

Fiscal 2022 Earnings Briefing Materials

(April 1, 2022 – March 31, 2023)

Investor Relations



Iyogin Holdings

June 9, 2023

I. Summary of Earnings for Fiscal 2022

II. Group Medium-Term Management Plan

II-1. Major Numerical Targets of Medium-Term Management Plan

II-2. Main Strategies and Progress of Medium-Term Management Plan

II-3. Efforts for Sustainability

II-4. Profit / Loss Forecasts and Capital Policy

Profit and Loss Overview for Fiscal 2022

Profit attributable to owners of parent marked a record high due to a decrease in credit costs, in addition to securing a high level of consolidated core business gross profit

Holding Company Consolidated (Units: Millions of yen)	Fiscal 2022	YoY	Increase/ Decrease	Fiscal 2021
	Consolidated core business gross profit	89,559	(909)	(1.0%)
Interest and dividend income	75,335	+2,654		72,681
Fees and commissions	9,684	+302		9,382
Other operating income (Excluding profit/loss related to bonds including JGBs, etc.)	4,539	(3,865)		8,404
Expenses (-)	52,667	+1,055	+2.0%	51,612
Personnel expenses	29,328	(88)		29,416
Nonpersonnel expenses	20,357	+808		19,549
Taxes	2,982	+336		2,646
Consolidated core business net income	36,891	(1,965)	(5.1%)	38,856
Credit costs (-) ①+②-③-④	(2,598)	(6,995)		4,397
Provision of reserve for general loan losses ①	—	+768		(768)
Amortization of non-performing loans ②	1,074	(4,662)		5,736
Reversal of allowance for loan losses ③	656	+656		—
Recoveries of written off claims ④	3,016	+2,447		569
Gain (loss) related to securities	(37)	(1,206)		1,169
Gain (loss) related to bonds including JGBs, etc.	2,885	+5,156		(2,271)
Gain (loss) related to stock, etc.	(2,923)	(6,363)		3,440
Other temporary gain (loss)	2,963	+351		2,612
Ordinary income	42,415	+4,176	+10.9%	38,239
Extraordinary income (loss)	(1,917)	(1,454)		(463)
Income before income taxes	40,497	+2,721		37,776
Net income	28,326	+1,700	+6.4%	26,626
Profit attributable to owners of parent	27,899	+1,482	+5.6%	26,417
Ordinary revenue	172,954	+38,983	+29.1%	133,971
Business net income	39,777	+2,424	+6.5%	37,353

Consolidated core business gross profit **Down ¥909 million YoY**

- Interest and dividend income increased, mainly due to an increase in foreign-denominated loans.
- Other operating income decreased due to decreases in gain (loss) on derivatives and revenue on bond trading, while gain on foreign exchange transactions increased.

Expenses (-) **Up ¥1,055 million YoY**

- Nonpersonnel expenses such as depreciation increased due to an increase in strategic investments. Also, taxes increased due to an increase in the consumption tax.

Credit costs (-) **Down ¥6,995 million YoY**

- Credit costs decreased due to reversal of provision for COVID-19 measures and a decrease in bankruptcies, etc.
(Since the amount of reversal exceeded the total amount of provision of reserve for general loan losses and provision of reserve for specific loan losses, reversal of allowance for loan losses was recorded.)

Gain (loss) related to securities **Down ¥1,206 million YoY**

- Gain (loss) related to bonds including JGBs, etc. increased due to the recording of a gain on sales accompanying foreign bond replacement.
- Gain (loss) related to stock, etc. decreased due to decreased gain on sales of strategic equity holdings and increased loss on devaluation of equity securities.

Profit attributable to owners of parent **Up ¥1,482 million YoY**

Profit and Loss of Major Group Companies for Fiscal 2022 [Group Companies]

Profit and Loss [Iyogin Bank Nonconsolidated]

Mainly due to a decrease in credit costs, net income increased and a high level of profit was secured

(Units: Millions of yen)

	Fiscal 2022	YoY	Increase/ Decrease	Fiscal 2021
Core business gross profit	84,106	(439)	(0.5%)	84,545
Interest and dividend income	75,067	+2,612		72,455
Fees and commissions	6,465	+166		6,299
Of which, revenue on assets in custody	1,725	+95		1,630
Other operating income (Excluding profit/loss related to bonds including JGBs, etc.)	2,573	(3,217)		5,790
Expenses (-)	50,310	+1,224	+2.5%	49,086
Personnel expenses	25,122	(702)		25,824
Nonpersonnel expenses	22,288	+1,605		20,683
Taxes	2,898	+320		2,578
Core business net income	33,795	(1,664)	(4.7%)	35,459
Credit costs (-) ①+②-③-④	(2,822)	(7,025)		4,203
Provision of reserve for general loan losses ①	—	+367		(367)
Amortization of non-performing loans ②	805	(4,330)		5,135
Reversal of allowance for loan losses ③	612	+612		—
Recoveries of written off claims ④	3,014	+2,450		564
Gain (loss) related to securities	(496)	(1,684)		1,188
Gain (loss) related to bonds including JGBs, etc.	2,885	+5,156		(2,271)
Gain (loss) related to stock, etc.	(3,382)	(6,842)		3,460
Other temporary gain (loss)	3,172	+383		2,789
Ordinary income	39,293	+4,059	+11.5%	35,234
Extraordinary income (loss)	(1,768)	(1,305)		(463)
Income before income taxes	37,524	+2,753		34,771
Net income	26,325	+1,665	+6.8%	24,660
Ordinary revenue	153,622	+39,480	+34.6%	114,142
Business net income	36,681	+3,126	+9.3%	33,555

Profit and Loss [Other Major Group Companies]

Iyogin Leasing

(Units: Millions of yen)

	Fiscal 2022	YoY
Core business gross profit	1,422	(53)
Expenses (-)	757	+40
Core business net income	664	(94)
Other profit (loss)	97	+399
Ordinary income	761	+305
Net income	506	+196
Ordinary revenue	16,417	(476)

Shikoku Alliance Securities

(Units: Millions of yen)

	Fiscal 2022	YoY
Core business gross profit	1,321	(522)
Expenses (-)	1,614	(44)
Core business net income	(292)	(477)
Other profit (loss)	0	(0)
Ordinary income	(292)	(478)
Net income	(297)	(394)
Ordinary revenue	1,605	(798)

Iyogin Credit Guarantee

(Units: Millions of yen)

	Fiscal 2022	YoY
Core business gross profit	2,078	+46
Expenses (-)	238	+31
Core business net income	1,840	+16
Other profit (loss)	(314)	(427)
Ordinary income	1,526	(412)
Net income	1,007	(271)
Ordinary revenue	2,200	(337)

Iyogin Computer Service

(Units: Millions of yen)

	Fiscal 2022	YoY
Core business gross profit	1,412	+8
Expenses (-)	1,186	+24
Core business net income	225	(17)
Other profit (loss)	(1)	+1
Ordinary income	224	(15)
Net income	148	(15)
Ordinary revenue	2,500	+182

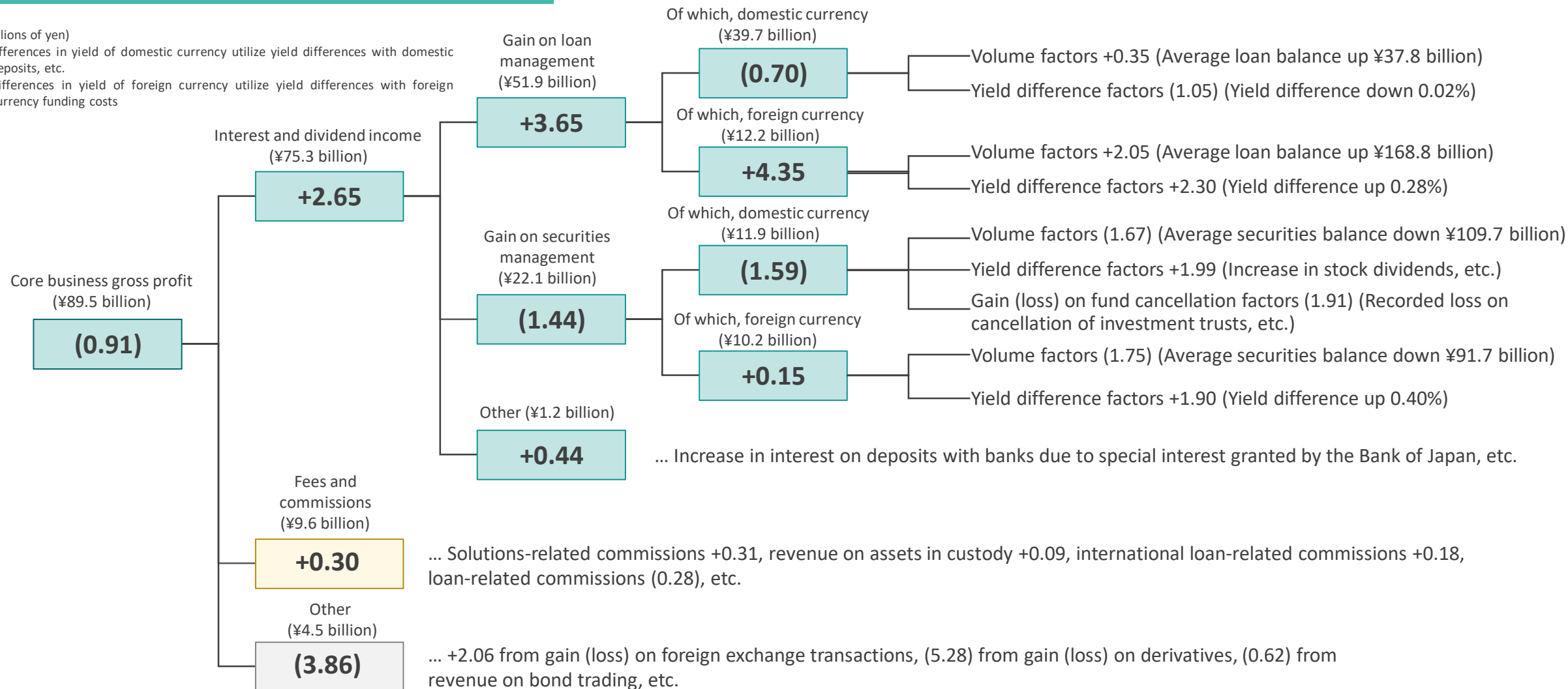
*The figures for profits and losses of each company are stated before inter-group elimination.

Factors in Increase / Decrease in Core Business Gross Profit for Fiscal 2022

Core business gross profit still remained at a high level due mainly to an increase in interest and dividend income, though it decreased due to an increase in derivative-related hedge costs, etc.

Year-on-year (Fiscal 2022 – Fiscal 2021)

(Units: Billions of yen)
 (Note) Differences in yield of domestic currency utilize yield differences with domestic deposits, etc.
 Differences in yield of foreign currency utilize yield differences with foreign currency funding costs



Credit Costs and Disclosed Non-performing Loans for Fiscal 2022

Credit Costs

Credit costs by factor

(Units: Billions of yen)

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	YoY
Credit costs total	7.3	13.3	4.4	(2.6)	(7.0)
Provision of reserve for general loan losses	0.3	9.5	(0.7)	(4.6)	(3.9)
Amortization of non-performing loans	7.7	4.4	5.7	5.1	(0.6)
Bankruptcies	1.3	0.5	1.4	0.0	(1.4)
Downgrades, etc.	8.1	6.2	6.5	8.4	+1.9
Upgrades and collections	(2.2)	(2.8)	(2.8)	(3.8)	(1.0)
Other Group companies	0.5	0.5	0.6	0.3	(0.3)
Recoveries of written off claims (-)	0.7	0.6	0.5	3.0	+2.5
[Reference] Credit management expense ratio (Nonconsolidated*)	0.15%	0.26%	0.08%	(0.05)%	(0.13)P

(*) Credit management expense ratio = Credit costs (Bank Nonconsolidated) / Average loan balance (Bank Nonconsolidated)

Ratio of Disclosed Non-Performing Loans

Amounts and ratios of disclosed non-performing loans under the Financial Reconstruction Act

(Units: Billions of yen)

	Fiscal 2020	Fiscal 2021	Fiscal 2022	YoY
Loans to bankrupt or effectively bankrupt borrowers	3.8	1.9	3.3	+1.4
Doubtful assets	54.2	63.3	69.8	+6.5
Credit subject to specific risk management	16.8	23.7	25.0	+1.3
Total disclosed non-performing loans	74.8	89.1	98.2	+9.1
Ratio of disclosed non-performing loans	1.42%	1.66%	1.75%	+0.09P

Credit costs were **down ¥7.0 billion year on year** due to a decrease in provision of reserve for general loan losses as a result of reversal of provision for COVID-19 measures, and an increase in recoveries of written off claims owing to large collections.

*Since the total amount of provision of reserve for general loan losses and provision of reserve for specific loan losses is negative, reversal of allowance for loan losses is recorded in the financial statements. However, it is not shown in the table on the left for the purpose of comparative analysis with the past results.

Although amounts of disclosed non-performing loans have been on an increasing trend amid the COVID-19 pandemic, ratio of non-performing loan continued at a low level of **1.75%**.

Loans, Deposits, and Assets in Custody for Fiscal 2022

Deposits, etc. Deposits, etc. were **up 2.5% year-on-year**

Balance of deposits, etc. by region

(Units: Billions of yen)

Region	Fiscal 2021	Fiscal 2022	YoY	Increase/Decrease
Within Ehime Prefecture	5,140.9	5,283.5	+142.6	+2.8%
Shikoku (excluding Ehime)	285.5	284.9	(0.6)	(0.2)%
Kyushu	186.1	193.6	+7.5	+4.0%
Chugoku	276.2	284.0	+7.8	+2.8%
Kinki	198.4	189.0	(9.4)	(4.7)%
Tokyo and Nagoya	477.9	480.6	+2.7	+0.6%
Singapore	68.7	94.0	+25.3	+36.8%
Offshore, etc.	20.0	13.3	(6.7)	(33.5)%
Total	6,654.1	6,823.2	+169.1	+2.5%

Assets in Custody

Balance of assets in custody were **up 6.7% year-on-year**

Balance of assets in custody

(Units: Billions of yen)

	Fiscal 2021	Fiscal 2022	YoY	Increase/Decrease
Assets in custody	607.1	647.8	+40.7	+6.7%
Balance at the Iyo Bank	361.1	372.7	+11.6	+3.2%
Balance at Shikoku Alliance Securities	246.0	275.0	+29.0	+11.8%
Sales of assets in custody	137.2	144.1	+6.9	+5.0%
Sales at the Iyo Bank	57.5	64.1	+6.6	+11.5%
Sales at Shikoku Alliance Securities	79.6	80.0	+0.4	+0.5%

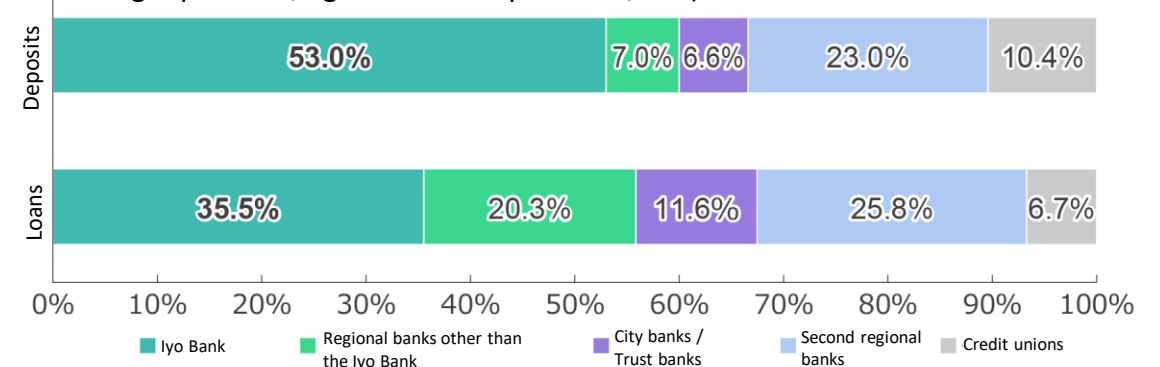
Loans Loans were **up 5.1% year-on-year**

Balance of loans by region

(Units: Billions of yen)

Region	Fiscal 2021	Fiscal 2022	YoY	Increase/Decrease
Within Ehime Prefecture	2,543.9	2,659.6	+115.7	+4.5%
Shikoku (excluding Ehime)	345.0	353.7	+8.7	+2.5%
Kyushu	320.6	348.5	+27.9	+8.7%
Chugoku	482.1	494.7	+12.6	+2.6%
Kinki	394.4	404.3	+9.9	+2.5%
Tokyo and Nagoya	646.7	703.7	+57.0	+8.8%
Financial Market Business Office	119.3	135.0	+15.7	+13.2%
Total (domestic branches)	4,852.4	5,099.9	+247.5	+5.1%
Singapore	216.4	226.0	+9.6	+4.4%
Total	5,068.8	5,326.0	+257.2	+5.1%

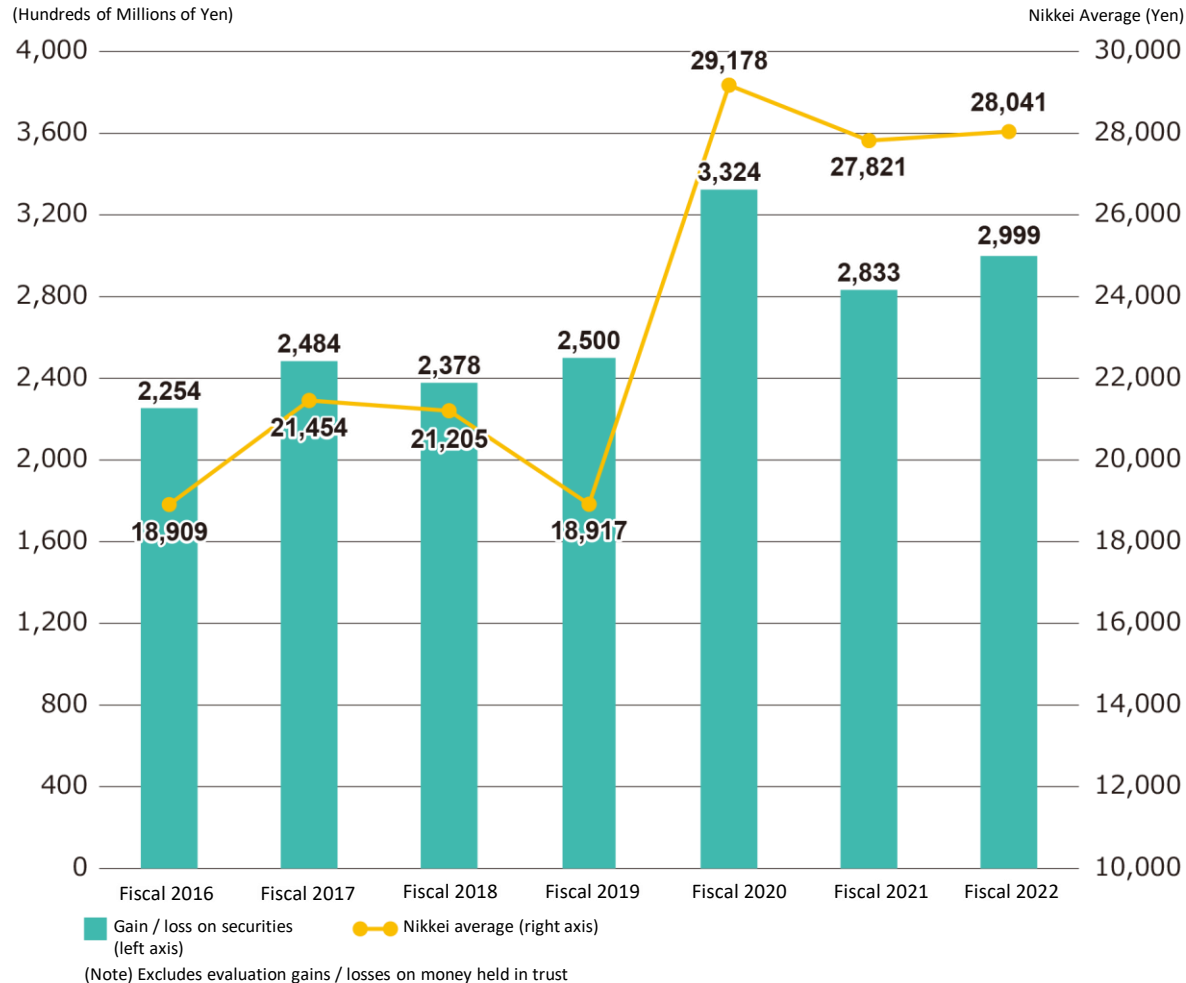
Share within Ehime Prefecture as of March 31, 2023
(excluding Japan Post, agricultural cooperatives, etc.)



Evaluation Gain (Loss) on Securities and Equity Ratio for Fiscal 2022

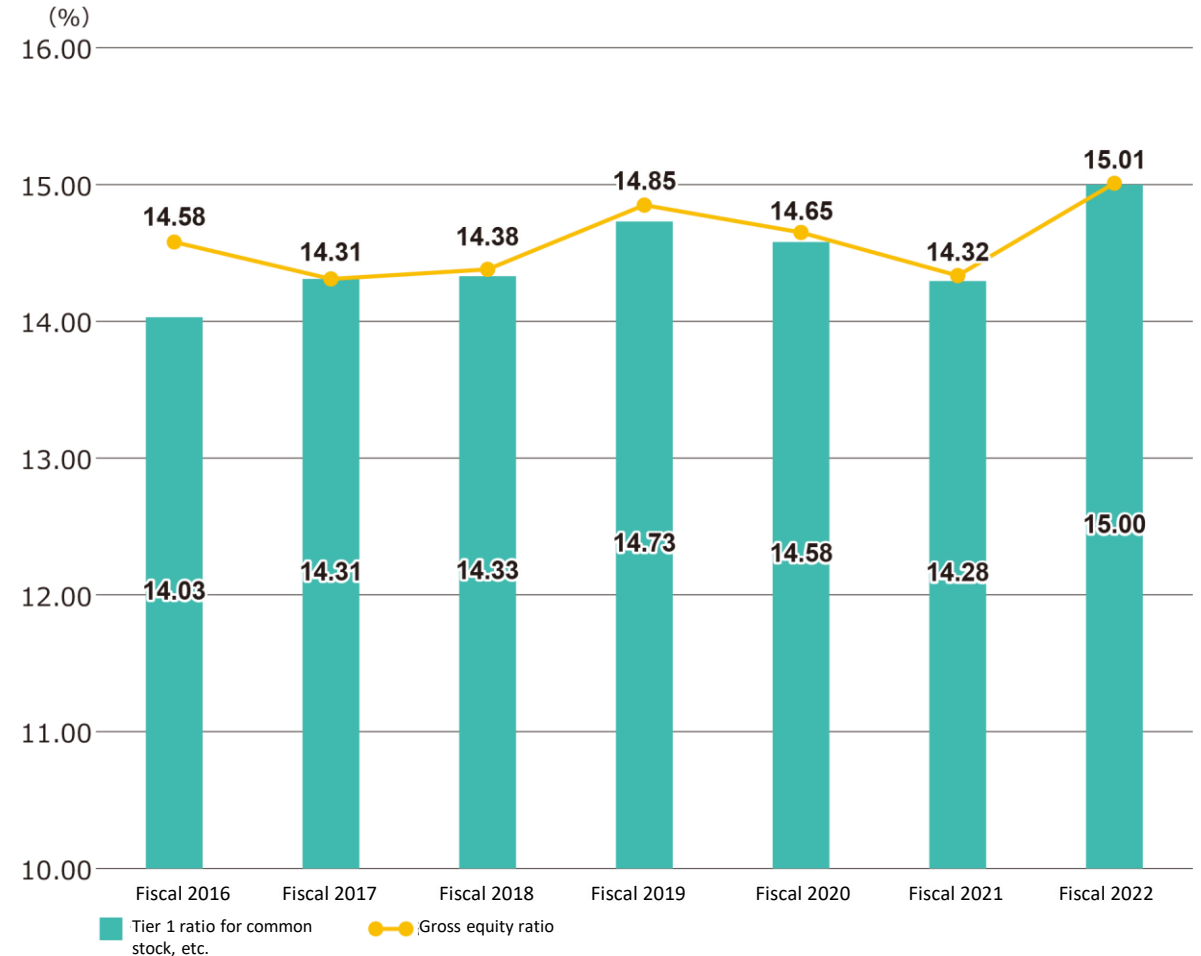
Evaluation Gain on Securities **¥299.9 billion**

- Maintained a top level among regional banks by conducting operations responding to the market trend



Equity Ratio **15.01%**

- Secured high soundness, sufficiently exceeding required equity ratio



Response to Yen Interest Rate Risk

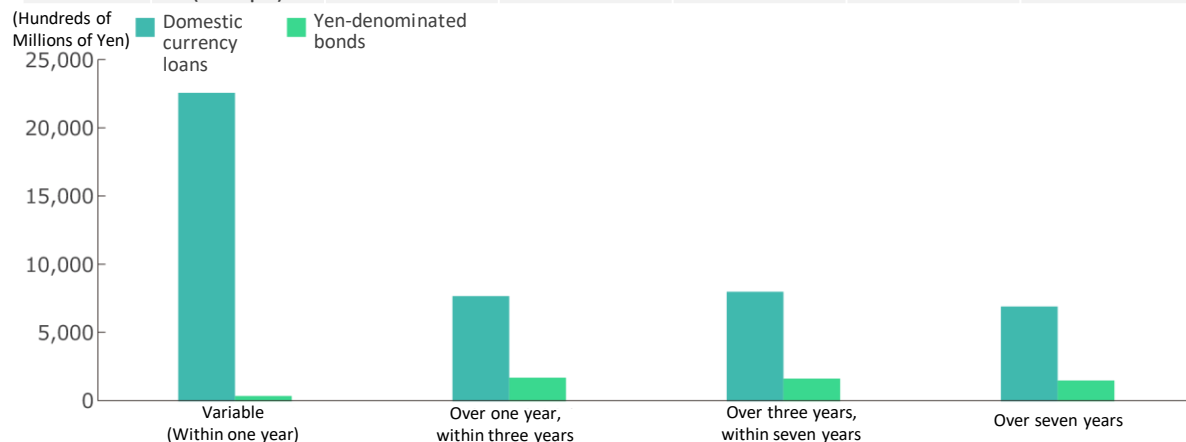
- We have adopted a policy to mitigate the yen interest rate risk for both loans and securities. **It is assumed that a rise in yen interest rates positively affects the current portfolio** as we have enough ability to withstand a rise in yen interest rates through stable procurement with deposits and utilization of a swap looking ahead to a future rise in interest rates

Interest Rate Sensitivity and Interest Rate Maturity Ladder of Domestic Currency Assets Under Management

- The majority of domestic currency loans are variable loans with the interest rate maturity within one year, etc.
- A mitigating policy for interest rate risk continues for yen-denominated bonds, preparing for a future rise in interest rates

(Units: Billions of yen)

		Variable (Within one year)	Over one year, within three years	Over three years, within seven years	Over seven years	Total
Domestic currency loans	Balance	2,255.4 (50%)	769.6 (17%)	786.3 (18%)	679.5 (15%)	4,490.8 (100%)
	Interest rate sensitivity (10 bpv)	(0.7)	(1.8)	(3.7)	(8.6)	(14.8)
Yen-denominated bonds	Balance	40.8 (8%)	169.8 (34%)	147.4 (29%)	142.5 (28%)	500.4 (100%)
	Interest rate sensitivity (10 bpv)	(0.1)	(0.4)	(0.8)	(1.1)	(2.5)



Effect on B/S and P/L from rising interest rates

- If the yield curve moves up in parallel by 10 bp, interest income on loans is expected to increase, while expansion of evaluation loss on securities is limited

Effect on interest income on loans	Effect on evaluation gain (loss) on securities*
Up ¥1.5 billion a year	Down ¥1.1 billion

*After considering hedge effects of the yen swap

Status of Interest Rate Risk in the Banking Book (IRRBB)

- As a mitigating policy is taken for yen interest rates, a “downward parallel sift” is employed as a scenario for IRRBB and a portfolio preparing for rising interest rates is established

(Units: Billions of yen)

	March 2020	March 2021	March 2022	March 2023
Employed scenario	Upward parallel	Upward parallel	Upward parallel	Downward parallel
Interest rate risk	73.6	76.3	42.0	40.3
Yen interest rate risk	0.0	0.0	0.0	40.3
Foreign currency interest rate risk	73.6	76.3	42.0	0.0
Tier1	613.4	687.4	666.8	699.2
Outlier ratio	12.0%	11.1%	6.3%	5.7%

I. Summary of Earnings for Fiscal 2022

II. Group Medium-Term Management Plan

II-1. Major Numerical Targets of Medium-Term Management Plan

II-2. Main Strategies and Progress of Medium-Term Management Plan

II-3. Efforts for Sustainability

II-4. Profit / Loss Forecasts and Capital Policy

Medium-Term Management Plan _ Major Numerical Targets I

- Currently, a profit level that exceeds the plan has been achieved, and the numerical targets are proceeding smoothly
- In addition to continuing to secure a high level of nonconsolidated profits by the Bank, we aim to achieve the main numerical targets for fiscal 2023 by increasing “core business gross profit of Group companies (excluding the Bank),” expanding business fields by the entire Group

Major Numerical Targets

Items	Fiscal 2021 Results	Fiscal 2022 Results	Targets for Fiscal 2023
Consolidated core business gross profit	¥90.4 billion	¥89.5 billion	¥86.0 billion
Profit attributable to owners of parent	¥26.4 billion	¥27.8 billion	¥23.0 billion
Consolidated ROE (shareholders' equity basis)	5.34%	5.40%	4.0% or more
Consolidated core OHR	57.05%	58.80%	Approx. 60.0%
Consolidated common stock Tier 1 ratio	14.28%	15.00%	Approx. 15.0%
Core business gross profit of Group companies (excluding the Bank)*	¥8.4 billion	¥8.2 billion	¥9.0 billion



*Total core business gross profit of Group companies excluding the Bank before inter-group elimination

Medium-Term Management Plan _ Major Numerical Targets II

Deposits, etc.



Planning an average balance for fiscal 2023 totaling **¥6,845.0 billion** with an increase by approx. ¥660.0 billion for three years

Plans for average deposits, etc., balance and assets in custody balance

(Units: Billions of yen)

	Fiscal 2020 Results	Fiscal 2021		Fiscal 2022		Plan	Fiscal 2023	
		Results	YoY	Results	YoY		YoY	Increase/decrease during the Plan
Average deposits, etc., balance	6,184.6	6,623.1	+438.5	6,758.3	+135.2	6,845.0	+86.7	+660.4
Of which, individual deposits	3,658.3	3,807.9	+149.6	3,902.1	+94.2	3,970.0	+67.9	+311.7
Assets in custody balance	593.5	607.1	+13.6	647.8	+40.7	664.0	+16.2	+70.5
Of which, balance at the Iyo Bank	348.3	361.1	+12.8	372.7	+11.6	376.0	+3.3	+27.7
Of which, balance at Shikoku Alliance Securities	245.2	246.0	+0.8	275.0	+29.0	288.0	+13.0	+42.8

Loans



Planning an average balance for fiscal 2023 totaling **¥5,345.0 billion** with an increase by approx. ¥450.0 billion for three years

Plans for average loan balance

(Units: Billions of yen)

	Fiscal 2020 Results	Fiscal 2021		Fiscal 2022		Plan	Fiscal 2023	
		Results	YoY	Results	YoY		YoY	Increase/decrease during the Plan
Average loan balance	4,894.4	5,002.1	+107.7	5,208.6	+206.5	5,345.0	+136.4	+450.6
Corporate loans	3,246.8	3,303.7	+56.9	3,483.5	+179.8	3,625.0	+141.5	+378.2
Of which, within Ehime	1,438.6	1,492.5	+53.9	1,602.8	+110.3	1,625.0	+22.2	+186.4
Individual loans	1,130.7	1,157.3	+26.6	1,166.6	+9.3	1,172.0	+5.4	+41.3
Municipal loans	232.2	213.1	(19.1)	199.9	(13.2)	183.0	(16.9)	(49.2)
Financial Market Business Office	116.3	115.6	(0.7)	131.0	+15.4	135.0	+4.0	+18.7
Singapore Branch	168.2	212.1	+43.9	227.4	+15.3	230.0	+2.6	+61.9

I. Summary of Earnings for Fiscal 2022

II. Group Medium-Term Management Plan

II-1. Major Numerical Targets of Medium-Term Management Plan

II-2. Main Strategies and Progress of Medium-Term Management Plan

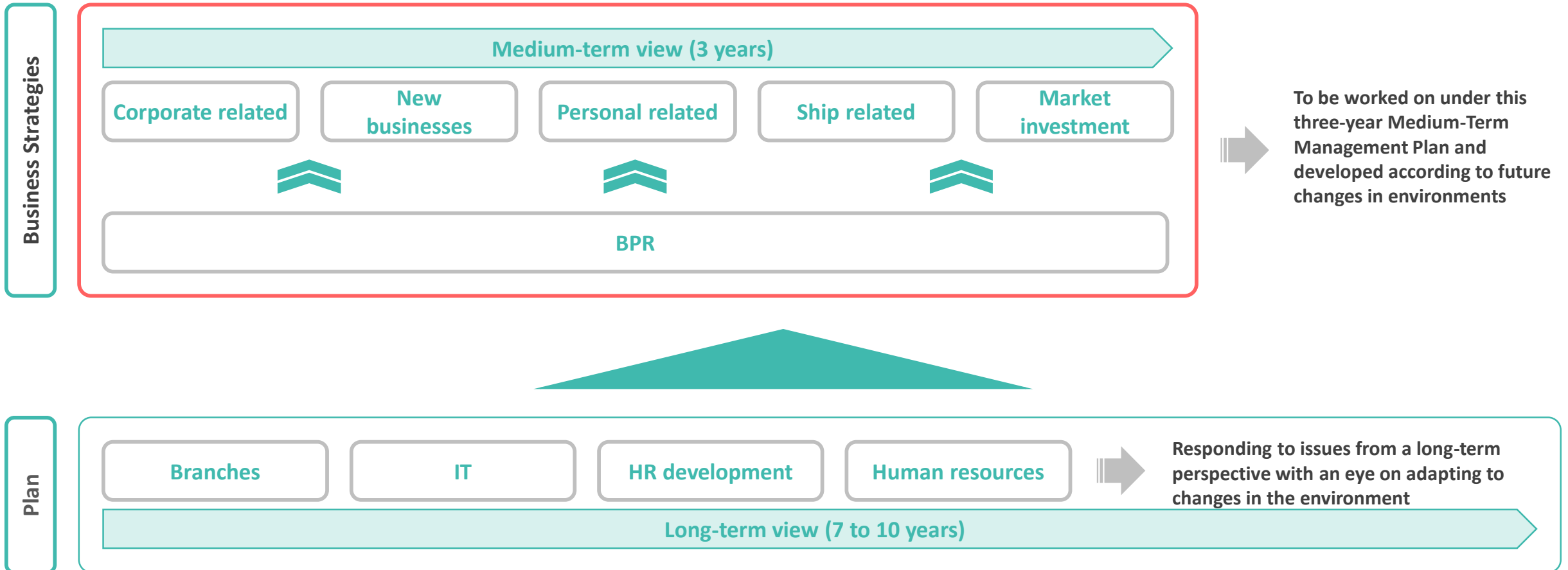
II-3. Efforts for Sustainability

II-4. Profit / Loss Forecasts and Capital Policy

Business Strategy and Plan for Realizing the Long-Term Vision

Toward achieving a long-term vision of a “corporate group continuing to create and provide new value,” we will work to further deepen and evolve the DHD model centered on **six business strategies** and **four plans** to improve sustainability as a corporate group

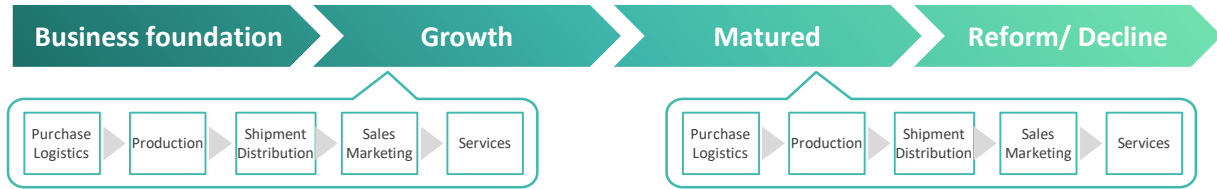
Corporate group continuing to create and provide new value



Business Strategies _ Corporate Related I

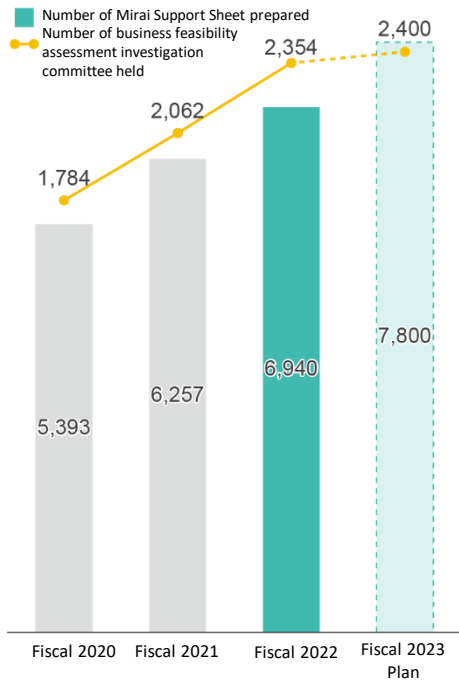
Business Feasibility Assessment

Customer issues and needs

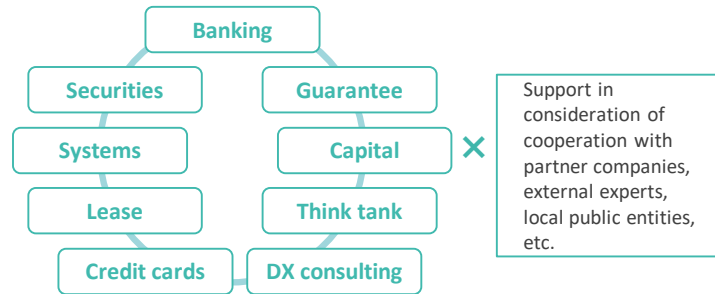


(Various issues and needs in business stages and value chains)

Identifying and sharing of management issues



Formulating concrete supporting measures for enhancement of corporate value

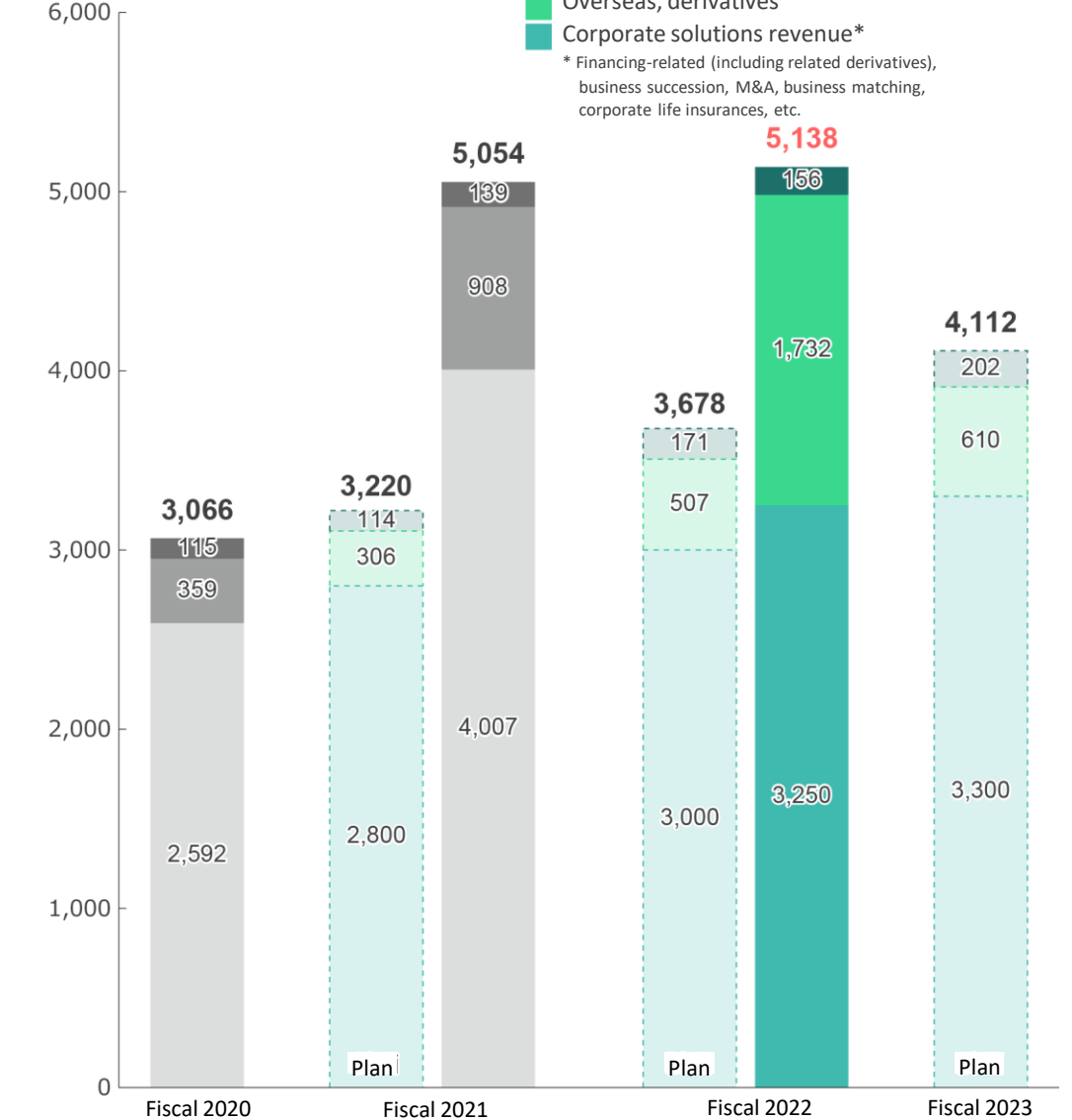


Diverse consulting lineup



Solution Revenue Results

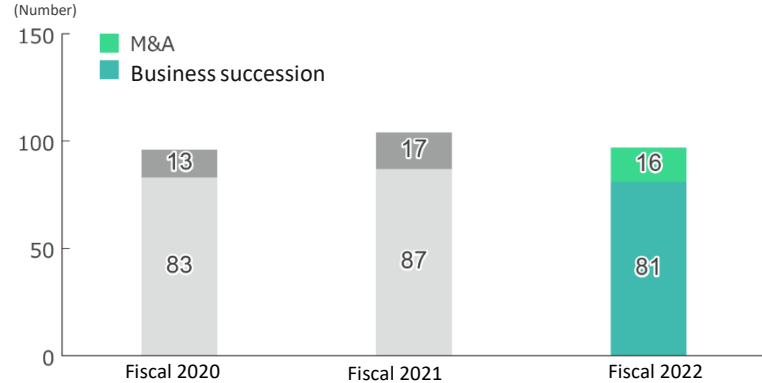
(Millions of Yen)



Business Strategies _ Corporate Related II

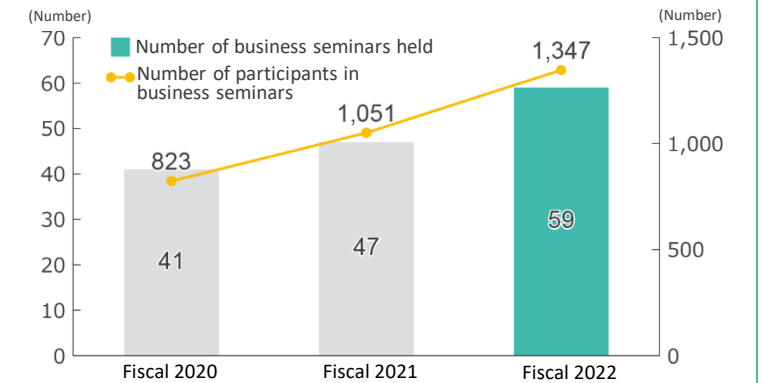
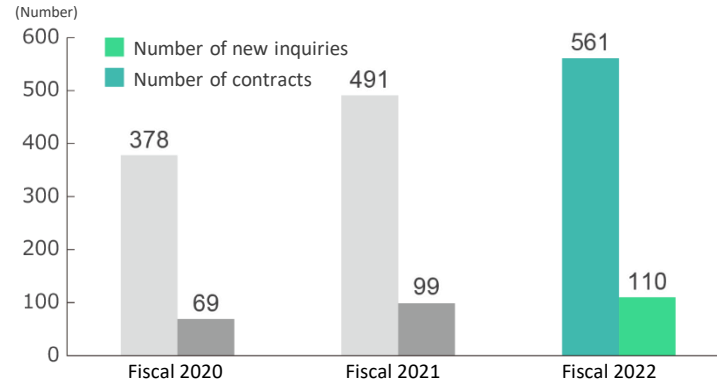
Number of cases for M&As and Business Succession

- Provides approx. 100 cases of business succession and M&As support per year
- Established a one stop support system covering reorganization, shifting to a holding company, and M&A support due to lack of a successor



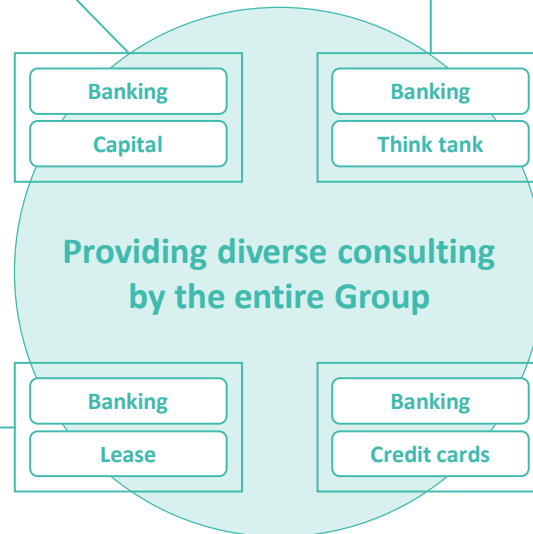
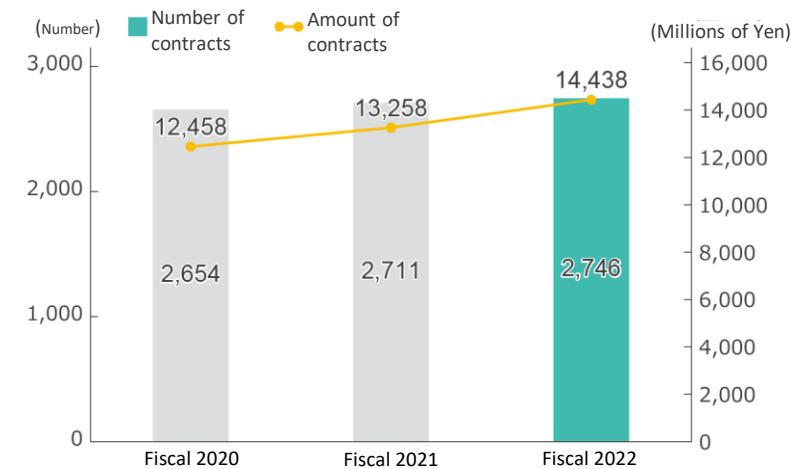
Staffing Business and Human Resource Development Related Businesses

- Steadily increased to a total of 1,430 inquiries including 278 contracts since the service started in April 2020
- Continued efforts for developing local human resources by holding various business seminars



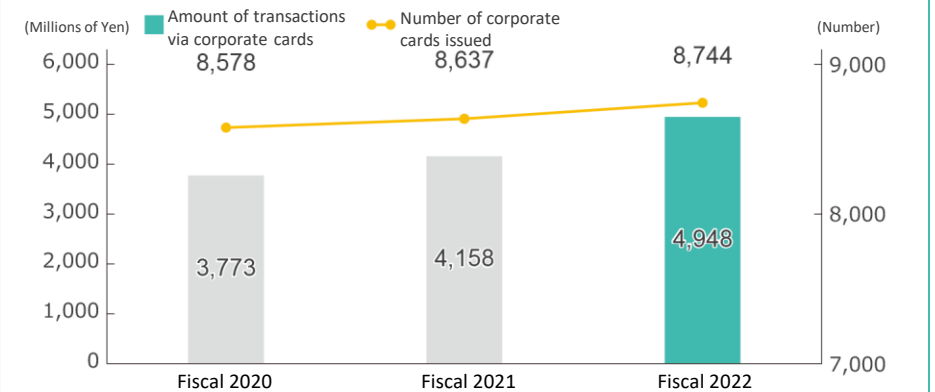
Lease Business

- Utilize data on equipment needs collected by the Bank through meetings and provide proposals for lease utilization by the lease company



Credit Card Business

- Corporate cards are steadily increasing by focusing on problem-solving proposals in response to the increasing cashless B2B transactions and the revised Electronic Bookkeeping Act
- Considers expansion of BM partners and addition of partners of purchasing cards to provide BNPL* services



* Abbreviation of Buy Now Pay Later which means deferred payment service mainly in e-commerce sites

Business Strategies _ New Business I

Consideration of new businesses

Improving problem solving and earnings power

Take on the challenge of new operations that contribute to improvement of sustainability in the region

Strengthening operations related to solving increasingly evident regional issues such as depopulation and the need for productivity improvement

Banking services, guarantee, investments, credit cards, lease, asset management, insurance, business succession, M&A, business matching, etc.

—Current—

—Vision for the future—

Assumed Issues

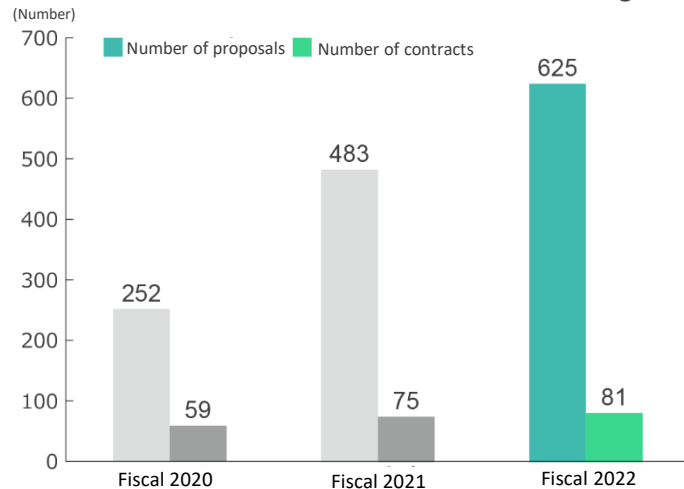
- Reduce risks in procurement and use of energy
- Revitalize through business attraction, business foundation, tourism, etc.
- Increase productivity by introducing digital technology
- Appropriately secure and develop necessary human resources
- Increase sales through effective sales (etc.)

Status of Progress

- (i) Establishment of a DX consulting subsidiary
- (ii) Establishment of a new fund
- (iii) Development and trials of advertising services

(i) Establishment of a DX Consulting Subsidiary

- Iyo Bank started ICT consulting operations in March 2018.
- Reflecting high demand for DX, both the number of proposals and the number of contracts are on an increasing trend



Name	Iyogin Digital Solutions Co., Ltd.
Location	1 Minami-Horibata-cho, Matsuyama-shi, Ehime, Japan
Capital	¥200 million (wholly owned by Iyogin Holdings)
Establishment	April 3, 2023
Employees	Six employees (excluding officers)
<Ideal State>	<p>“DX consulting” for solving true problems</p> <p>Support for “digitalization of the entire company” including business strategies</p> <p>Support for “digitalization of operations”</p>

Specific support menu

- Support for more efficient sharing of internal information
- Support for developing app creation personnel
- Support for more efficient back-office operations
- Support for more efficient attendance and salaries related operations, etc.

NEW

- Development and maintenance of applications
- Support for streamlining operations and introducing SaaS
- Advice toward overall improvement in operations, etc.

Business Strategies _ New Business II

(ii) Establishment of a New Fund

- The business domain of capital is expanded due to mitigation of requirements for investment in business succeeding companies, etc.
- Aims to further increase the corporate value of investees through hands-on support

Fund name	Iyogin Business Succession and Growth Support Fund Investment Business Limited Partnership
Total amount of fund	¥2,000 million
Establishment	February 20, 2023
General partner (GP)	Iyogin Capital Company Limited
Limited partner (LP)	The Iyo Bank, Ltd.
Duration period	10 years

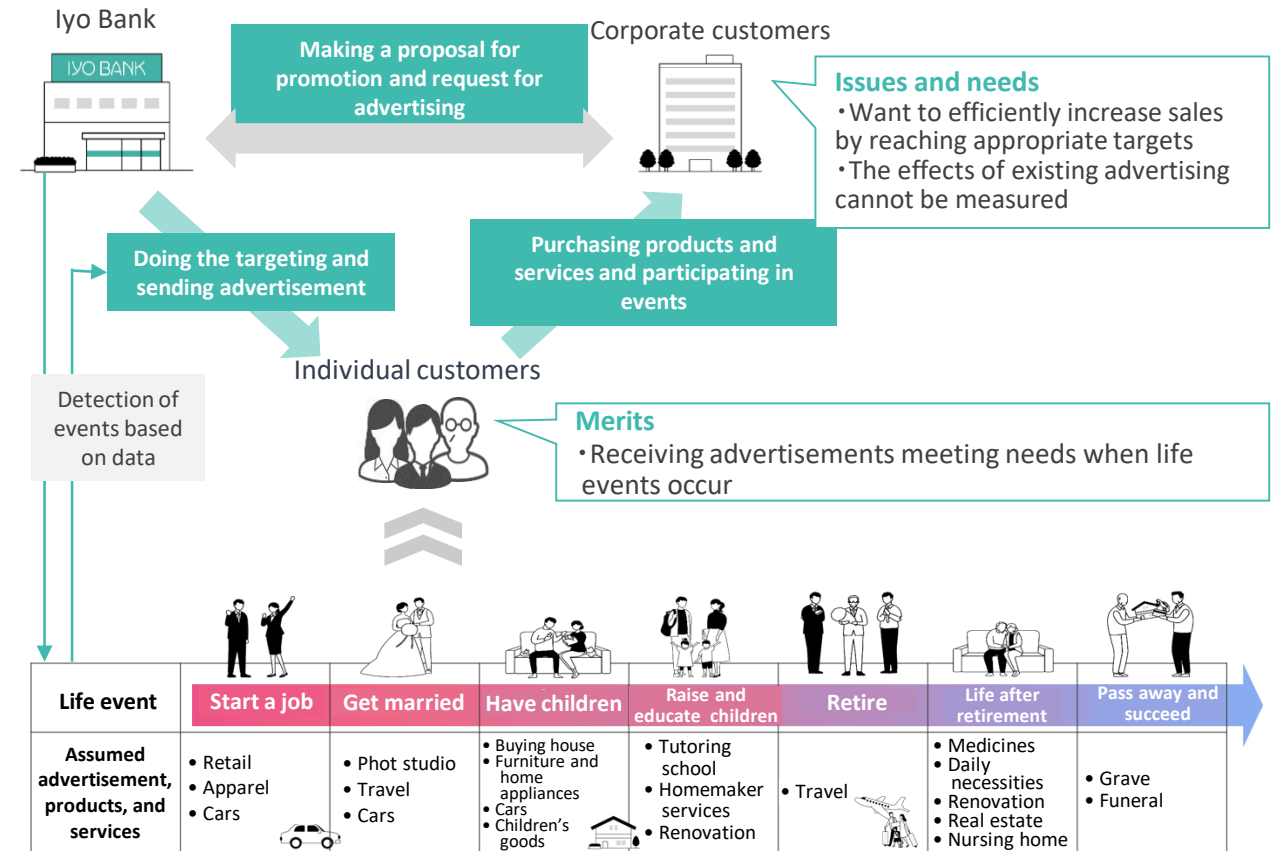
Issues of business succession	Use methods	Solutions
<ul style="list-style-type: none"> ➢ A successor has not been determined, but M&A with another business in the same sector causes psychological resistance ➢ Officers or employees are favorable as a successor, but it is difficult to raise funds for purchasing shares and judge their capabilities ➢ Wants to concentrate shares, but it is difficult to obtain an agreement through direct negotiation 	<ul style="list-style-type: none"> ➢ Underwriting of common stock, etc. 	<ul style="list-style-type: none"> ➢ Share buyback ➢ Succession to a third party

Issues of growth strategy	Use methods	Solutions
<ul style="list-style-type: none"> ➢ Feels limitations on future growth under the current management system (wishes to transform from an owner company and strengthen organizational abilities or become a listed company) ➢ Wants to strengthen organizational power and the internal control system for future IPO ➢ Considering business expansion through M&A with a business in the same sector and in related businesses (investment amounts are so large that there is a concern for funds/ No know-how on furthering negotiations) 	<ul style="list-style-type: none"> ➢ Underwriting of common stock ➢ Joint investment with other fund(s), etc. 	<ul style="list-style-type: none"> ➢ Share buyback ➢ Succession to a third party

Issues of capital	Use methods	Solutions
<ul style="list-style-type: none"> ➢ Wants to begin a new business, but faces difficulty preparing a business plan and raising funds ➢ Wants to recover capital impaired by a temporary factor 	<ul style="list-style-type: none"> ➢ Preferred stock without voting rights (mezzanine), etc. 	<ul style="list-style-type: none"> ➢ Share buyback

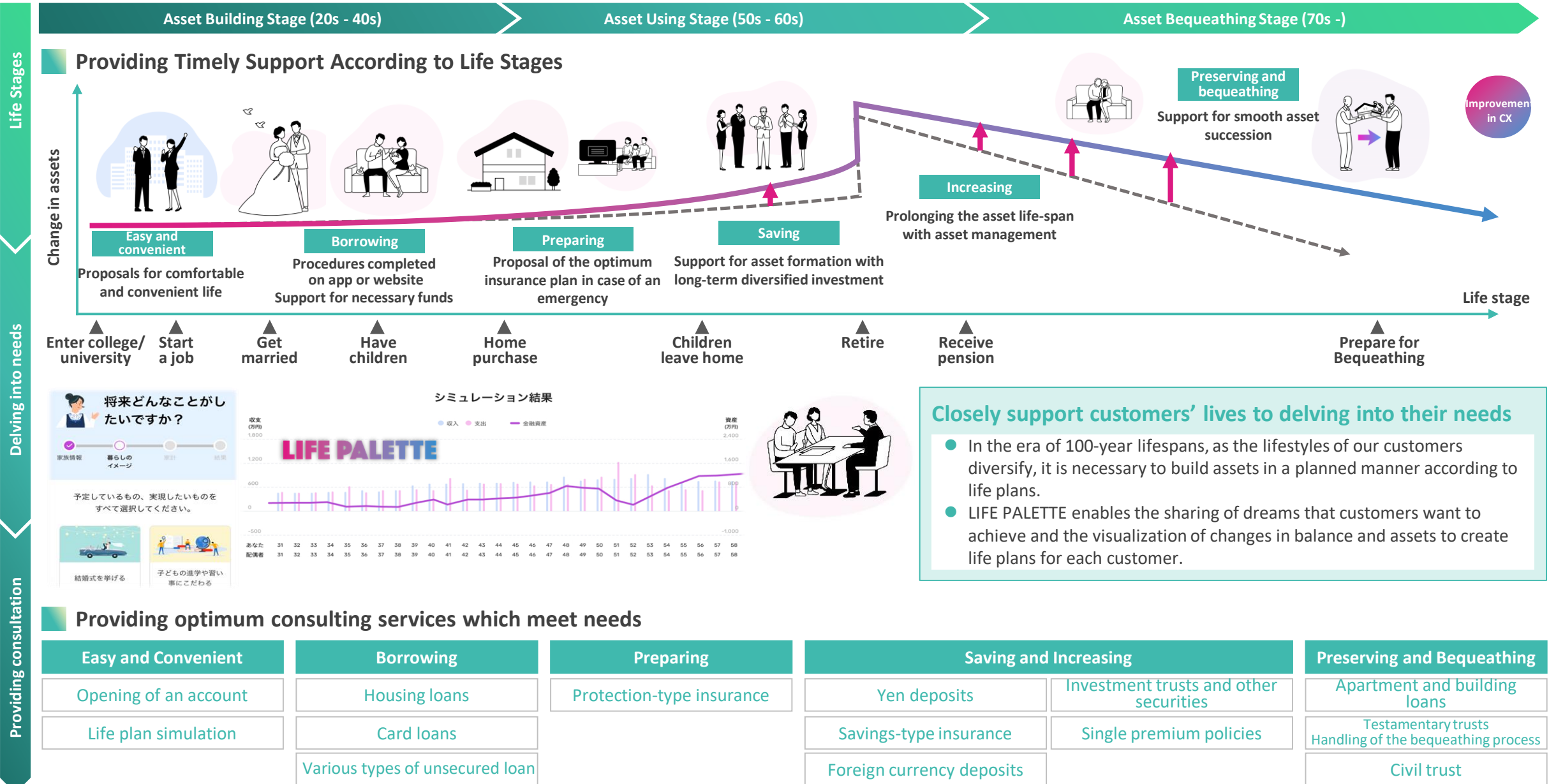
(iii) Development and Trials of Advertising Services

- Development of bank-specific advertising services utilizing rich data, excellent data analysis ability, reliability, and sense of security
- Considering launching services through DMs and Twitter in the second half of fiscal 2023



- Expandability after releasing
- ✓ Development of B2B services
- ✓ Development of fields utilizing media of other companies (TV, radio, local newspaper, outdoor advertising, etc.) (etc.)

Business Strategies _ Personal Related I



Easy and Convenient

AGENT A bank on your palm

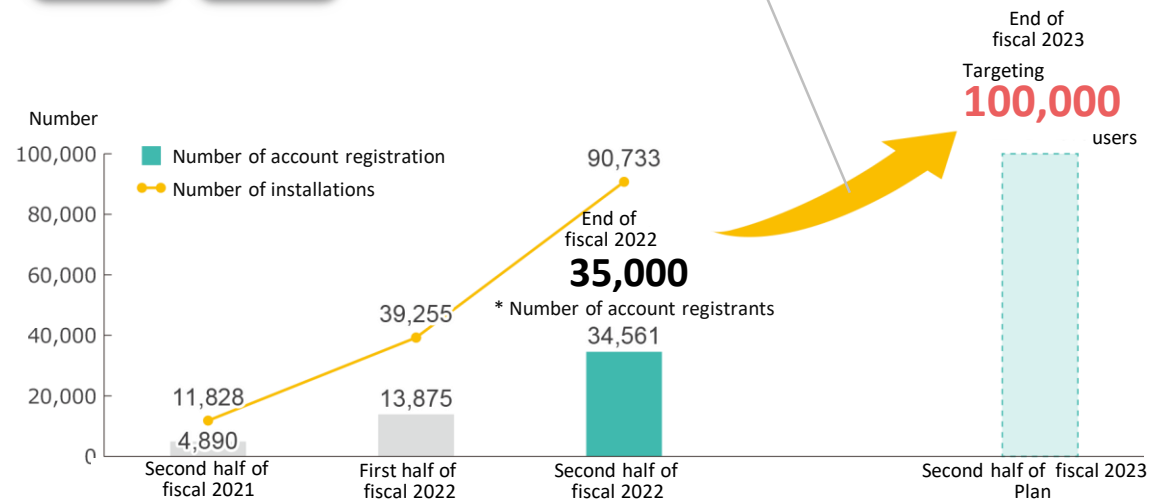


Making app the most important channel along with branches

- The app allows from opening of account to performing various procedures on the app
- July 2022: Renewed to UI/UX based on chat function
- October 2022: Implemented function for inquiries of information on accounts from Shikoku Alliance Securities
- January 2023: Improved identification function at counter reception

Growing AGENT app (below includes scheduled implementation)

- April 2023: Time deposit special to AGENT app (higher interest rates than those displayed at branch)
- May 2023: Transfer function
- July 2023: Account registration function in opening of an account
- January 2024: Purchasing and cancelling functions of investment trusts
- Spring 2024: Interactive communication function with customers



Borrowing

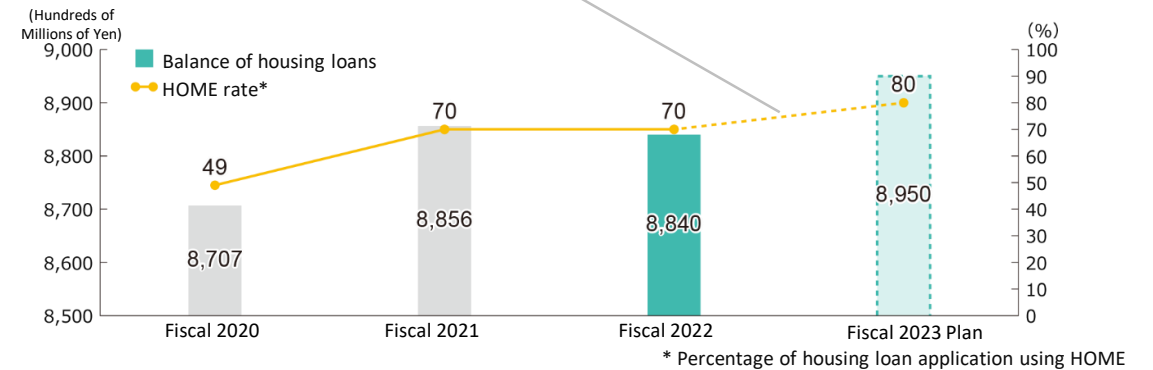
HOME House purchasing plan with a smartphone

Promotion of housing loans with HOME used as infrastructure

- HOME rate* at the end of fiscal 2022 was 70%, keeping at a certain level

Expansion and Improvement of housing loans line-up

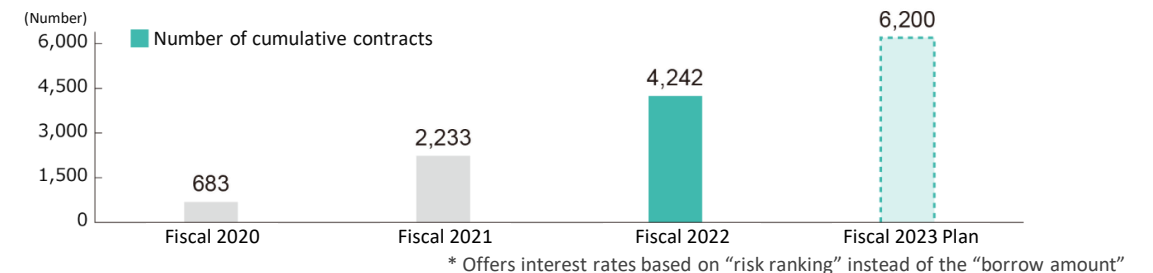
- January 2023: Expanded the line-up of group credit life insurance
- March 2023: Renewed step-up interest rate type products
- June 2023: Introduced variable interest rate products (Application from HOME to be introduced in August 2023)



SAFETY New card loan service that issues notifications on insufficient amount

Promotion of card loans centering on SAFETY

- February 2022: The number of contracts steadily increased after "Premium Course"* was introduced
- Aiming for further expansion through enhanced promotion and campaigns, with the installed function for increasing the borrow amount



Business Strategies _ Personal Related III

Preparing

- Proposing the optimum insurance plan in cooperation with HOKEN NO MADOGUCHI GROUP to prepare for future risks and deliver safety to customers
- Developing system for online non-face-to-face consultation as well as face-to-face consultations

Excellent consulting system

Branches in Ehime Prefecture

Placing 109 insurance consultants at 60 locations in Ehime Prefecture

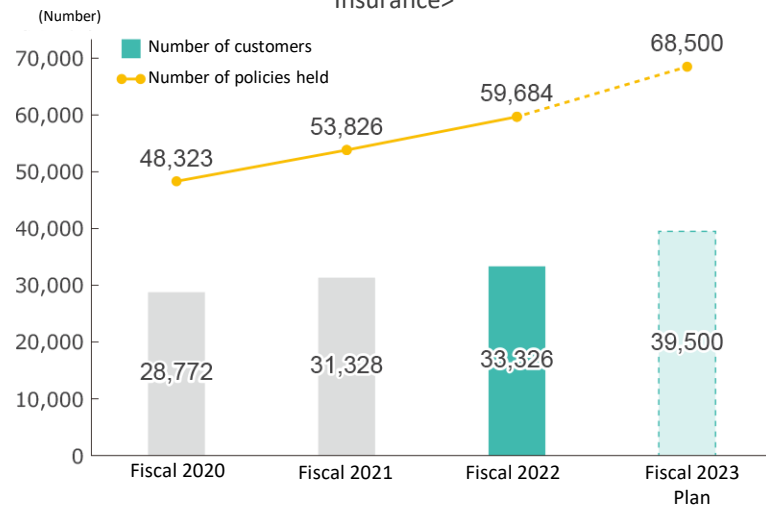
Placing 11 locations in Ehime Prefecture
Consulting available also on Saturdays, Sundays, and holidays

Insurance plaza

Online consultation

Possible to consult easily using a PC, tablet or other device from home without going out

<Number of Customers and Number of Policies Held in Level Premium Insurance>



Saving and Increasing

- Supporting stable, long-term asset formation based on diversification in terms of time, currency, and assets
- Providing support for asset formation, making the new NISA starting in 2024 known to a wider population

Sophisticated consulting services through cooperation between the bank and securities company

Iyo Bank



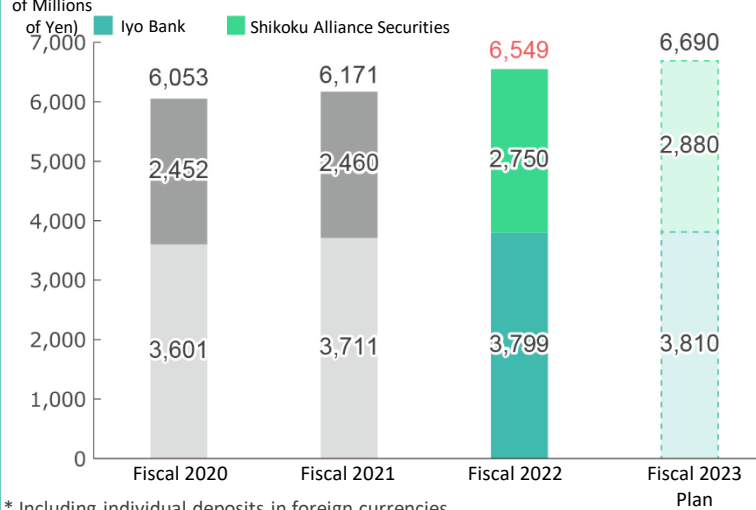
Shikoku Alliance Securities



Providing support for well-planned asset formation based on diversification in terms of time, currency, and assets, according to each customer's life plan

Realizing consulting that utilizes a wider range of products for upper class and corporation owners, etc.

<Change in Group Assets in Custody Balance>

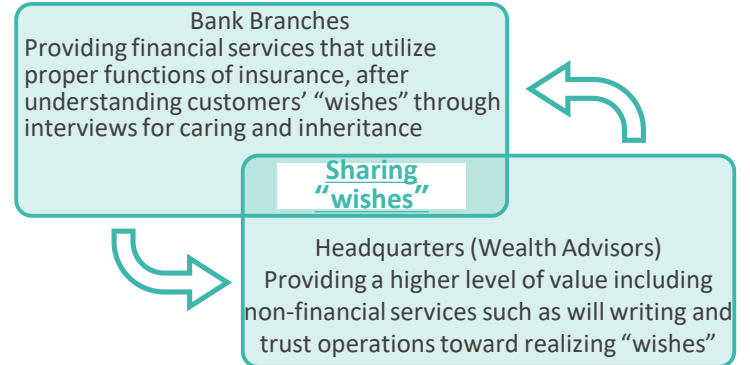


* Including individual deposits in foreign currencies

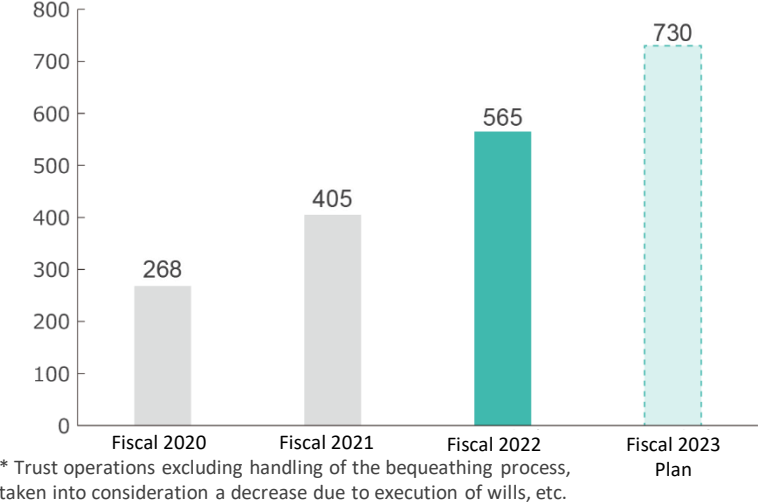
Preserving and Bequeathing

- Responding to diversified and enhanced needs (wishes) for bequeathing by combined efforts of bank branches and headquarters
- Offering a range of values in cooperation with the external relations division at the headquarters (wealth advisors) that provides non-financial services including will writing support, civil trust, and handling of the bequeathing process, in addition to a wealth of life insurance products

Joint support of branches and headquarters



<Number of Trust-Related Contracts>



* Trust operations excluding handling of the bequeathing process, taken into consideration a decrease due to execution of wills, etc.

Business Strategies _ Ship Related I

Environment Surrounding Ship Owners

- Costs of producing new ships remaining high on the background of higher costs of equipment and materials, etc.
- Shorter charter contract periods
- Rising U.S. dollar interest rate, despite favorable weaker yen
- Tougher requirements about measures against climate change, etc.

- Market risk (Ship price, charter fees)
- Interest rate and exchange risk
- Regulatory risk (responding to the environment)

Severe investment environment

Conditions around climate change in ocean transport

IMO has adopted a goal of reducing total GHG emissions by 50% by 2050

➤ “Strategy on the reduction of GHG emissions” by IMO

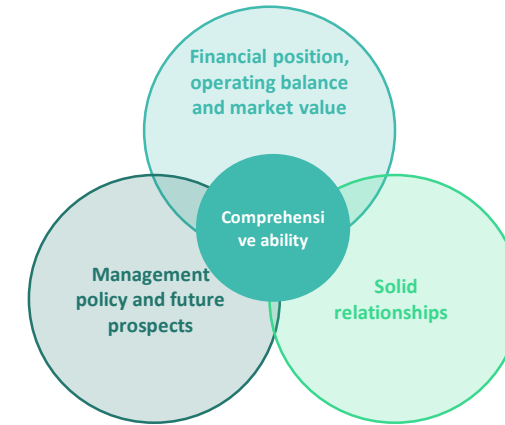


(Note) IMO: International Maritime Organization
(Note) GHG: Greenhouse Gas

New regulations on energy efficiency targeting existing ships will start in 2023 to achieve the 2030 target

Coherent Investment and Loan Policy

- Emphasis on a well-balanced portfolio not depending on specific projects and assets
- Emphasis on long-term relationships and make judgements on customers' comprehensive ability in a multilateral manner
- Utilization of forecast of customers' future profit or loss calculated based on ship cost data accumulated over years
- Collection of information through many interviews with domestic and overseas charterers



Response to Tougher Requirements About Measures Against Climate Change, Etc.

Loans for ships manufactured by Japanese shipbuilding yards that have high fuel efficiency

Loans for LNG dual-fuel ships

Loans for LNG carrying vessels

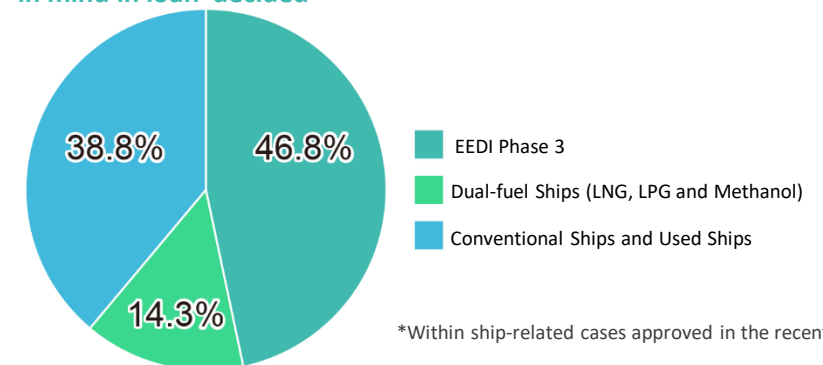
Loans for ships following the regulations on energy efficiency starting 2025 in advance

Obtained certification as a designated financial institution responding to “two-step loans” based on the Maritime Industry Strengthening Act

➤ “Two-step loan”

System for providing loans utilizing fiscal loan funds to shipbuilders, ship operators, and ocean transportation operators certified for a business foundation strengthening plan and specified vessel introduction plan

Ratio of ships designed with environmental initiative in mind in loan decided

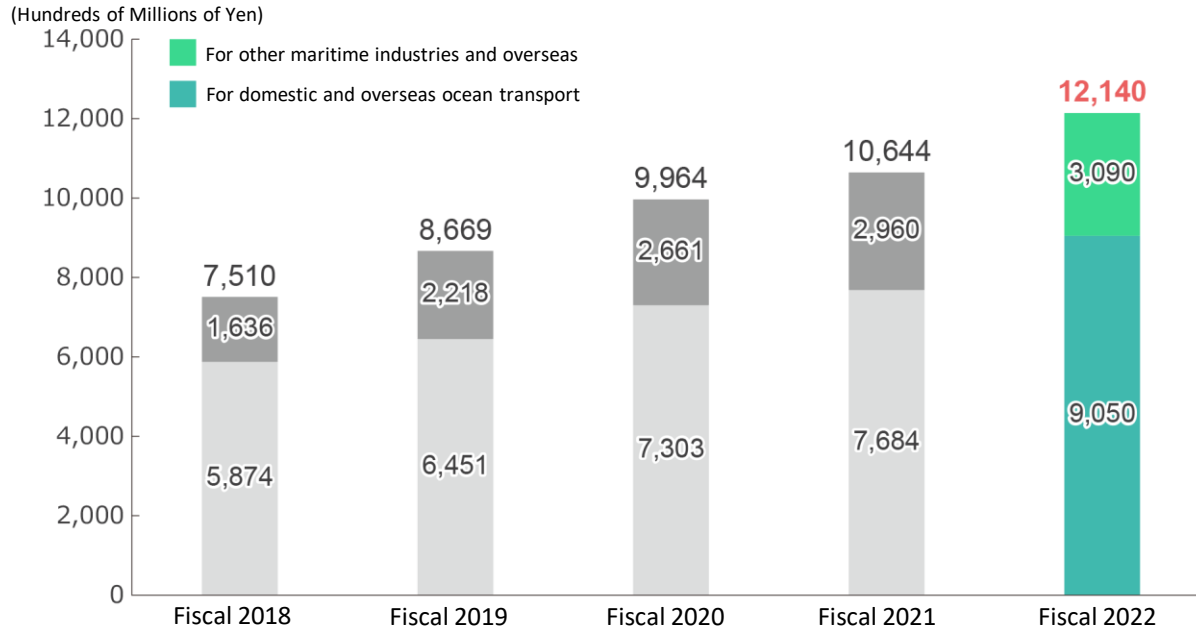


*Within ship-related cases approved in the recent 6 months

Business Strategies _ Ship Related II

Loan Balance for the Maritime Industry **¥1,214.0 billion**

- Continuing an increasing trend, up ¥149.6 billion year on year

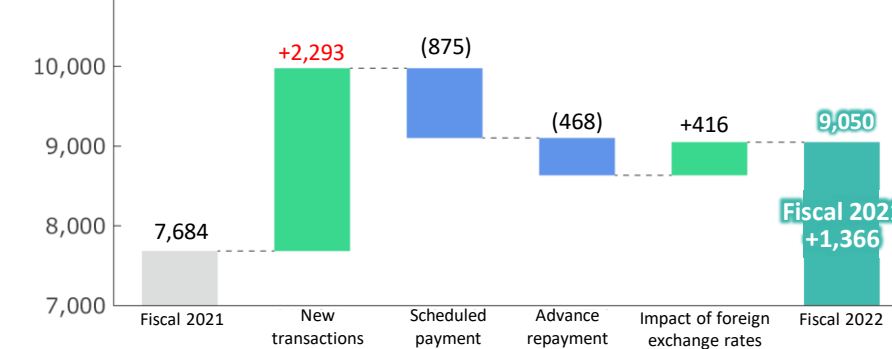


Status of Balance Changes by Segment

For Domestic and Overseas Ocean Transport

- Significant increase in newly executed amount due to the increase in number of cases executed and the trend of ships getting larger and higher priced
- In addition, weaker yen* since the end of the previous fiscal year resulted in an increase in foreign-denominated loan amounts when translated into yen

(Hundreds of Millions of Yen) Breakdown of changes in balance for domestic and overseas ocean transport in fiscal 2022



* In comparison with the US dollar and Swiss franc

[Reference]
 March 31, 2022
 TTM to US dollar: 122.39 yen
 TTM to Swiss franc: 132.54 yen

March 31, 2023
 TTM to US dollar: 133.53 yen
 TTM to Swiss franc: 146.16 yen

Impact from change in exchange rate per yen
 US dollar: 1.50 billion yen
 Swiss franc: 2.37 billion yen
 (As of March 31, 2023)

For Other Maritime Industries

- Modest increase from the end of the previous fiscal year mainly due to capital investment for logistics facilities of coastal trading vessels and maritime businesses

For Overseas Offices

- Increase in amounts when translated into yen owing to ongoing weaker yen despite temporary decrease in balance in dollar due to selling ships and advance repayment from surplus funds

Solutions the Group Aims to Provide

Improvement in Risk Consulting Capabilities Concerning the Shipbuilding and Ocean Transport Industries

- Providing methods to control risks for ship owners
- Group-wide efforts to solve issues marine equipment manufacturers we have business relationships with are facing

Improvement in Research and Analysis Capabilities Concerning the Maritime Industry in General

- Gathering of extensive information centered on Tokyo and Imabari
- More advanced case evaluation based on gathered data and market position analysis
- Acquisition of operational knowledge by dispatching bank employees to ship management companies

Provision of Diverse Funding Sources

- Composition of syndicated loans based on the framework of the TSUBASA Alliance, etc.
- Initiatives for Sustainability Linked Loans and Transition Loans
- Loans for higher priced next-generation-fuel ships

Enrichment in Activities Connecting Domestic and Overseas Maritime Industries

- Aiming for business matching and case intermediation through a unique information network

Business Strategies _ Market Investment I

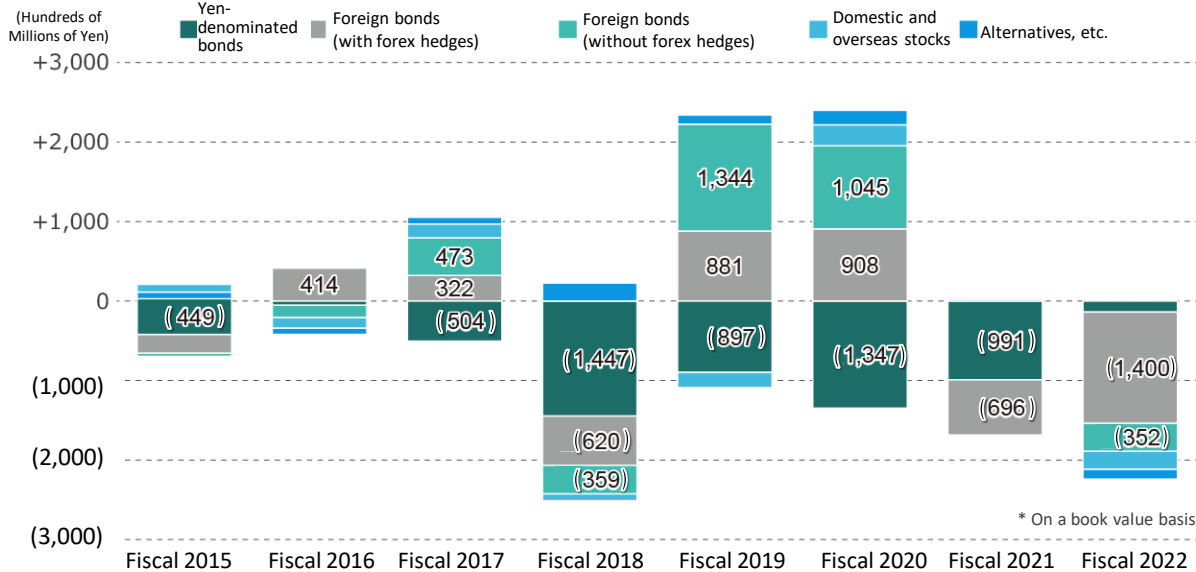
Investment Policy by Risk Category

- Making diversified investment placing emphasis on liquidity, considering total profit and loss leading to stable profit and future profit

(Risk category)	(Direction)	(Policy for investment)
Yen-denominated bonds	Not change	<ul style="list-style-type: none"> Keep the balance as a bond including foreign bonds as assets inversely correlated with stocks.
Foreign bonds (with forex hedges)	Restore balance	<ul style="list-style-type: none"> For foreign bonds (with forex hedges), the balance is temporarily shrunk in anticipation of rising interest rates. In the future, the balance is planned to be restored gradually.
Foreign bonds (without forex hedges)	Not change or modest increase	<ul style="list-style-type: none"> Adjust the balance and implement strategic re-balancing according to the situation while keeping a certain amount to secure stable profit from carry trading.
Domestic and overseas stocks	Decrease	<ul style="list-style-type: none"> Sell off stocks held for strategic purposes if the necessity of holding is not recognized. Purchase stocks held solely for investment purposes of which growth is expected in the medium- to long-term view.
Alternatives, etc.	Not change	<ul style="list-style-type: none"> Consider investment to secure stable carrying and portfolio diversification.

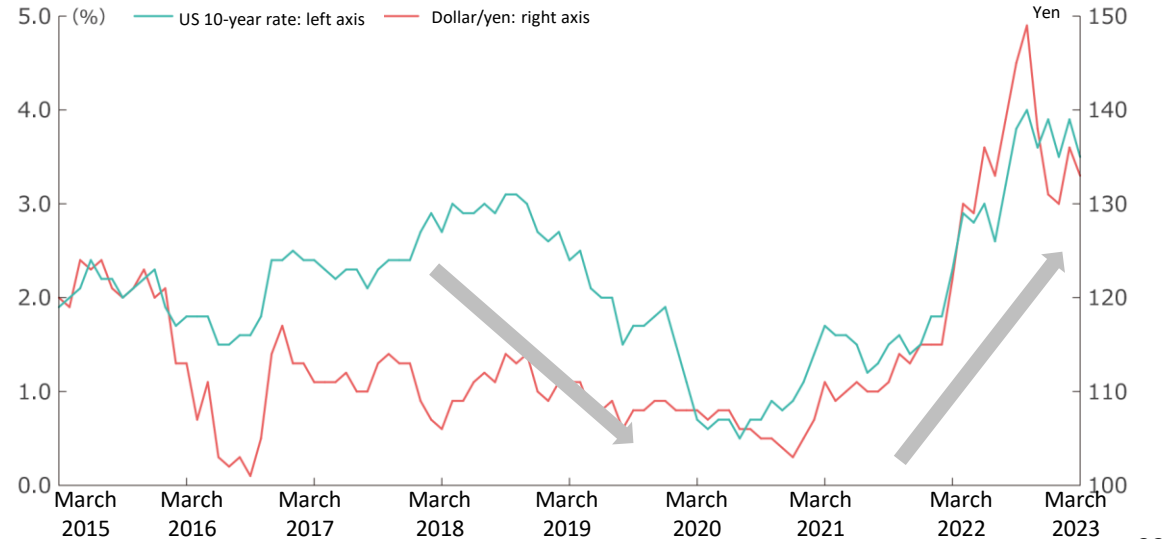
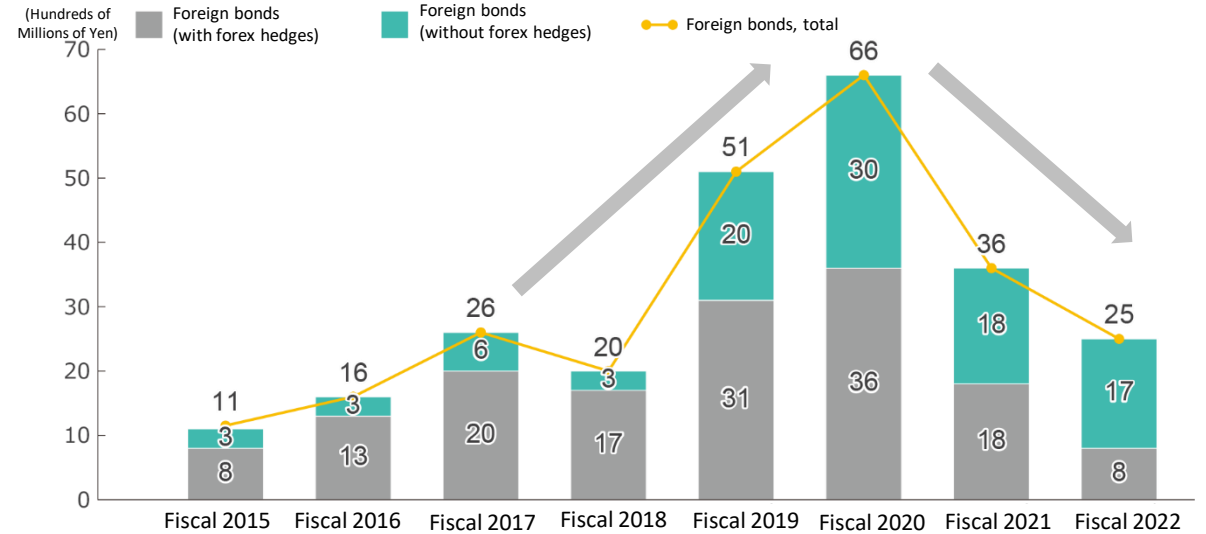
Increase/decrease in Balance of Securities by Risk Category

- After fiscal 2021, the balance of bonds is reduced in expectation of an increase in interest rates



Changes in 10 BPV of Foreign Currencies

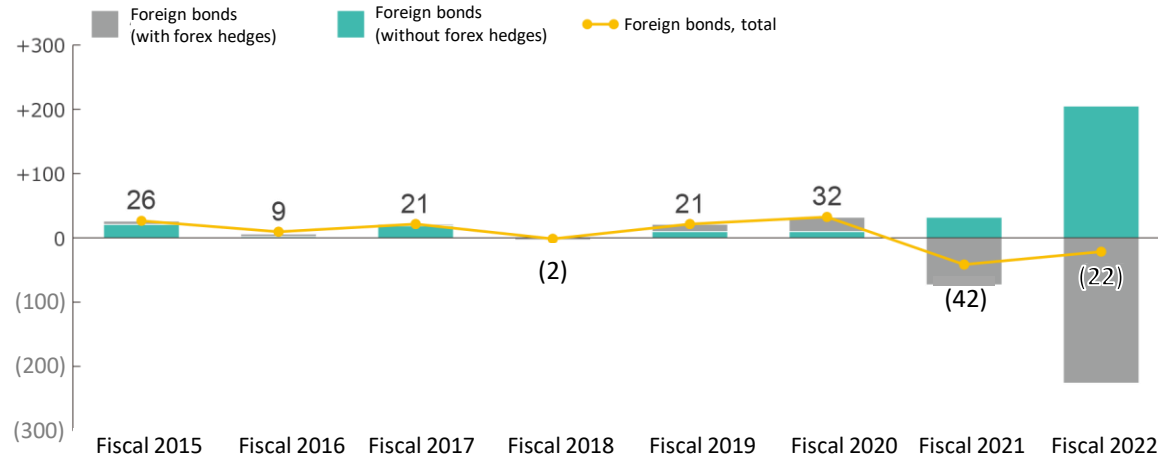
- Moderating interest rate risk in expectation of an interest rate upward trend (reducing the balance and shorter duration)
- Controlling interest rate risk in line with the market trend and mitigating valuation loss on foreign bonds



Business Strategies _ Market Investment II

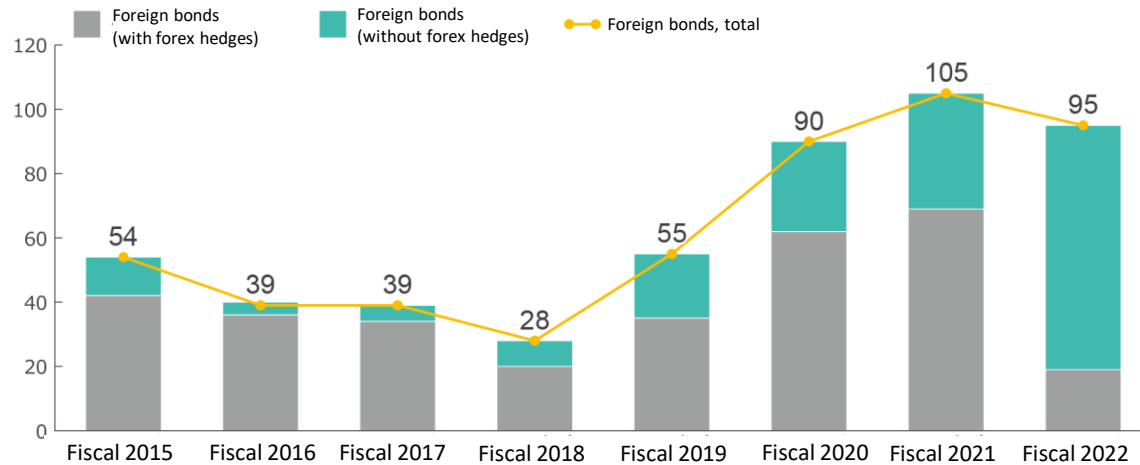
Change in Capital of Foreign Bonds

- Weaker yen caused by a widening interest rate gap offset loss due to rising interest rates
→ Benefit from effects of diversifying “interest rate risk” and “exchange risk”



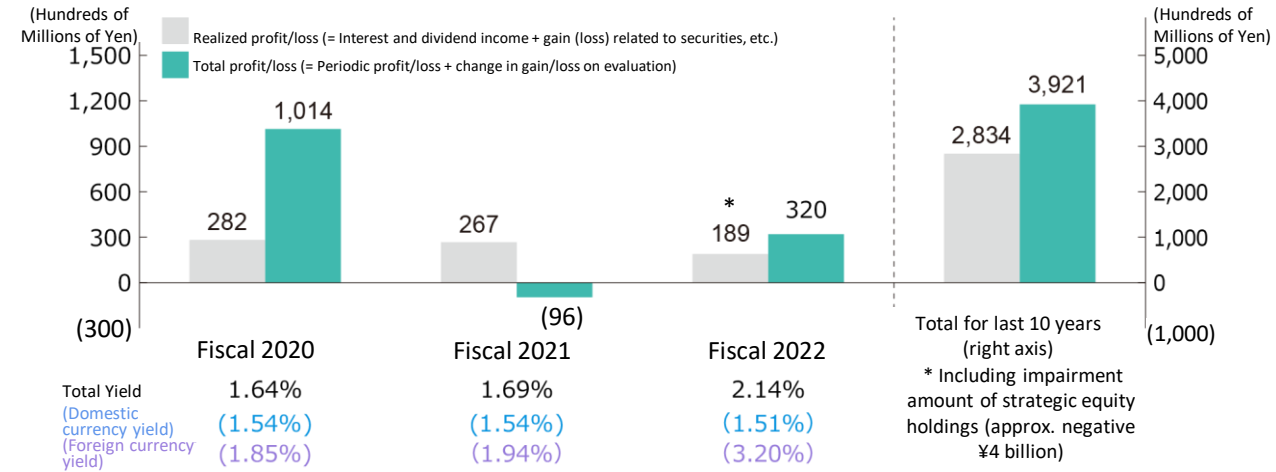
Profits From Foreign Bond Carry Trading

- Bond switching to “dispose of loss” and “increase yields” (that is, qualitative improvement in portfolio)
→ An increase in foreign currency procurement cost is offset by an increase in profits from foreign bond carry trading



Securities Performance

- Aiming for stable gain on securities management and management in consideration of total profit or loss

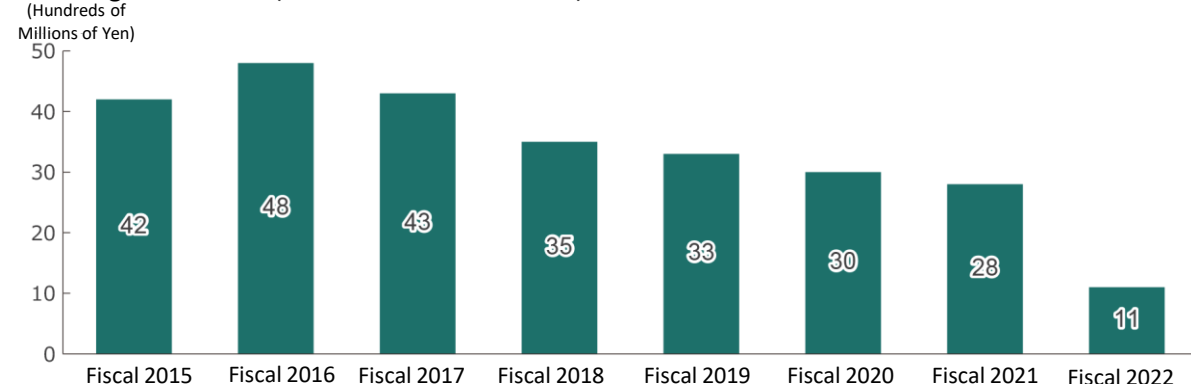


Portfolio Risk Sensitivity *After considering hedging

- Portfolio risk sensitivity (As of March 31, 2023)

Duration ◎ Yen-denominated bonds*	2.30 years
◎ Foreign bonds (with forex hedges)	3.44 years
◎ Foreign bonds (without forex hedges)	Exchange ¥10V ¥18.9 billion
◎ Stock	Nikkei Stock Average ¥1,000V ¥10.9 billion

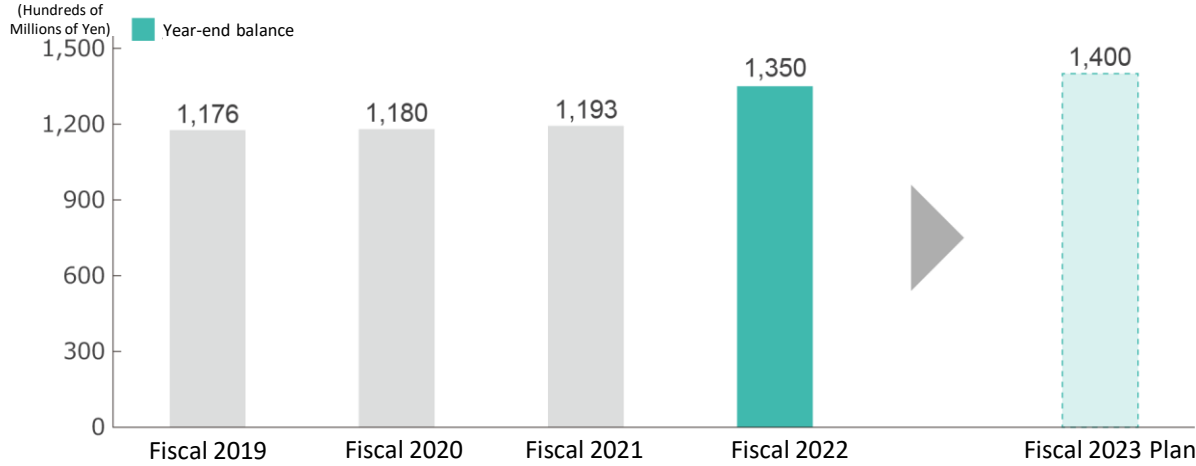
Changes in 10 BPV (Yen-denominated bonds)*



Business Strategies _ Market Investment III

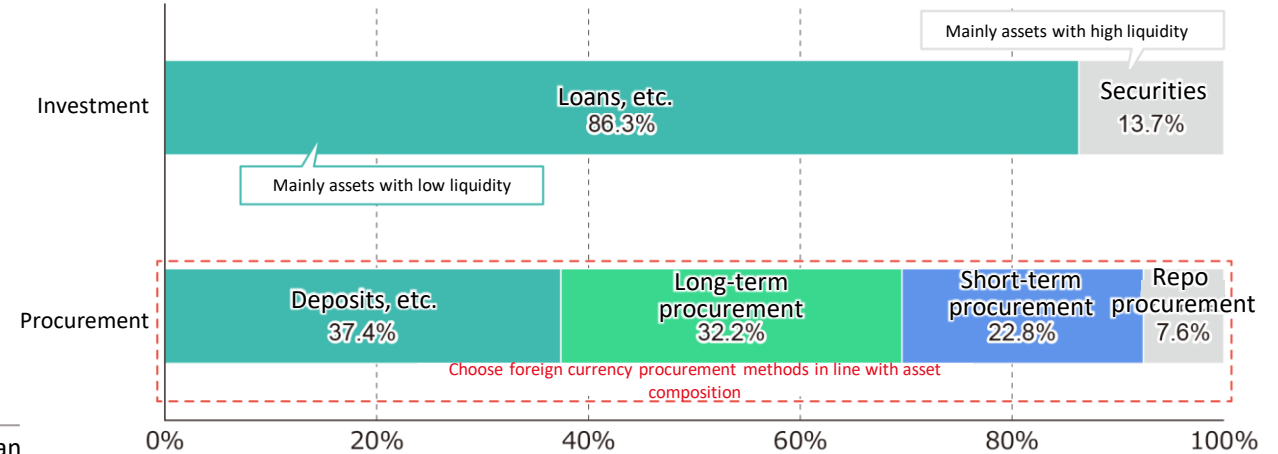
Loan Balance Plan [Financial Market Business Office]

Loans in an increasing trend mainly for overseas corporate projects

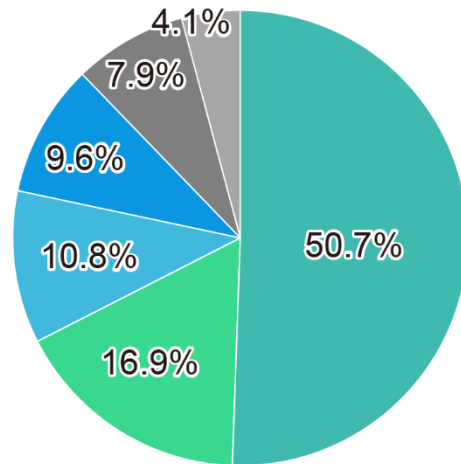
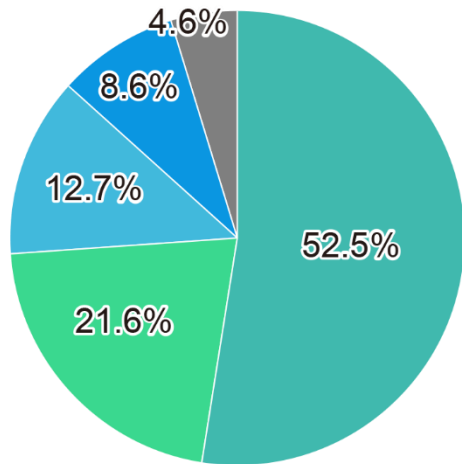


Status of Foreign Currency Investment and Procurement [March 31, 2023]

<Loans + Market Investment (Securities)>



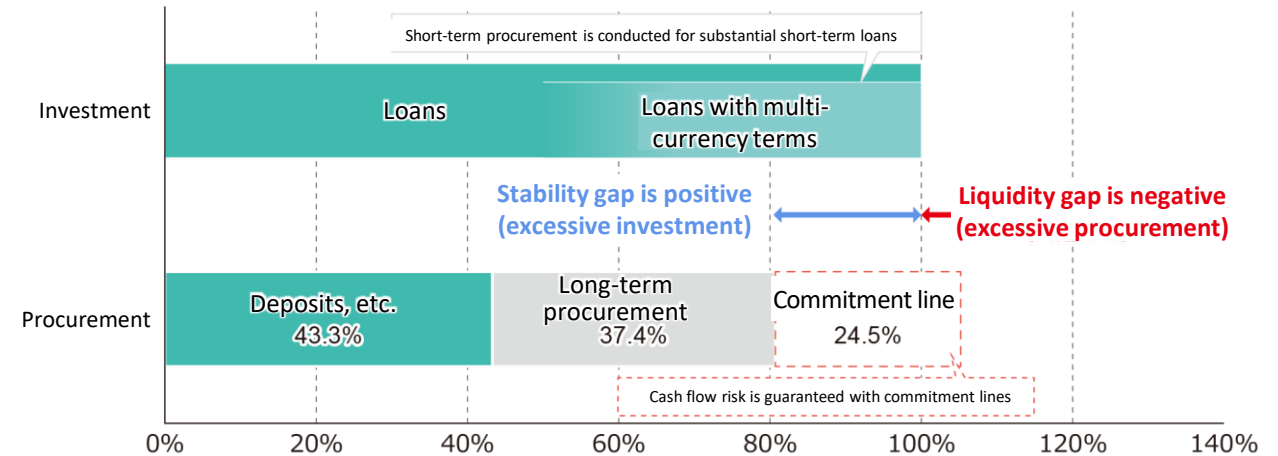
Portfolio by Region and Industry [Financial Market Business Office]



Japan North America Europe
Asia/Oceania Other

Electricity and gas Manufacturing Finance
Transportation Various services Other

<Loans, etc.>



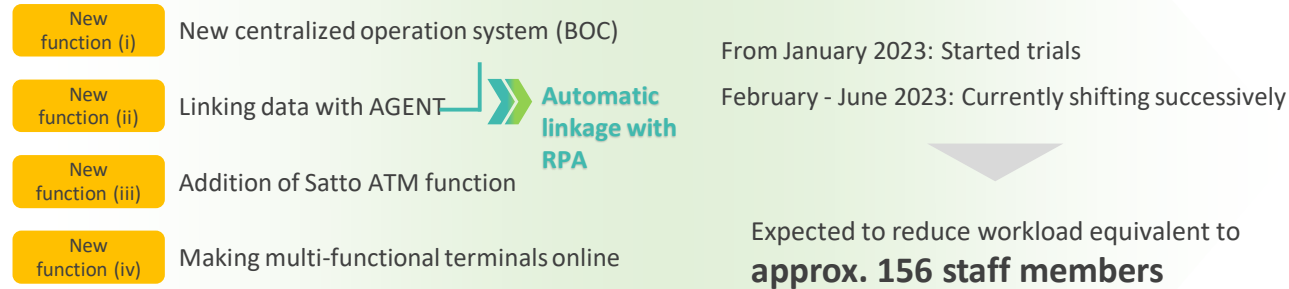
Stability gap: Loans, etc. - (Deposits, etc. + Long-term procurement)

Liquidity gap: Loans, etc. - (Deposits, etc. + Long-term procurement + Commitment line)

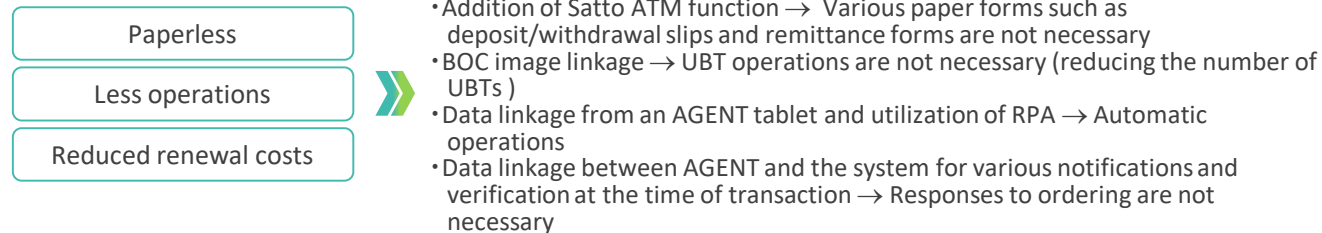
Cross-Sectional Efforts Supporting Business Strategies _ BPR I

Main Efforts at the Bank Branches Toward Reduction in the Amount of Administrative Work

Renewal and start of full-fledged operations of the next bank branch system



[Renewal concept and specific effects]



Renewal of base of loan support system (plan)

- More efficient screening/standardization of points to be examined
- Centralizing loan-related functions such as management of contracts
- Placing the system infrastructure in the cloud and improving UI/UX
→ After 2024, the full-fledged operation is scheduled

Other BPR measures

- Introduced Branch Link at all bank branches (remote management)
- Outsourced cash management business to Group company (IBS)
- Centralized administrative works at bank branches into the headquarters ...etc.

Addition of new functions to AGENT app



- Use is suspended when lost or stolen
- Transaction details of housing loans can be confirmed
- Time deposit special to AGENT is available * Preferential interest rate Product

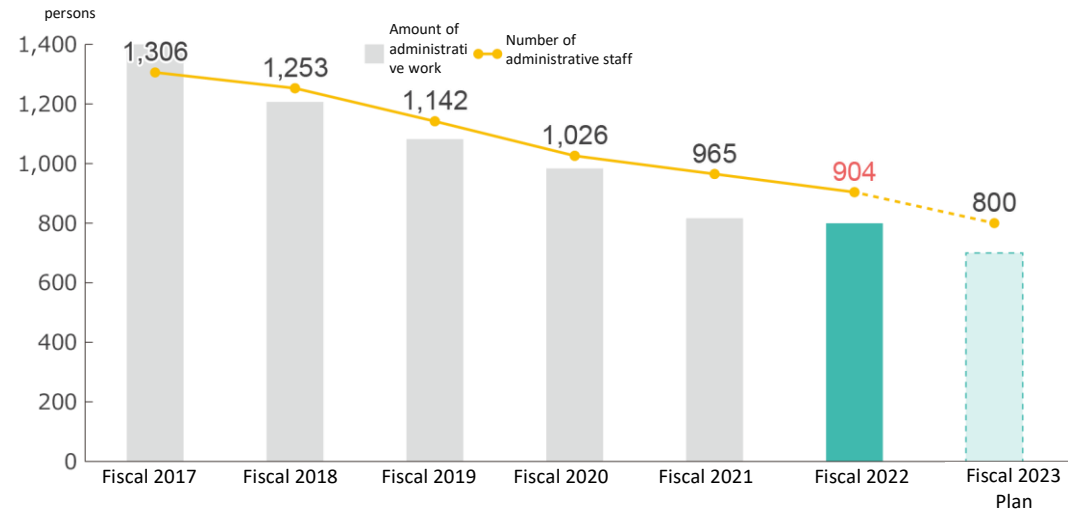


+

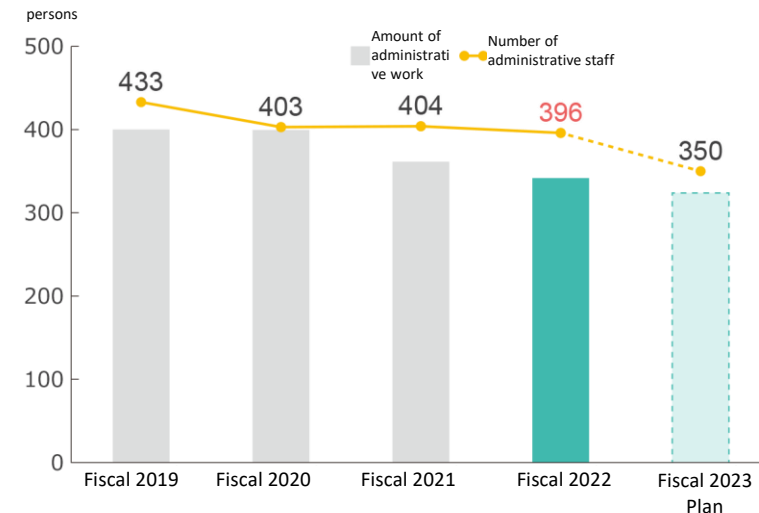
The remitting function was implemented to the app in May 2023

Effect of BPR at Bank Branches (Amount of administrative work/Number of administrative staff)

[Administrative staff in charge of operations]



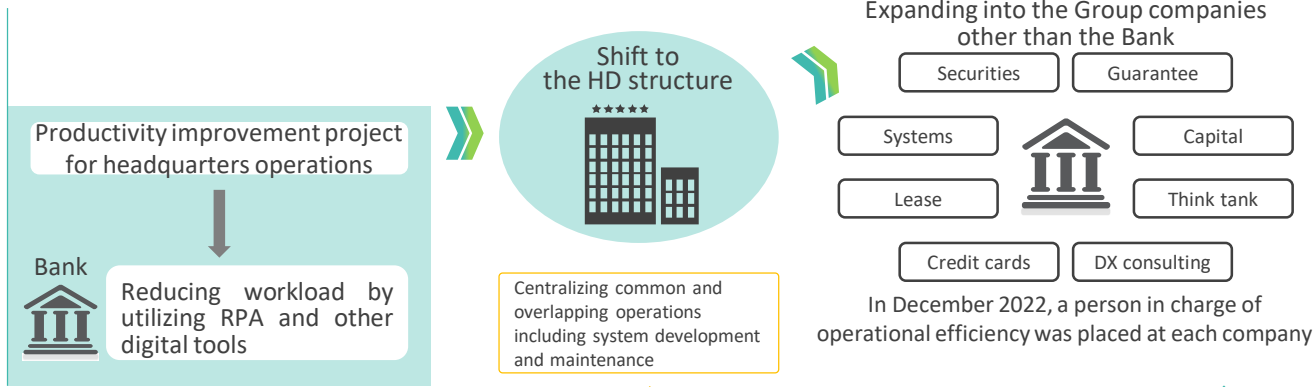
[Administrative staff in charge of loans]



Cross-Sectional Efforts Supporting Business Strategies _ BPR II

Developing operational efficiency improvements on the Group basis utilizing knowhow of the Bank headquarters

- Expanding BPR measures proven at the Bank headquarters horizontally on a group-wide basis, aiming to achieve work style reforms



Considering expansion to other companies

Promotion with cooperation of the CoE and persons in charge of each company

Automation of operations utilizing RPA

- Automation of routine operations by RPA
- Processes from new development to maintenance are entirely completed in-house

Digitalization of application flows

- Digitalization of conventionally paper-based application procedures, by developing a flow of the groupware

Introduction of Electronic approvals

- Opening the "electronic approval system" to the Group companies, making approvals among the Group paperless

Headquarters Operation Support Center

- Centralizing general affairs work, stationery management, expense work, etc. at the Bank headquarters

Centralized storage of documents

- Completed centralized storage for "stored documents"
- Currently shifting to centralized storage, in which "contracts" are made to a database

Introduction of SMBC CLOUDSIGN

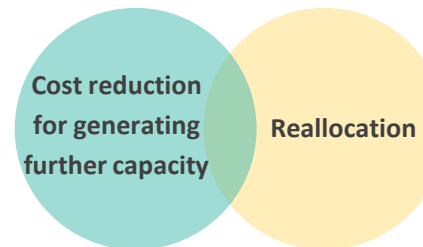
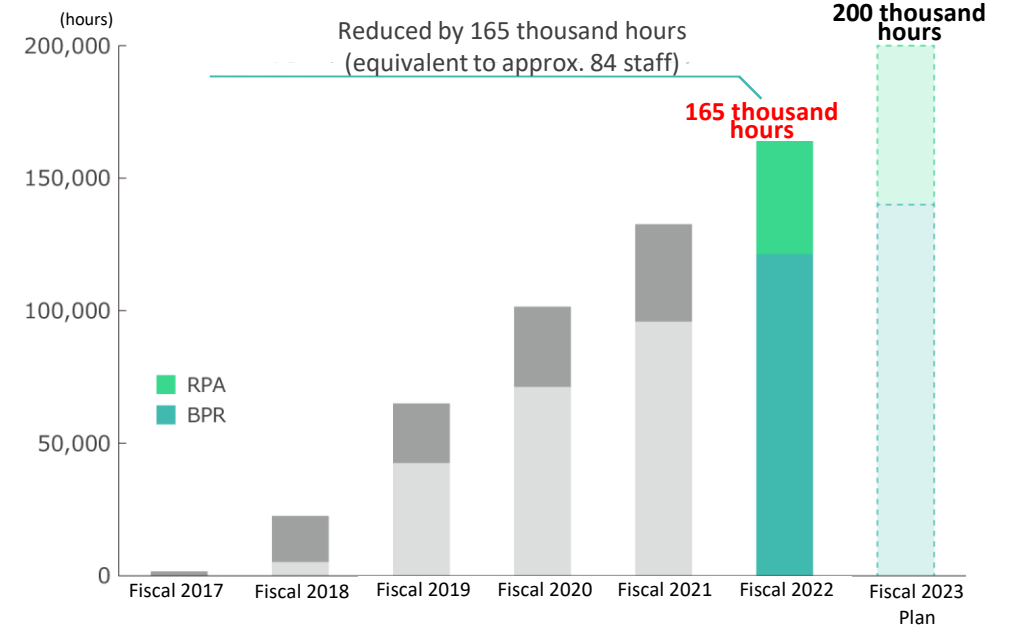
- Realizing no use of seals, limiting a range of use

Introduction of AI chatbot

- Reducing workload of inquiries by using AI

Considering expansion of each measure successively within the Group

Effect of workload reduction at the Bank headquarters and Group companies (reduced hours)



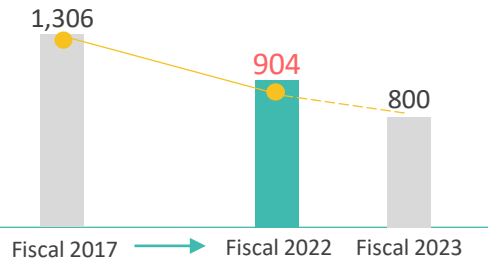
Increase productivity of the entire Group
Inputting resources to "Planning work"

Toward achieving work style reforms considering reconstruction of the head office building, BPR measures including workload reductions and paperless are promoted across the Group

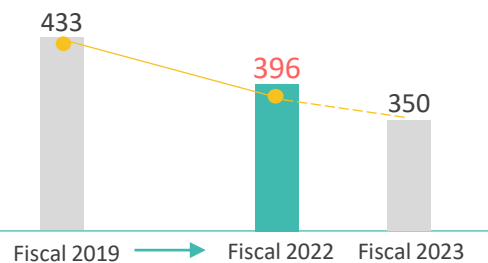
Cross-Sectional Efforts Supporting Business Strategies _ BPR Strategy III

Reduction Effects of BPR Measures and Resource Shifting

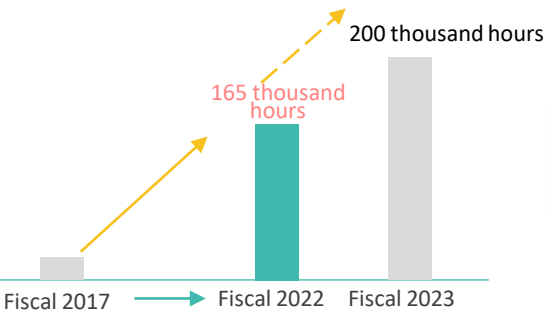
Number of administrative staff in charge of operations: **Minus 402 Administrative Staff**



Number of administrative staff in charge of loans: **Minus 37 Administrative Staff**



Headquarters workload reduction: **165 thousand hours/year reduction**

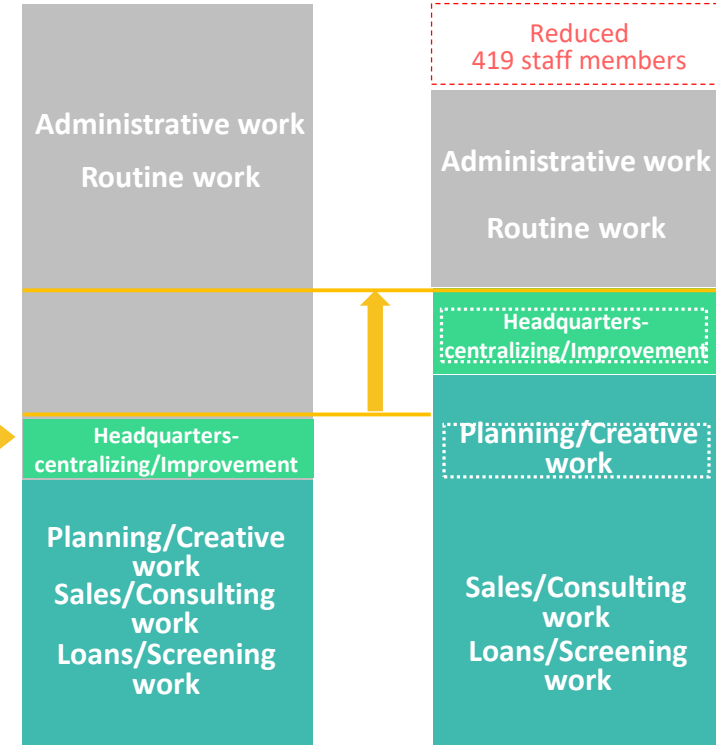


Surplus human resources and time generated by the reduction are shifted to a higher level of operations

Ways of working of officers and employees also changed greatly

[April 2018]

[April 2023]



	[April 2018]	[April 2023]	
Generalists	2,350 persons	2,255 persons	Minus 95
Office/Staff	1,874 persons	1,550 persons	Minus 324
Total	4,224 persons	3,805 persons	Minus 419

* Total number decreased due to adjustment by attrition, etc.

* Administrative work and routine work were minimized with BPR

Shifting resources to further improvement of headquarters-centralizing measures

- Loan-Related Administrative Work Support Center: 18 persons
- Headquarters Operation Support Center: 9 persons
- In-house VC center/Telephone reception center: 14 persons, etc.

Shifting resources to planning and creative work at headquarters

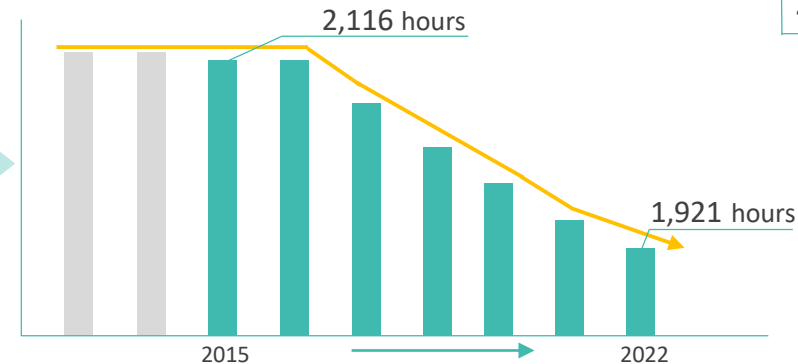
- RPA and digital workflow development staff: 4 persons
- Enhancement of headquarters external relations and DHD-related measures: 82 persons
- Ship-related staff: 9 persons
- Enhancement of system development staff: 39 persons
- New company "Iyogin Digital Solutions Co., Ltd": 7 persons, etc.

<Others>

Surplus resources generated are allocated to consulting from customers and problem solving

For loans, "administrative" work is minimized, shifting to "screening" work

<Yearly working hours (per person)>



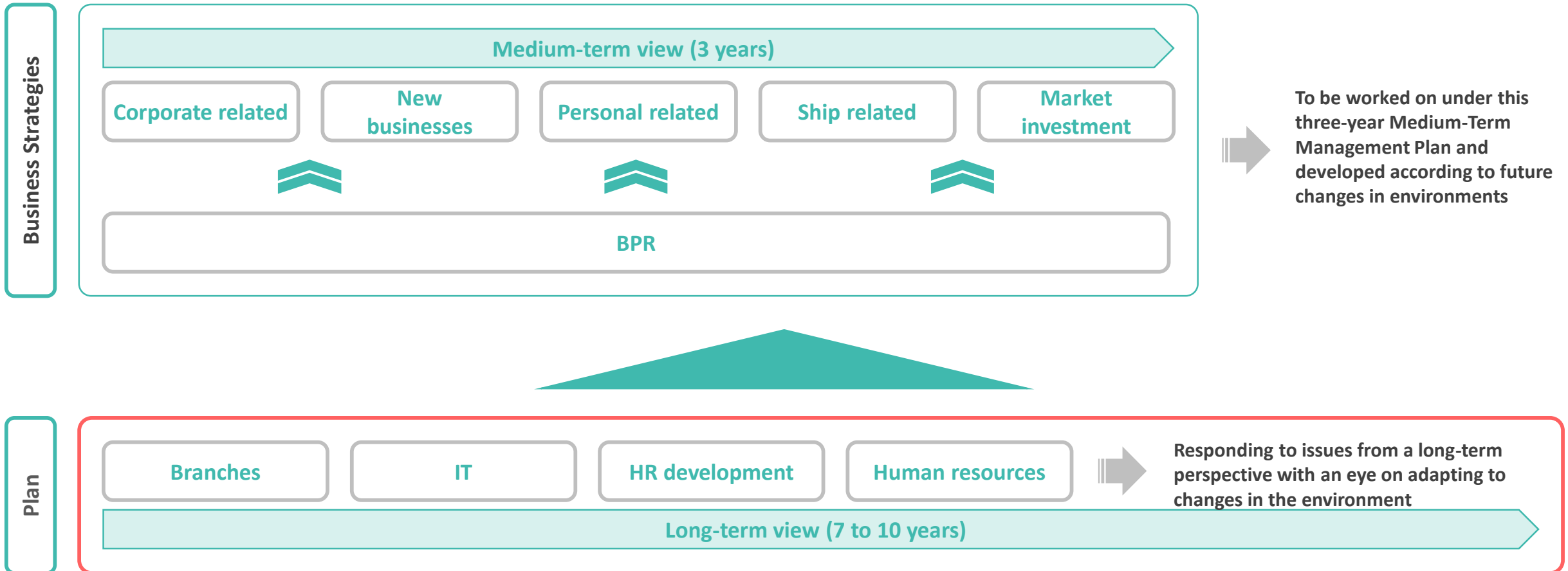
Yearly working hours per person
→ Reduced by 195 hours (compared to 2015)

Work style reforms steadily advanced with higher awareness on BPR by employees and officers

Business Strategy and Plan for Realizing the Long-Term Vision

Toward achieving a long-term vision of a “corporate group continuing to create and provide new value,” we will work to further deepen and evolve the DHD model centered on **six business strategies** and **four plans** to improve sustainability as a corporate group.

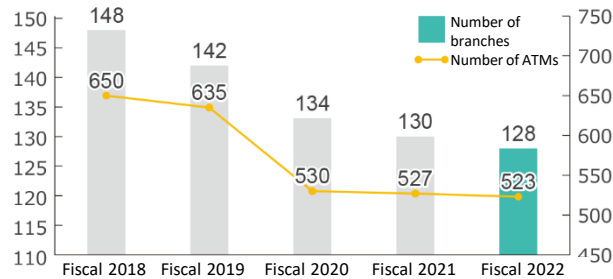
Corporate group continuing to create and provide new value



Cross-Sectional Efforts Supporting Business Strategies _ Branch Plan

Face-to-face Channels

Review of Branches and ATM Locations



Review of Branch Functions

- Shift of all branches to a Next-generation Branch was completed in Ehime Prefecture
- Review of business hours
 - ▶ Extension of business hours: 34 branches
 - ▶ Adoption of lunch break: 11 branches
- Introduction of the Group Head system: 26 groups organized
- Shift to labor-saving/function-specific branches
 - Branches located in government offices: 6 branches
 - lyogin SMART (branches not having account): 2 branches
 - lyogin SMART plus (branches specialized in transactions): 4 branches

Advanced Use of Branch Real Estate



- Fukuoka Branch/Nagoya Branch: To be completed in 2024
- Renovating the branches to include rental spaces targeting at third parties
- Scheduled to obtain ZEB Ready certification

Rebuilding channels of contact points with customers in line with changing customer behavioral patterns

“Deepening and evolving the Digital-Human-Digital Model”

Face-to-face channels



Branches and ATMs

Non face-to-face channels

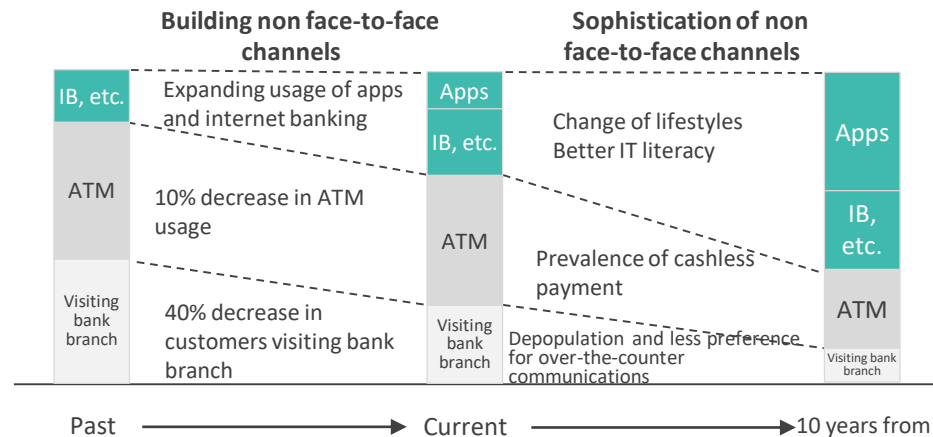


App and IB



- Daily use transactions are mainly conducted on “your palm” easily and conveniently, while problem solving that only humans can do is implemented at “manned branches,” which is the strength of regional banks

Contact Points with Customers (Expected)



- Since the COVID-19 pandemic, contact points with customers have changed drastically

Non Face-to-face Channels

DHD Services/Digital Touch Points

Released in November 2019



HOME

House purchasing plan with a smartphone

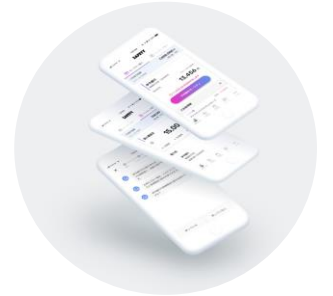
Released in June 2021



AGENT

Iyo Bank on your palm

Released in May 2020



SAFETY

New card loan service that issues notifications on insufficient amount

Released in October 2021



LIFE PALETTE

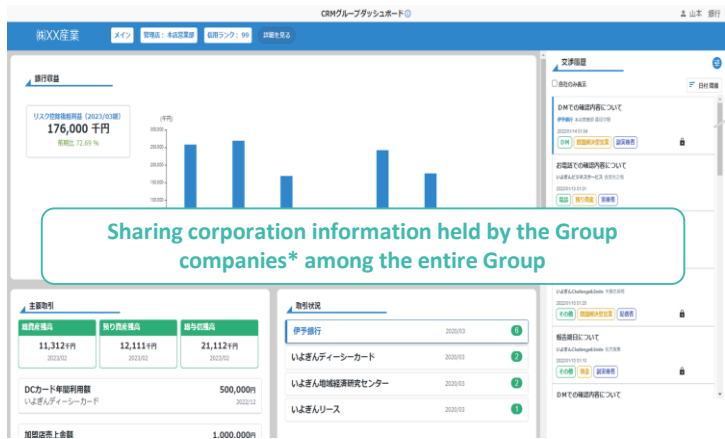
Simulation tool that allows customers to chart various future plans

Cross-Sectional Efforts Supporting Business Strategies _ IT Plan

Improvement of Data Utilization System

Introduction of CRM Group Dashboard

- Introduced the CRM Group Dashboard in April 2023 aiming to strengthen sales capabilities of the entire Group, aiming for customer-oriented business operations



- Revenue status
- Negotiation records
- Contact person at each Group company
- Transaction status, etc.

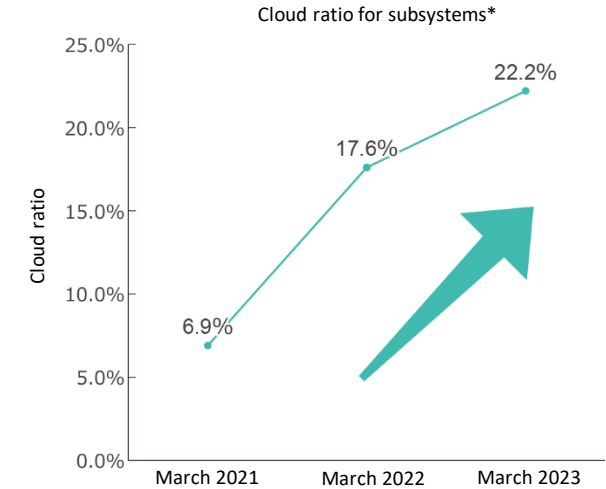
Aiming to strengthen relation management for the entire Group and provide optimal products and services

*Excluding Shikoku Alliance Securities

Development of System Infrastructure

Promotion of Cloud Utilization

- Promoting use of the cloud to improve productivity in introducing and operating systems
- Speed (shorter delivery and development period)
- Securing scalability and flexibility
- Reducing system operation workload



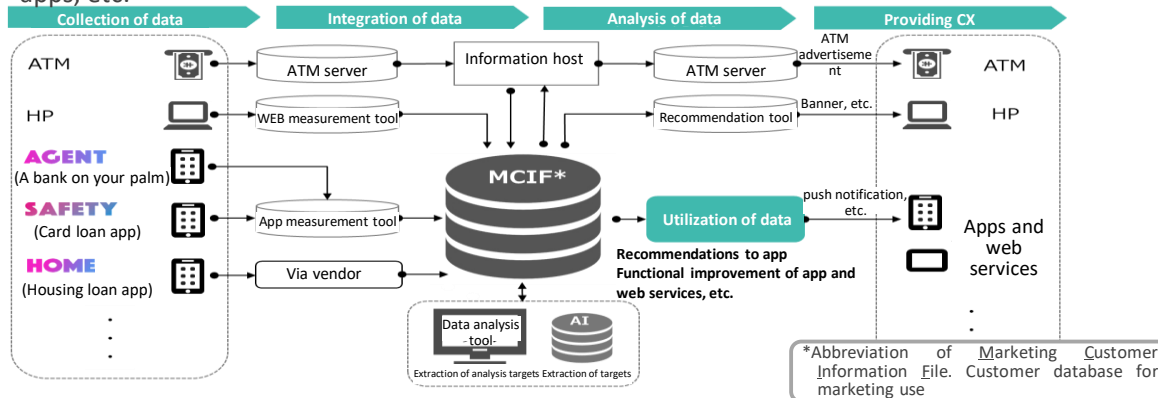
*Subsystems

Peripheral systems of the core banking system including sales support systems, loan support systems, and other operational support systems

Omnichannel Coordination

Improvement of Coordination Among Channels

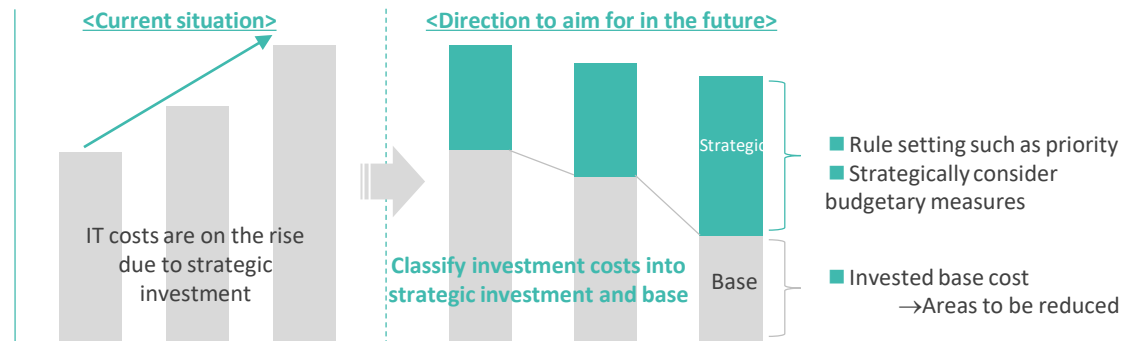
- Developing an environment for obtaining attributes and behavioral data of customers of our apps and web services, which are utilized for optimum recommendation and improvement of functions of apps, etc.



Establishment of IT Governance

Optimization of IT investment in the Group as a whole

- Centralize management of system investment and development projects
- Unify processes of advance verification and check of investment effects for large scale investment cases
- Commonalize IT infrastructure in the Group

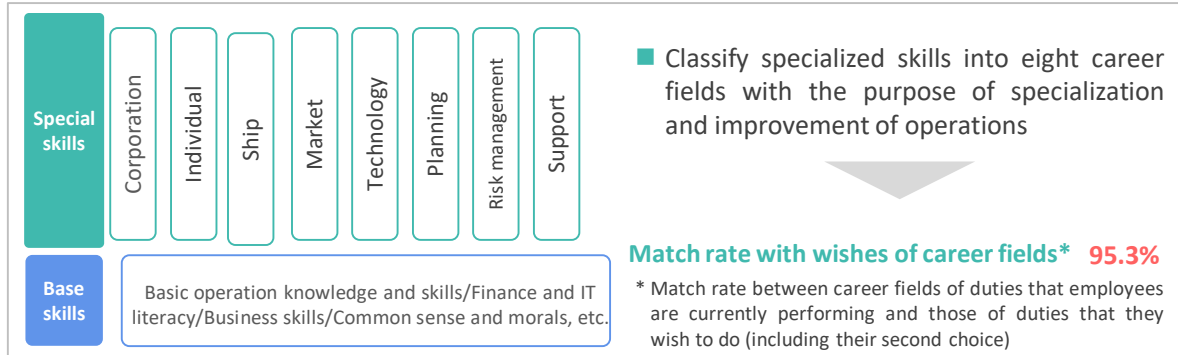


Cross-Sectional Efforts Supporting Business Strategies _ Personnel Development Plan

Co-creative Human Resources With Advanced Expertise

- Implementing various measures based on three key points, in order for each employee to create their strength and improve their area of expertise

Personnel with an Area of Expertise



- Enhancement of short-term dispatch trainings, etc.
 - Expanding the scope to Regional Vitalization Division and Shikoku Alliance Securities and providing for employees of 8 divisions and companies, an opportunity to attend training, as well as autonomously consider their own career development
- Expansion of participants of level-based workshops
 - Jointly holding level-based workshops, etc., expanding the eligible employees into staff from the all Group companies (Number of trainees at Group companies (excluding the Bank): 85)

Establishment of an Environment Which Facilitates Autonomous Learning

- Expansion of online learning tools, etc.



- Increase in shorter classes on demand
- Continual use of training apps

Responses to Diversifying Careers

- Introducing training programs by business (field) open to all employees
- Expansion of eligible employees of training through dispatch to external institutions
- Promotion of challenges to advanced qualifications
- Continuation and expansion of qualification acquisition incentive system



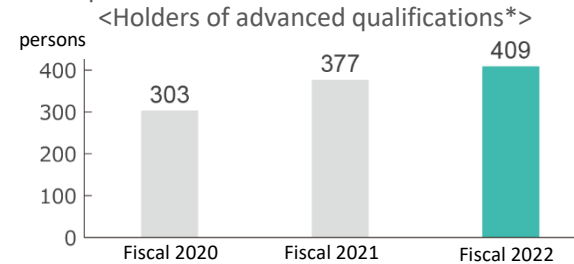
Developing a group that creates and provides diversified value in the entire Group

Specialists by Fields

- Development at specialized departments, dispatch to specialized institutions outside the Group, or other programs are conducted with four fields that require a high level of expertise and skills as pillars

Corporation/Individual/Ship/Planning

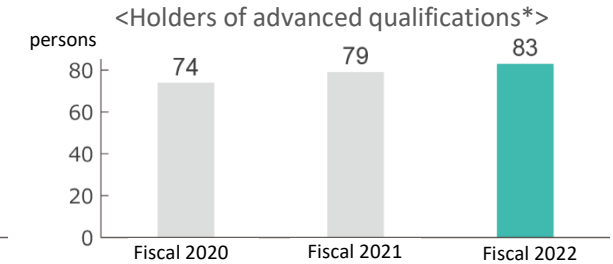
- Dispatching employees on assignments outside the Group
- Short-term dispatch trainings to specialized departments



*Attorney, Certified Public Tax Accountant, MBA, Small and Medium Enterprise Management Consultant, 1st-grade CFP, etc.

Market

- Short-term dispatch training in the Funds Operation & Securities Division



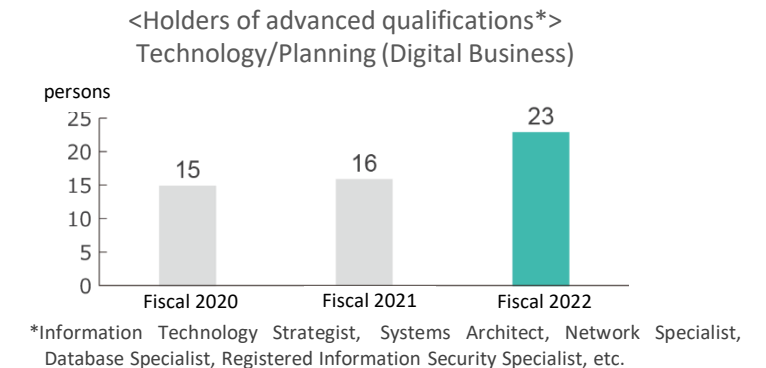
*Securities analyst, Certified International Investment Analyst

Technology

- Attending cloud-related training
- Skill Compass Level 3 or higher

Planning (Digital Business)

- Redefine and clarify development policies
- Conducting level-based development measures



I. Summary of Earnings for Fiscal 2022

II. Group Medium-Term Management Plan

II-1. Major Numerical Targets of Medium-Term Management Plan

II-2. Main Strategies and Progress of Medium-Term Management Plan

II-3. Efforts for Sustainability

II-4. Profit / Loss Forecasts and Capital Policy

Efforts for Sustainability _ Environment (Summary of Response to TCFD Recommendations)

Scenario Analysis

Physical risks

Suspension of business of customers and damage on collateral following occurrence of flood damage



Increase in credit-related expense (through 2050)
A total of **¥4.6 billion^{*1}** to **¥7.5 billion^{*2}**

Transition risks

Transition to a decarbonized society through tightening of regulations on restrictions of carbon emissions, introduction of carbon tax, etc. in “electric power” and “gas” sectors



Increase in credit-related expense (through 2050)
A total of **¥0.08 billion^{*3}** to **¥2.6 billion^{*4}**

Carbon-related Exposure Ratio

Ratio of carbon-related assets^{*5} to loans and other assets mainly based on the recommended disclosure items in the TCFD Recommendations



43.4%
(As of the end of fiscal 2022)

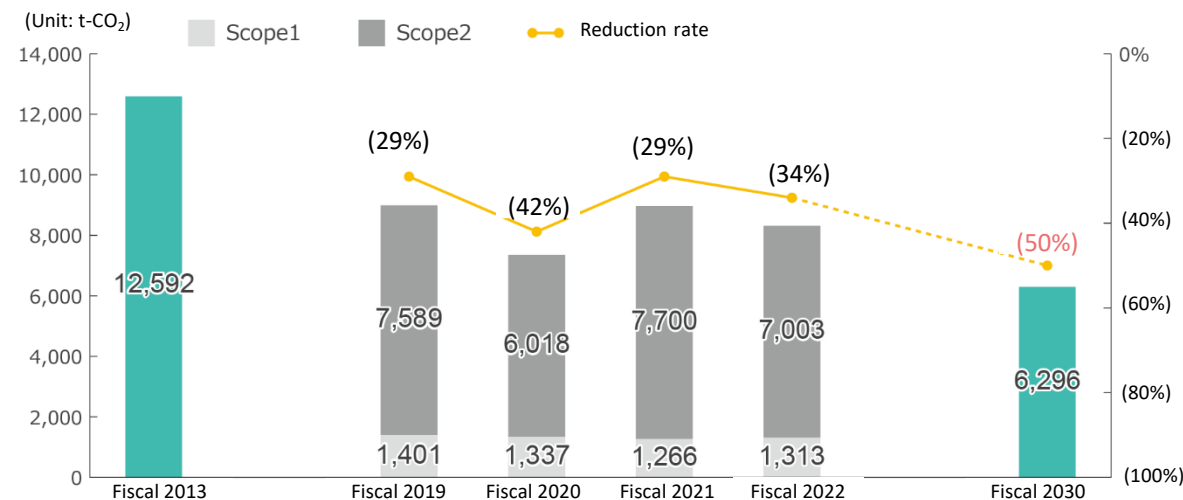
*1...RCP 2.6 Scenario (2°C Scenario) by the Intergovernmental Panel on Climate Change (IPCC)
*2...RCP 8.5 Scenario (4°C Scenario) by the Intergovernmental Panel on Climate Change (IPCC)
*3...Below 2°C Scenario (2°C Scenario) by the Network for Greening the Financial System (NGFS)
*4...Net Zero 2050 Scenario (1.5°C Scenario) by the Network for Greening the Financial System (NGFS)
*5...Calculated by applying the industry classification listed in the Ministry of the Environment’s “Practical Guidance for Decarbonization Starting From Portfolio Carbon Analysis” based on the definition of the “energy,” “transportation,” “materials and buildings,” “agriculture, food and forestry products” sectors

CO₂ Emission Reduction Target and Results

Target

50% reduction by fiscal 2030 (compared to fiscal 2013) (combining scope 1 and 2)

Result



<Reference> Calculation of Scope 3

	(Unit: t-CO ₂)			
Scope 3	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Business travel (Category 6)	553	225	189	308
Employee commuting (Category 7)	1,381	1,351	1,319	1,296

State of response to Scope 3 Category 15 (Investments)

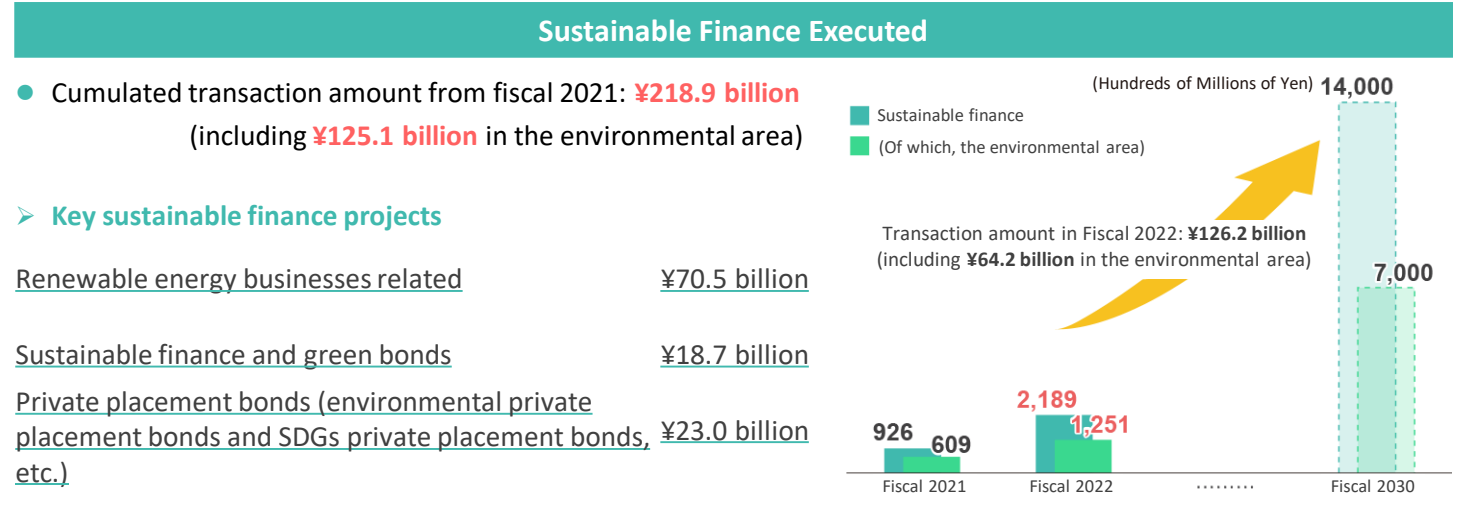
- ✓ Made trials regarding calculation of CO₂ emissions (financed emissions) of the investee portfolio classified into Category 15 (Investments) of Scope 3
- ✓ Going forward, we will analyze calculation results and consider efforts for setting reduction targets, etc., preparing for disclosure of information

Efforts for Sustainability _ Environment and Society (Sustainable Finance)

Sustainable Finance

- Supporting customers' efforts toward sustainable management, which is of increasing social interest

Sustainable Finance Menu
Green loans
Sustainability linked loans
Transition loans
Green bonds
Positive impact finance



Arranged project finance for an onshore wind power operation

- Arranged project finance with the total amount of ¥13.5 billion for an onshore wind power operation that Makikawa Masaki Wind Farm LLC plans to construct in Uwajima City and Ainan Town, Ehime Prefecture, as an arranger and agent

<Overview of the project>

Business operator	Makikawa Masaki Wind Farm LLC
Power generation scale	25,000 kW (output control with 3,600 kW × 8 turbines)
Company that buys electricity	Shikoku Electric Power Transmission & Distribution Company, Incorporated
Sponsors	GF Corporation, JR-EAST Energy Development Co., Ltd.
Start of operation (scheduled)	February 1, 2026

Handling of “private placement bonds for work style reforms” started

- In April 2023, we started to handle private placement bonds for work style reforms with the purpose of supporting customers which meet a certain level of financial criteria and make efforts to achieve work style reforms

<Menu of private placement bonds >

ESG private placement bonds
Private placement bonds for supporting home towns
Private placement bonds for supporting welfare program

- ✓ Environmental private placement bonds
- ✓ SDGs private placement bonds
- ✓ Private placement bonds for work style reforms
- ✓ “Manabiya”
- ✓ “Chiiki no Mirai”
- ✓ “Kaisha-no-Mirai”



Efforts for Sustainability _ Society (Efforts for Local Economy)

Revitalization of the Region by Business Foundation Support

Number of Business Foundation Support

	Fiscal 2020	Fiscal 2021	Fiscal 2022
Business foundation planning support	366	352	385
Of which, start-up loans (with/without Credit Guarantee Association)	301	217	228
Of which, referrals to government-affiliated financial institutions and start-up support organizations	17	19	36
Of which, venture companies registered for grants or investments	24	18	16

*Businesses within 3 years of establishment are counted

- Continuing from last year, the Bank supports the operationalization of customers during the start-up period, centering on “start-up loans”

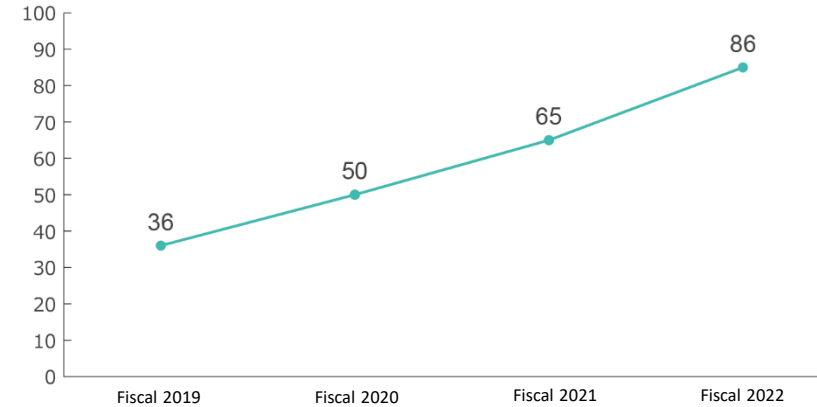
Business Plan Competition

- “The 8th Iyogin Business Plan Competition” held in March 2023
- Determined seven prize winners from among 48 applicants
- The Grand Prix was awarded to USUi Co., Ltd. (Niihama) that presented “Stable Renewable Energy Business With Buoyancy of ‘Ocean, River, and Lake’ Water Used as Power Source”

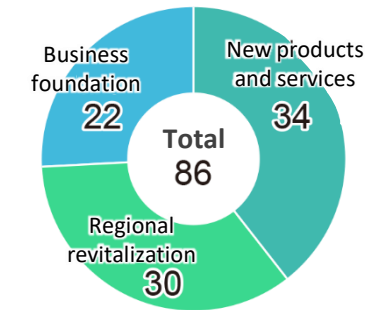


Revitalization of Local Economy by Crowdfunding

[Number (cumulative)]



[Number by category]



- The Bank subsidizes part of the fees paid by customers to crowdfunding companies to support projects on starting business and regional revitalization in Ehime Prefecture

Solving Regional Issues Utilizing Digital Technologies

- Providing support to various projects related to the primary industry utilizing Ehime Prefecture’s public offering project “TRY ANGLE EHIME” which aims to accelerate DX implementation in industries and life

Purposes

- Improving productivity of the primary industry through utilizing digital technologies
- Eliminating shortage of new entrants to the primary industry

Supported projects

- Digitalization of knowhow for cultivating tomatoes with a high sugar content
- Digitalization of cultivation of the HIME NO RIN rice utilizing space technologies
- Commercialization of distribution DX “vegibus Ehime”
- Building of a smart farm experiencing platform

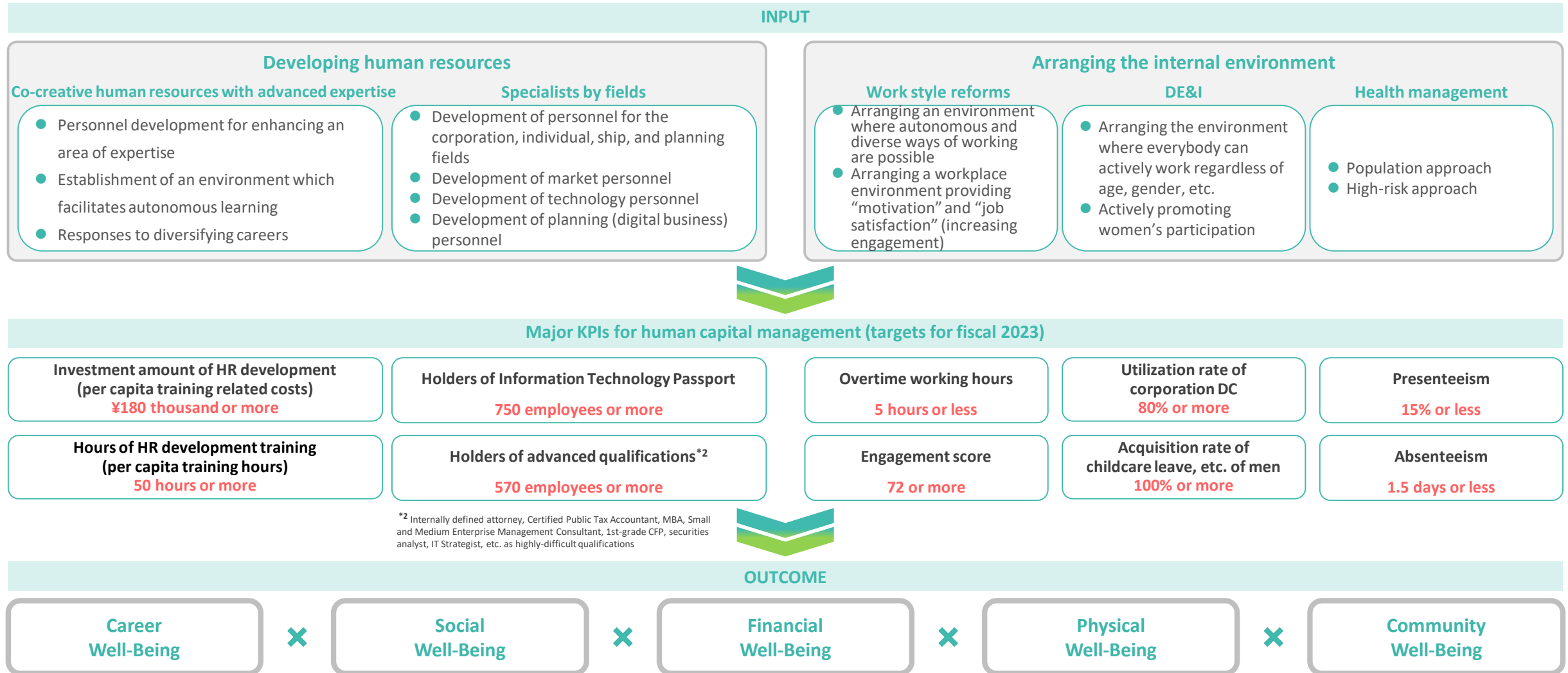


Efforts for Sustainability _ Society (Human Capital Management Summary)

The Group positions human resources as one of sources of competitive advantages, developing human resources (page 32) and arranging the internal environment (page 38) to realize five elements of Well-Being*¹ for all employees

*1 Career, Social, Financial, Physical, Community

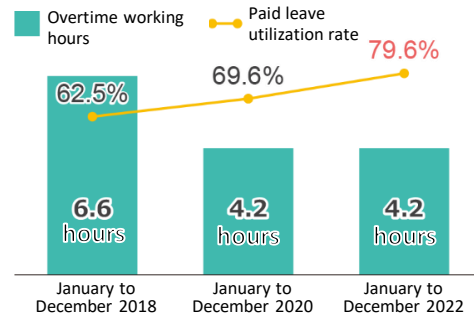
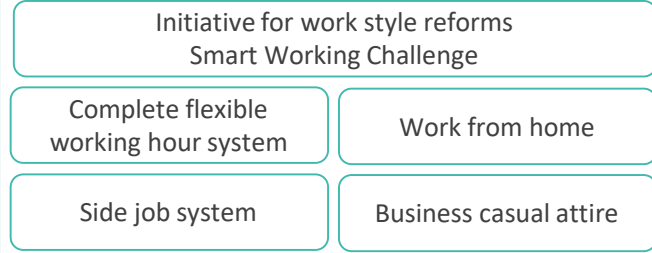
Iyogin Group Well-Being = Better Work, Better Life.



Efforts for Sustainability _ Society (Human Capital Management _ Arranging Internal Environment)

Work Style Reforms

- Arranging an environment where autonomous and diverse ways of working are possible

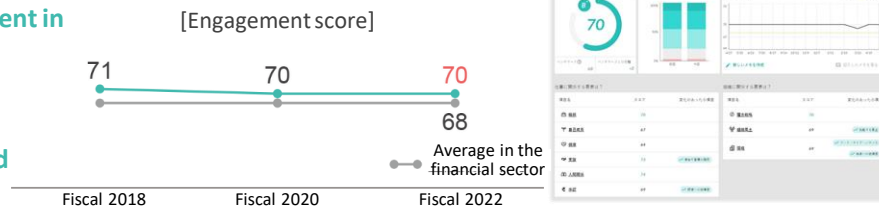


- Arranging a workplace environment providing "motivation" and "job satisfaction" (increasing engagement)

Conducting an engagement survey every month using an engagement detection tool (wevox)

PDCA cycle for improvement in engagement

Enhancement of organizational abilities and an improvement in business results



Health Management

- Taking both of a population approach and high-risk approach

Population approach

- Subsidizing costs for health checkups and granting special leave
- Holding health seminars and events
- Lending a wearable terminal "Fitbit"
- Working-hour interval system, etc.

High-risk approach

- Recommendations from a health nurse for reexamination or consulting with a doctor
- Health guidance according to lifestyle risk
- Specific health guidance
- Face-to-face guidance by an industrial doctor, etc.



Organized the health management initiatives in a systematic way and prepared a **Health Management Strategy Map** →



Certified Health & Productivity Management Outstanding Organizations Recognition Program
Recognized as "White 500"
* Recognized in this Recognition Program for six years consecutively

DE&I

- Arranging an environment where everybody can actively work regardless of age, gender, etc.

→ Personnel system under which highly individualistic talents can be fully utilized (revised in October 2022)



Integrated generalist career track and specified generalist career track into new generalist career track

Possible to decide whether to transfer



Reviewed the re-employment system for resigned employees

- Abolished requirements for period of separation from employment, etc.
- Returning directly as the Bank's employees is possible

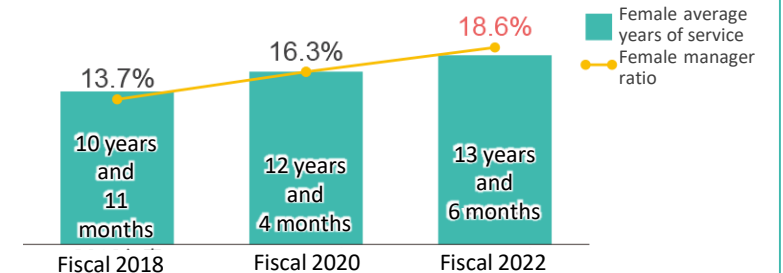
Introduced a referral recruitment system



Raised the re-employment age limit of senior employees

- Actively promoting women's participation

- ✓ Continued to achieve 100% of the childcare leave utilization rate for men and women since fiscal 2016
- ✓ Newly established "parental leave after birth" in October 2022 as a more flexible and accessible system



Efforts for Sustainability _ Social Contribution Activities

Environmental Protection



Iyo Bank Evergreen Forest

Established in 2008

Under the "Agreement on Forest Creation Activities" which was entered into with Ehime Prefecture, Ozu City and Forest Fund of Ehime, we are making efforts to foster forests in four locations in Ehime Prefecture.



Iyo Bank Evergreen Forest (Matsuyama City)

Iyo Bank Environment Foundation "Evergreen" (public trust)

Established in 2008

Applications are invited once every year from April to August

We support organizations and individuals who are engaging in environmental preservation activities in Ehime. To this day, we granted a total of ¥69 million to 192 recipients.



Fiscal 2022 "PLAGIRLS" from the Science Club, Ehime University Senior High School"

Contribution to Local Communities



Iyo Bank Regional Cultural Activity Assistance Program

Established in 1992

Applications are invited twice a year from June to July and from December to January

We grant part of funds for activities of parties which carry out "grassroots" cultural activities in Ehime and granted a total of ¥254 million to 1,312 organizations. In addition, "special applications" targeting organizations damaged by the heavy rain in July 2018 are also invited.



61st recipient

"Ozu Garyu-daiko Preservation Society"

Iyo Bank Social Welfare Fund (Public Interest Incorporated Foundation)

Established in 1976

We support improvement in social welfare and human resource development for the next generation in Ehime

Granting scholarships to high school students in single or no parent families

Employment subsidies for children living in child welfare institutions, etc.

Iyo Bank Social Welfare Fund (Public Interest Incorporated Foundation)

Donation of social welfare equipment to social welfare institutions, etc.

Donation of subsidies for buying books to high schools, etc.

Diversity



Iyogin Challenge & Smile

Established in 2018

Iyogin Challenge & Smile Co., Ltd. has been established as a special subsidiary company with the purpose of promotion of employment of persons with disabilities. It engages in various initiatives aiming to create a workplace where they can work actively with local communities, including development of goods, sales of goods at rest stops, event venues, etc. in cooperation with local companies, and succession of traditional industries.



SDGs Card Game

Started in 2021

Iyogin Regional Economy Research Center is conducting "2030 SDGs Card Game" training for local companies and organizations. Anyone can easily learn "why SDGs are needed" and "how SDGs are relevant to us" while experiencing in a game format.



Iyogin Financial Education Class

Started in 2007



Iyogin is supporting children

Seminars for kids

Seminars for learning about bank mechanisms and healthy financial literacy



YouTube Videos

Publishing videos on themes such as lowering the age of adulthood and banking operations

成年年齢引き下げとは?



Iyogin Junior Mirai Juku

Lesson program in line with school curriculum guidelines and financial literacy map



I. Summary of Earnings for Fiscal 2022

II. Group Medium-Term Management Plan

II-1. Major Numerical Targets of Medium-Term Management Plan

II-2. Main Strategies and Progress of Medium-Term Management Plan

II-3. Efforts for Sustainability

II-4. Profit / Loss Forecasts and Capital Policy

Profit / Loss Forecasts for Fiscal 2023

- Mainly due to an increase in interest and dividend income, core business gross profit is projected to be ¥90.5 billion, an increase of ¥1.0 billion year on year
- Profit attributable to owners of parent is forecasted to continue at a high level at ¥25.5 billion, despite a decrease of ¥2.3 billion year on year mainly due to an increase in credit costs

(Units: Billions of yen)

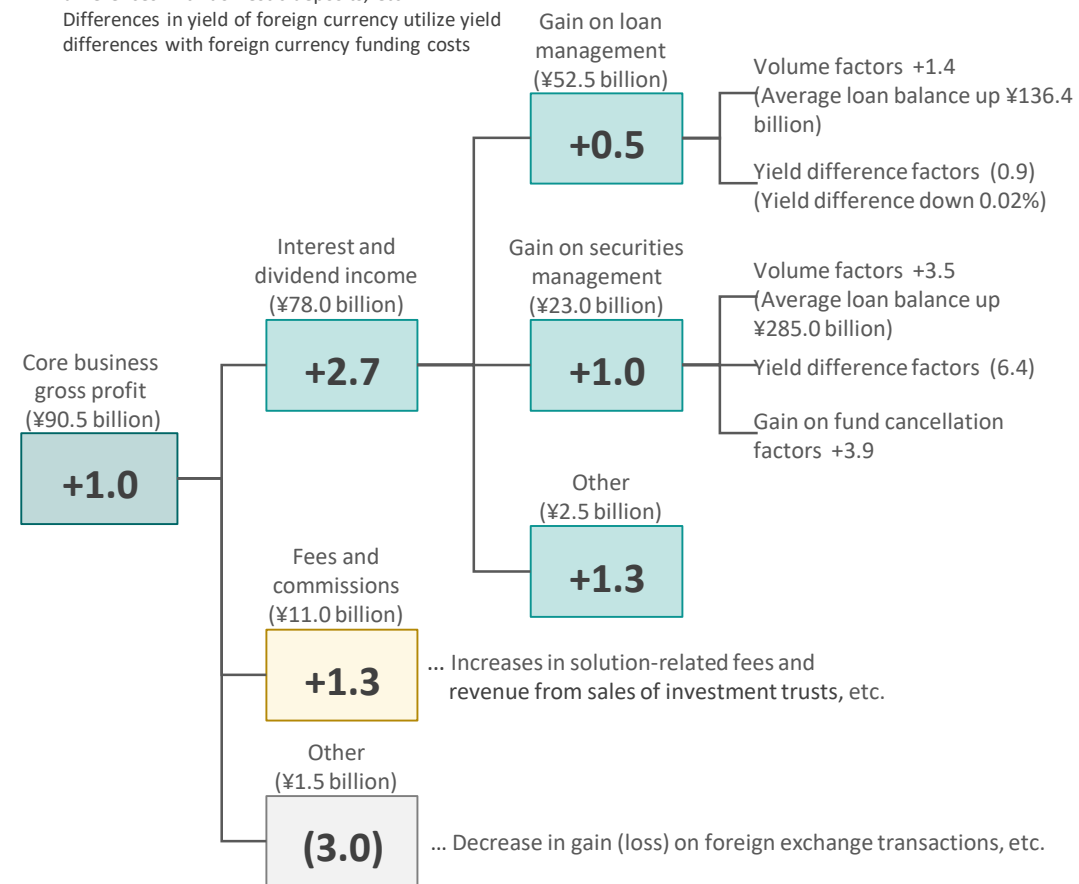
[Holding Company Consolidated]	Fiscal 2022 results		Fiscal 2023 forecast			
	Inter- mediate results		Inter- mediate forecast	YoY		YoY
Consolidated core business gross profit	44.9	89.5	45.0	+0.1	90.5	+1.0
Of which, interest and dividend income	37.7	75.3	38.5	+0.8	78.0	+2.7
Of which, non-interest and dividend income	7.2	14.2	6.5	(0.7)	12.5	(1.7)
Expenses (-)	26.1	52.6	27.5	+1.4	55.0	+2.4
Consolidated core business net income	18.8	36.8	17.5	(1.3)	35.5	(1.3)
Credit costs (-)	(0.7)	(2.5)	2.5	+3.2	5.0	+7.5
Gain (loss) related to securities	7.5	0.0	1.5	(6.0)	2.5	+2.5
Ordinary income	28.9	42.4	18.5	(10.4)	36.0	(6.4)
Profit attributable to owners of parent	19.8	27.8	13.0	(6.8)	25.5	(2.3)

[Reference: Bank Nonconsolidated]	Fiscal 2022 results		Fiscal 2023 forecast			
	Inter- mediate results		Inter- mediate forecast	YoY		YoY
Core business gross profit	42.2	84.1	42.5	+0.3	85.0	+0.9
Expenses (-)	24.8	50.3	26.5	+1.7	52.5	+2.2
Core business net income	17.3	33.7	16.0	(1.3)	32.5	(1.2)
Ordinary income	27.3	39.2	17.5	(9.8)	34.0	(5.2)
Net income	19.1	26.3	12.0	(7.1)	24.0	(2.3)

Factors Contributing to Increase / Decrease in Consolidated Core Business Gross Profit (Fiscal 2023 - Fiscal 2022)

(Note) Differences in yield of domestic currency utilize yield differences with domestic deposits, etc.
Differences in yield of foreign currency utilize yield differences with foreign currency funding costs

(Units: Billions of yen)



Capital Policy I

Toward Enhancement of Corporate Value

$$PBR = ROE \times PER$$

⇒ Aiming to enhance corporate value by raising these values

Efforts for raising ROE

Efforts from a medium-term view (business strategies)

- Increase in the top line figures through efforts in the Medium-Term Management Plan
 - ⇒ Strengthening non-asset business in the corporate sector (pages 14-15)
 - ⇒ Strengthening consulting services in line with life stage in the personal sector (page 20)
 - ⇒ Creating revenue sources through new businesses (pages 16-17)
- Promotion of BPR and reduction in costs taking ROI into consideration
 - ⇒ Improving group-wide operational efficiencies and optimizing resources (pages 26-28)

Efforts from a medium- to long-term view

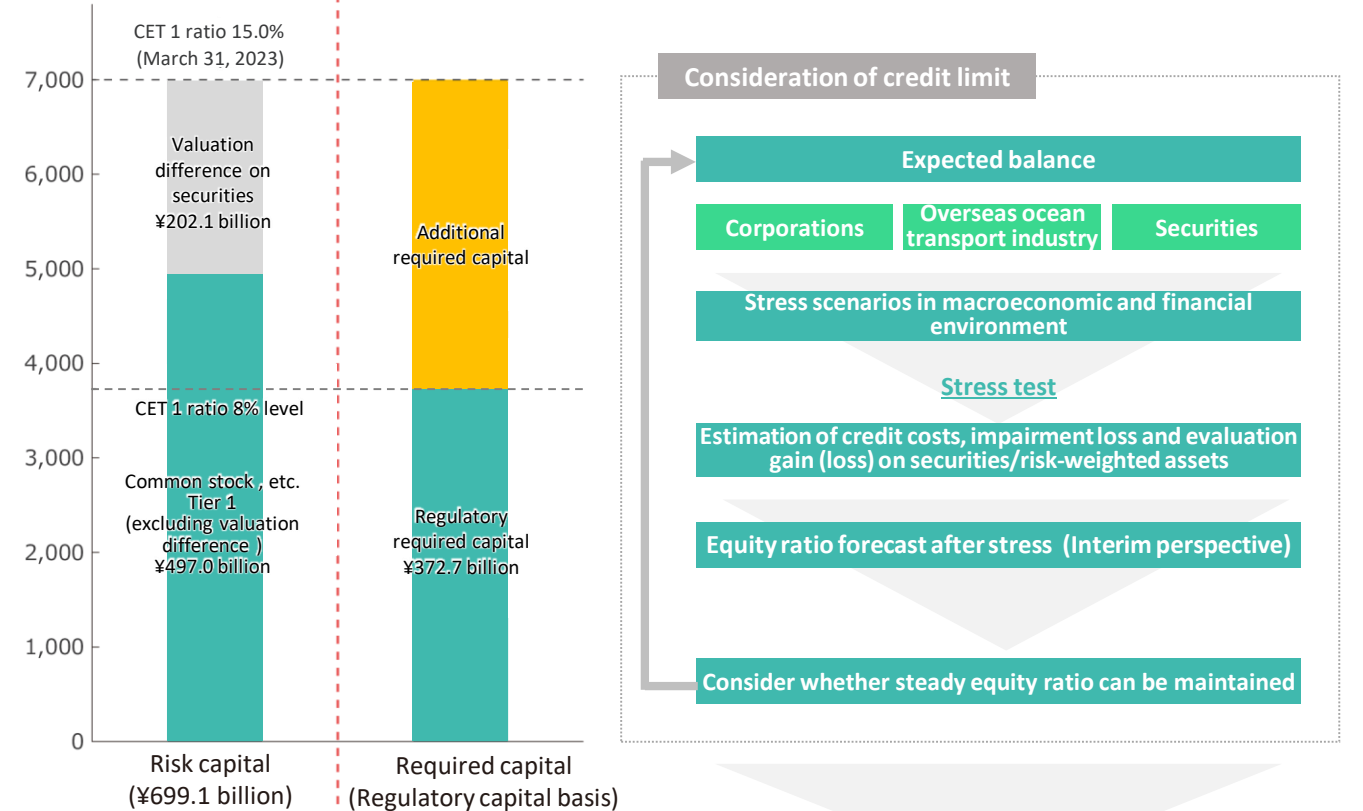
- Improvement of human capital supporting sustainable growth (page 32, pages 37-38)
- Reducing the balance of cross-shareholdings taking into consideration the finalization of Basel III (page 43)
- Making trials of ROE management (required capital base) by business divisions

Efforts for raising PER

- Reducing the cost of shareholders' equity with smooth communication with the market through IR activities, etc.
- Increasing the anticipated growth rate by realizing sustainable profit growth and maximizing long-term shareholder benefits

Status of Required Capital Management (End of March 31, 2023)

(Hundreds of Millions of Yen)



[Changes in the financial environment]

- Support for revitalization of the stagnant local economy
- Active support for ship finance for maritime businesses, one of the local industries
- Unexpected increase in market and price volatility

Need to calculate **required capital** in line with characteristics of the Group's portfolio

Capital Policy II

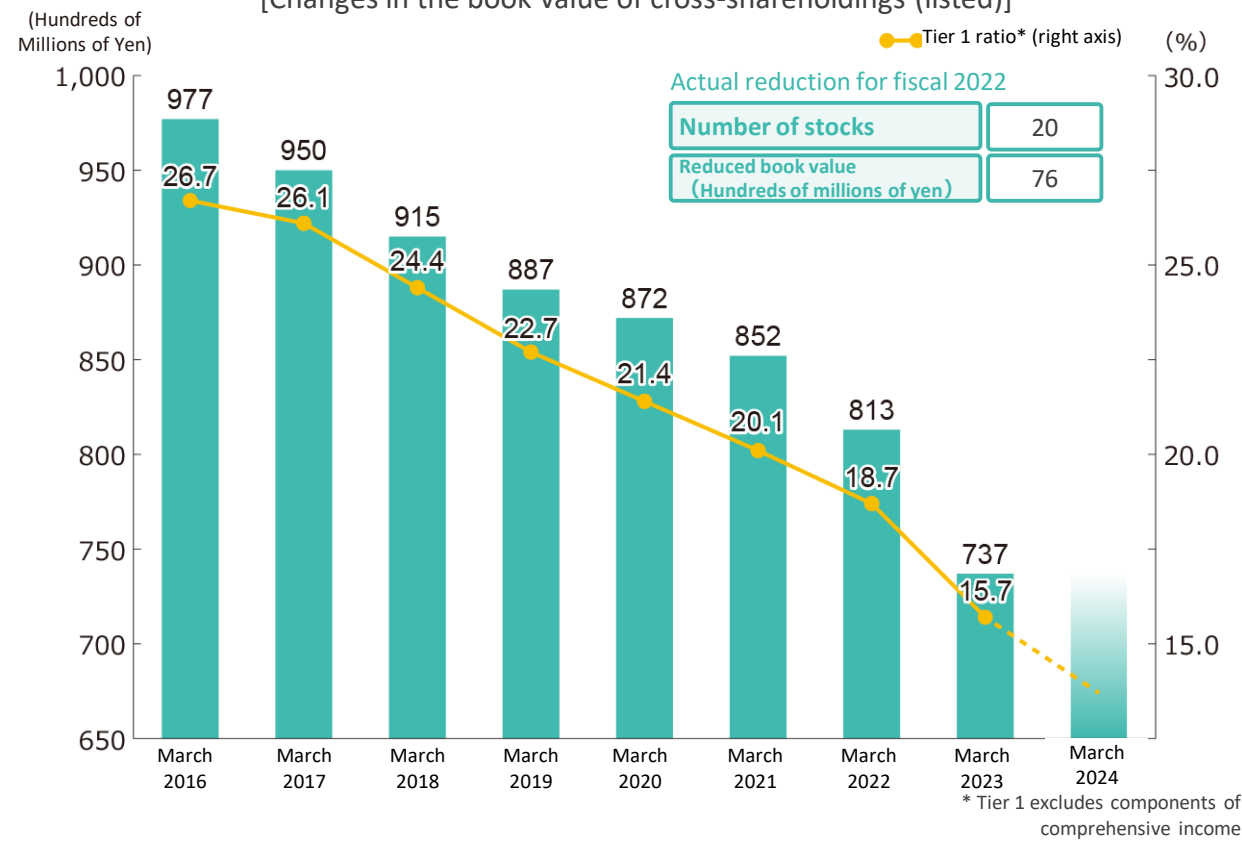
Cross-Shareholdings

Basic policy and response status of cross-shareholdings

Basic policy	Reduce	→ The Board of Directors verifies the rationality of holding at least once a year
--------------	--------	---

Policy on holding is set through the evaluation matrix of “investment side” and “policy side” for all stocks held. Shares which are earmarked for divestment are being sold off in stages.

[Changes in the book value of cross-shareholdings (listed)]



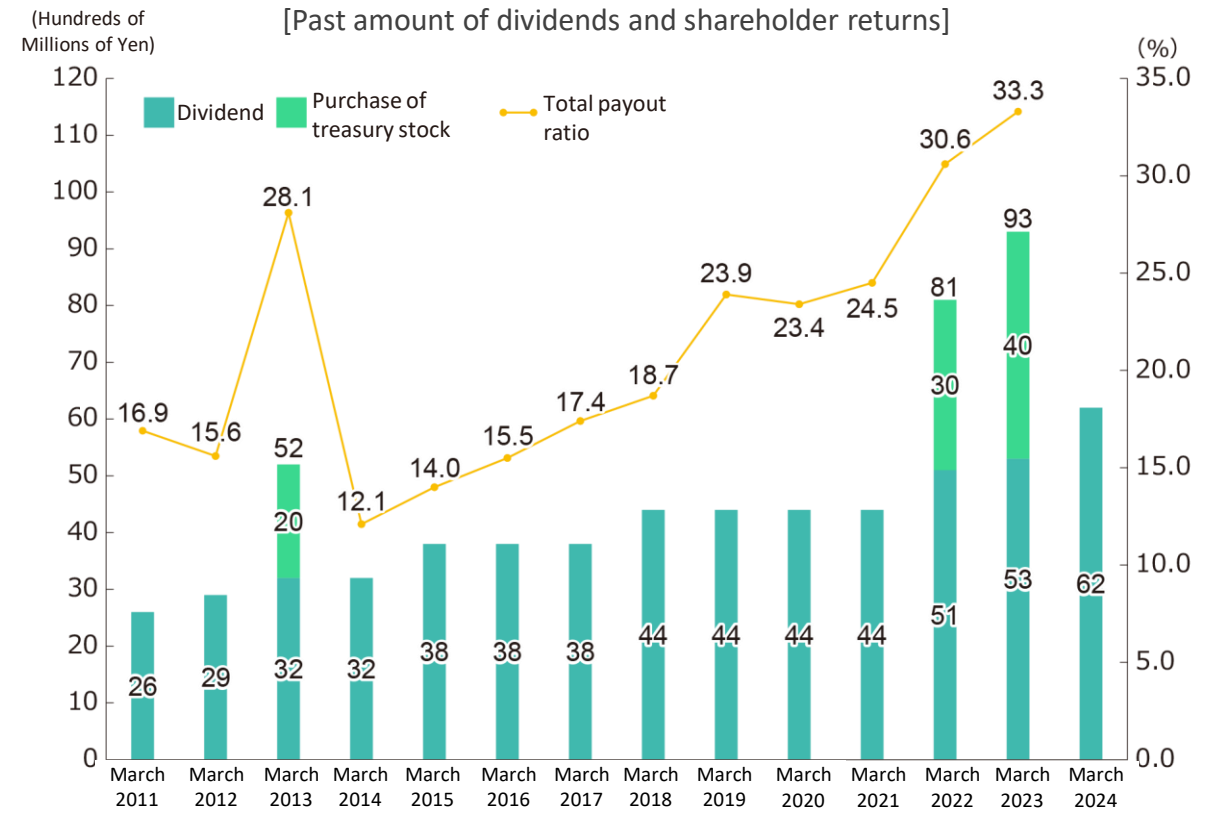
Dividend and Shareholder Return

Basic policy and response status of dividend and shareholder return

Basic policy	Maintenance of long-term and stable dividends
--------------	---

In the fiscal year ended March 2023, a dividend increase and a purchase of treasury stock were made as is the case with the previous fiscal year. Dividends per share for the fiscal year ending March 2024 are planned to be ¥20 per annum (up ¥3 year on year) * Annual dividend ¥6.2 billion

[Past amount of dividends and shareholder returns]



- Future business results contained in this document are based on information available as of announcement and assumptions regarding uncertain factors that may affect future business results.
- Future business results may differ due to changes in the management environment, etc.

<For inquiries regarding this document> Takeda, General Planning Division, Iyogin Holdings TEL:089-907-1034/FAX:089-946-9104

Iyogin Holdings Fiscal 2022 Earnings Briefing

(April 1, 2022 – March 31, 2023)

Reference Materials



Iyogin Holdings

June 9, 2023

Index of Reference Materials

Overview of the Iyogin Holdings

Pg

◎ Profile	2
◎ List of Group Companies	3
◎ Location Network	4

Environment Surrounding the Iyogin Holdings

Pg

◎ Main Industries in Ehime Prefecture	5
◎ Manufacturing Industry in Ehime Prefecture	6
◎ Industrial Structure of the Setouchi Region	7
◎ Economic Indicators of the Setouchi Region I	8
◎ Economic Indicators of the Setouchi Region II	9

Status of Ocean Transport-Related Market

Pg

◎ Shipbuilding Yards in Ehime Prefecture	10
◎ Outlook of Dry Bulk Market Conditions	11

Conditions in Loans and Deposits

Pg

◎ Breakdown of Balance of Loans and Deposits at End of Period	12
◎ Balance and Composition of Loans by Industry	13
◎ Table of Changes in Borrower Classification	14

Status of Market Investment and Risk Management

Pg

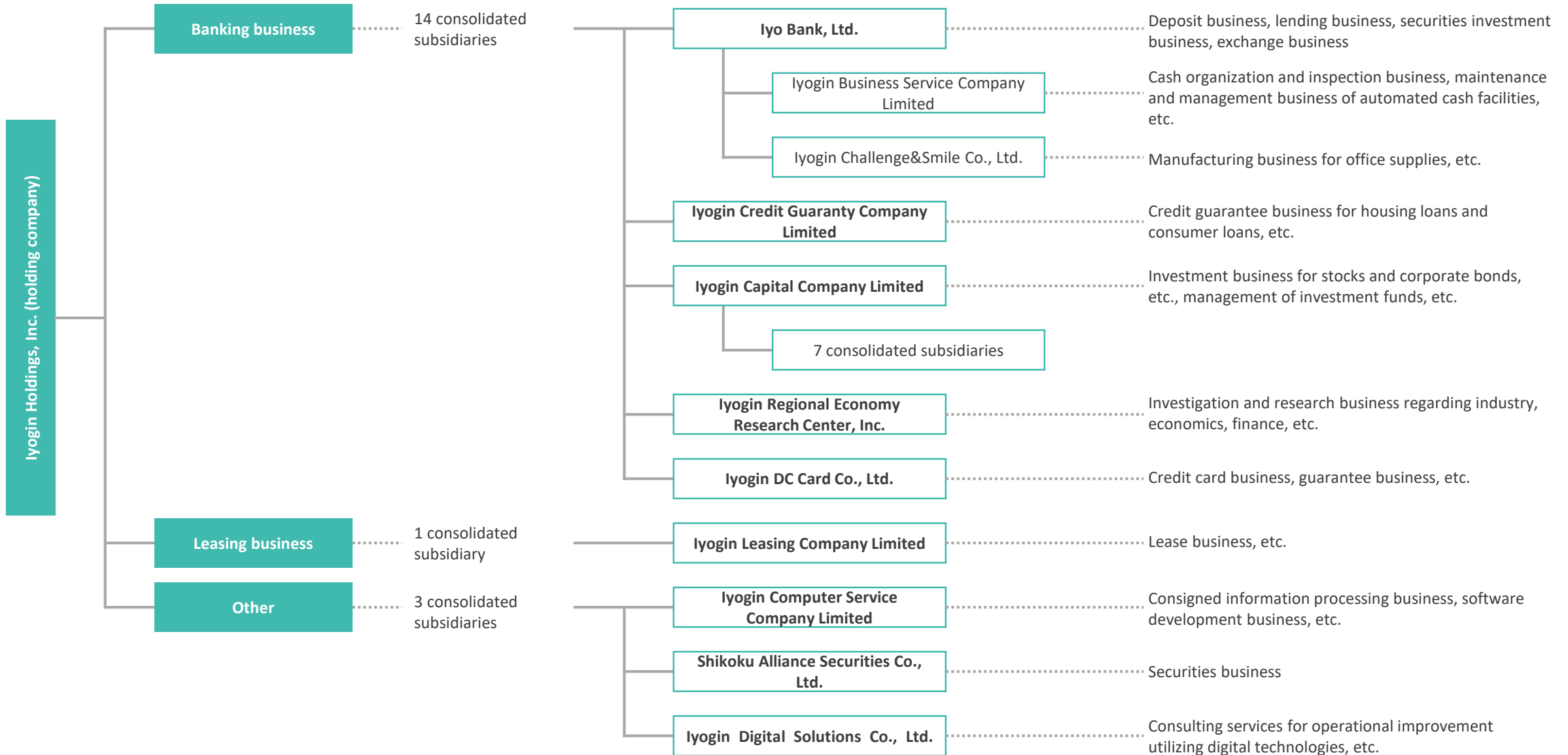
◎ Management by Risk Category: Securities Investment	15
◎ Balance of Investments by Region and Sector: Financial Market Business	16

Profile

Trade name	Iyogin Holdings, Inc.	Iyo Bank, Ltd.
Year of establishment / foundation	Established on October 3, 2022	Founded on March 15, 1878 (The 29th National Bank)
Capital	¥20,000 million	¥20,900 million
External credit ratings	AA: Japan Credit Rating Agency (JCR)	AA: Japan Credit Rating Agency (JCR)
	A: Rating and Investment (R&I)	A+: Rating and Investment (R&I)
	–	A-: Standard & Poor's (S&P)
Headquarters / Head Office	1 Minami-Horibata-cho, Matsuyama-shi, Ehime, Japan	
Consolidated employees	2,986 employees (excluding temporary staff)	
Branch network	Iyo Bank: 151 domestic (including 24 branches within branches, 9 sub-branches), 1 overseas (Singapore), 2 overseas representative offices (Shanghai, Hong Kong)	
	Iyogin Leasing: 11 domestic Shikoku Alliance Securities: 6 domestic	

〈As of March 31, 2023〉

List of Group Companies



(As of April 3, 2023)

* Apart from the above, the Group has 4 non-consolidated non-equity method subsidiaries and 4 non-equity method affiliates.

Location Network

- Created **the No. 1 regional bank group in terms of broad regional coverage**, in 13 prefectures centered on the Setouchi region
- Established a strong operating base by expanding outside of Ehime Prefecture from long ago

Timing of opening key branches outside of Ehime

1909: Usuki (Oita); 1919: Nigata (currently Kure, Hiroshima);
 1947: Takamatsu (Kagawa), Kochi, Oita; 1950: Hiroshima;
 1952: Osaka; 1954: Tokyo; 1958: Tokushima;
 1963: Kitakyushu (Fukuoka); 1964: Okayama;
 1965: Nagoya (Aichi); 1966: Kobe (Hyogo);
 1971: Fukuoka; 1979: Tokuyama (Yamaguchi)

Kyushu region
 Iyo Bank: 8 branches
 Iyogin Leasing: 1 branch

Within Ehime
 Iyo Bank: 119 branches
 Iyogin Leasing: 6 branches
 Shikoku Alliance Securities: 6 branches

Shikoku region, excluding Ehime
 Iyo Bank: 7 branches
 Iyogin Leasing: 1 branch

11 prefectures in the Setonaikai region

Chugoku region
 Iyo Bank: 9 branches
 Iyogin Leasing: 2 branches

Kinki region
 Iyo Bank: 5 branches
 Iyogin Leasing: 1 branch

Tokai region
 Iyo Bank: 1 branch

Tokyo region
 Iyo Bank: 2 branches

Overseas
 Iyo Bank: 1 branch, 2 offices

Number of branches of Iyo Bank

151 domestic, 1 overseas, 2 overseas representative offices
 (of which, Iyogin SMART: 2 branches)
 (of which, Iyogin SMARTplus: 4 branches)
 (of which, branches within branches: 24 branches)

Number of branches of Iyogin Leasing

11 domestic

Number of branches of Shikoku Alliance Securities

6 domestic

Main Industries in Ehime Prefecture

- Industries with top national share concentrated in each region
- Manufactured product shipments from Ehime Prefecture totaled **¥3.8 trillion (43.8% of Shikoku)** in 2020

 ...Total national share of Ehime Prefecture

Matsuyama Region

The Matsuyama region has companies with large shares in products such as “small once-through steam boilers,” “farm machinery,” and “dried bonito shavings.”

Uwajima Region

15.4%
(¥69.5 billion)

No. 1 in Japan
(Note 2)

Sea culture industry (2021)
¥451.5 billion total national production

Niihama Region

Manufactured product shipments
(2020)

¥1,592.3 billion

Approx. 41.9% of shipments of
manufactured products in Ehime

As a corporate town under the Sumitomo Group, nonferrous metal, chemicals, steel, machinery and equipment are concentrated particularly in the Niihama region.

Imabari Region

32.7%
(1,199 ships)

No. 1 in Japan
(Note 2)

Number of ocean-going vessels owned by domestic ship owners (as of September 2020) (Note 1)
3,663 total vessels in Japan

57.5%
(¥29.7 billion)

No. 1 in Japan
(Note 2)

Towels (2020)
¥51.6 billion shipped in Japan

Uma (Shikokuchuo) Region

7.6%
(¥540.0 billion)

No. 2 in Japan
(Note 2)

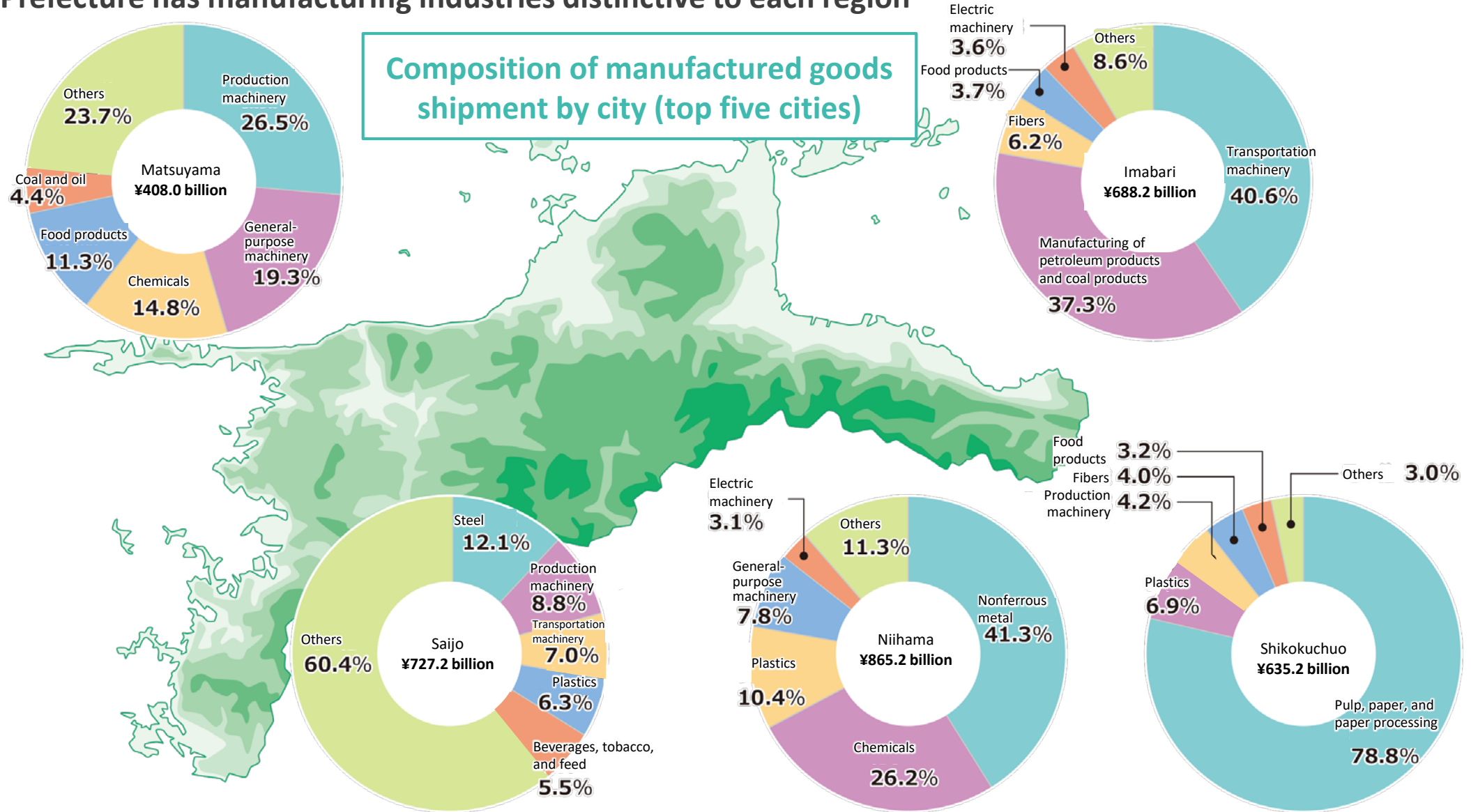
Pulp and paper industry (2020)
¥7,095.7 billion shipped in Japan

- (Note 1) Iyogin Regional Economy Research Center, Inc. (IRC) estimates; the ranking in Japan excludes operators.
- (Note 2) Ranking of Ehime Prefecture

Source: Prepared based on the Statistics Bureau of Japan’s “2021 Economic Census for Business Activity (2020 actual)” and the Ministry of Agriculture, Forestry and Fisheries’ “total fishery output for 2021 (preliminary figures).”

Manufacturing Industry in Ehime Prefecture

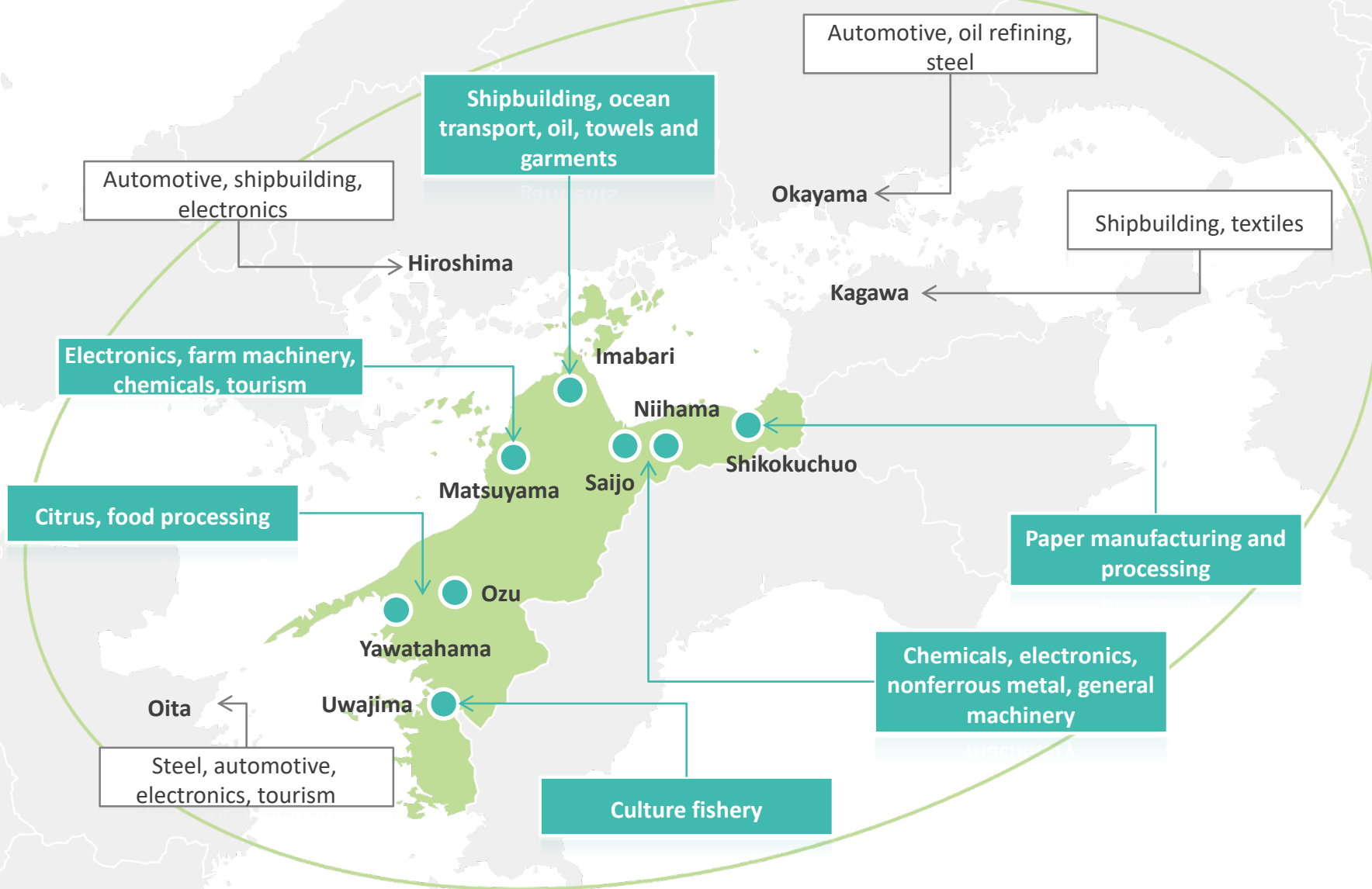
■ Ehime Prefecture has manufacturing industries distinctive to each region



Source: Prepared by Iyogin Regional Economy Research Center, Inc. (IRC) based on the Statistics Bureau of Japan's "2021 Economic Census for Business Activity (2020 actual)"

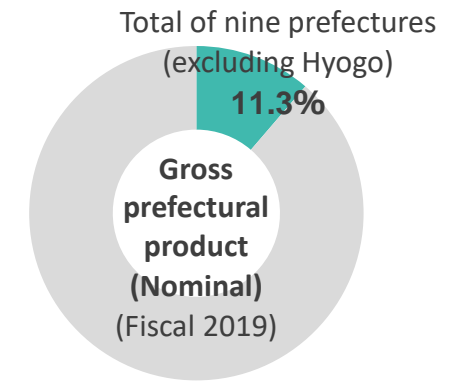
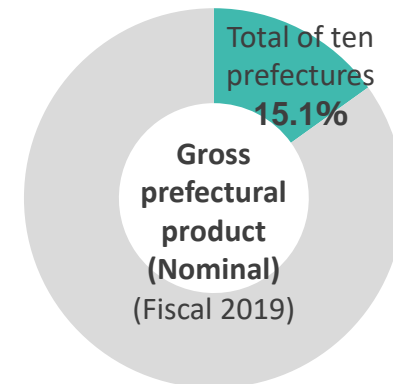
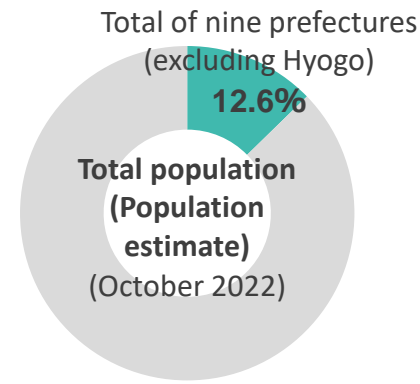
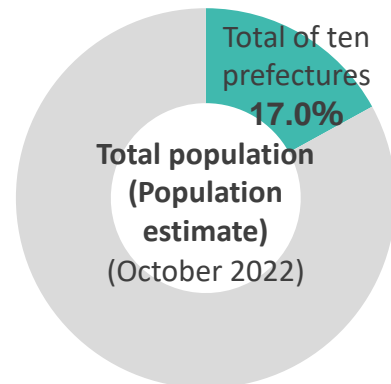
Industrial Structure of the Setouchi Region

■ The Setonaikai coastal region has established various industrial structures



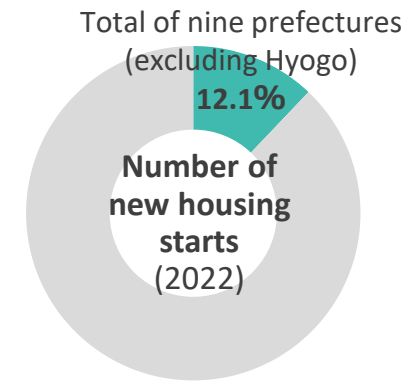
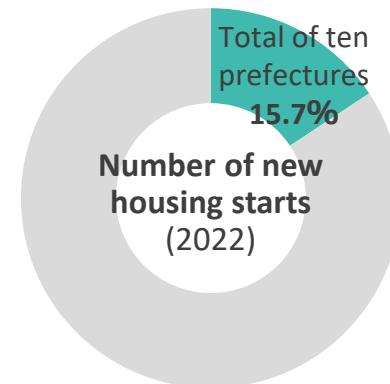
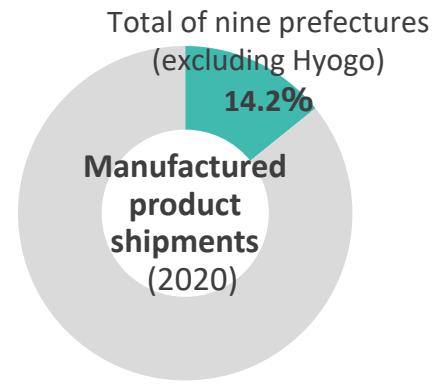
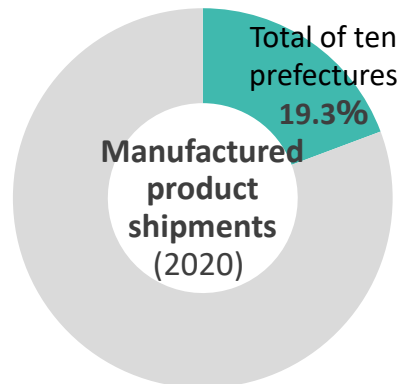
Economic Indicators of the Setouchi Region I

	Total population (Population estimate)	Total area (Geospatial Information Authority of Japan)	Number of offices (Private sector, excluding public sector)	Number of employees (Private sector, excluding public sector)	Prefecture total production (Nominal)	Prefectural gross product growth rate (Real)	Prefectural income per capita
	October 2022 (Persons)	January 2023 (km ²)	2021 (Offices)	2021 (Persons)	Fiscal 2019 (Billions of yen)	Fiscal 2019 (%)	Fiscal 2019 (Thousands of yen)
Ehime	1,306,486	5,676	59,021	563,282	5,148.3	(0.6)	2,717
Kagawa	934,060	1,877	44,528	435,625	4,008.7	0.7	3,021
Tokushima	703,852	4,147	33,794	304,672	3,222.4	(0.1)	3,153
Kochi	675,705	7,103	32,839	275,520	2,464.6	(1.0)	2,663
Oita	1,106,831	6,341	49,937	473,690	4,525.1	(2.7)	2,695
Fukuoka	5,116,046	4,988	205,965	2,294,657	19,942.4	(1.0)	2,838
Yamaguchi	1,313,403	6,113	55,759	571,202	6,350.5	(2.1)	3,249
Hiroshima	2,759,500	8,479	120,069	1,293,541	11,969.1	(2.6)	3,153
Okayama	1,862,317	7,115	77,428	835,270	7,842.5	(1.7)	2,794
Total of the above nine prefectures (A)	15,778,200	51,839	679,340	7,047,459	65,473.4		
(A)/(C)	12.6%	13.7%	13.4%	12.3%	11.3%		
Hyogo	5,402,493	8,401	199,966	2,194,727	22,195.2	(0.2)	3,038
Total of the ten prefectures (B)	21,180,693	60,240	879,306	9,242,186	87,668.6		
(B)/(C)	17.0%	15.9%	17.3%	16.1%	15.1%		
National Total (C)	124,946,789	377,974	5,078,617	57,457,856	580,846.9	(1.3)	3,345

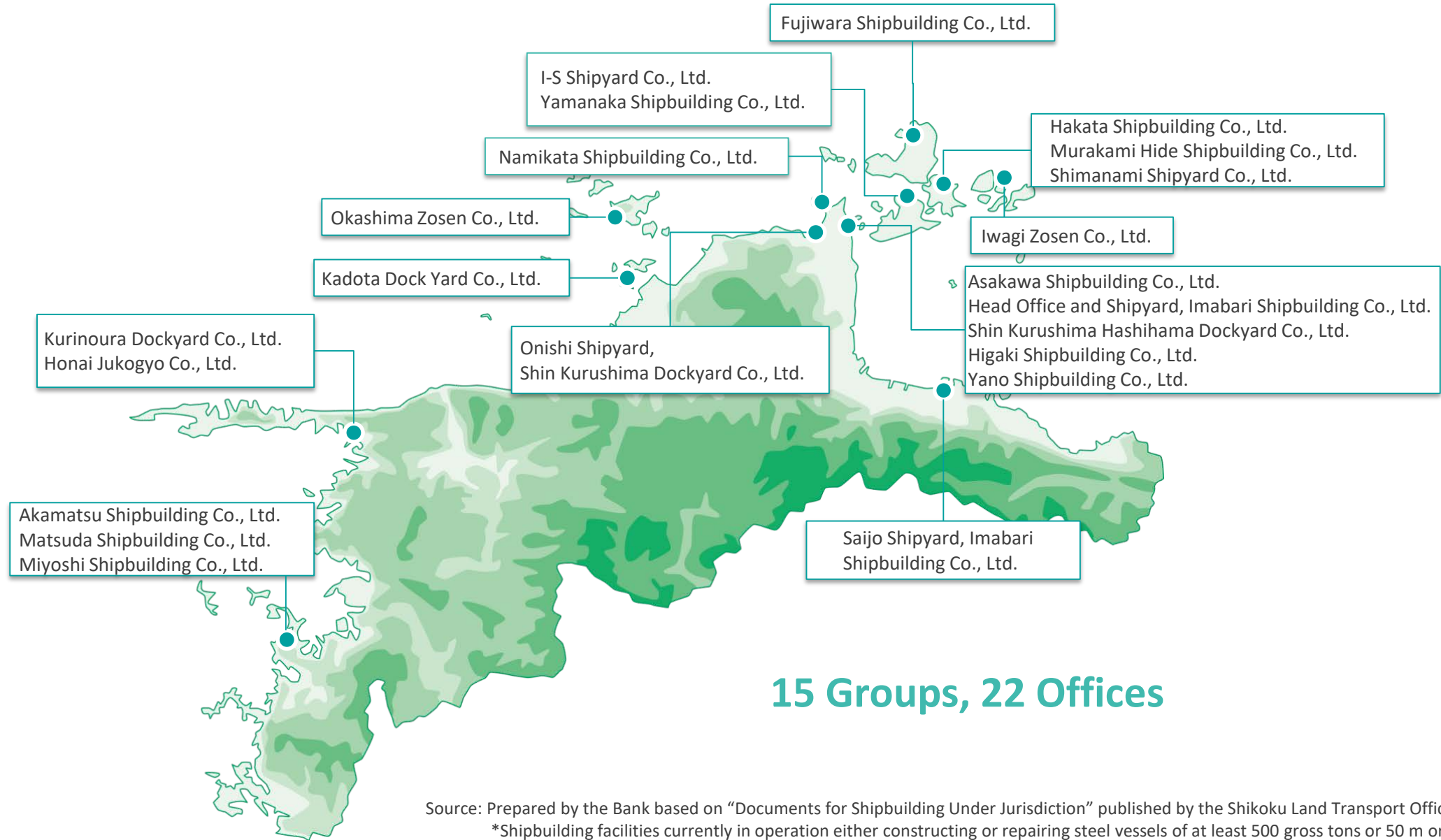


Economic Indicators of the Setouchi Region II

	Manufactured product shipments	Annual wholesale sales amount	Annual retail sales amount	Industrial production index (annual average)	Number of new housing starts	Jobs-to-applicants ratio (annual average)	Overall unemployment rate (annual average)
	2020 (Millions of yen)	2021 (Millions of yen)	2021 (Millions of yen)	2021 2015=100	2022 (Homes)	2022 (Times)	2022 (%)
Ehime	3,804,128	2,466,898	1,472,320	94.7	6,843	1.42	1.9
Kagawa	2,528,966	2,202,125	1,140,868	94.0	5,198	1.51	2.2
Tokushima	1,795,341	803,495	706,601	102.2	2,718	1.27	2.2
Kochi	547,159	719,995	703,764	92.0	2,881	1.19	1.9
Oita	3,846,291	1,245,665	1,186,677	Unpublished	7,009	1.35	1.8
Fukuoka	8,951,854	16,420,315	5,678,040	Unpublished	41,458	1.17	2.9
Yamaguchi	5,616,940	1,456,487	1,648,500	101.0	6,769	1.52	1.8
Hiroshima	8,869,857	8,354,901	3,132,853	92.9	17,973	1.54	2.2
Okayama	7,060,138	3,363,511	2,028,495	93.4	13,199	1.52	2.1
Total of the above nine prefectures (A)	43,020,674	37,033,392	17,698,118		104,048		
(A)/(C)	14.2%	9.2%	12.8%		12.1%		
Hyogo	15,249,899	9,320,032	5,367,928	95.1	31,064	1.01	2.6
Total of the ten prefectures (B)	58,270,573	46,353,424	23,066,046		135,112		
(B)/(C)	19.3%	11.5%	16.7%		15.7%		
National Total (C)	302,003,273	401,633,535	138,180,412	95.7	859,529	1.28	2.6



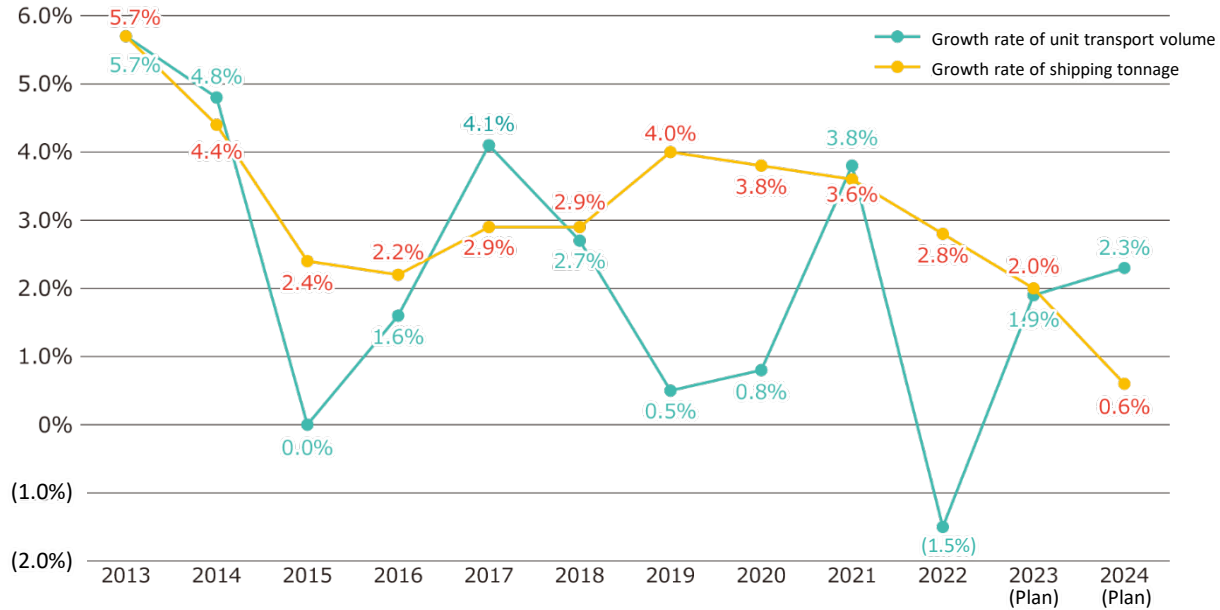
Shipbuilding Yards in Ehime Prefecture



Outlook of Dry Bulk Market Conditions

Dry Bulk Transport Demand and Supply

Unit transport volume and shipping tonnage



Source: "Clarkson Research Shipping Review & Outlook" (Winter 2023)"

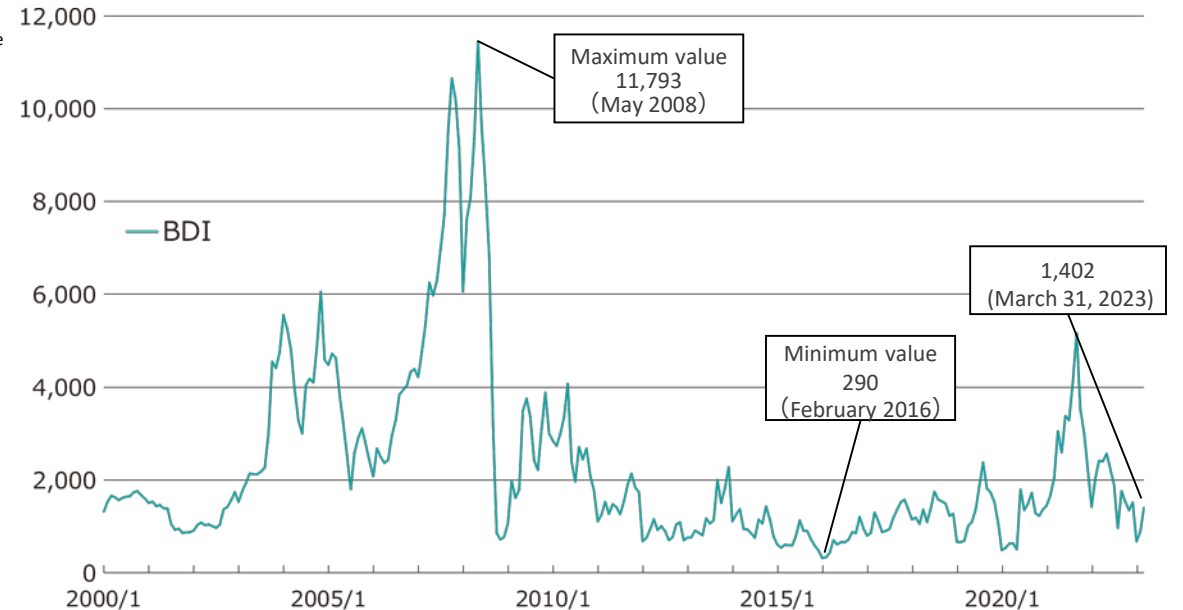
Dry bulk transport demand (transport volume) and supply (shipping tonnage)

- Unit transport volume* of dry bulk vessels for 2022 decreased slightly year on year due to a zero-COVID policy in China, which presents the largest market for demand, despite an increase factor of longer trade route distances from alternative regions after Russia's invasion of Ukraine began.
- Meanwhile, shipping tonnage increased by 26.9 million DWT. However, as supply is limited compared to growth in recent years, a significant decline in transport demand was not seen.

* Unit transport volume: Also called ton-mile. Indicates the tonnage and mileage of cargo transported and is an indicator to measure actual demand for ships.

Future Market Outlook

Baltic Dry Index (BDI) trends



Future market out

- As movement of dry bulk cargo is expected to be relatively solid due to the reopening of economic activities in China, the market sentiment is positive. However, the declining container vessel market, higher geopolitical risk, and impact of financial policies of various countries on the world economy should be carefully watched.
- As for supply of shipping tonnage of dry bulk, the expected growth of shipping tonnage is limited at 2.0% in 2023 and 0.6% in 2024, and excess supply is not anticipated. Also, slower streaming due to the Carbon Intensity Indicator (CII) started in January 2023 is a tightening factor on shipping tonnage which is expected to lead to tighter supply and demand.

Breakdown of Balance of Loans and Deposits at End of Period

1. Breakdown of balance of loans at end of period

(Units: Billions of yen)

	March 2019	September 2019	March 2020	September 2020	March 2021	September 2021	March 2022	September 2022	March 2023	Vs. March 2022
Total Loans	4,550.8	4,617.5	4,756.6	4,874.5	4,999.3	4,959.1	5,068.8	5,257.4	5,326.0	257.2
General loans	4,310.7	4,387.7	4,522.2	4,648.1	4,783.6	4,752.4	4,870.3	5,062.0	5,137.8	267.5
Corporate loans (incl. overseas, etc.)	3,238.2	3,291.1	3,397.9	3,507.7	3,624.6	3,586.1	3,696.2	3,887.7	3,964.9	268.7
Corporate loans (domestic branches)	3,135.8	3,158.3	3,248.8	3,347.1	3,434.9	3,387.6	3,479.8	3,653.1	3,738.8	259.0
Individual financing	1,072.4	1,096.5	1,124.3	1,140.3	1,158.9	1,166.3	1,174.0	1,174.3	1,172.9	(1.1)
Housing loans	781.0	805.3	831.8	852.6	870.7	879.6	885.5	886.6	884.0	(1.5)
Apartment and building loans	202.2	203.1	205.2	205.2	205.7	206.2	208.8	209.6	210.2	1.4
Card Loans, etc.	28.3	27.9	26.9	24.5	23.6	22.9	21.9	21.6	21.1	(0.8)
Municipal loans, etc.	240.1	229.7	234.3	226.4	215.6	206.6	198.5	195.3	188.1	(10.4)

(Note) The figures shown for apartment and building loans are the total of the "institutional finance" portion.

2. Breakdown of balance of assets in custody such as deposits, etc. at end of period

(Units: Billions of yen)

	March 2019	September 2019	March 2020	September 2020	March 2021	September 2021	March 2022	September 2022	March 2023	Vs. March 2022
Total Deposits, etc. + assets in custody A	6,070.6	6,174.5	6,094.1	6,532.5	6,870.9	6,956.9	7,015.2	7,027.4	7,196.0	180.8
Total Deposits, etc.	5,712.6	5,817.3	5,754.3	6,184.6	6,522.6	6,603.0	6,654.1	6,669.7	6,823.2	169.1
Total deposits	5,247.1	5,288.5	5,265.6	5,652.6	5,983.1	5,956.2	6,041.8	6,099.8	6,189.0	147.2
Individual	3,423.6	3,450.2	3,512.5	3,652.2	3,740.7	3,794.0	3,850.8	3,889.9	3,916.3	65.5
General companies	1,555.4	1,553.7	1,564.4	1,733.5	1,853.4	1,857.9	1,915.1	1,949.8	1,950.3	35.2
Public	126.4	113.2	119.8	112.7	162.8	114.0	141.7	118.9	147.5	5.8
Financial	61.0	31.9	40.8	32.7	43.4	30.6	45.2	30.4	67.4	22.2
Overseas / offshore	80.5	139.4	28.0	121.3	182.6	159.5	88.8	110.6	107.4	18.6
NCD	465.5	528.8	488.7	531.9	539.4	646.8	612.2	569.9	634.1	21.9
General companies	348.2	390.0	367.0	384.9	427.4	476.2	445.0	385.6	463.0	18.0
Public	117.3	138.7	121.7	147.0	112.0	170.6	167.0	184.1	171.0	4.0
General company funds (incl. NCD)	1,903.6	1,943.8	1,931.4	2,118.5	2,280.8	2,334.1	2,360.2	2,335.5	2,413.3	53.1
Public funds (incl. NCD)	243.7	252.0	241.5	259.8	274.9	284.6	308.8	303.0	318.5	9.7
Foreign currency deposits (balance)	111.0	101.6	89.3	96.3	99.0	116.0	133.1	138.6	136.0	2.9
Individual deposits + individual assets in custody	3,769.1	3,795.6	3,841.4	3,988.5	4,078.3	4,137.4	4,201.0	4,236.7	4,278.1	77.1
Individual deposits	3,423.6	3,450.2	3,512.5	3,652.2	3,740.7	3,794.0	3,850.8	3,889.9	3,916.3	65.5
Individual assets in custody	345.4	345.4	328.8	336.3	337.6	343.4	350.1	346.8	361.7	11.6

<Assets in custody (Term-end basis)>

Assets in custody at Iyo Bank (excl. deposits, etc.) B	357.9	357.1	339.7	347.8	348.3	353.9	361.1	357.7	372.7	11.6
JGBs	22.4	20.3	19.8	19.9	19.2	20.0	21.3	23.9	28.2	6.9
Investment trusts	68.6	66.7	53.8	58.7	61.6	64.0	67.8	64.4	67.0	(0.8)
Single premium policies	215.7	216.4	214.2	211.3	208.7	207.2	205.4	203.6	208.3	2.9
Financial product intermediary	51.0	53.6	51.7	57.7	58.6	62.5	66.4	65.6	69.1	2.7
Shikoku Alliance Securities balance C	199.5	207.8	202.4	226.6	245.2	246.3	246.0	254.2	275.0	29.0
Balance of Group's assets in custody B+C=D	557.4	565.0	542.2	574.5	593.5	600.2	607.1	611.9	647.8	40.6
Assets in custody composition (D/A+C)	8.9%	8.9%	8.6%	8.5%	8.3%	8.3%	8.4%	8.4%	8.7%	-

(Note) The figures shown for foreign currency deposits (balance) are the total excluding overseas / offshore.

Balance and Composition of Loans by Industry

■ There are no major changes in the composition of loans by industry, and the loans are well-balanced

(Units: Billions of Yen, %)

	March 2018		March 2019		March 2020		March 2021		March 2022		March 2023		Vs. March 2022	
		Composition		Composition		Composition		Composition		Composition		Composition	Balance	Rate of balance increase/decrease
Manufacturing	611.7	14.5	643.0	14.5	650.5	14.1	660.2	13.7	638.8	13.2	676.6	13.3	37.8	5.9%
Agricultural	2.6	0.1	2.7	0.1	2.6	0.1	2.5	0.1	2.8	0.1	4.0	0.1	1.2	42.9%
Forestry	0.3	0.0	0.3	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.0	0.0%
Fishing	12.1	0.3	11.3	0.3	11.9	0.3	8.8	0.2	8.1	0.2	6.7	0.1	(1.4)	(17.3%)
Mining	8.7	0.2	8.6	0.2	7.1	0.2	6.7	0.1	6.4	0.1	4.3	0.1	(2.1)	(32.8%)
Construction	112.9	2.7	116.3	2.6	116.0	2.5	135.1	2.8	135.7	2.8	153.4	3.0	17.7	13.0%
Electricity, gas, heat provision, water	108.1	2.6	134.0	3.0	154.4	3.4	176.7	3.7	200.6	4.1	219.6	4.3	19.0	9.5%
Information communications	21.8	0.5	22.0	0.5	18.9	0.4	17.7	0.4	18.0	0.4	12.4	0.2	(5.6)	(31.1%)
Transportation	679.7	16.1	717.9	16.1	769.7	16.7	859.7	17.9	896.8	18.5	1,029.6	20.2	132.8	14.8%
Of which, ocean transport	542.1	12.8	580.3	13.0	639.3	13.9	724.6	15.1	765.7	15.8	895.5	17.6	129.8	17.0%
Wholesale and retail	469.4	11.1	511.6	11.5	504.3	10.9	518.1	10.8	516.5	10.6	554.9	10.9	38.4	7.4%
Finance and insurance	205.7	4.9	200.2	4.5	185.3	4.0	180.9	3.8	205.8	4.2	207.1	4.1	1.3	0.6%
Real estate	255.6	6.0	270.5	6.1	299.8	6.5	315.8	6.6	311.7	6.4	324.5	6.4	12.8	4.1%
Various services	435.1	10.3	438.5	9.9	467.6	10.1	496.7	10.3	483.3	10.0	485.4	9.5	2.1	0.4%
Of which, medical-related	193.7	4.6	192.2	4.3	197.2	4.3	209.7	4.4	207.0	4.3	203.2	4.0	(3.8)	(1.8%)
Regional public entities	232.7	5.5	234.8	5.3	230.0	5.0	212.0	4.4	197.7	4.1	186.6	3.7	(11.1)	(5.6%)
Other	1,071.2	25.3	1,136.1	25.5	1,188.5	25.8	1,217.3	25.3	1,229.0	25.3	1,233.8	24.2	4.8	0.4%
Total	4,227.5	100.0	4,448.4	100.0	4,607.5	100.0	4,809.5	100.0	4,852.4	100.0	5,099.9	100.0	247.5	5.1%

(For domestic branches, excludes special international transactions account)

* “Goods rental” is included in “real estate” from the six months ended September 30, 2009.

“Real estate” for the year ended March 31, 2023, excluding “goods rental,” was ¥304.1 billion, which is an increase of ¥10.1 billion (+3.4%) compared with the year ended March 31, 2022. In addition, “other” includes “home renting by individuals” (¥218.6 billion for the year ended March 31, 2023).

* As “ocean transport” displays balances applicable to the “ocean transport industry” according to Japan Standard Industrial Classification, this figure does not match “Loan balance for the maritime industry” on page 22 of the Earnings Briefing.

Table of Changes in Borrower Classification

■ Activities for supporting enhancement of corporate value are conducted through business feasibility assessments of customers

■ Corporate revitalization support is provided mainly by the Corporate Support Office

Use of various types of revitalization schemes, such as reconstruction funds and the SME Business Rehabilitation Support Co-operative, as well as solution sales

[Changes in borrower classification for business borrowers] (one year)

Upper row: Number of borrowers

Lower row: Credit amount
(Hundreds of millions of yen)

		March 31, 2023							Rate of Degradation to at risk of bankruptcy or below	Improvement	Degradation
		Total	Normal borrowers	Borrowers requiring	Borrowers under strict	Borrowers at risk of	Substantially bankrupt	Bankrupt borrowers			
March 31, 2022	Normal borrowers	18,702	17,245	16,693	504	9	20	15	4	0.21%	552
		37,150	37,777	36,996	717	11	51	2	0	0.14%	781
	Borrowers requiring close monitoring	2,280	2,158	514	1,540	19	80	5	0	3.73%	104
		4,074	3,820	1,090	2,566	45	108	13	0	2.95%	165
	Borrowers under strict observation	123	107	8	9	73	14	2	1	13.82%	17
		304	281	2	23	223	32	1	0	10.98%	33
	Borrowers at risk of bankruptcy	422	402	36	35	11	309	10	1		82
		610	553	16	29	25	479	5	0		69
Substantially bankrupt borrowers	63	47	2	0	0	0	45	0		2	
	11	7	0	0	0	0	6	0		0	
Bankrupt borrowers	20	7	0	0	0	0	0	7		0	
	4	1	0	0	0	0	0	1		0	
Total	21,610	19,966	17,253	2,088	112	423	77	13		615	
	42,154	42,439	38,105	3,334	302	669	27	2		984	

(Note 1) The chart displays the changes in the borrower classification from March 31, 2022 to March 31, 2023.

(Note 2) The balances after changes are the balances after write-offs as of March 31 2023.

Management by Risk Category: Securities Investment

(Units: Billions of Yen)

Risk Category (*1)	Year ended March 31, 2023											Source of main revenue and profit
	Book balance	Evaluation gain / loss	Market balance	Composition	Vs. March 2022	Total profit / loss (*2)	Interest and dividend income			Profit / loss from purchase, sale, and amortization (*4)	Increase/ decrease on gain/loss on evaluation (vs. March 2022)	
							Interest received (*3)	Procurement cost				
Yen-denominated bonds	499.0	+1.6	500.7	33.8%	+3.1%	(4.8)	3.3	3.3	0.0	(2.6)	(5.6)	Difference in long and short term interest on yen interest
Of which, JGBs	96.7	+5.6	102.3	6.9%	+1.0%	2.7	1.4	1.4	0.0	0.0	+1.2	
Of which, inflation-indexed JGBs	80.9	+3.7	84.6	5.7%	+0.9%	2.9	1.3	1.3	0.0	0.0	+1.7	Rise in expected inflation rate
Foreign currency bonds (with hedges)	214.6	(2.5)	212.1	14.3%	(6.3%)	(17.6)	(1.3)	4.6	5.9	(19.4)	+3.1	Difference in long and short term interest on overseas interest
Foreign currency bonds (without hedges)	250.6	+1.8	252.5	17.1%	(0.7%)	15.5	7.5	7.5	0.0	20.5	(12.6)	Gain on foreign exchange /interest revenue
Domestic and overseas stocks (ind. stock trusts)	118.7	+277.7	396.3	26.8%	+4.7%	49.1	8.0	8.0	0.0	(3.4)	+44.5	Growth in domestic/foreign companies centered on transaction partners
Alternatives	111.7	+6.1	117.8	8.0%	(0.7%)	(10.2)	3.1	3.1	0.0	3.1	(16.4)	
Hedge funds, etc.	30.3	(2.7)	27.6	1.9%	+0.1%	(1.9)	(0.0)	0.0	0.0	0.0	(1.9)	Strategic diversification by external consigned management
Real estate-related	67.7	+8.1	75.8	5.1%	(1.0%)	(8.2)	3.1	3.1	0.0	3.1	(14.4)	Revenue from real estate rentals and profit from price increase
Private equity	8.7	+0.0	8.8	0.6%	+0.1%	(0.2)	(0.1)	(0.1)	0.0	0.0	(0.1)	Rise in enterprise value due to management improvement of unlisted stocks, etc.
Emerging stocks	4.9	+0.7	5.6	0.4%	+0.0%	0.2	0.1	0.1	0.0	0.0	+0.0	Growth and foreign exchange gains in emerging markets
Total	1,194.6	+284.7	1,479.3	100.0%	-	32.0	20.5	26.5	5.9	(1.7)	+13.1	

*1 Assets invested by the Financial Market Division calculated based on primary risk, regardless of accounting item (on the basis of including money held in trust, etc.)

*2 "Total profit / loss" and "interest and dividend income" eliminate three-month SOFR interest, etc., as procurement costs, but this differs from actual procurement costs.

*3 Interest received includes gain / loss on cancellation of funds, etc., recorded in asset management revenue.

*4 Includes derivative-related gain / loss

<Of yen-denominated bonds and foreign currency bonds, investment conditions in credit risk and securitized products, etc.>

Credit risk	140.9	(2.7)	138.2	9.3%	(1.6%)	(4.7)	(1.9)	(0.5)	1.4	(2.9)	+0.1	Business continuity of domestic and foreign companies, etc.
Securitized products	1.5	(0.0)	1.5	0.1%	(0.0%)	0.0	0.0	0.0	0.0	0.0	(0.0)	Loan interest revenue from housing loans, etc.
Subtotal	142.3	(2.7)	139.6	9.4%	(1.6%)	(4.7)	(1.9)	(0.5)	1.4	(2.9)	+0.1	

Balance of Investments by Region and Sector: Financial Market Business

Balance by Region (Final Risk Country Basis)

(Units: Billions of Yen)

	March 2023			
	Loan balance	Commitment balance	Total	Composition
Japan	69.7	6.8	76.5	52.5%
North America	27.5	4.0	31.5	21.6%
(Of which, the U.S.)	(26.8)	(4.0)	(30.8)	(21.1%)
Europe	18.5	0.0	18.5	12.7%
Asia and Oceania	12.5	0.0	12.5	8.6%
Middle East	2.9	0.0	2.9	2.0%
Latin America	2.6	0.0	2.6	1.8%
Other (international organization)	1.1	0.0	1.1	0.8%
Total	135.0	10.8	145.9	100.0%

* Excluding Singapore Branch

Balance by Sector (Final Risk Country Basis)

(Units: Billions of Yen)

	March 2023			
	Loan balance	Commitment balance	Total	Composition
Electricity and gas	65.0	8.8	73.9	50.7%
(Of which, solar power generation)	(35.8)	(1.3)	(37.2)	(25.5%)
Manufacturing	24.6	0.0	24.6	16.9%
Financial	13.8	2.0	15.8	10.8%
Various services	14.0	0.0	14.0	9.6%
Transportation	11.5	0.0	11.5	7.9%
(Of which, aircraft finance)	(7.9)	(0.0)	(7.9)	(5.4%)
Wholesale and retail	2.3	0.0	2.3	1.6%
Construction	0.9	0.0	0.9	0.6%
Other	2.6	0.0	2.6	1.8%
Total	135.0	10.8	145.9	100.0%

* Excluding Singapore Branch