrowed money from trust account (Notes 15 and 34)	2,885	2,644	18,044
Other liabilities (Notes 12, 17 and 19)	71,073	62,895	444,539
Provision for employees' bonuses	1,841	1,790	11,514
Provision for directors' bonuses	84	82	525
Net defined benefit liability (Note 18)	141	141	881
Accrued retirement benefits for directors and audit & supervisory board members	4	4	25
Reserve for reimbursement of deposits	62	74	387
Reserve for contingent losses	567	496	3,546
Reserve under special laws	15	15	93
Deferred tax liabilities (Note 30)	261	9	1,632
Acceptances and guarantees	7,518	6,920	47,022
Total liabilities	6,342,056	6,191,073	39,667,600
Net assets			
Shareholders' equity (Note 21):			
Capital stock	102,999	102,999	644,226
Capital surplus	16,868	16,898	105,504
Retained earnings	124,594	112,405	779,296
Treasury stock	(972)	(1,116)	(6,079)
Total shareholders' equity	243,490	231,187	1,522,954
Accumulated other comprehensive income:			
Net unrealized gain (loss) on available-for-sale securities (Note 7)	(7,937)	(1,680)	(49,643)
Net unrealized gain (loss) on deferred hedges (Note 35)	2,810	(139)	17,575
Remeasurements of defined benefit plans	12,238	7,817	76,544
Total accumulated other comprehensive income	7,111	5,997	44,477
Stock subscription rights (Note 21)	152	179	950
Non-controlling interests	3,170	2,884	19,827
Total net assets	253,924	240,248	1,588,216
Total liabilities and net assets	¥ 6,595,981	¥ 6,431,321	\$ 41,255,823

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
For the years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Income			
Interest income:			
Interest on loans and bills discounted	¥ 56,511	¥ 43,246	\$ 353,458
Interest and dividends on securities	11,472	5,765	71,753
Other interest income	4,791	2,814	29,966
Trust fees	16	10	100
Fees and commissions	24,846	24,950	155,404
Other ordinary income (Note 22)	2,466	1,742	15,424
Recoveries of written-off claims	708	596	4,428
Gain on sales or disposal of fixed assets	0	10	0
Other income (Note 23)	16,602	13,947	103,840
Total income	117,417	93,084	734,407
Expenses			
Interest expenses:			
Interest on deposits	12,589	3,832	78,740
Interest on borrowings and rediscounts	259	70	1,619
Other interest expenses	1,254	418	7,843
Fees and commissions	8,277	8,738	51,770
Other ordinary expenses (Note 25)	3,723	1,220	23,286
General and administrative expenses (Note 24)	49,673	45,399	310,689
Provision for possible loan losses	505	329	3,158
Loss on sales or disposal of fixed assets	21	39	131
Loss on impairment of fixed assets	18	3	112
Other expenses (Note 26)	15,900	13,514	99,449
Total expenses	92,222	73,567	576,820
Income before income taxes	25,195	19,516	157,586
Income taxes (Note 30)			
Current	6,492	3,646	40,605
Deferred	1,352	2,555	8,456
Total income taxes	7,845	6,202	49,068
Profit	17,349	13,314	108,512
Profit attributable to non-controlling interests	13	67	81
Profit attributable to owners of the parent	¥ 17,336	¥ 13,246	\$ 108,431

See accompanying notes to consolidated financial statements

Consolidated Statements of Comprehensive Income

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
For the years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Profit	¥ 17,349	¥ 13,314	\$ 108,512
Other comprehensive income (Note 31)			
Net unrealized gain (loss) on available-for-sale securities	(6,230)	(10,778)	(38,966)
Net unrealized gain (loss) on deferred hedges	2,950	(104)	18,451
Remeasurements of defined benefit plans	4,421	(2,472)	27,651
Total other comprehensive income	1,141	(13,354)	7,136
Comprehensive income	¥ 18,491	¥ (40)	\$ 115,655
Total comprehensive income attributable to:			
Owners of the parent	18,450	(109)	115,399
Non-controlling interests	40	69	250

Consolidated Statements of Changes in Net Assets

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2026

	Millions of Yen										
	Accumulated other comprehensive income										Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on available-for-sale securities	Net unrealized gain (loss) on deferred hedges	Remeasurements of defined benefit plans	Stock subscription rights	Non-controlling interests	
BALANCE, April 1, 2024	102,999	16,899	103,014	(122)	222,791	9,099	(35)	10,289	148	2,532	244,825
Change in subsidiaries' equity		0	(0)		(0)						(0)
Cash dividends			(3,855)		(3,855)						(3,855)
Profit attributable to owners of the parent			13,246		13,246						13,246
Acquisition of treasury stock				(1,000)	(1,000)						(1,000)
Disposal of treasury stock		(1)		7	5						5
Net changes in items other than shareholders' equity						(10,779)	(104)	(2,472)	31	351	(12,973)
Total changes during the period	—	(0)	9,390	(993)	8,395	(10,779)	(104)	(2,472)	31	351	(4,577)
BALANCE, March 31, 2025	102,999	16,898	112,405	(1,116)	231,187	(1,680)	(139)	7,817	179	2,884	240,248
Cash dividends			(5,147)		(5,147)						(5,147)
Profit attributable to owners of the parent			17,336		17,336						17,336
Acquisition of treasury stock				(1)	(1)						(1)
Disposal of treasury stock		(30)		145	114						114
Net changes in items other than shareholders' equity						(6,257)	2,950	4,421	(26)	286	1,373
Total changes during the period	—	(30)	12,189	144	12,302	(6,257)	2,950	4,421	(26)	286	13,676
BALANCE, March 31, 2026	102,999	16,868	124,594	(972)	243,490	(7,937)	2,810	12,238	152	3,170	253,924

	Thousands of U.S. Dollars (Note 1)										
	Accumulated other comprehensive income										Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on available-for-sale securities	Net unrealized gain (loss) on deferred hedges	Remeasurements of defined benefit plans	Stock subscription rights	Non-controlling interests	
BALANCE, April 1, 2025	644,226	105,691	703,058	(6,980)	1,446,003	(10,507)	(869)	48,892	1,119	18,038	1,502,677
Cash dividends			(32,192)		(32,192)						(32,192)
Profit attributable to owners of the parent			108,431		108,431						108,431
Acquisition of treasury stock				(6)	(6)						(6)
Disposal of treasury stock		(187)		906	713						713
Net changes in items other than shareholders' equity						(39,135)	18,451	27,651	(162)	1,788	8,587
Total changes during the period	—	(187)	76,238	900	76,945	(39,135)	18,451	27,651	(162)	1,788	85,539
BALANCE, March 31, 2026	644,226	105,504	779,296	(6,079)	1,522,954	(49,643)	17,575	76,544	950	19,827	1,588,216

See notes to consolidated financial statements

Consolidated Statements of Cash Flows

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
For the years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Cash flows from operating activities			
Income before income taxes	¥ 25,195	¥ 19,516	\$ 157,586
Depreciation	4,627	4,450	28,940
Loss on impairment of fixed assets	18	3	112
(Earnings) losses from investments under the equity method	(15)	(14)	(93)
Increase (decrease) in reserve for possible loan losses	(532)	(130)	(3,327)
Increase (decrease) in accrued bonuses	50	73	312
Increase (decrease) in provision for directors' bonuses	2	(8)	12
Decrease (increase) in net defined benefit asset	(64)	(58)	(400)
Increase (decrease) in net defined benefit liability	(0)	(7)	(0)
Increase (decrease) in reserve for reimbursement of deposits	(11)	(71)	(68)
Increase (decrease) in reserve for contingent losses	70	49	437
Interest income	(72,776)	(51,826)	(455,191)
Interest expenses	14,103	4,321	88,209
(Gain) loss on securities	2,702	445	16,900
(Gain) loss on money held in trust	(49)	36	(306)
(Gain) loss on foreign exchange	(337)	258	(2,107)
(Gain) loss on sales or disposal of fixed assets, net	13	23	81
Net (increase) decrease in loans and bills discounted	(164,425)	151,622	(1,028,427)
Net increase (decrease) in deposits	142,703	34,881	892,563
Net increase (decrease) in negotiable certificates of deposit	14,000	—	87,565
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(20,129)	(58,127)	(125,900)
Net (increase) decrease in due from banks (excluding due from the Bank of Japan)	(427)	2,497	(2,670)
Net (increase) decrease in call loans and bills bought and others	1,138	22	7,117
Net increase (decrease) in payables under securities lending transactions	5,479	4,396	34,269
Net (increase) decrease in foreign exchange (assets)	(727)	37	(4,547)
Net increase (decrease) in foreign exchange (liabilities)	(450)	164	(2,814)
Net increase (decrease) in borrowed money from trust account	241	109	1,507
Interest received	70,487	51,577	440,874
Interest paid	(11,615)	(3,008)	(72,648)
Other	23,018	7,901	143,970
Subtotal	32,290	169,136	201,963
Income taxes paid	(4,784)	(3,393)	(29,922)
Net cash provided by (used in) operating activities	¥ 27,505	¥ 165,743	\$ 172,035

Consolidated Statements of Cash Flows

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
For the years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Cash flows from investing activities			
Purchases of securities	¥ (291,128)	¥ (222,482)	\$ (1,820,915)
Proceeds from sales of securities	58,675	40,250	366,993
Proceeds from maturity of securities	68,171	85,479	426,388
Purchases of tangible fixed assets	(3,454)	(3,521)	(21,603)
Purchases of intangible fixed assets	(2,428)	(1,217)	(15,186)
Proceeds from sales of tangible fixed assets	0	11	0
Net cash provided by (used in) investing activities	(170,163)	(101,478)	(1,064,316)
Cash flows from financing activities			
Proceeds from stock issuance to non-controlling shareholders	282	282	1,763
Cash dividends paid	(5,147)	(3,855)	(32,192)
Cash dividends paid for non-controlling shareholders	(36)	—	(225)
Purchases of treasury stock	(1)	(1,000)	(6)
Proceeds from disposition of treasury stock	114	5	713
Net cash provided by (used in) financing activities	(4,787)	(4,568)	(29,941)
Effect of exchange rate changes on cash and cash equivalents	—	—	—
Net increase (decrease) in cash and cash equivalents	(147,445)	59,696	(922,222)
Cash and cash equivalents at beginning of period	847,746	788,049	5,302,389
Cash and cash equivalents at end of period (Note 28)	¥ 700,300	¥ 847,746	\$ 4,380,160

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

Senshu Ikeda Holdings, Inc. and Consolidated Subsidiaries
For the Years Ended 31st March, 2026 and 2025

1. Basis of Presentation

Senshu Ikeda Holdings, Inc. (the “Company”) is a holding company and conducts its operations through its subsidiaries and affiliates. The Company and its subsidiaries (collectively, the “Group”) maintain their books of account in accordance with the provisions set forth in the Companies Act of Japan (the “Act”) and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan. Certain accounts have been reclassified for the convenience of readers outside Japan.

In preparing the accompanying consolidated financial statements, Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in yen in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at ¥159.88 = U.S.\$1.00, the exchange rate prevailing on March 31, 2026. This translation should not be construed as a representation that yen can be converted into U.S. dollars at the above or any other rate.

2. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 23 (21 in 2025) significant subsidiaries which it controls directly or indirectly. Affiliates over which the Company exercises significant influence in terms of their operating and financial policies have been included in the accompanying consolidated financial statements on an equity basis.

Change in the scope of consolidation

Senshu Ikeda Capital Business Succession Fund Kizuna No.3 Investment Enterprise Limited Partnership, which was a consolidated subsidiary of the Company in the fiscal year ended March 31, 2025 was excluded from the scope of consolidation in the fiscal year ended March 31 2026, due to the completion of its liquidation procedures.

The Company has invested in Senshu Ikeda Capital Business Succession Fund Kizuna No. 4 Investment Enterprise Limited Partnership, and has also established Senshu Ikeda M&A Solution Co., Ltd. and Senshu Ikeda Investment Management Co., Ltd., so these are included in the scope of consolidation from the fiscal year ended March 31, 2026.

The Company has applied the equity method to its investments in 2 affiliates for the years ended March 31, 2026 and 2025, respectively.

All significant intercompany accounts and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

The difference between the cost and the underlying equity in the net assets of the consolidated subsidiaries measured at fair value at their respective dates of acquisition is presented as “goodwill” or “negative goodwill”. Goodwill is amortized by the straight-line method over a period of 5 years.

The balance sheet date of 6 subsidiaries is December 31. Appropriate adjustments have been made for significant intervening transactions occurring during the period from December 31 to March 31.

3. Significant Accounting Policies

(1) Securities

Non-trading securities are classified into three categories: held-to-maturity debt securities, equity securities of unconsolidated subsidiaries and available-for-sales securities. Held-to-maturity debt securities are carried at amortized cost, and the cost being determined by the moving-average method. Equity securities of an unconsolidated subsidiary are stated at cost determined by the moving-average method. Available-for-sale securities whose fair values are available are stated at fair value determined based on the quoted market price and other information at the balance sheet date. Cost of sales of these available-for-sales securities is determined using the moving-average method. Non-marketable equity securities are stated at cost determined by the moving-average method.

Unrealized gain or loss on available-for-sale securities is included in net assets, net of income taxes.

However, for consolidated subsidiaries engaged in banking business, regarding the effect of exchange rate changes on bonds among available-for-sale securities denominated in foreign currencies, the effect on changes in the market prices of foreign currencies is treated as unrealized gain (loss), and other differences are treated as gain (loss) on foreign exchange.

(2) Investment securities held in money trusts

Investment securities that are part of trust assets in independently managed money trusts with the primary purpose to manage securities are stated at the fair value as of the balance sheet date.

(3) Derivatives

Derivatives are stated at fair value.

(4) Tangible fixed assets

Depreciation of tangible fixed assets of the Group, except for leased assets, is calculated principally by the straight-line method. The principal useful lives are as follows:

Buildings	3 to 50 years
Other	2 to 20 years

(5) Intangible fixed assets

Intangible fixed assets are amortized by the straight-line method. Amortization of the cost of software intended for internal use is calculated by the straight-line method based on a useful life (5 years) determined by the Group and its consolidated subsidiaries.

(6) Reserve for possible loan losses

A reserve for possible loan losses is provided by consolidated subsidiaries engaged in the banking business (the “banking subsidiaries”) in accordance with the prescribed standards. For claims on borrowers who have declared bankruptcy or have commenced special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”), or borrowers who are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), a reserve is provided based on the book value of the claims, after the write-off stated below, net of the expected amount recoverable from collateral and guarantees.

For claims on borrowers who are not currently bankrupt but are likely to become bankrupt (“potentially bankrupt borrowers”), a reserve is provided at the amount deemed necessary based on the overall solvency assessment of the borrowers and the amount of the claims, net of the expected amount recoverable from collateral and guarantees.

For other claims, a reserve is projected and provided primarily at the amount of estimated losses over a subsequent one-year period or three-year period. Estimated losses are calculated using a loss rate based on the average historical loan-loss ratio over a certain period obtained from historical loan losses for a one-year period or three-year period.

The Group conducts self-assessments of asset quality at its loan offices. The assessments are audited by the independent credit audit section in accordance with the Group’s policy and guidelines for the self-assessment of asset quality. Based on the results of these assessments, an appropriate reserve is provided for the resulting losses and for write-offs of doubtful assets.

For consolidated subsidiaries other than the banking subsidiaries, a specific reserve for possible loan losses at the total amount of loans deemed to be uncollectible based on a solvency analysis of each loan, in addition to a general reserve at an amount calculated based on historical experience, is provided.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount of the claims exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and is written off against the total amount of the outstanding claims. These write-offs amounted to ¥16,884 million (\$105,604 thousand) and ¥18,140 million for the years ended March 31, 2026 and 2025, respectively.

(7) Provision for employees’ bonuses

Provision for employees’ bonuses is calculated based on an estimated payment amount, which is attributable to the fiscal year.

(8) Provision for directors’ bonuses

Provision for directors’ bonuses is calculated based on an estimated payment amount for directors, which is attributable to the fiscal year, in order to prepare for the payment of performance-linked compensation to directors.

(9) Accrued retirement benefits for directors and audit & supervisory board members

Accrued retirement benefits for directors and audit & supervisory board members are provided at an amount that would be required if all directors and audit & supervisory board members retired at the balance sheet date.

(10) Reserve for reimbursements of deposits

Reserve for reimbursements of deposits is provided at an estimate of the future payments to be made for reimbursement claims on deposits which were derecognized and credited from liability to income based on the Group’s historical experience.

(11) Reserve for contingent losses

Reserve for contingent losses is provided at an estimate of the future loss on contingencies other than those covered by other reserves or provisions.

(12) Reserve under special laws

Reserve under special laws consist of the financial instruments transaction liability reserve of ¥15 million (\$93 thousand) as of March 31, 2026, posted by Senshu Ikeda Tokai Tokyo Securities Co., Ltd., which were calculated according to the specifications of Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance Related to the Financial Instruments Business, to prepare for losses originating from incidents relating to the purchase and sale of securities or other transactions.

(13) Accounting treatment for retirement benefits

In the calculation of retirement benefit obligation, the Company applies the benefit formula basis in attributing expected retirement benefits to periods until the end of this fiscal year.

Actuarial gain or loss is amortized commencing the year following the year in which the gain or loss is recognized by the straight-line method principally over a period of 11 years, which is within the average estimated remaining years of service of the eligible employees.

Some of the consolidated subsidiaries calculate their net defined benefit liability and retirement benefit expenses by adopting the simplified method, assuming the amount of year-end retirement benefit payable due to voluntary terminations as retirement benefit obligation.

(14) Foreign currency transactions

Assets and liabilities of consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at the balance sheet date.

(15) Leases

Leased assets under finance lease arrangements which do not transfer ownership of the leased assets to the lessee are depreciated over the respective lease contract periods using the straight-line method with residual values defined in the lease contracts, otherwise the residual values is zero.

As lessee:

Finance leases which commenced prior to April 1st, 2008, except for those substantially requiring the transfer of ownership of the leased assets to the lessee, are accounted for as operating leases.

As lessor:

Finance lease income and related cost are recognized when lease payment is received. Finance leases which do not transfer ownership of the leased assets to the lessee and commenced prior to April 1st, 2008 are deemed to have been entered into contracts at the amount of the cost less accumulated depreciation at March 31, 2008.

(16) Revenues and expenses

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to the customer. The amount of revenue recognized from contracts with customers is calculated based on the amount expected to be received in exchange for goods or services. For point programs operated by other companies in which the Company's consolidated subsidiaries participate, the amount expected to be used in the future is recognized as an amount to be collected on behalf of third parties and deducted from fees and commissions.

(17) Revenue recognition for share dividends

Regarding the revenue recognition for share dividends distributed from other retained earnings (limited to cases of cash dividends), they are recorded as follows in accordance with Paragraph 94 of "Practical Guidelines on Accounting for Financial Instruments" (Transferred Guidance, No.9, July 1, 2024).

(1) Shares with a market price

As of the ex-dividend date of each share (the day after the last trading day with dividend rights), the Group estimates and records accrued dividends receivable based on the previous actual dividend or the published forecast dividend per share.

(2) Shares without a market price

Dividends to be paid within the period normally required after the effective date of a resolution regarding dividends passed at a general meeting of shareholders, a meeting of the board of directors, or other body with decision-making authority of the issuing company are recorded in the fiscal year that includes the date of payment.

(18) Hedge accounting

Interest rate risk hedging

With respect to hedge accounting for the interest rate risk arising from financial assets and liabilities of the banking subsidiaries, the Group applies deferral hedge accounting, under which gains or losses on derivatives are deferred until maturity of the hedged transactions, as stipulated in the Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guidelines No. 24, March 17, 2022.

With regard to the assessment of hedge effectiveness, for the hedges that offset the fluctuations in the fair value of fixed interest rates classified as available-for-sale securities, interest rate swaps are assigned to hedged items collectively by bond type as the hedging instrument. The Group designates the hedges so as to ensure that the critical conditions related to the hedged items and hedging instruments are largely identical; therefore, the hedges are considered to be highly effective, and the assessment of the effectiveness is based on the similarity of the conditions.

Foreign exchange rate risk hedging

With respect to hedge accounting for derivative transactions used to hedge the risk of financial assets and liabilities denominated in foreign currencies of the banking subsidiaries, the Group applies deferral hedge accounting, under which gains or losses on derivatives are deferred until maturity of the hedged transactions, as stipulated in the JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020. The Group assesses the effectiveness of its currency swaps and foreign exchange swaps transactions, etc. entered into in order to hedge the risk of fluctuation in foreign exchange rates by comparing the foreign-currency amount of each underlying hedged item with the corresponding foreign currency amount of the respective hedging instruments.

(19) Cash flows

In preparing the consolidated statement of cash flows, cash and deposits with the Bank of Japan are considered to be cash and cash equivalents.

(20) Application of the group tax sharing system

The Company and some of its consolidated subsidiaries have adopted the group tax sharing system as stipulated in the Corporation Tax Act (Act No. 34 of 1965).

(21) Accounting principles and procedures adopted when the provisions of relevant accounting standards, etc. are unclear

Accounting treatment for gain (loss) on cancellation of investment trusts

Gain (loss) on cancellation and redemption of investment trusts is recorded as "Interest and dividends on securities." In cases where the total amount of profit distribution, etc. from investment trusts during the period is a loss, the amount is recorded as "Loss on redemption of bonds."

(22) Significant accounting estimates

1. Valuation of loans and bills discounted

- (1) Amount recorded in the consolidated financial statements for this fiscal year.

	Millions of yen		Thousands of U.S.dollars
	2026	2025	2026
Reserve for possible loan losses	¥ 9,763	¥ 10,295	\$ 61,064

- (2) Information for an understanding of the nature of significant accounting estimates for the identified items

(i) Calculation method

Reserve for possible loan losses of the banking subsidiaries is calculated by assessing the borrower classification based on the asset self-assessment standards and using a certain calculation method according to the borrower classification as described in "Notes to Consolidated Financial Statements, 3. Significant Accounting Policies, (6) Reserve for possible loan losses. With regard to the borrowers requiring caution except for those requiring special caution (hereinafter "other borrowers requiring caution"), the reserve for possible loan losses is calculated by grouping them into two categories based on their credit ratings (the lower rating classification which mainly consist of borrowers with amended loan terms and the higher rating classification which consist of the remaining borrowers).

(ii) Key assumptions

The key assumption in determining the borrower classification for business loan borrowers with deteriorating business conditions is the "Outlook for future business performance of borrowers". "Outlook for future business performance of borrowers" is determined based on an individual assessment of each borrower's ability to earn a profit. Furthermore, there is uncertainty about the future economic environment due to factors such as the impact on prices from soaring resource prices caused by the escalating tensions in the Middle East, as well as rising domestic interest rates and the weakening yen. When assessing individual debtors, we take these impacts into account when determining their classification.

- (iii) Impact on the consolidated financial statements for the fiscal year ending March 31, 2027
Changes in the business performance of borrowers and the success or failure of their business strategies could have a significant impact on reserve for possible loan losses stated in the consolidated financial statements for the fiscal year ending March 31, 2027.

(23) Accounting standards issued but not yet effective

- "Accounting Standards for Leases" (ASBJ Statement, No.34, September 13, 2024)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No.33, September 13, 2024)

(1) Overview

As part of its efforts to make Japanese accounting standards internationally consistent, the ASBJ has been considering the development of an accounting standard for leases that recognizes assets and liabilities for all lessee leases, based on international accounting standards. The guiding principle is basically based on the single accounting model of IFRS 16, but instead of adopting all the provisions of IFRS 16, only the main provisions have been adopted to make it simpler and more convenient, and basically no amendment is required when the provisions of IFRS 16 are used in non-consolidated financial statements.

For the accounting treatment of lessees concerning lease expense allocation, a single accounting model is applied for all leases, regardless of whether they are finance leases or operating leases, as outlined in IFRS 16. This model requires the recording of depreciation expense related to the right-of-use assets and interest expense related to the lease liability.

(2) Scheduled Application Date

The accounting standard and related implementation guidance are scheduled to be applied from the beginning of the fiscal year ending March 2028.

(3) Impact of Applying the Accounting Standards

The impact of applying the "Accounting Standards for Leases" and related implementation guidance on the consolidated financial statements is currently under evaluation.

- "Practical Guidelines on Accounting for Financial Instruments" (Transferred Guidance No. 9, March 11, 2025, Accounting Standards Board of Japan)

(1) Overview

The Practical Guidelines revise the accounting treatment for equity interests in venture capital funds held by listed companies and other entities so that useful information is provided to investors through the fair value measurement of shares without a quoted market price held by such venture capital funds.

(2) Scheduled Application Date

The Practical Guidelines are scheduled to be applied from the beginning of the fiscal year ending March 2027.

(3) Impact of Applying the Accounting Standards

The impact of applying the "Practical Guidelines on Accounting for Financial Instruments" on the consolidated financial statements is currently under evaluation.

4. Trading account securities

There were no valuation gain or loss on trading account securities included in income before income taxes and non-controlling interests at March 31, 2026 and 2025, respectively.

5. Securities

Securities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Stocks	¥ 30,699	¥ 26,009	\$ 192,012
Bonds:			
Government bonds	260,798	126,854	1,631,210
Local government bonds	353,326	329,657	2,209,944
Corporate bonds	118,629	143,034	741,987
Other	106,404	90,846	665,524
Total	¥ 869,859	¥ 716,402	\$ 5,440,699

Stocks in the above table include investments in affiliates of ¥155 million (\$969 thousand) and ¥141 million at March 31, 2026 and 2025, respectively.

The securities loaned under unsecured securities lending transactions are included in Government bonds under “Securities” in the amount of ¥4,719 million (\$29,515 thousand) and ¥5,009 million at March 31, 2026 and 2025, respectively.

Held-to-maturity debt securities at March 31, 2026 and 2025 were as follows:

Millions of yen			
March 31, 2026	Carrying value	Fair value	
Government bonds	¥ 131,761	¥	125,643
Local government bonds	141,550		131,585
Total	¥ 273,312	¥	257,228
Millions of yen			
March 31, 2026	Difference	Unrealized gain	Unrealized loss
Government bonds	¥ (6,118)	¥	(6,118)
Local government bonds	(9,964)	—	(9,964)
Total	¥ (16,083)	¥	(16,083)
Millions of yen			
March 31, 2025	Carrying value	Fair value	
Government bonds	¥ 41,237	¥	40,248
Local government bonds	138,752		133,012
Total	¥ 179,990	¥	173,260
Millions of yen			
March 31, 2025	Difference	Unrealized gain	Unrealized loss
Government bonds	¥ (988)	¥	(988)
Local government bonds	(5,740)	—	(5,740)
Total	¥ (6,729)	¥	(6,729)
Thousands of U.S. dollars			
March 31, 2026	Carrying value	Fair value	
Government bonds	\$ 824,124	\$	785,858
Local government bonds	885,351		823,023
Total	\$ 1,709,482	\$	1,608,881
Thousands of U.S. dollars			
March 31, 2026	Difference	Unrealized gain	Unrealized loss
Government bonds	\$ (38,266)	\$	(38,266)
Local government bonds	(62,321)	—	(62,321)
Total	\$ (100,594)	\$	(100,594)

There were no held-to-maturity debt securities sold during the years ended March 31, 2026 and 2025.

Available-for-sale securities with fair value at March 31, 2026 and 2025 were as follows:

Millions of yen			
March 31, 2026	Carrying value	Acquisition cost	
Equity securities	¥ 23,537	¥	8,859
Bonds:			
Government bonds	129,037		138,325
Local government bonds	211,776		223,394
Corporate bonds	118,629		132,756
Subtotal	459,443		494,476
Other	93,736		86,025
Total	¥ 576,717	¥	589,360
Millions of yen			
March 31, 2026	Difference	Unrealized gain	Unrealized loss
Equity securities	¥ 14,678	¥ 14,802	¥ (123)
Bonds:			
Government bonds	(9,288)	—	(9,288)
Local government bonds	(11,617)	—	(11,617)
Corporate bonds	(14,126)	—	(14,126)
Subtotal	(35,032)	—	(35,032)
Other	7,710	8,538	(828)
Total	¥ (12,643)	¥ 23,341	¥ (35,984)
Millions of yen			
March 31, 2025	Carrying value	Acquisition cost	
Equity securities	¥ 19,473	¥	9,093
Bonds:			
Government bonds	85,617		89,000
Local government bonds	190,904		197,493
Corporate bonds	143,034		151,224
Subtotal	419,556		437,718
Other	80,770		76,337
Total	¥ 519,799	¥	523,149
Millions of yen			
March 31, 2025	Difference	Unrealized gain	Unrealized loss
Equity securities	¥ 10,379	¥ 10,496	¥ (117)
Bonds:			
Government bonds	(3,382)	49	(3,432)
Local government bonds	(6,589)	1	(6,590)
Corporate bonds	(8,190)	2	(8,192)
Subtotal	(18,162)	53	(18,215)
Other	4,432	5,721	(1,289)
Total	¥ (3,349)	¥ 16,271	¥ (19,621)
Thousands of U.S. dollars			
March 31, 2026	Carrying value	Acquisition cost	
Equity securities	\$ 147,216	\$	55,410
Bonds:			
Government bonds	807,086		865,180
Local government bonds	1,324,593		1,397,260
Corporate bonds	741,987		830,347
Subtotal	2,873,674		3,092,794
Other	586,289		538,059
Total	\$ 3,607,186	\$	3,686,264
Thousands of U.S. dollars			
March 31, 2026	Difference	Unrealized gain	Unrealized loss
Equity securities	\$ 91,806	\$ 92,581	\$ (769)
Bonds:			
Government bonds	(58,093)	—	(58,093)
Local government bonds	(72,660)	—	(72,660)
Corporate bonds	(88,353)	—	(88,353)
Subtotal	(219,114)	—	(219,114)
Other	48,223	53,402	(5,178)
Total	\$ (79,078)	\$ 145,990	\$ (225,068)

Available-for-sale securities sold during the years ended March 31, 2026 and 2025 were as follows:

Millions of yen			
2026	Proceeds from sales	Gain	Loss
Equity securities	¥ 1,013	¥ 714	¥ (7)
Bonds:			
Government bonds	17,846	—	(1,484)
Local government bonds	23,591	—	(1,805)
Corporate bonds	3,733	—	(409)
Subtotal	45,171	—	(3,700)
Other	11,837	502	(21)
Total	¥ 58,022	¥ 1,217	¥ (3,729)

Millions of yen			
2025	Proceeds from sales	Gain	Loss
Equity securities	¥ 1,899	¥ 1,416	¥ (13)
Bonds:			
Government bonds	—	—	—
Local government bonds	3,001	1	—
Corporate bonds	107	—	(0)
Subtotal	3,109	1	(0)
Other	30,763	64	(1,219)
Total	¥ 35,772	¥ 1,482	¥ (1,233)

Thousands of U.S. dollars			
2026	Proceeds from sales	Gain	Loss
Equity securities	\$ 6,336	\$ 4,465	\$ (43)
Bonds:			
Government bonds	111,621	—	(9,281)
Local government bonds	147,554	—	(11,289)
Corporate bonds	23,348	—	(2,558)
Subtotal	282,530	—	(23,142)
Other	74,036	3,139	(131)
Total	\$ 362,909	\$ 7,611	\$ (23,323)

Impairment losses on securities

Available-for-sale securities whose fair value significantly declined from the acquisition cost are valued at fair value and losses on devaluation of those securities are recognized in the consolidated statement of operations unless the value is considered recoverable.

Impairment losses for the years ended March 31, 2026 was ¥86 million (\$537 thousand), which consisted of ¥36 million (\$225 thousand) on equity securities and ¥49 million (\$306 thousand) on other assets and for the years ended March 31, 2025 was ¥613 million, all of which consisted of equity securities.

Determining whether the fair value is “significantly declined” is based on the fair value determined by the monthly average market price during one month preceding the balance sheet date declining by more than 50% or the criteria considering the trend of the fair value during a certain past period and credit risks of the issuers when the fair value determined by the monthly average market price during one month preceding the balance sheet date declined between 30% and 50% of the acquisition cost.

6. Money Held in Trust

Money held in trust at March 31, 2026 and 2025 consisted of the following:

Money held in trust for trading purposes

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Carrying value	¥ 9,000	¥ 8,996	\$ 56,292
Valuation gain (loss) included in consolidated statements of income	51	28	318

There were no money held in trust owned for other purposes at March 31, 2026 and 2025.

7. Net Unrealized Gain (Loss) on Available-for-Sale Securities

Net unrealized gain (loss) on available-for-sale securities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Differences between acquisition cost and fair value:			
Available-for-sale securities	¥ (12,523)	¥ (3,220)	\$ (78,327)
Deferred tax liabilities	4,614	1,541	28,859
Differences between acquisition cost and fair value, net of taxes	(7,908)	(1,678)	(49,462)
Amounts corresponding to non-controlling interests	29	(1)	181
Net unrealized gain (loss) on available-for-sale securities, net of taxes	¥ (7,937)	¥ (1,680)	\$ (49,643)

8. Loans and Bills Discounted and Risk Monitored Loans

Loans and bills discounted:

Loans and bills discounted at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bills discounted	¥ 3,527	¥ 5,222	\$ 22,060
Loans on bills	27,767	32,433	173,674
Loans on deeds	4,557,764	4,401,321	28,507,405
Overdrafts	255,238	239,477	1,596,434
Others	156	1,574	975
Total	¥ 4,844,454	¥ 4,680,029	\$ 30,300,562

Discounting of bills is accounted for as finance transactions rather than as purchasing of bills in accordance with the JICPA Industry Committee Practical Guidelines No. 24. The Group has the right to sell or pledge such bills without any restrictions. These include bankers acceptances bought, commercial bills discounted, documentary bills and foreign exchange bills. The total face value of such outstanding bills at March 31, 2026 and 2025 totaled ¥3,860 million (\$24,143 thousand) and ¥5,436 million, respectively.

At March 31, 2026 and 2025, loans and bills discounted included the portion of loans extended to original borrowers based on loan participation agreements, as permitted by Transferred Guidance, No. 1, July 1, 2024, in the amount of ¥5,855 million (\$36,621 thousand) and ¥10,723 million, respectively.

Contracts for overdraft facilities and loan commitments are contracts under which the Group lends money to customers up to their prescribed limits at the customers' request as long as there are no violations of any of the conditions in the contracts. The aggregate unutilized balances within the limits of these contracts totaled ¥702,380 million (\$4,393,169 thousand) and ¥689,342 million at March 31, 2026 and 2025, respectively, including the contracts whose contractual periods were either less than one year or revocable at any time, in the amount of ¥663,249 million (\$4,148,417 thousand) and ¥655,008 million, respectively.

Since many of these commitments expire without being fully utilized, the unutilized amounts do not necessarily represent future cash commitments. Most of these contracts include provisions which stipulate that the consolidated subsidiaries can reject customers' requests or decrease the contract limits for an appropriate reason, (for example, a change in financial situation or a deterioration in customers' creditworthiness).

At the inception of the contracts, the Group obtains collateral in the form of real estate, securities, and so forth, if deemed necessary. Subsequently, the Group, based on its internal rules, performs periodic reviews of the customers' business results and may take necessary measures such as reconsidering the terms of the contracts and/or requiring additional collateral or guarantees.

Risk monitored loans:

Risk monitored loans which were included in loans and bills discounted at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bankruptcy and quasi-bankrupt claims	¥ 4,008	¥ 3,763	\$ 25,068
Doubtful claims	47,565	45,172	297,504
Loans past due for 3 months or more	-	-	-
Restructured loans	2,513	2,549	15,718
Total	¥ 54,087	¥ 51,485	\$ 338,297

Bankruptcy and quasi-bankrupt claims represent the claims on borrowers who have been declared insolvent, on the grounds of the commencement of bankruptcy or rehabilitation proceedings, filing for the proceedings or other similar legal proceedings.

Doubtful claims represent the claims on borrowers who have not yet failed but their financial and business performances have deteriorated, with a high possibility that the principal and interest on these claims will not be received.

Loans past due for 3 months or more represent loans on which the payment of principal and/or interest has not been received for three months or more from the due date, and which are not classified as "bankruptcy and quasi-bankrupt claims" or "doubtful claims."

Restructured loans are loans which have been restructured to support the rehabilitation of borrowers who are encountering financial difficulties, with the intention of ensuring the recovery of the loans by providing more flexible repayment terms for the borrowers (such as reducing the rate of interest or suspending the payment of principal/interest, etc.) or loans which are not classified in any of the above categories.

The amounts presented in the table above are stated before the provision of specific loan loss reserves.

9. Foreign Exchange Assets

Foreign exchange assets at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Due from foreign correspondent banks	¥ 5,772	¥ 5,181	\$ 36,102
Foreign bills of exchange bought	315	196	1,970
Foreign bills of exchange receivable	502	485	3,139
Total	¥ 6,590	¥ 5,862	\$ 41,218

10. Other Assets

Other assets at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Investment in leased assets	¥ 31,305	¥ 28,825	\$ 195,803
Other receivables	22,398	23,405	140,092
Accrued income	5,998	4,325	37,515
Prepaid expenses	2,545	2,322	15,918
Other	14,617	32,556	91,424
Total	¥ 76,864	¥ 91,434	\$ 480,760

11. Tangible Fixed Assets

At March 31, 2026 and 2025, accumulated depreciation of tangible fixed assets were ¥61,070 million(\$381,973 thousand) and ¥58,728 million, respectively.

Under the Tax Act, capital gains arising from the exchange or replacement of assets under certain conditions are permitted to be deducted from the cost of tangible fixed assets in order to obtain certain tax benefits. The amount deducted from the cost of tangible fixed assets at March 31, 2026 and 2025 were ¥368 million (\$2,301 thousand) and ¥369 million, respectively.

12. Assets Pledged

Assets pledged as collateral at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Securities	¥ 319,895	¥ 452,868	\$ 2,000,844
Loans	696,391	-	4,355,710
Other assets	101	278	631

The liabilities secured by the above pledged assets at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Deposits	¥ 2,931	¥ 3,164	\$ 18,332
Payables under securities lending transactions	9,875	4,396	61,765
Borrowed money	380,700	399,845	2,381,160
Other liabilities	27	18	168

In addition to the above, at March 31, 2026, securities of ¥30,830 million (\$192,832 thousand) were pledged as collateral for transaction guarantees.

At March 31, 2026 and 2025, guarantee deposits of ¥2,921 million (\$18,269 thousand) and ¥2,997 million, collateral money deposited for financial instruments of ¥744 million (\$4,653 thousand) and ¥1,159 million and margins for Central Counter Party of ¥- million (\$- thousand) and ¥20,000 million were included in "Other assets", respectively.

13. Deposits

Deposits at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Current deposits	¥ 262,289	¥ 259,064	\$ 1,640,536
Ordinary deposits	3,686,824	3,645,606	23,059,944
Savings deposits	21,425	22,682	134,006
Deposits at notice	9,675	11,105	60,514
Time deposits	1,832,178	1,741,795	11,459,707
Other deposits	32,721	22,156	204,659
Total	¥ 5,845,114	¥ 5,702,410	\$ 36,559,382

14. Borrowed Money

Borrowed money at March 31, 2026 and 2025 consisted of borrowings from the Bank of Japan and certain other financial institutions.

The average interest rate applicable to borrowed money at March 31, 2026 and 2025 were 0.10% and 0.03%.

The aggregate annual maturities of borrowed money subsequent to March 31, 2026 were summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2027	¥ 161,335	\$ 1,009,100
2028	226,477	1,416,543
2029	322	2,014
2030	80	500
2031	-	-
Total	¥ 388,214	\$ 2,428,158

15. Borrowed Money From Trust Account

Principal amounts of trusts with a principal compensation agreement at March 31, 2026 and 2025 were ¥2,885 million (\$18,044 thousand) and ¥2,644 million, respectively.

16. Foreign Exchange Liabilities

Foreign exchange liabilities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Foreign bills sold	¥ 282	¥ 715	\$ 1,763
Foreign bills of exchange payable	113	130	706
Total	¥ 395	¥ 846	\$ 2,470

17. Other Liabilities

Other liabilities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Accrued expenses	¥ 6,685	¥ 4,199	\$ 41,812
Unearned income	9,988	11,079	62,471
Accrued income taxes	4,784	2,588	29,922
Other	49,616	45,028	310,332
Total	¥ 71,073	¥ 62,895	\$ 444,539

The amounts of lease obligations included in “Other” were ¥11 million (\$68 thousand) and ¥8 million at March 31, 2026 and 2025, respectively. The average interest rates on lease obligations at March 31, 2026 with maturity dates on or before and subsequent to March 31, 2027 were 3.4%. The average interest rates on lease obligations at March 31, 2025 with maturity dates on or before and subsequent to March 31, 2026 were 3.0%.

The aggregate annual maturities of lease obligations subsequent to March 31, 2026 were summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2027	¥ 2	\$ 12
2028	2	12
2029	2	12
2030	1	6
2031	0	0
2032 and thereafter	-	-
Total	¥ 11	\$ 68

18. Retirement Benefit Plans

Outline of the retirement benefit plan adopted by the Group

The consolidated subsidiaries have adopted funded defined benefit plans to cover the payment of retirement benefits to employees.

As for the defined benefit pension plans (funded) of the consolidated subsidiaries, lump-sum benefits or pensions are provided depending on the service years, etc. Retirement benefit trust is established for the defined benefit pension plan.

As for lump-sum payment plans of the consolidated subsidiaries (which are unfunded plans, but after the establishment of retirement benefit trust scheme, have become funded plans), lump-sum payments are made as retirement benefits depending on the service years, etc. Certain consolidated subsidiaries have adopted lump-sum payment plans (all unfunded) as defined benefit plans, where net defined benefit liability and retirement benefit expenses are calculated by the simplified method.

(1) Reconciliation of the beginning balance to the ending balance of retirement benefit obligation

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Retirement benefit obligation at beginning of the year	¥ 27,106	¥ 30,399	\$ 169,539
Service cost	625	742	3,909
Interest cost	572	418	3,577
Actuarial gain or loss incurred during the year	(2,911)	(2,598)	(18,207)
Payment of retirement benefits	(2,119)	(1,862)	(13,253)
Other	6	7	37
Retirement benefit obligation at end of the year	¥ 23,278	¥ 27,106	\$ 145,596

(2) Reconciliation of the beginning balance to the ending balance of pension plan assets

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Pension plan assets at beginning of the year	¥ 57,542	¥ 62,186	\$ 359,907
Expected return on plan assets	1,257	1,214	7,862
Actuarial gain or loss incurred during the year	5,108	(4,015)	31,948
Payment of retirement benefits	(2,108)	(1,842)	(13,184)
Pension plan assets at end of the year	¥ 61,799	¥ 57,542	\$ 386,533

(3) Reconciliation of the ending balance of retirement benefit obligation and pension plan assets to the consolidated balance sheet amounts of net defined benefit liability and asset

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Funded retirement benefit obligation	¥ 23,136	¥ 26,964	\$ 144,708
Pension plan assets	(61,799)	(57,542)	(386,533)
	(38,663)	(30,578)	(241,825)
Unfunded retirement benefit obligation	141	141	881
Net amount of liability and asset on consolidated balance sheets	¥ (38,521)	¥ (30,436)	\$ (240,936)

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net defined benefit liability	¥ 141	¥ 141	\$ 881
Net defined benefit asset	(38,663)	(30,578)	(241,825)
Net amount of liability and asset on consolidated balance sheets	¥ (38,521)	¥ (30,436)	\$ (240,936)

(4) Retirement benefit expenses consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Service cost	¥ 625	¥ 742	\$ 3,909
Interest cost	572	418	3,577
Expected return on plan assets	(1,257)	(1,214)	(7,862)
Amortization of actuarial loss	(1,547)	(2,019)	(9,676)
Other	0	-	0
Net periodic retirement benefit expenses for defined benefit pension plans	¥ (1,607)	¥ (2,071)	\$ (10,051)

(5) Remeasurements of defined benefit plans included in other comprehensive income

Remeasurements of defined benefit plans included in other comprehensive income (before related tax effects) consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Actuarial gain or loss	6,472	(3,435)	40,480
Total	¥ 6,472	¥ (3,435)	\$ 40,480

(6) Remeasurements of defined benefit plans included in accumulated other comprehensive income

Remeasurements of defined benefit plans included in accumulated other comprehensive income (before related tax effects) consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unrecognized actuarial gain or loss	(17,858)	(11,386)	(111,696)
Total	¥ (17,858)	¥ (11,386)	\$ (111,696)

(7) Matters related to pension plan assets

1) Ratio of the main components in the total pension plan assets were as follows:

	2026	2025
Bonds	17%	16%
Stocks	45%	49%
Short-term investment fund including cash and deposits	9%	10%
Life insurance company general accounts	5%	4%
Others	24%	21%
Total	100%	100%

Note:

Total pension plan assets included retirement benefit trust of which securities were contributed for the pension plan, which accounts for 30% and 31% of the total at March 31, 2026 and 2025, respectively.

2) Setting of long-term expected rates of return on plan assets

For the purpose of determining the long-term expected return on plan assets, the present and anticipated allocation of plan assets and the present and expected long-term rates of return on various assets composing the plan assets are taken into account.

(8) The assumptions used for actuarial calculations

	2026	2025
Discount rate	0.96%-4.13%	0.51%-2.94%
Expected rate of return on plan assets	2.5%	2.5%
Expected rate of salary increase	1.68%-3.66%	1.69%-3.77%

19. Asset Retirement Obligations

Notes concerning asset retirement obligations are omitted due to lack of significance of its total amount.

20. Contingent Liabilities

Contingent liabilities for guarantee of corporate bonds included in “Securities,” which were issued by private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act of Japan) amounted to ¥11,735 million (\$73,398 thousand) and ¥15,785 million at March 31, 2026 and 2025, respectively.

21. Shareholders' Equity

Japanese banks, including the Company, are required to comply with the Banking Act and the Act. The Act stipulates that neither additional paid-in capital nor the legal reserve is available for dividends, but that both may be used to reduce or eliminate a deficit. Under the Banking Law, Japanese banks are required to appropriate to the legal reserve an amount equal to at least 20% of the total amount of cash dividends and certain appropriations of earnings on cash disbursements applicable to each accounting period until the sum of the legal reserve and capital surplus account equals 100% of the amount of share capital.

The maximum amount which the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company and in accordance with the Act.

(1) Class and number of shares issued and treasury stock

Movements in common stock and treasury stock during the years ended March 31, 2026 and 2025 were summarized as follows:

Number of shares (in thousands)					Note
Year ended March 31, 2026	April 1st, 2025	Increase	Decrease	March 31, 2026	
Outstanding shares:					
Common stock	281,008	—	—	281,008	1 and 2
Total	281,008	—	—	281,008	
Treasury stock:					
Common stock	2,944	2	383	2,563	
Total	2,944	2	383	2,563	

Notes:

1. Increase in treasury stock of common stock (2 thousand shares) was due to acquisition of shares from the shareholders who owned fractional shares less than one unit (1 thousand shares), and the acquisition, without consideration, of restricted stock incentive for the Employees' Shareholders Association (0 thousand shares).
2. Decrease in treasury stock of common stock (383 thousand shares) consisted of disposal of shares following the acquisition request from the shareholders who owned fractional shares less than one unit (0 thousand shares) and transfers due to exercise of stock option (284 thousand shares) and transfers due to restricted stock incentive for the Employees' Shareholders Association (91 thousand shares) and transfers due to restricted stock compensation plan (6 thousand shares).

Number of shares (in thousands)					Notes
Year ended March 31, 2025	April 1st, 2024	Increase	Decrease	March 31, 2025	
Outstanding shares:					
Common stock	281,008	—	—	281,008	
Total	281,008	—	—	281,008	
Treasury stock:					
Common stock	600	2,378	34	2,944	
Total	600	2,378	34	2,944	

Notes:

1. Increase in treasury stock of common stock (2,378 thousand shares) was due to acquisition through market purchase (2,376 thousand shares) and acquisition of shares from the shareholders who owned fractional shares less than one unit (2 thousand shares).
2. Decrease in treasury stock of common stock (34 thousand shares) consisted of disposal of shares following the acquisition request from the shareholders who owned fractional shares less than one voting right (0 thousand shares) and transfers due to exercise of stock option (34 thousand shares).

(2) Stock subscription rights

The Company resolved to grant stock subscription rights (stock option) to certain directors, executive officers and certain directors and executive officers of its subsidiaries at the Board of Directors' meeting held on, July 29, 2025, July 31, 2024, July 31, 2023, July 27, 2022, July 30, 2021, July 31, 2020, July 30, 2019, July 31, 2018, July 31, 2017, July 27, 2016, July 29, 2015, July 30, 2014, July 31, 2013, August 31, 2012, July 28, 2011 and February 24, 2011. The balance of stock subscription rights granted for stock option program were ¥152 million (\$950 thousand) and ¥179 million at March 31, 2026 and 2025, respectively. Stock option related expenses for the years ended March 31, 2026 and 2025 amounted to ¥33 million (\$206 thousand) and ¥36 million, respectively.

The stock option outstanding at March 31, 2026 was as follows:

Date of resolution	February 24, 2011	July 28, 2011
Persons granted	Directors of the subsidiaries: 22 Executive officers of the subsidiaries: 19	Directors of the subsidiaries: 16 Executive officers of the subsidiaries: 18
Number of stock option by type of shares (*)	Common stock: 84,780	Common stock: 72,760
Date of grant	March 15, 2011	August 31, 2011
Vesting conditions	To exercise within 10 days after retirement	To exercise within 10 days after retirement
Applicable service period	From March 15, 2011 to the date of retirement	From August 31, 2011 to the date of retirement
Exercise period	From March 16, 2011 to July 31, 2041	From September 1, 2011 to July 31, 2041

Date of resolution	August 31, 2012	July 31, 2013
Persons granted	Directors of the subsidiaries: 10 Executive officers of the subsidiaries: 16	Directors of the subsidiaries: 10 Executive officers of the subsidiaries: 16
Number of stock option by type of shares (*)	Common stock: 69,500	Common stock: 53,800
Date of grant	October 1, 2012	September 2, 2013
Vesting conditions	To exercise within 10 days after retirement	To exercise within 10 days after retirement
Applicable service period	From October 1, 2012 to the date of retirement	From September 2, 2013 to the date of retirement
Exercise period	From October 2, 2012 to July 31, 2042	From September 3, 2013 to July 31, 2043

Date of resolution	July 30, 2014	July 29, 2015
Persons granted	Directors of the subsidiaries: 10 Executive officers of the subsidiaries: 15	Directors of the subsidiaries: 10 Executive officers of the subsidiaries: 14
Number of stock option by type of shares (*)	Common stock: 55,900	Common stock: 51,800
Date of grant	August 28, 2014	September 1, 2015
Vesting conditions	To exercise within 10 days after retirement	To exercise within 10 days after retirement
Applicable service period	From August 28, 2014 to the date of retirement	From September 1, 2015 to the date of retirement
Exercise period	From August 29, 2014 to July 31, 2044	From September 2, 2015 to July 31, 2045

Date of resolution	July 27, 2016	July 31, 2017
Persons granted	Directors of the subsidiaries: 8 Executive officers of the subsidiaries: 17	Directors of the subsidiaries: 8 Executive officers of the subsidiaries: 20
Number of stock option by type of shares (*)	Common stock: 94,800	Common stock: 83,100
Date of grant	August 30, 2016	August 31, 2017
Vesting conditions	To exercise within 10 days after retirement	To exercise within 10 days after retirement
Applicable service period	From August 30, 2016 to the date of retirement	From August 31, 2017 to the date of retirement
Exercise period	From August 31, 2016 to July 31, 2046	From September 1, 2017 to July 31, 2047

Date of resolution	July 31, 2018	July 30, 2019
Persons granted	Directors of the subsidiaries: 6 Executive officers of the subsidiaries: 18	Directors of the subsidiaries: 6 Executive officers of the subsidiaries: 18
Number of stock option by type of shares (*)	Common stock: 58,500	Common stock: 117,400
Date of grant	August 30, 2018	August 28, 2019
Vesting conditions	To exercise within 10 days after retirement	To exercise within 10 days after retirement
Applicable service period	From August 30, 2018 to the date of retirement	From August 28, 2019 to the date of retirement
Exercise period	From August 31, 2018 to July 31, 2048	From August 29, 2019 to July 31, 2049

Date of resolution	July 31, 2020	July 30, 2021
Persons granted	Directors of the subsidiaries: 7 Executive officers of the subsidiaries: 17	Directors: 4 Executive officers: 7 Directors of the subsidiaries: 7 Executive officers of the subsidiaries: 16
Number of stock option by type of shares (*)	Common stock: 156,300	Common stock: 254,900
Date of grant	August 28, 2020	August 27, 2021
Vesting conditions	To exercise within 10 days after retirement	To exercise within 1 year after retirement
Applicable service period	From August 28, 2020 to the date of retirement	From August 27, 2021 to the date of retirement
Exercise period	From August 31, 2020 to July 31, 2050	From August 30, 2021 to July 31, 2051

Date of resolution	July 27, 2022	July 31, 2023
Persons granted	Directors: 5 Executive officers: 6 Directors of the subsidiaries: 7 Executive officers of the subsidiaries: 19	Directors: 5 Executive officers: 12 Directors of the subsidiaries: 7 Executive officers of the subsidiaries: 21
Number of stock option by type of shares (*)	Common stock: 216,800	Common stock: 181,600
Date of grant	August 30, 2022	September 1, 2023
Vesting conditions	To exercise within 1 year after retirement	To exercise within 1 year after retirement
Applicable service period	From August 30, 2022 to the date of retirement	From September 1, 2023 to the date of retirement
Exercise period	From August 31, 2022 to July 31, 2052	From September 2, 2023 to July 31, 2053

Date of resolution	July 31, 2024	July 29, 2025
Persons granted	Directors: 5 Executive officers: 13 Directors of the subsidiaries: 7 Executive officers of the subsidiaries: 20	Executive officers: 11 Directors of the subsidiaries: 6 Executive officers of the subsidiaries: 18
Number of stock option by type of shares (*)	Common stock: 101,500	Common stock: 55,700
Date of grant	August 28, 2024	September 1, 2025
Vesting conditions	To exercise within 1 year after retirement	To exercise within 1 year after retirement
Applicable service period	From August 28, 2024 to the date of retirement	From September 1, 2025 to the date of retirement
Exercise period	From August 29, 2024 to July 31, 2054	From September 2, 2025 to July 31, 2055

(*) The number of stock options is converted into the number of shares after the one-for-five reverse stock split of common stock on August 1, 2012.

The stock option activity is as follows:

Date of resolution	February 24, 2011	July 28, 2011	August 31, 2012	July 31, 2013	July 30, 2014
Non-vested:					
March 31, 2025-Outstanding	1,100	1,240	1,700	3,800	5,500
Granted	—	—	—	—	—
Forfeited	—	—	—	—	—
Vested	—	—	—	2,400	2,900
March 31, 2026-Outstanding	1,100	1,240	1,700	1,400	2,600
Vested:					
March 31, 2025-Outstanding	—	—	—	—	—
Vested	—	—	—	2,400	2,900
Exercised	—	—	—	2,400	2,900
Forfeited	—	—	—	—	—
March 31, 2026-Outstanding	—	—	—	—	—

Date of resolution	July 29, 2015	July 27, 2016	July 31, 2017	July 31, 2018	July 30, 2019
Non-vested:					
March 31, 2025-Outstanding	5,200	17,600	20,400	26,300	53,900
Granted	—	—	—	—	—
Forfeited	—	—	—	—	—
Vested	2,800	10,500	8,600	9,300	20,600
March 31, 2026-Outstanding	2,400	7,100	11,800	17,000	33,300
Vested:					
March 31, 2025-Outstanding	—	—	—	—	—
Vested	2,800	10,500	8,600	9,300	20,600
Exercised	2,800	10,500	8,600	9,300	20,600
Forfeited	—	—	—	—	—
March 31, 2026-Outstanding	—	—	—	—	—

Date of resolution	July 31, 2020	July 30, 2021	July 27, 2022	July 31, 2023	July 31, 2024	July 29, 2025
Non-vested:						
March 31, 2025-Outstanding	85,200	203,100	185,700	174,600	101,500	—
Granted	—	—	—	—	—	55,700
Forfeited	—	—	—	—	—	—
Vested	29,000	71,300	56,700	45,500	25,300	—
March 31, 2026-Outstanding	56,200	131,800	129,000	129,100	76,200	55,700
Vested:						
March 31, 2025-Outstanding	—	—	—	—	—	—
Vested	29,000	71,300	56,700	45,500	25,300	—
Exercised	29,000	71,300	56,700	45,500	25,300	—
Forfeited	—	—	—	—	—	—
March 31, 2026-Outstanding	—	—	—	—	—	—

(*) The number of stock options is converted into the number of shares after the one-for-five reverse stock split of common stock on August 1, 2012.

Price information is as follows:

Date of resolution	February 24, 2011	July 28, 2011	August 31, 2012	July 31, 2013	July 30, 2014	July 29, 2015	July 27, 2016
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average stock price at exercise	¥ —	¥ —	¥ —	¥ 573	¥ 573	¥ 573	¥ 573
Fair value price at grant date	¥ 490	¥ 535	¥ 449	¥ 430	¥ 497	¥ 474	¥ 410

Date of resolution	July 31, 2017	July 31, 2018	July 30, 2019	July 31, 2020	July 30, 2021	July 27, 2022	July 31, 2023
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average stock price at exercise	¥ 573	¥ 573	¥ 573	¥ 573	¥ 573	¥ 573	¥ 573
Fair value price at grant date	¥ 353	¥ 325	¥ 140	¥ 132	¥ 133	¥ 191	¥ 242

Date of resolution	July 31, 2024	July 29, 2025
Exercise price	¥ 1	¥ 1
Average stock price at exercise	¥ 573	¥ —
Fair value price at grant date	¥ 333	¥ 610

Date of resolution	February 24, 2011	July 28, 2011	August 31, 2012	July 31, 2013	July 30, 2014	July 29, 2015	July 27, 2016
Exercise price	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Average stock price at exercise	\$ —	\$ —	\$ —	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58
Fair value price at grant date	\$ 3.06	\$ 3.34	\$ 2.80	\$ 2.68	\$ 3.10	\$ 2.96	\$ 2.56

Date of resolution	July 31, 2017	July 31, 2018	July 30, 2019	July 31, 2020	July 30, 2021	July 27, 2022	July 31, 2023
Exercise price	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Average stock price at exercise	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58
Fair value price at grant date	\$ 2.20	\$ 2.03	\$ 0.87	\$ 0.82	\$ 0.83	\$ 1.19	\$ 1.51

Date of resolution	July 31, 2024	July 29, 2025
Exercise price	\$ 0.00	\$ 0.00
Average stock price at exercise	\$ 3.58	\$ —
Fair value price at grant date	\$ 2.08	\$ 3.81

Note:

The impact of the one-for-five reverse stock split of common stock on August 1, 2012 is taken into consideration.

The method for estimating the fair value price of 2025 stock option granted in the year ended March 31, 2026 were as follows:

Measurement method: Black-Scholes model

Major fundamental factors and assumptions used to measure fair value

Date of resolution	July 29, 2025
Volatility of stock price *1	33.810%
Estimated remaining outstanding period *2	2.623 years
Estimated dividend *3	2.385%
Interest rate with risk free *4	0.921%

*1 Actual stock price during the period (from January 17, 2023 to September 1, 2025) corresponding to the estimated remaining outstanding period

*2 For each director or executive officer in office, the difference between “the average term of office of retired directors or executive officers” and “the years in office of the director or executive officer at the time stock options were granted” was calculated, and if said difference was less than 0.8 years, the average of the estimated remaining outstanding period was calculated using 0.8 years, by taking into account the period remaining to the next annual shareholders’ meeting.

*3 ¥15.5 (\$0.09) of latest annual dividend /¥650 (\$4.06) of stock price on the base date

*4 Yield of Japanese government bonds approximating the estimated remaining outstanding period

In estimating the vested number of stock options, the Company basically reflects only the actual forfeited number, since it is difficult to make a reasonable estimate on the future forfeited number.

22. Other Ordinary Income

Other ordinary income for the years ended March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gain on sales of securities and trading account securities	¥ 755	¥ 602	\$ 4,722
Other	1,711	1,140	10,701
Total	¥ 2,466	¥ 1,742	\$ 15,424

23. Other Income

Other income for the years ended March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gain on sales of equity securities	¥ 780	¥ 1,457	\$ 4,878
Gain on money held in trust	60	4	375
Other	15,761	12,484	98,580
Total	¥ 16,602	¥ 13,947	\$ 103,840

24. General And Administrative Expenses

General and Administrative Expenses for the years ended March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Salaries and allowances	¥ 26,110	¥ 25,185	\$ 163,309
Depreciation expense	3,326	3,023	20,803
Retirement benefit expenses	(1,607)	(2,072)	(10,051)
Other	21,843	19,263	136,621
Total	¥ 49,673	¥ 45,399	\$ 310,689

25. Other Ordinary Expenses

Other ordinary expenses for the years ended March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Loss on sales of debt securities	¥ 3,721	¥ 1,220	\$ 23,273
Other	1	—	6
Total	¥ 3,723	¥ 1,220	\$ 23,286

26. Other Expenses

Other expenses for the years ended March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Write-offs of loans and bills discounted	2,063	1,385	12,903
Loss on sales of equity securities	43	13	268
Loss on devaluation of equity securities	220	759	1,376
Loss on money held in trust	11	41	68
Other	13,561	11,315	84,819
Total	¥ 15,900	¥ 13,514	\$ 99,449

27. Dividends

Cash dividends paid during the fiscal year ended March 31, 2026

Resolution by annual shareholders’ meeting on June 25, 2025

Type of stock	Record date	Effective date	Dividend amount		Dividends per share	
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	March 31, 2025	June 26, 2025	¥ 2,224	\$ 13,910	¥ 8.00	\$ 0.05

Resolution by Board of Directors on November 14, 2025

Type of stock	Record date	Effective date	Dividend amount		Dividends per share	
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	September 30, 2025	December 8, 2025	¥ 2,922	\$ 18,276	¥ 10.50	\$ 0.06

Cash dividends with record dates falling in the fiscal year ended March 31, 2026 and effective dates coming after the end of the fiscal year

Types of stock	Source of dividends	Record date	Effective date
Common stock	Retained earnings	March 31, 2026	June 26, 2026

Types of stock	Dividend amount		Dividends per share	
	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	¥ 4,037	\$ 25,250	¥ 14.50	\$ 0.09

Cash dividends paid during the fiscal year ended March 31, 2025

Resolution by annual shareholders' meeting on June 26, 2024

Type of stock	Record date	Effective date	Dividend amount		Dividends per share	
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	March 31, 2024	June 27, 2024	¥ 1,752	\$ 11,717	¥ 6.25	\$ 0.04

Resolution by Board of Directors on November 11, 2024

Type of stock	Record date	Effective date	Dividend amount		Dividends per share	
			Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	September 30, 2024	November 29, 2024	¥ 2,103	\$ 14,065	¥ 7.50	\$ 0.05

Cash dividends with record dates falling in the fiscal year ended March 31, 2025 and effective dates coming after the end of the fiscal year

Types of stock	Source of dividends	Record date	Effective date
Common stock	Retained earnings	March 31, 2025	June 26, 2025

Types of stock	Dividend amount		Dividends per share	
	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars
Common stock	¥ 2,224	\$ 14,874	¥ 8.00	\$ 0.05

28. Cash and Cash Equivalents

A reconciliation of cash and due from banks in the accompanying consolidated balance sheets to cash and cash equivalents in the accompanying consolidated statements of cash flows at March 31, 2026 and 2025 were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Cash and due from banks	¥ 707,974	¥ 854,992	\$ 4,428,158
Deposits other than deposits with the Bank of Japan	(7,673)	(7,245)	(47,992)
Cash and cash equivalents	¥ 700,300	¥ 847,746	\$ 4,380,160

29. Leases

a. Finance leases

As Lessee

Information on finance leases is omitted due to lack of significance.

b. Operating leases

As Lessee

Future minimum lease payments under non-cancellable operating leases subsequent to March 31, 2026 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2027	¥ 892	\$ 5,579
2028 and thereafter	3,318	20,753
Total	¥ 4,210	\$ 26,332

30. Income Taxes

Income taxes applicable to the Company and its domestic subsidiaries comprise corporate tax, inhabitants' taxes and enterprise tax which, in the aggregate, resulted in a statutory tax rate of 30.6% for the years ended March 31, 2026 and 2025, respectively.

The tax effect of temporary differences which gave rise to significant portions of the deferred tax assets and liabilities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Deferred tax assets:			
Reserve for possible loan losses	¥ 6,897	¥ 7,438	\$ 43,138
Tax loss carryforwards	240	420	1,501
Loss on devaluation of securities	2,585	2,635	16,168
Provision for employees' bonuses	583	579	3,646
Depreciation	447	482	2,795
Impairment loss	102	108	637
Net defined benefit liability	48	48	300
Net unrealized loss on available-for-sale securities	5,924	2,459	37,052
Other	3,512	3,108	21,966
Gross deferred tax assets	20,342	17,282	127,232
Valuation allowance for tax loss carryforwards (Note2)	(208)	(144)	(1,300)
Valuation allowance for total deductible temporary differences	(8,912)	(8,951)	(55,741)
Valuation allowance subtotal(Note1)	(9,121)	(9,095)	(57,049)
Total deferred tax assets	11,221	8,186	70,183
Deferred tax liabilities:			
Net defined benefit asset	(8,425)	(5,394)	(52,695)
Net unrealized gain on available-for-sale securities	(1,275)	(916)	(7,974)
Non-taxable accrued dividend income	(121)	(110)	(756)
Net unrealized gain on deferred hedges	(1,306)	-	(8,168)
Other	(138)	(125)	(863)
Total deferred tax liabilities	(11,266)	(6,547)	(70,465)
Net deferred tax assets (Net deferred tax liabilities)	¥ (45)	¥ 1,639	\$ (281)

Notes:

1.Valuation allowance increased by ¥25 million (\$156 thousand), mainly due to the increase of valuation allowance for tax loss carryforwards.

2. Tax loss carryforwards and deferred tax assets by expiration of carryforward are as follows:

Fiscal year ended March 31, 2026

Millions of yen							Total
	One year or less	After one year through two years	After two years through three years	After three years through four years	After four years through five years	After five years	
Tax loss carryforwards (*1)	—	—	—	—	4	236	240
Valuation allowance	—	—	—	—	(3)	(205)	(208)
Deferred tax assets	—	—	—	—	1	31	(*2)32

Thousands of U.S. dollars							Total
	One year or less	After one year through two years	After two years through three years	After three years through four years	After four years through five years	After five years	
Tax loss carryforwards (*1)	—	—	—	—	25	1,476	1,501
Valuation allowance	—	—	—	—	(18)	(1,282)	(1,300)
Deferred tax assets	—	—	—	—	6	193	(*2)200

(*1) Amounts of tax loss carryforwards are multiplied by the statutory tax rate.

(*2) Deferred tax assets of ¥32 million (\$200 thousand) are recorded for tax loss carryforward of ¥240 million (\$1,501 thousand). This tax loss carryforward is deemed to be recoverable as it is expected that there will be taxable income in the future.

A reconciliation of the statutory tax rate to the effective tax rate
For the year ended March 31, 2026 and 2025, the difference between the statutory tax rate and the burden rate of corporate taxes, after the application of tax effect accounting is less than 5/100 of the statutory tax rate, so the statement is omitted.

Accounting for corporate and local corporate taxes or accounting of tax effect accounting related to these taxes.
The Company and some of its consolidated subsidiaries have adopted the group tax sharing system. In addition, the Company and relevant consolidated subsidiaries follow PITF No. 42 for accounting and disclosure of corporate tax, local corporate tax and tax effect accounting.

31. Comprehensive Income

Reclassification adjustments and tax effect amounts of other comprehensive income for the year ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unrealized gain (loss) on available-for-sale securities:			
Amount for the year	¥ (11,201)	¥ (15,708)	\$ (70,058)
Reclassification adjustment	1,897	360	11,865
Amount before tax effect	(9,303)	(15,347)	(58,187)
Tax effect amount	3,073	4,569	19,220
Net unrealized gain (loss) on available-for-sale securities	(6,230)	(10,778)	(38,966)
Unrealized gain (loss) on deferred hedges:			
Amount for the year	3,774	(404)	23,605
Reclassification adjustment	531	252	3,321
Amount before tax effect	4,305	(152)	26,926
Tax effect amount	(1,354)	48	(8,468)
Net unrealized gain (loss) on deferred hedges	2,950	(104)	18,451
Remeasurements of defined benefit plans:			
Amount for the year	8,020	(1,416)	50,162
Reclassification adjustment	(1,547)	(2,019)	(9,676)
Amount before tax effect	6,472	(3,435)	40,480
Tax effect amount	(2,050)	963	(12,822)
Remeasurements of defined benefit plans	4,421	(2,472)	27,651
Total other comprehensive income	¥ 1,141	¥ (13,354)	\$ 7,136

32. Revenue recognition

1. Disaggregation of revenue from contracts with customers
Revenue recognition for the fiscal years ended March 31, 2026 and 2025 was summarized as follows.

	Millions of yen				
	2026				Consolidated financial statement amount
	Banking (Note 1)	Leasing	Total	Other (Note 2)	
Revenue from contracts with customers					
Deposit/loan business	3,361	—	3,361	—	3,361
Exchange business	2,155	—	2,155	—	2,155
Securities-related business	1,067	—	1,067	2,284	3,352
Agency business	258	—	258	—	258
Safe custody and safe-deposit box business	396	—	396	—	396
Investment trust and insurance sales business	3,467	—	3,467	—	3,467
Other	1,726	567	2,294	3,212	5,506
Total	12,432	567	13,000	5,496	18,496
Other revenue (Note 3)	83,424	12,650	96,075	2,845	98,920
Total	95,857	13,217	109,075	8,341	117,417

Millions of yen					
2025					
	Reportable segments			Other (Note 2)	Consolidated financial statement amount
	Banking (Note 1)	Leasing	Total		
Revenue from contracts with customers					
Deposit/loan business	3,282	—	3,282	—	3,282
Exchange business	2,132	—	2,132	—	2,132
Securities-related business	1,157	—	1,157	2,178	3,336
Agency business	220	—	220	—	220
Safe custody and safe-deposit box business	421	—	421	—	421
Investment trust and insurance sales business	3,879	—	3,879	—	3,879
Other	1,987	455	2,442	2,937	5,380
Total	13,082	455	13,538	5,116	18,654
Other revenue (Note 3)	61,918	11,615	73,534	885	74,420
Total	75,000	12,071	87,072	6,002	93,074

Thousands of U.S. dollars					
2026					
	Reportable segments			Other (Note 2)	Consolidated financial statement amount
	Banking (Note 1)	Leasing	Total		
Revenue from contracts with customers					
Deposit/loan business	21,022	—	21,022	—	21,022
Exchange business	13,478	—	13,478	—	13,478
Securities-related business	6,673	—	6,673	14,285	20,965
Agency business	1,613	—	1,613	—	1,613
Safe custody and safe-deposit box business	2,476	—	2,476	—	2,476
Investment trust and insurance sales business	21,685	—	21,685	—	21,685
Other	10,795	3,546	14,348	20,090	34,438
Total	77,758	3,546	81,310	34,375	115,686
Other revenue (Note 3)	521,791	79,121	600,919	17,794	618,714
Total	599,555	82,668	682,230	52,170	734,407

Notes:

- “Banking” includes credit guarantee services.
- “Other” includes business segments which are not included in the reportable segments and comprises credit cards business and securities business.
- “Other revenue” mainly includes the following transactions.
 - Transactions related to financial instruments within the scope of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019)
 - Lease transactions included in the scope of the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007)
 - Commission received when structuring or acquiring financial instruments

2. Useful information in understanding revenue from contracts with customers

(1) Timing of recording revenue

Revenue is recognized when control of a promised good or service is transferred to a customer. For cases where performance obligations are satisfied over time, revenue is recognized as the obligations are fulfilled.

(2) Recorded amount of revenue

The recorded amount of revenue is calculated based on the amount expected to be received in exchange for goods or services. Regarding point programs operated by other companies in which consolidated subsidiaries participate, the amount expected to be used in the future is recognized as the amount collected for the benefit of a third party and deducted from fees and commissions.

3. Reconciliation of satisfaction of performance obligations within contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue arising from customers existing at the end of this fiscal year expected to be recognized after the end of this fiscal year.

(1) Beginning and ending balances of receivables, contract assets and contract liabilities from contracts with customers

Millions of yen		
2026		
	Beginning of fiscal year (April 1, 2025)	End of fiscal year (March 31, 2026)
Receivables from contracts with customers	791	736
Contract assets	306	369
Contract liabilities	377	364

Millions of yen		
2025		
	Beginning of fiscal year (April 1, 2024)	End of fiscal year (March 31, 2025)
Receivables from contracts with customers	755	791
Contract assets	272	306
Contract liabilities	422	377

Thousands of U.S. dollars		
2026		
	Beginning of fiscal year (April 1, 2025)	End of fiscal year (March 31, 2026)
Receivables from contracts with customers	4,947	4,603
Contract assets	1,913	2,307
Contract liabilities	2,358	2,276

Notes:

In the balance sheets, receivables and contract assets from contracts with customers are included in “Other assets” and contract liabilities are included in “Other liabilities.”

(2) Revenue recognized during the fiscal year that was included in the contract liabilities balance at the beginning of the year

Millions of yen	
	Fiscal year (From April 1, 2025 to March 31, 2026)
Revenue recognized during the fiscal year that was included in the contract liabilities balance at the beginning of the year	341

Millions of yen	
	Fiscal year (From April 1, 2024 to March 31, 2025)
Revenue recognized during the fiscal year that was included in the contract liabilities balance at the beginning of the year	371

	Thousands of U.S. dollars
	Fiscal year (From April 1, 2025 to March 31, 2026)
Revenue recognized during the fiscal year that was included in the contract liabilities balance at the beginning of the year	2,132

(3) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the time frame the Group expects to recognize the amount as revenue are as follows.

	Millions of yen
	Fiscal year (March 31, 2026)
Within one year	341
Over one year	23
Total	364

	Millions of yen
	Fiscal year (March 31, 2025)
Within one year	344
Over one year	32
Total	377

	Thousands of U.S. dollars
	Fiscal year (March 31, 2026)
Within one year	2,132
Over one year	143
Total	2,276

33. Segment Information and Related Information

(1) Segment Information

The Group's reportable segments are determined on the basis that separate financial information for such segments is available and examined periodically by the Board of Directors to make decisions regarding the allocation of management resources and assess the business performances of the segments within the Group. The Group mainly provides banking services and operate other financial services including leasing. The Group sets two reportable segments of banking business and leasing business.

Banking business engages in banking services and credit guarantee services, while leasing business engages in leasing and other services, etc..

(2) Basis of measurement for reported segment profit (loss), segment assets, segment liabilities and other material items

The accounting methods used for reportable business segments are presented in accordance with Note 3, "Significant Accounting Policies". The reportable segment profit figures are based on operating profit. Income arising from intersegment transactions is based on arm's length prices.

(3) Information about reportable segment profit (loss), segment assets, segment liabilities and other material items

Segment information for the fiscal years ended March 31, 2026 and 2025 was summarized as follows:

	Millions of yen					
	2026					
	Reportable segments			Other	Total	Consolidated
	Banking	Leasing	Total			
Ordinary income:						
Outside customers	¥ 95,857	¥ 13,217	¥ 109,075	¥ 8,341	¥ 117,417	—
Intersegment income	1,676	114	1,790	2,961	4,752	(4,752)
Total	97,534	13,331	110,866	11,303	122,169	(4,752)
Segment profit	23,475	638	24,114	1,129	25,243	(9)
Segment assets	6,564,722	45,313	6,610,035	34,989	6,645,025	(49,043)
Segment liabilities	6,325,051	41,744	6,366,795	24,304	6,391,100	(49,043)
Others:						
Depreciation	3,296	1,280	4,576	51	4,627	—
Interest income	73,006	22	73,028	106	73,135	(358)
Interest expense	14,044	321	14,365	95	14,461	(358)
Extraordinary gain	28	0	29	—	29	(28)
Extraordinary loss	39	0	39	0	39	—
Tax expense	7,212	220	7,433	412	7,845	—
Increase in tangible and intangible fixed assets	4,080	1,767	5,848	40	5,888	—

Notes:

- Ordinary income ("Total income" less extraordinary gain included in "Other income" in the consolidated statements of income) is presented in place of net sales of operating companies of other industry groups.
- "Other" includes business segments which are not included in the reportable segments and comprises credit cards business and securities business.
- Adjustments are as below:
 - Adjustment of segment profit of negative ¥9 million is the elimination of intersegment transactions.
 - Adjustment of segment assets of negative ¥49,043 million is the elimination of intersegment transactions.
 - Adjustment of segment liabilities of negative ¥49,043 million is the elimination of intersegment transactions.
 - Adjustment of interest income of negative ¥358 million is the elimination of intersegment transactions.
 - Adjustment of interest expense of negative ¥358 million is the elimination of intersegment transactions.
 - Adjustment of extraordinary gain of negative ¥28 million is the elimination of intersegment transactions.
- Segment profit is reconciled to ordinary profit, which represents ordinary income less ordinary expenses. Ordinary expenses represent "Total expenses" less extraordinary loss included in "Other expenses" in the consolidated statements of income. Therefore, consolidated segment profit, which shows ordinary profit, is reconciled to "Income before income taxes" through the addition/deduction of extraordinary gain/loss, net.

Millions of yen							
2025							
	Reportable segments			Other	Total	Adjustment	Consolidated
	Banking	Leasing	Total				
Ordinary income:							
Outside customers	¥ 75,000	¥ 12,071	¥ 87,072	¥ 6,002	¥ 93,074	—	¥ 93,074
Intersegment income	1,582	113	1,696	2,662	4,358	(4,358)	—
Total	76,583	12,185	88,768	8,664	97,432	(4,358)	93,074
Segment profit	18,627	491	19,118	441	19,559	(9)	19,549
Segment assets	6,399,795	43,099	6,442,894	33,628	6,476,522	(45,201)	6,431,321
Segment liabilities	6,172,057	39,966	6,212,024	24,250	6,236,274	(45,201)	6,191,073
Others:							
Depreciation	3,117	1,284	4,401	48	4,450	—	4,450
Interest income	51,982	2	51,985	65	52,051	(224)	51,826
Interest expense	4,279	196	4,475	70	4,545	(224)	4,321
Extraordinary gain	38	—	38	—	38	(28)	10
Extraordinary loss	41	1	42	0	42	—	42
Tax expense	5,861	141	6,002	199	6,202	—	6,202
Increase in tangible and intangible fixed assets	3,238	1,474	4,713	32	4,746	—	4,746

Notes:

- Ordinary income (“Total income” less extraordinary gain included in “Other income” in the consolidated statements of income) is presented in place of net sales of operating companies of other industry groups.
- “Other” includes business segments which are not included in the reportable segments and comprises credit cards business and securities business.
- Adjustments are as below:
 - Adjustment of segment profit of negative ¥9 million is the elimination of intersegment transactions.
 - Adjustment of segment assets of negative ¥45,201 million is the elimination of intersegment transactions.
 - Adjustment of segment liabilities of negative ¥45,201 million is the elimination of intersegment transactions.
 - Adjustment of interest income of negative ¥224 million is the elimination of intersegment transactions.
 - Adjustment of interest expense of negative ¥224 million is the elimination of intersegment transactions.
 - Adjustment of extraordinary gain of negative ¥28 million is the elimination of intersegment transactions.
- Segment profit is reconciled to ordinary profit, which represents ordinary income less ordinary expenses. Ordinary expenses represent “Total expenses” less extraordinary loss included in “Other expenses” in the consolidated statements of income. Therefore, consolidated segment profit, which shows ordinary profit, is reconciled to “Income before income taxes” through the addition/deduction of extraordinary gain/loss, net.

Thousands of U.S. dollars							
2026							
	Reportable segments			Other	Total	Adjustment	Consolidated
	Banking	Leasing	Total				
Ordinary income:							
Outside customers	\$ 599,555	\$ 82,668	\$ 682,230	\$ 52,170	\$ 734,407	—	\$ 734,407
Intersegment income	10,482	713	11,195	18,520	29,722	(29,722)	—
Total	610,045	83,381	693,432	70,696	764,129	(29,722)	734,407
Segment profit	146,828	3,990	150,825	7,061	157,887	(56)	157,824
Segment assets	41,060,307	283,418	41,343,726	218,845	41,562,578	(306,748)	41,255,823
Segment liabilities	39,561,239	261,095	39,822,335	152,014	39,974,355	(306,748)	39,667,600
Others:							
Depreciation	20,615	8,006	28,621	318	28,940	—	28,940
Interest income	456,629	137	456,767	662	457,436	(2,239)	455,191
Interest expense	87,840	2,007	89,848	594	90,449	(2,239)	88,209
Extraordinary gain	175	0	181	—	181	(175)	0
Extraordinary loss	243	0	243	0	243	—	243
Tax expense	45,108	1,376	46,491	2,576	49,068	—	49,068
Increase in tangible and intangible fixed assets	25,519	11,052	36,577	250	36,827	—	36,827

Notes:

- Ordinary income (“Total income” less extraordinary gain included in “Other income” in the consolidated statements of income) is presented in place of net sales of operating companies of other industry groups.
- “Other” includes business segments which are not included in the reportable segments and comprises credit cards business and securities business.
- Adjustments are as below:
 - Adjustment of segment profit of negative \$56 thousand is the elimination of intersegment transactions.
 - Adjustment of segment assets of negative \$306,748 thousand is the elimination of intersegment transactions.
 - Adjustment of segment liabilities of negative \$306,748 thousand is the elimination of intersegment transactions.
 - Adjustment of interest income of negative \$2,239 thousand is the elimination of intersegment transactions.
 - Adjustment of interest expense of negative \$2,239 thousand is the elimination of intersegment transactions.
 - Adjustment of extraordinary gain of negative \$175 thousand is the elimination of intersegment transactions.
- Segment profit is reconciled to ordinary profit, which represents ordinary income less ordinary expenses. Ordinary expenses represent “Total expenses” less extraordinary loss included in “Other expenses” in the consolidated statements of income. Therefore, consolidated segment profit, which shows ordinary profit, is reconciled to “Income before income taxes” through the addition/deduction of extraordinary gain/loss, net.

(4) Information on impairment loss on fixed assets for each reportable segment

Millions of yen				
2026				
Reportable segments				
	Banking	Leasing	Other	Total
Impairment loss	¥ 18	¥ -	¥ -	¥ 18

Millions of yen				
2025				
Reportable segments				
	Banking	Leasing	Other	Total
Impairment loss	¥ 3	¥ -	¥ -	¥ 3

Thousands of U.S. dollars				
2026				
Reportable segments				
	Banking	Leasing	Other	Total
Impairment loss	\$ 112	\$ -	\$ -	\$ 112

(5) Information on amortization of goodwill and its remaining balance for each reportable segment

There is no information to be reported on amortization of goodwill.

(6) Information on gain on negative goodwill for each reportable segment

There is no information to be reported on gain on negative goodwill.

(7) Related information

a. Information about services

For the year ended March 31, 2026

Millions of yen					
	Securities trading and investment				
	Lending		Leasing	Other	Total
Income from external customers	¥ 56,511	¥ 12,816	¥ 13,196	¥ 34,891	¥ 117,417

For the year ended March 31, 2025

Millions of yen					
	Securities trading and investment		Leasing	Other	Total
	Lending				
Income from external customers	¥ 43,246	¥ 7,327	¥ 12,069	¥ 30,431	¥ 93,074

Notes:

“Income” is presented in lieu of net sales presented by non-financial companies.

For the year ended March 31, 2026

Thousands of U.S. dollars					
	Lending	Securities trading and investment	Leasing	Other	Total
Income from external customers	\$ 353,458	\$ 80,160	\$ 82,536	\$ 218,232	\$ 734,407

b. Information about geographical areas

(i) Income

Information about income has not been presented as income from external customers inside Japan accounts for more than 90% of the consolidated income for the years ended March 31, 2026 and 2025.

(ii) Tangible fixed assets

Information about tangible fixed assets has not been presented as tangible fixed assets inside Japan accounts for more than 90% of the consolidated tangible fixed assets at March 31, 2026 and 2025.

c. Information about main customers

Information about main customers has not been presented as there is no income from particular customer which accounts for more than 10% of the consolidated income for the years ended March 31, 2026 and 2025.

34. Financial Instruments and Related Disclosures

1. General Information

(1) Policy for financial instruments

The Group, whose core operation is The Senshu Ikeda Bank, Ltd. (the “Bank”), is engaged in the various financial services as a regional financial institution. The Group holds financial assets and liabilities which are subject to fluctuations in the interest rates and market prices in the principal businesses such as deposit-taking and lending services and market activities including securities investment. In order to serve for setting up strategic targets in response to the changes in market environments, the Group conducts integrated asset and liability management (“ALM”) and utilizes derivative contracts as a part of ALM.

(2) Contents of financial instruments and their risks

Financial assets held by the Group mainly consist of loans to domestic corporate and individual customers, which are exposed to credit risk arising from customers' nonperformance of contractual obligations and interest rate movement risk. Securities held by the Group principally consist of equity securities, debt securities and investment trusts, which are held for pure investment purpose and strategic investment purpose as available-for-sale securities and partially, for holding to maturity and trading purposes. These financial assets are exposed to credit risk of issuers and market risk associated with interest rates, stock prices and foreign exchanges.

Deposits which are major financial liabilities are exposed to liquidity risk that unexpected cash flow might arise. In addition, other fund raising sources are exposed to the liquidity risk that necessary fund might not be secured when the Group fails to utilize the market under certain circumstances, or that the Group might be obliged to fund at more unfavorable interest rates than normal. In addition, these financial liabilities are exposed to the risk of fluctuations in interest rates as well as financial assets. The Group uses derivative contracts to meet the customers' needs and principally as a means of risk control over the assets and liabilities. In addition, as a part of trading activities (to earn short-term trading gains), futures instruments including equity and debt securities are utilized. These derivatives are exposed to the credit risk (counterparty risk) arising from customers' nonperformance of contractual obligations and market risk arising from the fluctuations in interest rates, stock prices, foreign exchanges, etc.

(3) Risk management system for financial instruments

The Group has established the risk control department independent from front offices and defines basic risk management policies. Specifically, the risk management system and various rules including the basic policy on risk control are determined by the Board of Directors, and the responsible functions by risk categories and the integrated risk control function are clearly defined. In addition, the "Risk Management Committee" and the "ALM Committee" have been established to monitor the risk profiles of the Group and discuss management issues as well as risk control measures. And such matters are reported to the Board of Directors and accordingly, effective risk management system at the management level is structured.

a. Integrated risk management

The Group conducts integrated risk management in accordance with the basic policy on risk control and various integrated risk control rules. Specifically, the Group conducts integrated control by identifying the risks assessed by risk categories such as credit risk, market risk and others including credit concentration risk not considered in the computation process of the capital ratio and interest rate risk of banking accounts and compares them with management capacity (capital).

b. Credit risk management

The Group analyzes and controls the credit portfolio in accordance with the Company's policy on credit risk control and various credit risk control rules. The Group maintains and operates a system of investigation, internal rating, asset self-assessment in monitoring individual transactions.

These credit control procedures are performed by each operating office, credit investigation department and risk control departments of the Bank. With respect to credit risk of issuers of securities and counterparty risk of derivative transactions, the risk control departments of the Bank monitor the identification of credit information and fair values. In addition, the risk control department of the Company reports on a regular basis to the Board of Directors of the Company.

Furthermore the internal audit departments audit the status of credit control.

c. Market risk management**(i) Market risk management**

The Group controls market risk arising from fluctuations in interest rates, stock prices, foreign exchanges, etc. in accordance with the Company's policy on market risk control and various market risk control rules. Specifically, the risk control department of the Company identifies the volume of market risk using the Value-at-Risk (VaR) method and monitors compliance with the risk limits resolved by the Board of Directors through continuous monitoring system. For securities, in addition to above risk limit control policy, the Group has established and managed loss cut rules. The relevant information is periodically reported by the risk control department to the Risk Management Committee and the Board of Directors.

The ALM Committee identifies and confirms the make-up of assets and liabilities and interest rate risk and discusses future measures. Specifically, the responsible department of the Group for ALM identifies comprehensively interest rates and periods of financial assets and liabilities and monitors using gap analysis and interest rate sensitivity analysis to secure stable and continuous earnings.

The Bank executes foreign exchange transactions and foreign currency bond investments, which are exposed to foreign exchange risk, but the subsidiary strives to minimize foreign exchange risk by balancing the foreign exchange positions where possible.

(ii) Derivative transactions

With respect to derivative transactions, the Group has established an internal control system including segregation of duties of the departments responsible for execution of transactions, risk control and operation administration and complies with the various market risk control rules.

(iii) Quantitative information of market risk

The Group monitors the value at market risk of financial instruments, such as deposits, loans and bills discounted and securities, using VaR everyday as the change in market risk is larger than other risks.

The Group calculates the value at market risk according to the variance-covariance approach (holding period—120 business days, confidence interval—99.0%, and observation period—240 business days).

The value of market risk on financial instruments was ¥19.9 billion (\$124 million) for interest rate and ¥15.0 billion (\$93 million) for stocks at March 31, 2026. The value of market risk as a whole with correlation in consideration was ¥38.0 billion (\$237 million).

The Group carries out back-testing to compare the model-calculating VaR of securities on the banking activities which influenced by market fluctuation (holding period—one business day) with real gain and loss in order to verify their accuracy.

However, VaR, which calculates the value of market risk based on past fluctuations in the market, sometimes cannot calculate the value of market risk accurately under the condition that market environment changes abruptly.

d. Liquidity risk management associated with fund raising

The Group conducts liquidity risk control for funding activities in accordance with the Company's policy on liquidity risk control and various liquidity risk control rules. Specifically, the department responsible for ALM and the treasury department of the Bank identify the investment and funding status of the whole Group on a timely basis and control liquidity risk by securing liquidity of the assets, diversifying the funding instruments and adjusting the short-term and long-term funding balances considering the market environments to secure stable fund management.

The risk control department identifies its response capability if liquidity risk is revealed through monitoring periodically the amount of liquid reserve assets that can be readily converted into cash, monitors the appropriateness of its fund management and reports it to the Risk Management Committee and the Board of Directors.

(4) Supplementary explanation about fair value of financial instruments

The fair value of financial instruments includes the value based on the market price as well as the value reasonably calculated when there is no market price.

Since certain assumptions are used in calculating the fair value of financial instruments, the result of such calculation may vary if different assumptions are used.

2. Fair value of financial instruments

The carrying value, the fair value and the difference as of March 31, 2026 and 2025 are summarized in the following tables:

Shares and other securities without a quoted market price and investments in partnerships are not included in the following table (see Note 1). In addition, cash and due from banks, call loans and bills bought, foreign exchange (assets and liabilities), Negotiable certificates of deposit, payables under securities lending transactions and borrowed money from trust account are omitted because their fair values approximate their carrying values due to their short maturities.

Millions of yen			
March 31, 2026	Carrying value	Fair value	Difference
Money held in trust	¥ 9,000	¥ 9,000	—
Securities:			
Held-to-maturity debt securities	273,312	257,228	(16,083)
Available-for-sale securities(*3)	576,717	576,717	—
Loans and bills discounted	4,844,454		
Reserve for possible loan losses (*1)	(8,389)		
	4,836,065	4,764,137	(71,927)
Total assets	¥ 5,695,095	¥ 5,607,084	¥ (88,010)
Deposits	¥ 5,845,114	¥ 5,844,228	¥ (885)
Borrowed money	388,214	388,170	(43)
Total liabilities	¥ 6,233,328	¥ 6,232,398	¥ (929)
Derivative transactions (*2)			
To which hedge accounting is not applied	¥ (115)	¥ (115)	¥ —
To which hedge accounting is applied	3,365	3,365	—
Total derivative transactions	¥ 3,249	¥ 3,249	¥ —

Millions of yen			
March 31, 2025	Carrying value	Fair value	Difference
Money held in trust	¥ 8,996	¥ 8,996	—
Securities:			
Held-to-maturity debt securities	179,990	173,260	(6,729)
Available-for-sale securities(*3)	519,799	519,799	—
Loans and bills discounted	4,680,029		
Reserve for possible loan losses (*1)	(9,068)		
	4,670,960	4,629,041	(41,918)
Total assets	¥ 5,379,747	¥ 5,331,099	¥ (48,648)
Deposits	¥ 5,702,410	¥ 5,701,333	¥ (1,077)
Borrowed money	408,343	408,299	(44)
Total liabilities	¥ 6,110,754	¥ 6,109,632	¥ (1,121)
Derivative transactions (*2)			
To which hedge accounting is not applied	¥ (23)	¥ (23)	¥ —
To which hedge accounting is applied	(913)	(913)	—
Total derivative transactions	¥ (937)	¥ (937)	¥ —

Thousands of U.S. dollars			
March 31, 2026	Carrying value	Fair value	Difference
Money held in trust	\$ 56,292	\$ 56,292	\$ —
Securities:			
Held-to-maturity debt securities	1,709,482	1,608,881	(100,594)
Available-for-sale securities(*3)	3,607,186	3,607,186	—
Loans and bills discounted	30,300,562		
Reserve for possible loan losses (*1)	(52,470)		
	30,248,092	29,798,204	(449,881)
Total assets	\$ 35,621,059	\$ 35,070,577	\$ (550,475)
Deposits	\$ 36,559,382	\$ 36,553,840	\$ (5,535)
Borrowed money	2,428,158	2,427,883	(268)
Total liabilities	\$ 38,987,540	\$ 38,981,723	\$ (5,810)
Derivative transactions (*2)			
To which hedge accounting is not applied	\$ (719)	\$ (719)	\$ —
To which hedge accounting is applied	21,047	21,047	—
Total derivative transactions	\$ 20,321	\$ 20,321	\$ —

(*1) General and specific reserves for loan losses corresponding to loans are deducted.

(*2) Derivative transactions include all derivatives recorded in other assets and other liabilities. Assets and liabilities arising from derivative transactions are shown on a net basis.

(*3) “Available-for-sale securities” include investment trusts to which the treatment in Paragraph 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) is applied, where the base price is deemed to be the fair value.

(Note 1) Carrying amounts of shares and other securities without a quoted market price and investments in partnerships recorded in the consolidated balance sheets were as follows. They are not included in “Available-for-sale securities” under “Assets” as part of the fair value information on financial instruments.

	(Millions of yen)	(Thousands of U.S. dollars)
	March 31, 2026	March 31, 2025
Unlisted equity securities (*1, 2)	7,013	6,403
Investments in partnerships(*3)	12,660	10,068
Total	19,674	16,471

(*1) Unlisted equity securities are not subject to fair value disclosure, in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

(*2) The Group recognized impairment losses on unlisted equity securities in the amount of ¥134 million (\$838 thousand) and ¥146 million for the year ended March 31, 2026 and 2025, respectively.

(*3) Investments in partnerships are not subject to fair value disclosure, in accordance with Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

(Note 2) Repayment schedule of monetary receivables and securities with contractual maturities

Millions of yen			
March 31, 2026	Due in one year or less	Due after one year through three years	Due after three years through five years
Due from banks	¥ 655,143	¥ —	¥ —
Call loans and bills bought	3,197	—	—
Securities:	52,590	65,249	157,958
Held-to-maturity debt securities	1,237	15,826	66,155
Government bonds	—	1,100	22,200
Local government bonds	1,237	14,726	43,955
Available-for-sale securities with maturities:	51,352	49,422	91,802
Government bonds	10,000	300	30,800
Local government bonds	20,980	21,900	49,555
Corporate bonds	19,834	24,438	3,387
Other	538	2,783	8,060
Loans and bills discounted (*1, 2)	710,460	746,330	629,270
Foreign exchanges assets	6,590	—	—
Total	¥ 1,427,982	¥ 811,579	¥ 787,228

Millions of yen			
March 31, 2026	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Due from banks	¥ —	¥ —	¥ —
Call loans and bills bought	—	—	—
Securities:	163,985	214,165	200,693
Held-to-maturity debt securities	74,167	120,059	1,908
Government bonds	37,200	75,600	1,588
Local government bonds	36,967	44,459	320
Available-for-sale securities with maturities:	89,818	94,105	198,784
Government bonds	22,800	11,500	69,100
Local government bonds	56,774	46,558	35,310
Corporate bonds	1,634	4,146	79,828
Other	8,609	31,899	14,546
Loans and bills discounted (*1, 2)	441,389	577,838	1,687,918
Foreign exchanges assets	—	—	—
Total	¥ 605,375	¥ 792,004	¥ 1,888,611

Millions of yen				
March 31, 2025	Due in one year or less	Due after one year through three years	Due after three years through five years	
Due from banks	¥ 806,466	¥ —	¥ —	—
Call loans and bills bought	4,336	—	—	—
Securities:	31,433	78,586	101,166	
Held-to-maturity debt securities	239	4,268	38,755	
Government bonds	—	600	4,500	
Local government bonds	239	3,668	34,255	
Available-for-sale securities with maturities:	31,193	74,318	62,411	
Government bonds	10,000	10,000	3,800	
Local government bonds	7,600	25,880	45,235	
Corporate bonds	13,434	36,808	9,450	
Other	159	1,629	3,925	
Loans and bills discounted (*1, 2)	680,551	721,337	607,795	
Foreign exchanges assets	5,862	—	—	
Total	¥ 1,528,650	¥ 799,924	¥ 708,962	

Millions of yen				
March 31, 2025	Due after five years through seven years	Due after seven years through ten years	Due after ten years	
Due from banks	¥ —	¥ —	¥ —	—
Call loans and bills bought	—	—	—	—
Securities:	146,958	179,922	138,566	
Held-to-maturity debt securities	51,152	85,144	1,947	
Government bonds	14,800	21,100	1,587	
Local government bonds	36,352	64,044	360	
Available-for-sale securities with maturities:	95,806	94,777	136,619	
Government bonds	16,000	10,400	41,000	
Local government bonds	61,482	58,749	—	
Corporate bonds	6,383	3,984	81,191	
Other	11,940	21,644	14,428	
Loans and bills discounted (*1, 2)	454,154	604,527	1,561,651	
Foreign exchanges assets	—	—	—	
Total	¥ 601,112	¥ 784,450	¥ 1,700,217	

Thousands of U.S. dollars				
March 31, 2026	Due in one year or less	Due after one year through three years	Due after three years through five years	
Due from banks	\$ 4,097,717	\$ —	\$ —	—
Call loans and bills bought	19,996	—	—	—
Securities:	328,934	408,112	987,978	
Held-to-maturity debt securities	7,737	98,986	413,779	
Government bonds	—	6,880	138,854	
Local government bonds	7,737	92,106	274,924	
Available-for-sale securities with maturities:	321,190	309,119	574,193	
Government bonds	62,546	1,876	192,644	
Local government bonds	131,223	136,977	309,951	
Corporate bonds	124,055	152,852	21,184	
Other	3,365	17,406	50,412	
Loans and bills discounted (*1, 2)	4,443,707	4,668,063	3,935,889	
Foreign exchanges assets	41,218	—	—	
Total	\$ 8,931,586	\$ 5,076,175	\$ 4,923,867	

Thousands of U.S. dollars				
March 31, 2026	Due after five years through seven years	Due after seven years through ten years	Due after ten years	
Due from banks	\$ —	\$ —	\$ —	—
Call loans and bills bought	—	—	—	—
Securities:	1,025,675	1,339,535	1,255,272	
Held-to-maturity debt securities	463,891	750,931	11,933	
Government bonds	232,674	472,854	9,932	
Local government bonds	231,217	278,077	2,001	
Available-for-sale securities with maturities:	561,783	588,597	1,243,332	
Government bonds	142,606	71,928	432,199	
Local government bonds	355,103	291,205	220,853	
Corporate bonds	10,220	25,931	499,299	
Other	53,846	199,518	90,980	
Loans and bills discounted (*1, 2)	2,760,751	3,614,198	10,557,405	
Foreign exchanges assets	—	—	—	
Total	\$ 3,786,433	\$ 4,953,740	\$ 11,812,678	

(*1) Loans and bills discounted do not include ¥51,246 million (\$320,527 thousand) and ¥50,010 million of receivables such as those due from bankrupt, effectively bankrupt or likely to become bankrupt borrowers at March 31, 2026 and 2025, respectively, since it is not certain when they can be collected or redeemed.

(*2) Overdraft accounts of loans are shown under “Due in one year or less.”

(Note 3) Repayment schedule of bonds, borrowed money and other interest bearing liabilities.

Millions of yen				
March 31, 2026	Due in one year or less	Due after one year through three years	Due after three years through five years	
Deposits (*1)	¥ 5,658,568	¥ 154,758	¥ 21,041	
Negotiable certificates of deposit	14,000	—	—	
Payables under securities lending transactions	9,875	—	—	
Borrowed money	161,335	226,799	80	
Total	¥ 5,843,778	¥ 381,557	¥ 21,121	

Millions of yen			
March 31, 2026	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*1)	¥ 146	¥ 1,530	¥ —
Negotiable certificates of deposit	—	—	—
Payables under securities lending transactions	—	—	—
Borrowed money	—	—	—
Total	¥ 146	¥ 1,530	¥ —

Millions of yen			
March 31, 2025	Due in one year or less	Due after one year through three years	Due after three years through five years
Deposits (*1)	¥ 5,507,312	¥ 158,479	¥ 21,481
Payables under securities lending transactions	4,396	—	—
Borrowed money	70,230	337,768	345
Total	¥ 5,581,938	¥ 496,247	¥ 21,826

Millions of yen			
March 31, 2025	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*1)	¥ 185	¥ 1,874	¥ —
Payables under securities lending transactions	—	—	—
Borrowed money	—	—	—
Total	¥ 185	¥ 1,874	¥ —

Thousands of U.S. dollars			
March 31, 2026	Due in one year or less	Due after one year through three years	Due after three years through five years
Deposits (*1)	\$ 35,392,594	\$ 967,963	\$ 131,604
Negotiable certificates of deposit	87,565	—	—
Payable under securities lending transactions	61,765	—	—
Borrowed money	1,009,100	1,418,557	500
Total	\$ 36,551,025	\$ 2,386,521	\$ 132,105

Thousands of U.S. dollars			
March 31, 2026	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*1)	\$ 913	\$ 9,569	\$ —
Negotiable certificates of deposit	—	—	—
Payable under securities lending transactions	—	—	—
Borrowed money	—	—	—
Total	\$ 913	\$ 9,569	\$ —

(*1) Demand deposits were disclosed under “Due in one year or less” of deposits.
Deposits did not include ¥9,068 million (\$56,717 thousand) and ¥13,077 million of time deposits beyond maturity at March 31, 2026 and 2025, respectively.

3. The breakdown of fair value of financial instruments by level, etc.

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to determine fair value.

Level 1: Fair value determined based on quoted market prices for assets or liabilities for which such fair value is calculated that are formed in an active market, among the inputs for the determination of observable fair value

Level 2: Fair value determined using inputs related to observable fair value other than Level 1 inputs

Level 3: Fair value determined using unobservable inputs for fair value calculations

When multiple inputs that have a significant impact on the determination of fair value are used, fair value is classified as the level with the lowest priority in the determination of fair value among the levels to which each of those inputs belongs.

(1) Financial instruments recorded at fair value in the consolidated balance sheets

Millions of yen				
2026				
Category	Fair value			Total
	Level 1	Level 2	Level 3	
Money held in trust	7,783	1,217	—	9,000
Securities				
Available-for-sale securities				
Government bonds, local government bonds, etc.	129,037	211,776	—	340,813
Corporate bonds	—	107,134	11,494	118,629
Shares	23,537	—	—	23,537
Foreign securities	10,166	—	—	10,166
Investments trusts	4,371	43,478	—	47,850
Derivative transactions				
Interest rate-related	—	4,083	—	4,083
Currency-related	—	2,072	—	2,072
Total assets	174,897	369,762	11,494	556,155
Derivative transactions				
Currency-related	—	2,906	—	2,906
Total liabilities	—	2,906	—	2,906

Millions of yen				
2025				
Category	Fair value			Total
	Level 1	Level 2	Level 3	
Money held in trust	7,293	1,703	—	8,996
Securities				
Available-for-sale securities				
Government bonds, local government bonds, etc.	85,617	190,904	—	276,521
Corporate bonds	—	127,416	15,618	143,034
Shares	19,473	—	—	19,473
Foreign securities	4,720	—	—	4,720
Investments trusts	4,692	39,222	—	43,915
Derivative transactions				
Currency-related	—	3,586	—	3,586
Total assets	121,797	362,833	15,618	500,248
Derivative transactions				
Interest rate-related	—	125	—	125
Currency-related	—	4,398	—	4,398
Total liabilities	—	4,524	—	4,524

Thousands of U.S. dollars

Category	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust	48,680	7,611	—	56,292
Securities				
Available-for-sale securities				
Government bonds, local government bonds, etc.	807,086	1,324,593	—	2,131,680
Corporate bonds	—	670,090	71,891	741,987
Shares	147,216	—	—	147,216
Foreign securities	63,585	—	—	63,585
Investments trusts	27,339	271,941	—	299,286
Derivative transactions				
Interest rate-related	—	25,537	—	25,537
Currency-related	—	12,959	—	12,959
Total assets	1,093,926	2,312,747	71,891	3,478,577
Derivative transactions				
Currency-related	—	18,176	—	18,176
Total liabilities	—	18,176	—	18,176

(*1) "Securities" do not include investment trusts to which the treatment in Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) is applied, where the base price is deemed to be the fair value. The amount recorded on the consolidated balance sheet of investment trusts to which the treatment in Paragraph 24-9 has been applied is ¥35,718 million (\$223,405 thousand) and ¥32,134 million at March 31, 2026 and 2025, respectively.

(*2) Reconciliation of the beginning balance to the end balance of investment trusts, etc. to which the treatment in Paragraph 24-9 has been applied

Millions of yen							
2026							
Beginning balance	Profit or loss or other comprehensive income for the year		Purchases, sales, issuances, and settlements	The amount by which the base price of the investment trust was deemed to be the fair value	The amount by which the base price of the investment trust was not deemed to be the fair value	End balance	Valuation gain or loss of investment trusts held at the consolidated balance sheet date of the amount recorded in profit or loss for the year
32,134	-	870	2,714	-	-	35,718	-

Millions of yen							
2025							
Beginning balance	Profit or loss or other comprehensive income for the year		Purchases, sales, issuances, and settlements	The amount by which the base price of the investment trust was deemed to be the fair value	The amount by which the base price of the investment trust was not deemed to be the fair value	End balance	Valuation gain or loss of investment trusts held at the consolidated balance sheet date of the amount recorded in profit or loss for the year
26,889	-	376	4,868	-	-	32,134	-

Thousands of U.S. dollars							
2026							
Beginning balance	Profit or loss or other comprehensive income for the year		Purchases, sales, issuances, and settlements	The amount by which the base price of the investment trust was deemed to be the fair value	The amount by which the base price of the investment trust was not deemed to be the fair value	End balance	Valuation gain or loss of investment trusts held at the consolidated balance sheet date of the amount recorded in profit or loss for the year
200,988	-	5,441	16,975	-	-	223,405	-

(*1) Included in "Net unrealized gain (loss) on available-for-sale securities" under "Other comprehensive income" in the consolidated statements of comprehensive income.

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheets

Millions of yen				
2026				
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government bonds, local government bonds, etc.	125,643	131,585	—	257,228
Loans and bills discounted	—	113,362	4,650,775	4,764,137
Total assets	125,643	244,948	4,650,775	5,021,366
Deposits	—	5,844,228	—	5,844,228
Borrowed money	—	385,420	2,750	388,170
Total liabilities	—	6,229,648	2,750	6,232,398

Millions of yen				
2025				
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government bonds, local government bonds, etc.	40,248	133,012	—	173,260
Loans and bills discounted	—	118,482	4,510,559	4,629,041
Total assets	40,248	251,495	4,510,559	4,802,302
Deposits	—	5,701,333	—	5,701,333
Borrowed money	—	405,652	2,646	408,299
Total liabilities	—	6,106,985	2,646	6,109,632

Thousands of U.S. dollars				
2026				
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government bonds, local government bonds, etc.	785,858	823,023	—	1,608,881
Loans and bills discounted	—	709,044	29,089,160	29,798,204
Total assets	785,858	1,532,074	29,089,160	31,407,092
Deposits	—	36,553,840	—	36,553,840
Borrowed money	—	2,410,683	17,200	2,427,883
Total liabilities	—	38,964,523	17,200	38,981,723

(Note 1) Valuation method for the fair value of financial instruments

Assets:

Money held in trust

For securities that are invested as part of trust assets in an independently managed money trust with securities management as the primary purpose, the fair value of equity securities is determined using quoted market prices and the fair value of debt securities is determined using quoted market prices or the prices provided by counterparty financial institutions. The fair value of securities for which unadjusted quoted market prices in active markets are available is classified as Level 1, that for which the impact of unobservable inputs is significant is classified as Level 3, and that for which the impact of unobservable inputs is not significant is classified as Level 2.

Note that information on money held in trust by holding purposes is presented under the "Money Held in Trust" section.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets can be used is classified as Level 1. Such securities mainly include listed equity securities and government bonds.

If the market is not active even when published market prices are used, the fair value is classified as Level 2. Such securities mainly include local government bonds and corporate bonds.

In addition, for investment trusts for which there is no market transaction price, if there are no significant restrictions that would require market participants to compensate for the risk of redemption or repurchase requests, the fair value is classified as Level 2.

When quoted market prices are not available, fair value is determined using such valuation methods as the method for discounted present value of future cash flows. The valuation makes maximum use of observable inputs, which include credit spreads. When significant unobservable inputs are used in the determination, the fair value is classified as Level 3.

Loans and bills discounted

The fair value of loans is determined based on the aggregated value of principal and interest by categories of types of loans, internal ratings and maturities discounted using the interest rate assumed if the same loans were newly originated. The carrying value of the loans with floating interest rates, which reflect short-term market interest rates, is presented as the fair value since the fair value approximates the carrying value as long as the creditworthiness of the borrower has not changed significantly since the loan origination. Loan losses on receivables from bankrupt, effectively bankrupt or likely to become bankrupt borrowers are estimated based on factors such as the present value of expected future cash flows or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the carrying value recorded on the consolidated balance sheets at the closing date, net of the currently expected loan losses, such carrying value is presented as the fair value. The carrying value of the loans which do not have defined repayment due dates because the loans are limited to within the amount of pledged assets is presented as the fair value since the fair value approximates the carrying value considering the expected repayment schedule and interest rate conditions. Such fair value is classified as Level 3. The fair value of loans with embedded derivative is determined using quoted prices provided by counterparty financial institutions, etc. Such fair value is classified as Level 2.

Liabilities:

Deposits

The amount payable on demand as of the consolidated balance sheet date is presented as the fair value of the demand deposit. The fair value of time deposits is determined using the discounted present value of future cash flows, grouped by certain maturity lengths. The discount rate used is the interest rate that would be applied to newly accepted deposits. The carrying value of deposits whose remaining maturity is within the short-term period (one year or less) is presented as the fair value since the fair value approximates the carrying value. Such fair value is classified as Level 2.

Borrowed money

The present value of borrowed money is determined by discounting the aggregated value of principal and interest of such borrowings, grouped by certain maturity lengths, by the interest rate assumed for similar borrowings. The carrying value of floating rate borrowed money is presented as fair value. This is because it reflects the market interest rate in the short-term period, and also the creditworthiness of the consolidated subsidiaries has not significantly changed since the borrowed money was originated and accordingly fair value approximates the carrying value. The carrying value of borrowed money with short contractual terms (one year or less) is presented as fair value since the fair value approximates the carrying value. Fair value for which the impact of unobservable inputs is significant is classified as Level 3, and that for which the impact of unobservable inputs is not significant is classified as Level 2.

Derivative transactions:

The fair value of derivative transactions for which unadjusted quoted market prices in active markets can be used is classified as Level 1. These transactions mainly include bond futures and interest rate futures transactions.

However, since most derivatives transactions are over-the-counter transactions and there are no published quoted market prices, fair value is determined using such valuation methods as discounted present value or the Black-Scholes model, depending on the type of transaction and the maturity length. The main inputs used in those valuation methods include interest rates, exchange rates, and volatility. If unobservable inputs are not used or their impact is not significant, the fair value is classified as Level 2. Such transactions include plain vanilla interest rate swap transactions and foreign exchange forward contracts. If significant unobservable inputs are used, the fair value is classified as Level 3. Such transactions include stock options transactions.

(Note 2) Information on the fair value of Level 3 for financial instruments recorded in the consolidated balance sheets at fair value

(1) Quantitative information on significant unobservable inputs

March 31, 2026

Category	Valuation methods	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Private placement bonds	Discounted cash flow method	Credit spreads	(0.664%) to (0.171%)	(0.497%)

March 31, 2025

Category	Valuation methods	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Private placement bonds	Discounted cash flow method	Credit spreads	(0.184%) to 0.158%	0.018%

(2) Reconciliation of the beginning balance to the end balance and valuation gain or loss recognized in profit or loss for the year

Millions of yen							
2026							
	Beginning balance	Recorded in profit or loss(*1)	Recorded in other comprehensive income(*2)	Purchases, sales, issuances, and transfers into Level 3	Transfer out of Level 3	End balance	Valuation gain or loss of financial assets and financial liabilities held at the consolidated balance sheet date of the amount recorded in profit or loss for the year (*1)
Securities							
Available-for-sale securities							
Private placement bonds	15,618	(4)	(73)	(4,045)	-	11,494	-

Millions of yen							
2025							
	Beginning balance	Recorded in profit or loss(*1)	Recorded in other comprehensive income(*2)	Purchases, sales, issuances, and transfers into Level 3	Transfer out of Level 3	End balance	Valuation gain or loss of financial assets and financial liabilities held at the consolidated balance sheet date of the amount recorded in profit or loss for the year (*1)
Securities							
Available-for-sale securities							
Private placement bonds	20,026	23	(145)	(4,286)	-	15,618	-

Thousands of U.S. dollars							
2026							
	Beginning balance	Recorded in profit or loss(*1)	Recorded in other comprehensive income(*2)	Purchases, sales, issuances, and transfers into Level 3	Transfer out of Level 3	End balance	Valuation gain or loss of financial assets and financial liabilities held at the consolidated balance sheet date of the amount recorded in profit or loss for the year (*1)
Securities							
Available-for-sale securities							
Private placement bonds	97,685	(25)	(456)	(25,300)	-	71,891	-

(*1) Included in “Other ordinary income” and “Other ordinary expenses” in the consolidated statements of income.

(*2) Included in “Net unrealized gain (loss) on available-for-sale securities” under “Other comprehensive income” in the consolidated statements of comprehensive income.

(3) A description of valuation processes used for fair value measurements

At consolidated subsidiaries, the risk control department establishes policies and procedures for measuring fair value, and the back office measures fair value accordingly. The middle office verifies whether the fair value obtained is measured by using valid valuation methods and inputs as well as whether they are classified into an appropriate level of the fair value hierarchy in order to ensure that the policies and procedures for measuring fair value are appropriate. In measuring fair value, the Group uses a valuation model that most appropriately reflects the nature, characteristics and risks of each asset. In addition, when using quoted prices obtained from third parties, the Group verifies whether the prices are valid by using appropriate methods, such as confirming the valuation methods and inputs used and comparing them with the fair value of similar financial instruments.

(4) A description of the effect on the fair value of changes in significant unobservable inputs

Significant unobservable inputs used in measuring the fair value of private placement bonds are credit spreads. Credit spread is the difference between the weighted average interest rate of the newly executed rate for each credit rating and the market interest rate, and it is an estimated value calculated based on the results within six months from the settlement date. Significant increases (decreases) in this input would result in a significantly lower (higher) fair value measurement.

35. Derivatives

1. Derivative transactions to which hedge accounting is not applied

With respect to derivatives to which hedge accounting is not applied, contract amount or notional principal, fair value and related valuation gain or loss are as follows. Note that contract amounts do not represent the market risk exposure of derivative transactions.

(1) Currency related derivatives at March 31, 2026 and 2025

Millions of yen				
Contract amount /notional principal				
March 31, 2026	Total	Over one year	Fair value	Valuation gain (loss)
Over-the-counter transactions:				
Currency swaps	¥ 35,059	¥ 27,432	¥ 47	¥ 47
Forward foreign exchange contracts:				
Selling	5,382	133	(279)	(279)
Buying	3,980	-	116	116
Currency options:				
Selling	162,138	127,563	(1,600)	2,340
Buying	162,138	127,563	1,600	(905)
Total	-	-	¥ (115)	¥ 1,319

Millions of yen					
Contract amount /notional principal					
March 31, 2025	Total	Over one year	Fair value	Valuation gain (loss)	
Over-the-counter transactions:					
Currency swaps	¥ 35,790	¥ 28,785	¥ 52	¥ 52	
Forward foreign exchange contracts:					
Selling	5,825	271	(102)	(102)	
Buying	3,910	-	26	26	
Currency options:					
Selling	89,910	70,239	(3,217)	648	
Buying	89,910	70,239	3,217	162	
Total	-	-	¥ (23)	¥ 787	

Thousands of U.S. dollars					
Contract amount /notional principal					
March 31, 2026	Total	Over one year	Fair value	Valuation gain (loss)	
Over-the-counter transactions:					
Currency swaps	\$ 219,283	\$ 171,578	\$ 293	\$ 293	
Forward foreign exchange contracts:					
Selling	33,662	831	(1,745)	(1,745)	
Buying	24,893	-	725	725	
Currency options:					
Selling	1,014,123	797,867	(10,007)	14,635	
Buying	1,014,123	797,867	10,007	(5,660)	
Total	-	-	\$ (719)	\$ 8,249	

Note:

Transactions in the table above are stated at the fair value and the related valuation gain (loss) is reported in the consolidated statement of operations.

2. Derivative transactions to which hedge accounting is applied

With respect to derivatives to which hedge accounting is applied, contract amount or notional principal and fair value at the balance sheet date by transaction type and hedge accounting method are as follows. Note that contract amount or notional principal does not represent the market risk exposure of derivative transactions

Interest rate related derivatives at March 31, 2026 and 2025

March 31, 2026					
Millions of yen					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Interest rate swaps	Securities	¥ 40,000	¥ 40,000	¥ 4,083
Total			-	-	4,083

March 31, 2025					
Millions of yen					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Interest rate swaps	Securities	¥ 20,000	¥ 20,000	¥ (125)
Total			-	-	(125)

March 31, 2026					
Thousands of U.S. dollars					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Interest rate swaps	Securities	\$ 250,187	\$ 250,187	\$ 25,537
Total			-	-	\$ 25,537

Derivatives in the table above are mainly accounted for hedge accounting (deferral hedge accounting) in accordance with JICPA Industry Committee Practical Guidelines No.24.

Currency related derivatives at March 31, 2026 and 2025

March 31, 2026					
Millions of yen					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Currency swaps	Loans denominated in foreign currencies	¥ 3,197	¥ 3,197	¥ (717)
	Forward foreign exchange contracts	-	-	-	-
Total			-	-	¥ (717)

March 31, 2025					
Millions of yen					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Currency swaps	Loans denominated in foreign currencies	¥ 4,186	¥ 2,990	¥ (787)
	Forward foreign exchange contracts	-	-	-	-
Total			-	-	¥ (787)

March 31, 2026					
Thousands of U.S. dollars					
Contract amount /notional principal					
Hedge accounting method	Transaction type	Major hedged item	Total	Over one year	Fair value
Deferral hedge accounting	Currency swaps	Loans denominated in foreign currencies	\$ 19,996	\$ 19,996	\$ (4,484)
	Forward foreign exchange contracts	-	-	-	-
Total			-	-	\$ (4,484)

Derivatives in the table above are mainly accounted for hedge accounting (deferral hedge accounting) in accordance with JICPA Industry Committee Practical Guidelines No.25 "Accounting and Auditing Treatment Relating to the Adoption of the Accounting Standard for Foreign Currency Transactions for Banks."

36. Amounts per Share

Amounts per share at March 31, 2026 and 2025 and for the years then ended were summarized as follows:

	Yen		U.S. dollars
	2026	2025	2026
Net assets	¥ 900.00	¥ 852.98	\$ 5.62
Net income:			
Basic	62.29	47.28	0.38
Diluted	62.13	47.14	0.38
Cash dividends			
Common stock	¥ 25.0	¥ 15.5	\$ 0.15

Net assets per share as of March 31, 2026 and 2025 were computed based on the following information:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Total net assets	¥ 253,924	¥ 240,248	\$ 1,588,216
Stock subscription rights	(152)	(179)	(950)
Non-controlling interests	(3,170)	(2,884)	(19,827)
Amounts to be deducted from total net assets	(3,323)	(3,063)	(20,784)
Net assets attributable to common stock as of March 31, 2026 and 2025	¥ 250,601	¥ 237,184	\$ 1,567,431
Number of shares of common stock as of March 31, 2026 and 2025 used to compute net asset per share (Unit: thousand shares)	278,444	278,064	

Net income per share for the years ended March 31, 2026 and 2025 were computed based on the following information:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net income attributable to owners of the parent for the year	¥ 17,336	¥ 13,246	\$ 108,431
Amounts not attributed to common stock share	(-)	(-)	(-)
Net income attributable to owners of the parent attributable to common stock	¥ 17,336	¥ 13,246	\$ 108,431
Average outstanding number of shares of common stock (Unit: thousand shares)	278,314	280,165	
Diluted net income per share after adjusting potential shares			
Adjustment to net income attributable to owners of the parent	¥ -	¥ -	\$ -
Number of increased common stock (Unit: thousand shares)	697	836	
Of which, stock subscription rights (Unit: thousand shares)	697	836	
Summary of potential shares excluded from the calculation of diluted net income per share due to their anti-dilutive effect	-	-	

Note:

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the fiscal year.

Report of Independent Auditor

Senshu Ikeda Holdings, Inc.



Independent Auditor's Report

The Board of Directors
Senshu Ikeda Holdings, Inc.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Senshu Ikeda Holdings, Inc. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

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Determination of borrower classification, which serves as the basis for assessing the reserve for possible loan losses for business loan borrowers who are preparing business improvement plans

Description of Key Audit Matter	Auditor's Response
The Group is engaged in the lending business mainly through The Senshu Ikeda Bank, Ltd. As at March 31, 2026, outstanding loans on the consolidated balance sheet were ¥4,844,454 million which included ¥1,872,801 million for business loans to small and medium enterprises and ¥2,155,999 million for housing loans. These loans represent a significant portion of the Group's consolidated total assets amounting to ¥6,595,981 million. The credit risk of loans is affected by factors such as economic trends, borrowers' business conditions and fluctuations in the real estate market and in stock prices. To manage such credit risk, the Group recognized a reserve for possible loan losses of ¥9,763 million in the consolidated financial statements as at March 31, 2026. The details of the applicable accounting policies for the reserve for possible loan losses are described in Note 3 Significant Accounting Policies, (6) Reserve for possible loan losses, and the details of the estimation of the reserve for possible loan losses are described in Note 3 Significant Accounting Policies, (22) Significant accounting estimates, 1. Valuation of loans and bills discounted. The reserve for possible loan losses is recognized in accordance with the prescribed policies for self-assessment of asset quality, write-offs and allowances. The calculation process includes the determination of the borrower classification, which is assessed according to the relevant borrower's ability to repay loans. In addition to the repayment status, their financial position, business performance, future prospects thereof, and the like are important factors in determining the borrower classification for business loan borrowers.	We mainly performed the following audit procedures to assess the determination of borrower classification, which serves as the basis for assessing the reserve for possible loan losses of The Senshu Ikeda Bank, Ltd. for business loan borrowers who are preparing business improvement plans: • We evaluated the internal controls for determining borrower classification. The controls tested included but were not limited to controls for ensuring the reliability of the information used in determining the borrower classification and controls involving the underlying credit rating data of the borrower. • In selecting samples, we took into account the following: - The quantitative impact of changes in borrower classification on the amount recorded in the reserve for possible loan losses - The degree of deterioration in the repayment status, financial position or the business performance of business loan borrowers - The involvement of the Business Rehabilitation Supporting Office within the Loan Division - The results of analysis performed using a self-assessment anomaly detection tool (※)



The reasonableness and feasibility of business improvement plans are affected by factors such as change in the business performance of business loan borrowers and the success or failure of their business strategies. There is uncertainty about the future economic environment due to factors such as the impact on prices from soaring resource prices caused by the escalating tensions in the Middle East, as well as rising domestic interest rates and the weakening yen. Accordingly, the assessment of the reasonableness and feasibility of business improvement plans involves significant estimation uncertainty and relies greatly on management's judgment.

Based on the above factors, we determined that the determination of the borrower classification, which serves as the basis for assessing the reserve for possible loan losses for business loan borrowers whose repayment status, financial position, or business performance is deteriorating and who are preparing business improvement plans is a key audit matter.

(※) A tool used in self-assessment audits to provide support for the selection of testing targets by among other functions, identifying the location of credit risk through visualization from the standpoint of industries, branches, and regions based on the credit information and financial information of borrowers and by identifying inconsistencies between borrower classifications that are based on a borrower classification predictive model using machine learning for each borrower and borrower classifications that are determined by The Senshu Ikeda Bank, Ltd.

- For the selected samples, we performed the following procedures to obtain an understanding of the recent status of deterioration in the repayment status, financial position or business performance of the business loan borrowers:
 - We inspected evidence related to self-assessment of asset quality.
 - We performed analytical review over major profit and loss items.
 - We made inquiries of the Loan Division and inspected business logs and evidence of approval as necessary.
- For business loan borrowers whose repayment status, financial position, or business performance is deteriorating and who are preparing business improvement plans, we performed the following procedures to assess the reasonableness and feasibility of their business improvement plans:
 - For the key components of business improvement plans, we analyzed trends in historical business performance and plans as well as the degree of achievement of objectives of business improvement plans in previous years.



	- We compared business improvement plans with relevant available external information such as market trends in the industry to which business loan borrowers belong as necessary and discussed with management.
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Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

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, The Audit & Supervisory Board Member and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Member and the Audit & Supervisory Board are responsible for overseeing 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. 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.

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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, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not 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 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 in accordance with accounting principles generally accepted in Japan.
- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Member 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 the Audit & Supervisory Board Member and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to 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 to reduce threats to an acceptable level.

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From the matters communicated with the Audit & Supervisory Board Member 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.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of Senshu Ikeda Holdings, Inc. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 142 million yen and 18 million yen, 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.

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 18, 2026

藤間 信貴

Nobutaka Fujima
Designated Engagement Partner
Certified Public Accountant

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Non-consolidated Financial Information of The Senshu Ikeda Bank (Unaudited)

Non-consolidated Balance Sheets (Unaudited)

The Senshu Ikeda Bank, Ltd.
As of March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Assets			
Cash and due from banks	¥ 700,828	¥ 848,850	\$ 4,383,462
Call loans and bills bought	3,197	4,336	19,996
Money held in trust	9,000	8,996	56,292
Securities	854,571	704,133	5,345,077
Loans and bills discounted	4,883,615	4,715,377	30,545,502
Foreign exchange assets	6,590	5,862	41,218
Other assets	19,255	35,204	120,434
Tangible fixed assets	31,478	32,091	196,885
Intangible fixed assets	4,871	3,670	30,466
Prepaid pension cost	20,804	19,192	130,122
Deferred tax assets	4,708	4,557	29,447
Customers' liabilities for acceptances and guarantees	7,309	6,903	45,715
Reserve for possible loan losses	(7,606)	(8,222)	(47,573)
Total assets	¥ 6,538,624	¥ 6,380,954	\$ 40,897,072
Liabilities and net assets			
Liabilities			
Deposits	¥ 5,867,502	¥ 5,715,190	\$ 36,699,412
Negotiable certificates of deposit	14,000	11,000	87,565
Payables under securities lending transactions	9,875	4,396	61,765
Borrowed money	380,811	400,000	2,381,855
Foreign exchange liabilities	395	846	2,470
Borrowed money from trust account	2,885	2,644	18,044
Other liabilities	44,587	35,574	278,877
Provision for employees' bonuses	1,540	1,506	9,632
Provision for directors' bonuses	73	66	456
Accrued retirement benefits for directors and audit & supervisory board members	4	4	25
Reserve for reimbursement of deposits	62	74	387
Reserve for contingent losses	567	496	3,546
Acceptances and guarantees	7,309	6,903	45,715
Total liabilities	6,329,615	6,178,704	39,589,786
Net assets			
Shareholders' equity:			
Capital stock	61,385	61,385	383,944
Capital surplus	63,315	63,315	396,015
Retained earnings	89,625	79,538	560,576
Total shareholders' equity	214,327	204,239	1,340,549
Net unrealized gain (loss) on available-for-sale securities	(8,129)	(1,850)	(50,844)
Net unrealized gain (loss) on deferred hedges	2,810	(139)	17,575
Total valuation and translation adjustments	(5,319)	(1,990)	(33,268)
Total net assets	209,008	202,249	1,307,280
Total liabilities and net assets	¥ 6,538,624	¥ 6,380,954	\$ 40,897,072

Non-consolidated Statements of Operations (Unaudited)

The Senshu Ikeda Bank, Ltd.

For the years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Income			
Interest income:			
Interest on loans and bills discounted	¥ 56,727	¥ 43,431	\$ 354,809
Interest and dividends on securities	11,617	5,949	72,660
Other interest income	4,761	2,799	29,778
Trust fees	16	10	100
Fees and commissions	19,181	19,556	119,971
Other ordinary income	2,203	1,193	13,779
Recoveries of written-off claims	502	275	3,139
Gain on sales or disposal of fixed assets	0	10	0
Other income	1,209	1,879	7,561
Total income	96,220	75,107	601,826
Expenses			
Interest expenses:			
Interest on deposits	12,611	3,838	78,877
Interest on borrowings and rediscounts	187	24	1,169
Other interest expenses	1,265	427	7,912
Fees and commissions	11,025	11,006	68,957
Other ordinary expenses	3,723	1,220	23,286
General and administrative expenses	41,418	38,800	259,056
Provision for possible loan losses	217	178	1,357
Loss on sales or disposal of fixed assets	19	37	118
Loss on impairment of fixed assets	18	3	112
Other expenses	2,058	2,260	12,872
Total expenses	72,547	57,799	453,759
Income before income taxes	23,673	17,307	148,067
Income taxes			
Current	5,416	2,786	33,875
Deferred	1,592	2,525	9,957
Total income taxes	7,008	5,312	43,832
Net income	¥ 16,664	¥ 11,995	\$ 104,228



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