

First Half of Fiscal 2022 Earnings Briefing Materials

(April 1, 2022 – September 30, 2022)

Investor Relations 2022



Iyogin Holdings

December 2, 2022

I. Summary of Earnings for the First Half of Fiscal 2022

Bank

II. Transition to Holding Company Structure

Holding Company

III. Group Medium-Term Management Plan

Holding Company

III-1. Overview of Medium-Term Management Plan

III-2. Major Numerical Targets of Medium-Term Management Plan

III-3. Main Strategies and Progress of Medium-Term Management Plan

III-4. Efforts for Sustainability

III-5. Profit / Loss Forecasts and Capital Policy

Profit and Loss Overview for the First Half of Fiscal 2022 (Bank Consolidated)

Profit attributable to owners of parent increased significantly year-on-year due to a decrease in credit costs and an increase in gain (loss) related to securities, in addition to securing a high level of core business gross profit

Bank Consolidated (Units: Millions of yen)	First half of fiscal 2022	YoY	Increase/ Decrease	First half of fiscal 2021
Core business gross profit	44,969	+26	+0.05%	44,943
Interest and dividend income	37,727	+692		37,035
Fees and commissions	4,625	(146)		4,771
Other operating income (Excluding profit/loss related to bonds including JGBs, etc.)	2,616	(520)		3,136
Expenses (-) (Excluding extraordinary retirement benefits, etc.)	26,157	+622	+2.43%	25,535
Personnel expenses	14,627	(111)		14,738
Nonpersonnel expenses	9,990	+400		9,590
Taxes	1,540	+334		1,206
Core business net income	18,811	(597)	(3.07%)	19,408
Credit costs (-) ①+②-③-④	(761)	(4,682)		3,921
Provision of reserve for general loan losses ①	—	(364)		364
Amortization of non-performing loans ②	312	(3,502)		3,814
Reversal of allowance for loan losses ③	923	+923		—
Recoveries of written off claims ④	150	(107)		257
Gain (loss) related to securities	7,520	+3,564		3,956
Gain (loss) related to bonds including JGBs, etc.	5,846	+5,675		171
Gain (loss) related to stock, etc.	1,673	(2,112)		3,785
Other temporary gain (loss)	1,822	+94		1,728
Ordinary income	28,915	+7,743	+36.57%	21,172
Extraordinary income (loss)	(122)	(56)		(66)
Income before income taxes	28,793	+7,688		21,105
Net income	20,312	+5,379	+36.02%	14,933
Profit attributable to owners of parent	19,877	+5,010	+33.69%	14,867
Ordinary revenue	86,212	+15,587	+22.07%	70,625
Business net income	24,658	+5,443	+28.32%	19,215

Core business gross profit

Up ¥26 million YoY

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

Expenses (-)

Up ¥622 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 ¥4,682 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

Up ¥3,564 million YoY

- ✓ Gain (loss) related to bonds including JGBs, etc. increased due to the recording of a gain on sales of foreign bonds without hedges.
- ✓ Gain (loss) related to stock, etc. decreased due to decreased gain on sales of strategic equity holdings.



Profit attributable to owners of parent

Up ¥5,010 million YoY

Factors in Increase / Decrease in Core Business Gross Profit for the First Half of Fiscal 2022 (Bank Consolidated)

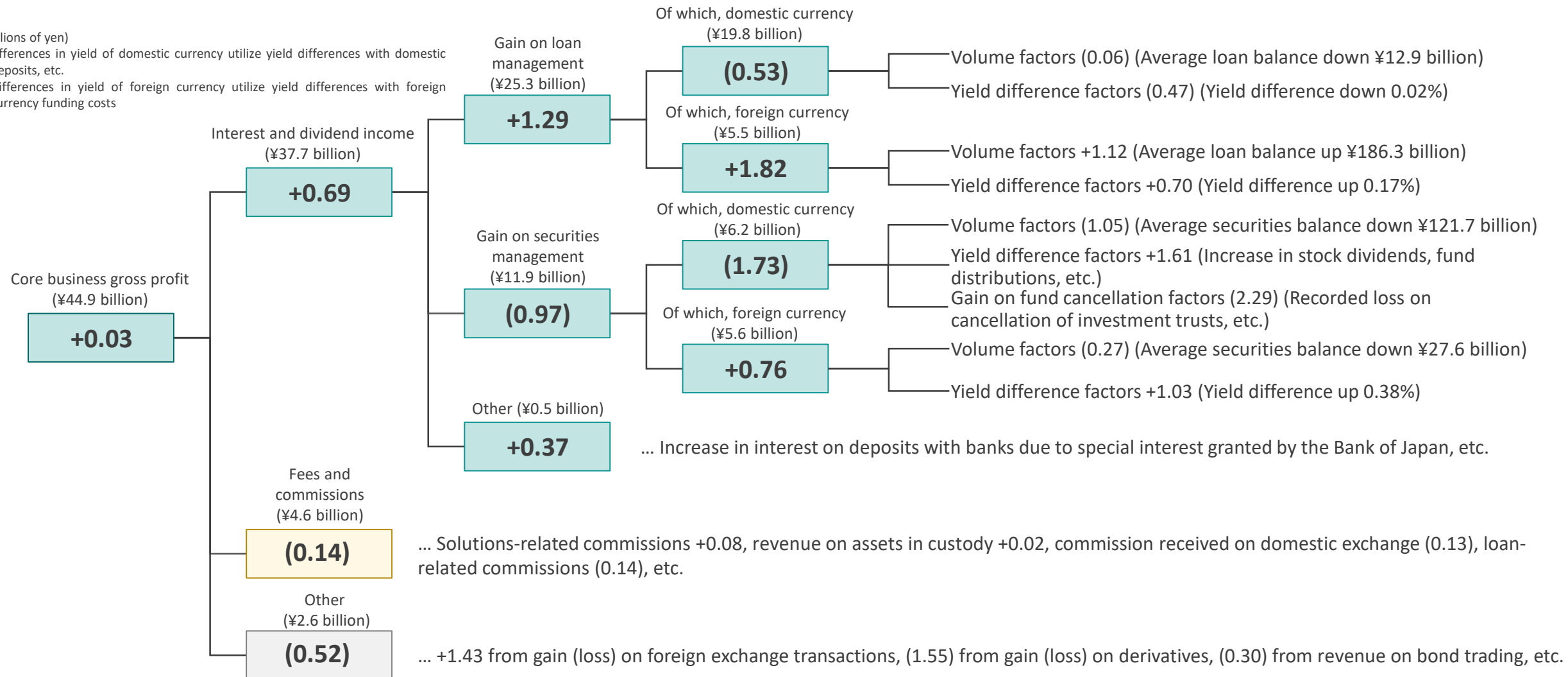
A high level of core business gross profit was secured due mainly to an increase in interest and dividend income

Year-on-year (First Half of Fiscal 2022 – First Half of 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



Loans, Deposits, and Assets in Custody for the First Half of Fiscal 2022

Deposits, etc. Deposits, etc. were up 1.0% year-on-year

Balance of deposits, etc. by region (Units: Billions of yen)

Region	First Half of Fiscal 2021	First Half of Fiscal 2022	YoY	
			YoY	Increase/Decrease
Within Ehime Prefecture	4,990.7	5,179.2	+188.5	+3.8%
Shikoku (excluding Ehime)	291.4	290.5	(0.9)	(0.3)%
Kyushu	185.1	186.5	+1.4	+0.8%
Chugoku	285.7	289.0	+3.3	+1.2%
Kinki	193.4	191.6	(1.8)	(0.9)%
Tokyo and Nagoya	496.8	422.0	(74.8)	(15.1)%
Singapore	34.3	81.8	+47.5	+138.5%
Offshore, etc.	125.2	28.8	(96.4)	(77.0)%
Total	6,603.0	6,669.7	+66.7	+1.0%

Assets in Custody Balance of assets in custody were up 1.9% year-on-year

Balance of assets in custody (Units: Billions of yen)

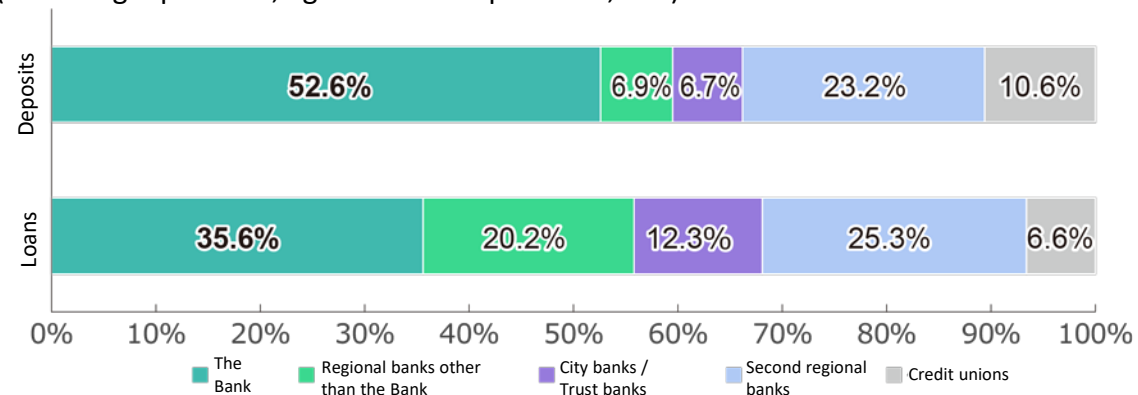
	First Half of Fiscal 2021	First Half of Fiscal 2022	YoY	
			YoY	Increase/Decrease
Group assets in custody	600.2	611.9	+11.7	+1.9%
Balance at the Iyo Bank	353.9	357.7	+3.8	+1.1%
Balance at Shikoku Alliance Securities	246.3	254.2	+7.9	+3.2%
Sales of Group assets in custody	75.1	64.6	(10.5)	(14.0)%
Sales at the Iyo Bank	30.4	30.0	(0.4)	(1.3)%
Sales at Shikoku Alliance Securities	44.7	34.5	(10.2)	(22.8)%

Loans Loans were up 6.0% year-on-year

Balance of loans by region (Units: Billions of yen)

Region	First Half of Fiscal 2021	First Half of Fiscal 2022	YoY	
			YoY	Increase/Decrease
Within Ehime Prefecture	2,496.4	2,675.8	+179.4	+7.2%
Shikoku (excluding Ehime)	340.1	343.5	+3.4	+1.0%
Kyushu	318.6	333.3	+14.7	+4.6%
Chugoku	483.5	482.5	(1.0)	(0.2)%
Kinki	388.2	380.4	(7.8)	(2.0)%
Tokyo and Nagoya	620.9	671.1	+50.2	+8.1%
Financial Market Business Office	112.6	135.8	+23.2	+20.6%
Total (domestic branches)	4,760.5	5,022.7	+262.2	+5.5%
Singapore	198.5	234.6	+36.1	+18.2%
Total	4,959.1	5,257.4	+298.3	+6.0%

Share within Ehime Prefecture as of September 30, 2022 (excluding Japan Post, agricultural cooperatives, etc.)



Credit Costs and Disclosed Non-performing Loans for the First Half of Fiscal 2022 (Bank Consolidated)

Credit Costs

Credit costs by factor

(Units: Billions of yen)

	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	First Half		First Half		First Half	YoY
Credit costs total	2.1	13.3	3.9	4.3	(0.7)	(4.6)
Provision of reserve for general loan losses	0.7	9.5	0.3	(0.7)	(2.5)	(2.8)
Amortization of non-performing loans	1.6	4.4	3.8	5.7	1.9	(1.9)
Bankruptcies	0.3	0.5	1.4	1.4	0.0	(1.4)
Downgrades, etc.	2.6	6.2	3.4	6.5	3.3	(0.1)
Upgrades and collections	(1.7)	(2.8)	(1.5)	(2.8)	(1.6)	(0.1)
Other Group companies	0.4	0.5	0.5	0.6	0.2	(0.3)
Recoveries of written off claims (-)	0.1	0.6	0.2	0.5	0.1	(0.1)
[Reference] Credit management expense ratio (Nonconsolidated*)	0.06%	0.26%	0.14%	0.08%	(0.03)%	(0.17)P

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

Credit costs were **down ¥4.6 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 a decrease in amortization of non-performing loans owing to decreased bankruptcies

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.

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	
		First Half			First Half	YoY
Loans to bankrupt or effectively bankrupt borrowers	3.8	2.0	1.9		1.7	(0.3)
Doubtful assets	54.2	59.0	63.3		66.3	+7.3
Credit subject to specific risk management	16.8	23.9	23.7		24.3	+0.4
Total disclosed non-performing loans	74.8	85.0	89.1		92.4	+7.4
Ratio of disclosed non-performing loans	1.42%	1.62%	1.66%		1.67%	+0.05P

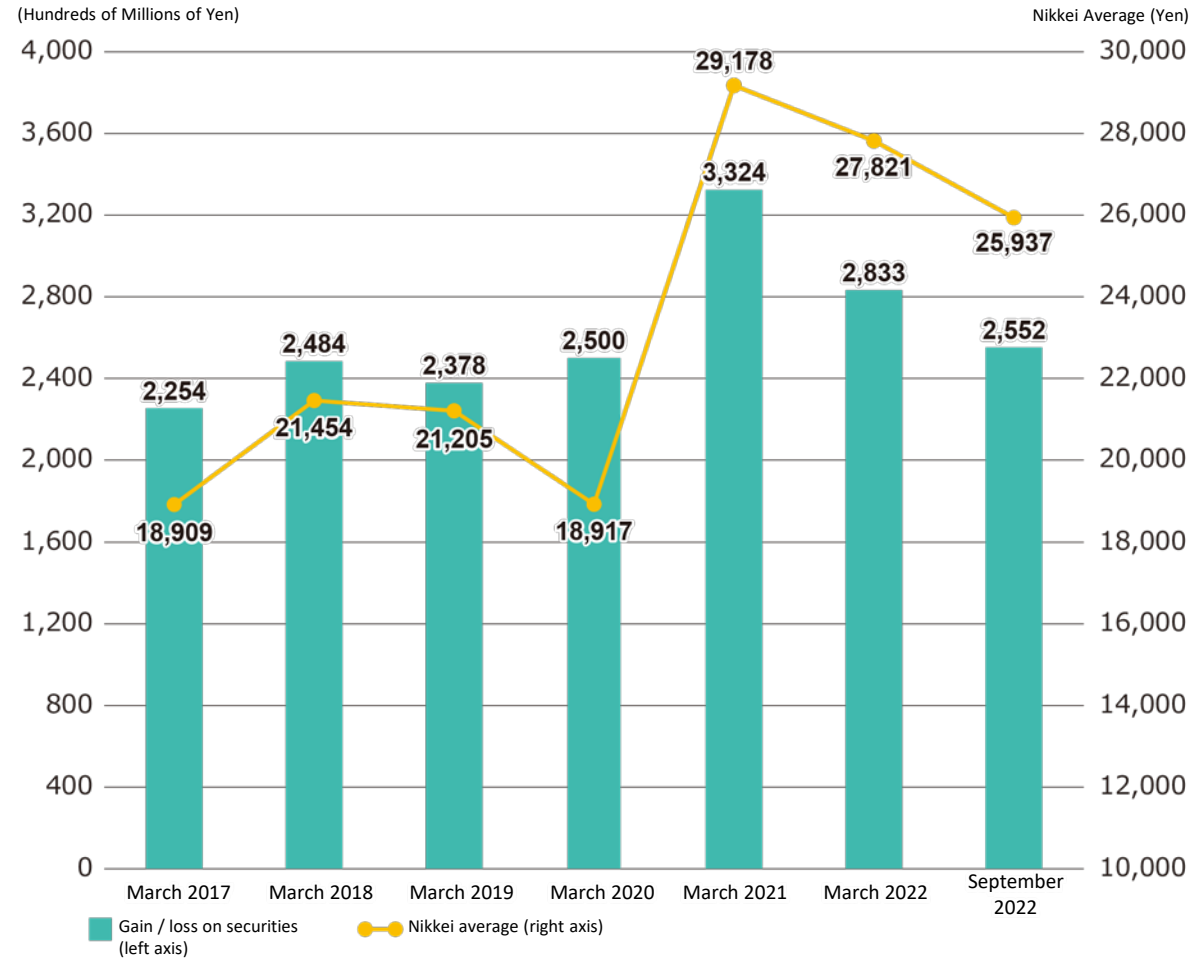
Although amounts of disclosed non-performing loans have been on an increasing trend amid the COVID-19 pandemic, ratio of non-performing loan continued at a low level of **1.67%**.

Evaluation Gain (Loss) on Securities and Equity Ratio for the First Half of Fiscal 2022 (Bank Consolidated)

Evaluation Gain on Securities

» ¥255.2 billion

- Maintained a top level among regional banks

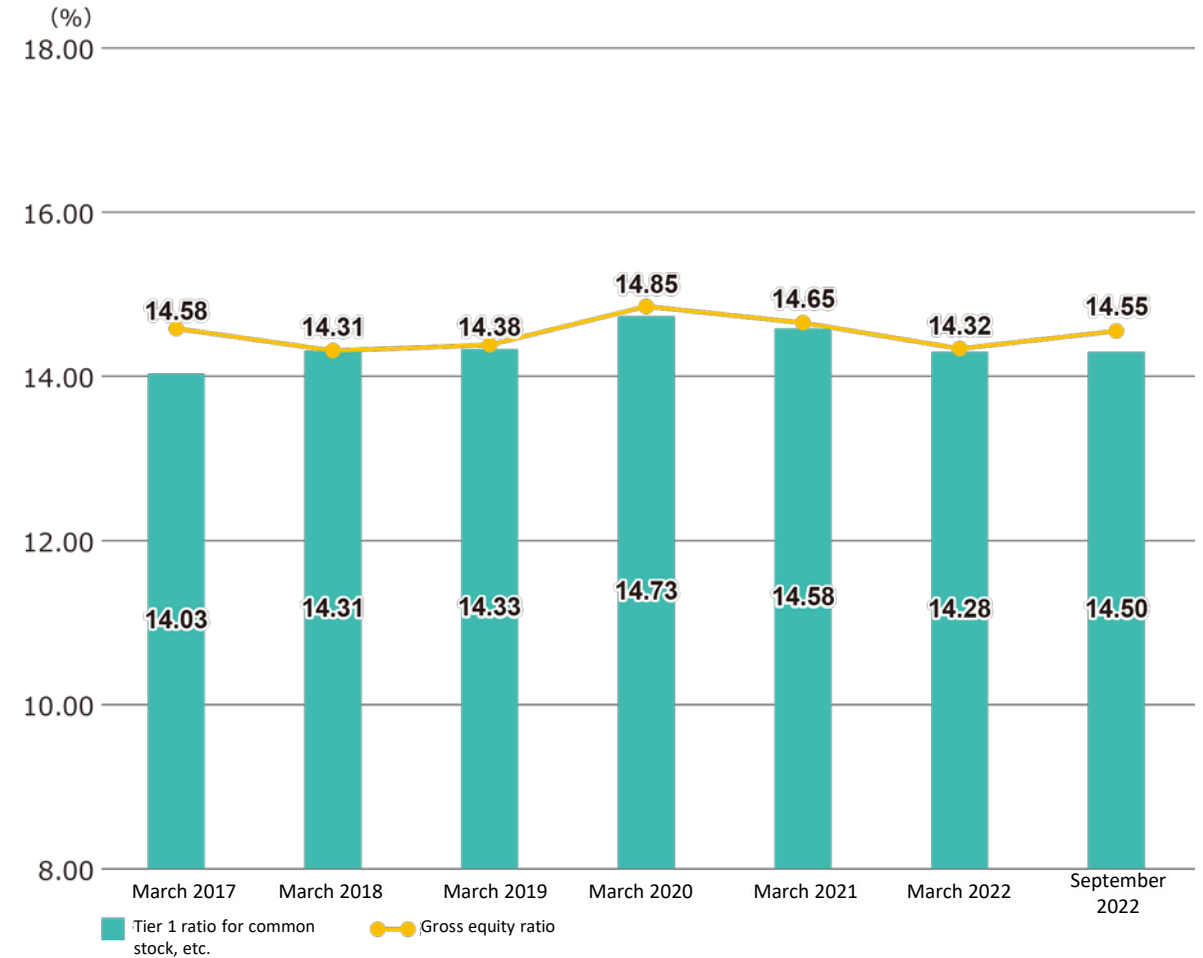


(Note) Excludes evaluation gains / losses on money held in trust

Equity Ratio

» 14.55%

- Secured high soundness, sufficiently exceeding required equity ratio



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III-1. Overview of Medium-Term Management Plan

III-2. Major Numerical Targets of Medium-Term Management Plan

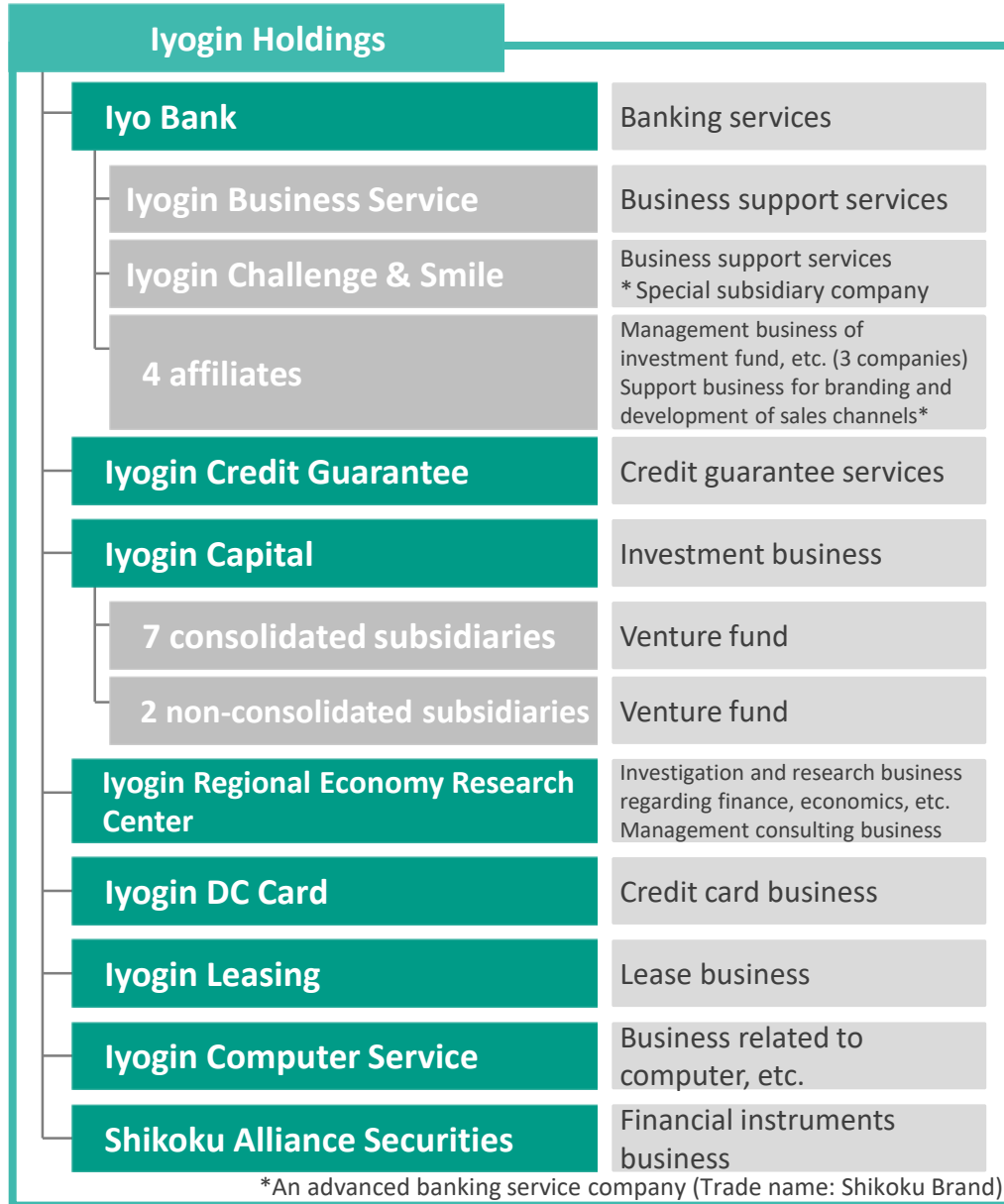
III-3. Main Strategies and Progress of Medium-Term Management Plan

III-4. Efforts for Sustainability

III-5. Profit / Loss Forecasts and Capital Policy

Transition to Holding Company Structure

Group structure after the transition (established on October 3, 2022)



Inheriting the spirit of the Iyo Bank's Corporate Credo

The Group's Corporate Credo

“Creating a bright and prosperous future for the region” “Offering the best service and being worthy of people’s trust” “Rendering our best service with gratitude in our hearts”

Purpose of the transition to a holding company structure

Expansion of business fields in light of relaxation of regulations

Enhanced group governance by strengthening business management functions

Maximizing group synergies by changing employee and officer awareness and behavior

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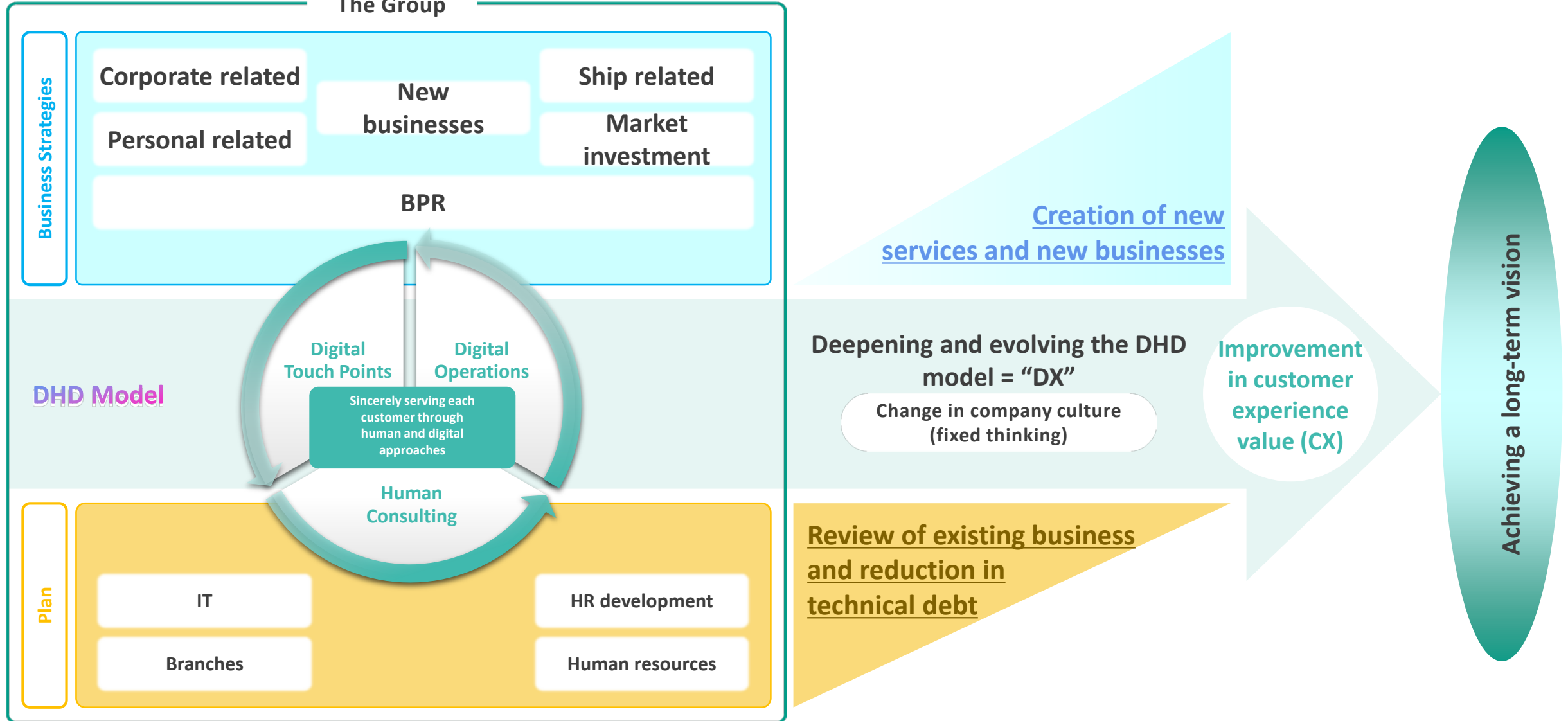
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Group Medium-Term Management Plan

Toward achieving a long-term vision of a “corporate group continuing to create and provide new value,” the Group Medium-Term Management Plan consists of six business strategies including “New Business Strategies” aiming for expansion of business fields and four plans. We will work to further deepen and evolve the DHD model by the Group as a whole to improve sustainability as a corporate group.



New Business Strategies

<Basic policy> Create earning opportunities by continuously developing businesses and operations that contribute to solving regional issues and improving sustainability through appropriate and bold risk-taking

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.

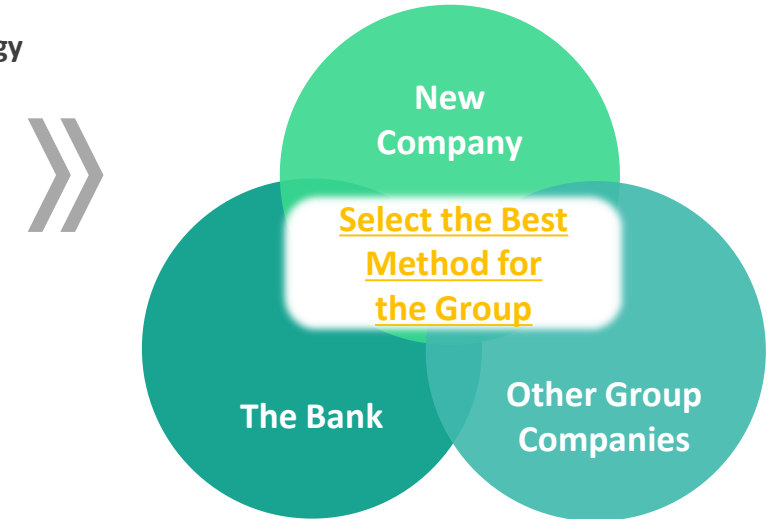
—Current—

—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

Consideration of Operationalization



(etc.)

Obtained certification as authorized bank holding company

Met authorization criteria

Equity ratio:	<u>12.0% or more</u>
Ratio of Outside Directors:	<u>1/3 or more</u>
System to ensure the appropriateness of business operations:	<u>Appropriately developed</u>



Obtained certification Authorized bank holding company*

Iyogin Holdings

Realization of speedy and agile business development

Organize a system for creating sustainable new businesses

● Establishment of organization in charge

Design of the organization in charge is under consideration for raising awareness on new business challenges across the Group and taking speedy action

● Creation of ventures in the Group

Creation of a system is under consideration for bringing out spontaneous ideas from employees, including young people, and enabling them to engage in operationalization

*An authorized bank holding company may have companies exclusively engaged in the services of a special subsidiary company as its subsidiary company (excluding the subsidiary company of a bank which is the subsidiary company of that bank holding company) by notification rather than by permission.

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Bank

II. Transition to Holding Company Structure

Holding Company

III. Group Medium-Term Management Plan

Holding Company

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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
- Following the transition to a holding company system, we have newly added “Core business gross profit of Group companies (excluding the Bank)” to the numerical targets, aiming to achieve ¥9.0 billion in fiscal 2023, from the perspective of expanding business fields by the entire Group

Major Numerical Targets

	Fiscal 2021 Results	Fiscal 2022 Expected	Targets for Fiscal 2023
Consolidated core business gross profit	¥90.4 billion	¥87.0 billion	¥86.0 billion
Profit attributable to owners of parent	¥26.4 billion	¥28.0 billion	¥23.0 billion
Consolidated ROE (shareholders' equity basis)	5.34%	5.41%	4.0% or more
Consolidated core OHR	57.05%	60.06%	Approx. 60.0%
Consolidated common stock Tier 1 ratio	14.28%	14.66%	Approx. 15.0%
New 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 **¥6,870.0 billion** with an increase by approx. ¥685.0 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		Fiscal 2023		
		Results	YoY	Expected	YoY	Plan	YoY	Increase/ decrease during the Plan
Average deposits, etc., balance	6,184.6	6,623.1	+438.5	6,790.0	+166.9	6,870.0	+80.0	+685.4
Of which, individual deposits	3,658.3	3,807.9	+149.6	3,908.0	+100.1	3,963.0	+55.0	+304.7
Group assets in custody balance	593.5	607.1	+13.6	625.0	+17.9	657.0	+32.0	+63.5
Of which, balance at the Iyō Bank	348.3	361.1	+12.8	359.0	(2.1)	372.0	+13.0	+23.7
Of which, balance at Shikoku Alliance Securities	245.2	246.0	+0.8	266.0	+20.0	285.0	+19.0	+39.8

Loans



Planning an average balance for fiscal 2023 totaling **¥5,230.0 billion** with an increase by approx. ¥335.0 billion for three years

Plans for average loan balance

(Units: Billions of yen)

	Fiscal 2020 Results	Fiscal 2021		Fiscal 2022		Fiscal 2023		
		Results	YoY	Expected	YoY	Plan	YoY	Increase/ decrease during the Plan
Average loan balance	4,894.4	5,002.1	+107.7	5,195.0	+192.9	5,230.0	+35.0	+335.6
Corporate loans	3,246.8	3,303.7	+56.9	3,458.0	+154.3	3,491.0	+33.0	+224.2
Of which, within Ehime	1,438.6	1,492.5	+53.9	1,597.0	+104.5	1,599.0	+2.0	+160.4
Individual loans	1,130.7	1,157.3	+26.6	1,168.0	+10.7	1,177.0	+9.0	+46.3
Municipal loans	232.2	213.1	(19.1)	199.0	(14.1)	185.0	(14.0)	(47.2)
Financial Market Business Office	116.3	115.6	(0.7)	132.0	+16.4	136.0	+4.0	+19.7
Singapore Branch	168.2	212.1	+43.9	238.0	+25.9	241.0	+3.0	+72.8

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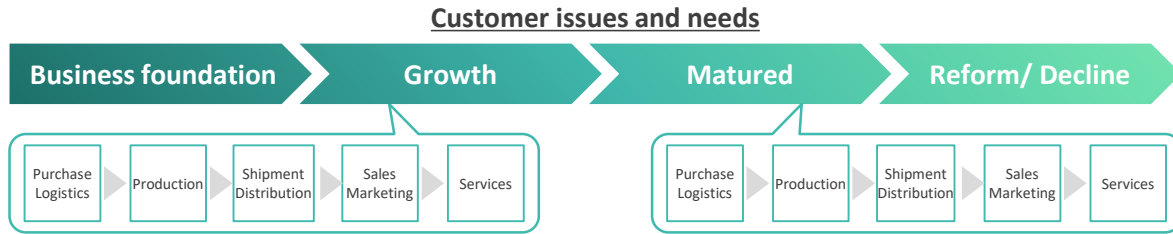
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Business Strategies _ Corporate Related I

Business Feasibility Assessment

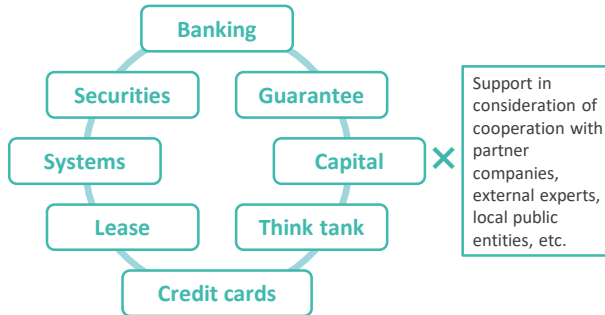


(Various issues and needs in business stages and value chains)

Identifying and sharing of customers' management issues

Formulating concrete supporting measures for enhancement of customers' corporate value

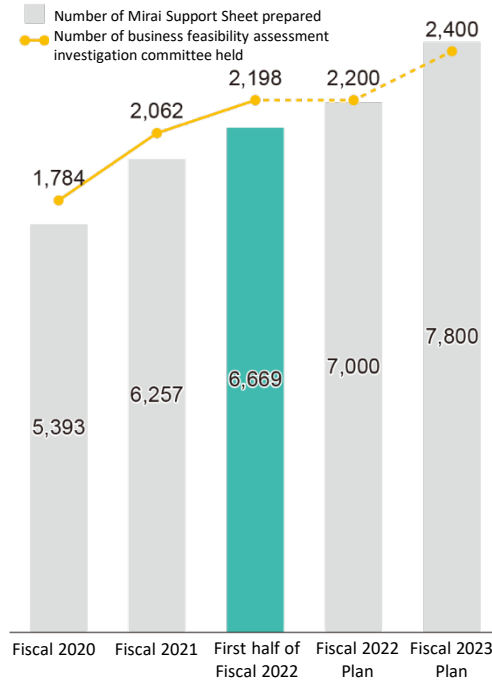
Iyogin Holdings



Diverse consulting lineup

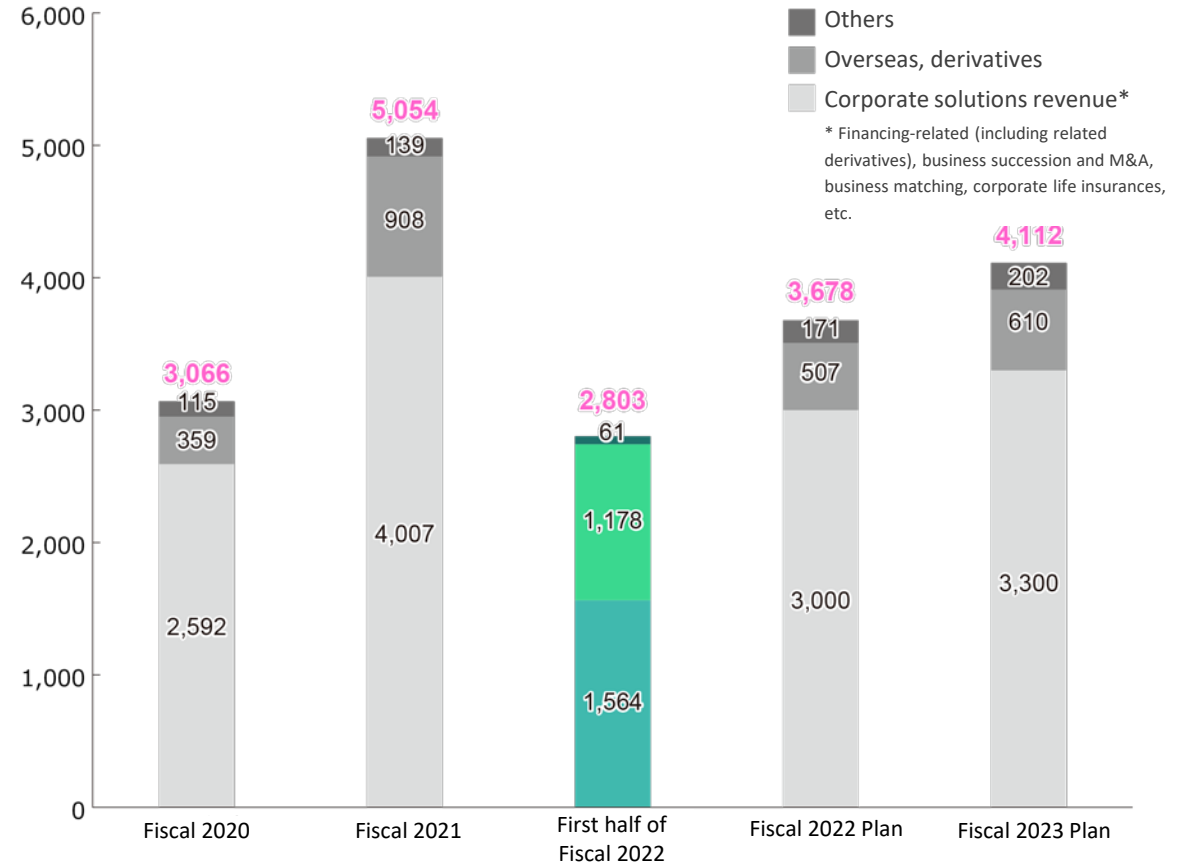


Support in consideration of cooperation with partner companies, external experts, local public entities, etc.



Solution Revenue Results

(Millions of Yen)

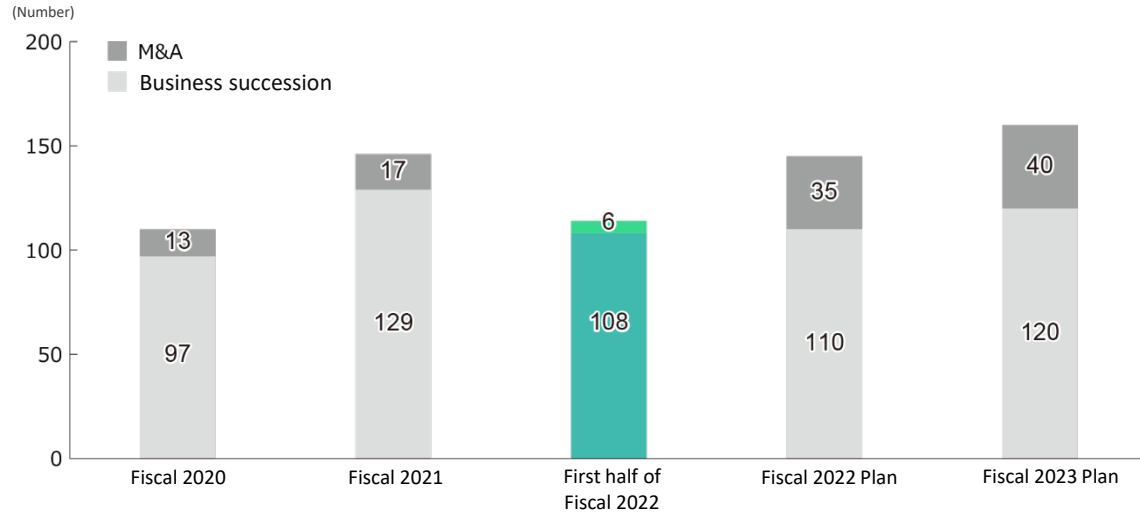


Aim to expand Group solution revenues by further strengthening cooperation with Group companies

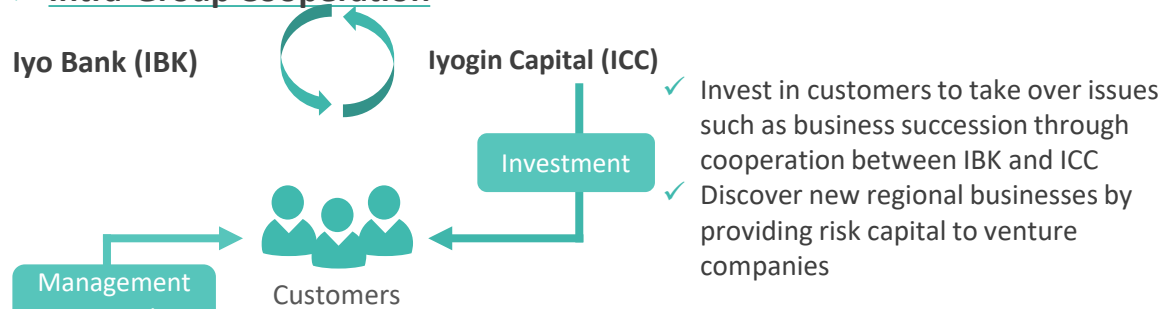
Business Strategies _ Corporate Related II

Number of cases for M&As and Business Succession

- Steadily increased in number of cases for business succession with a record-high result during a half-year period
- M&A is expected to extend from cases carried over to the second half of fiscal 2022



Intra-Group Cooperation



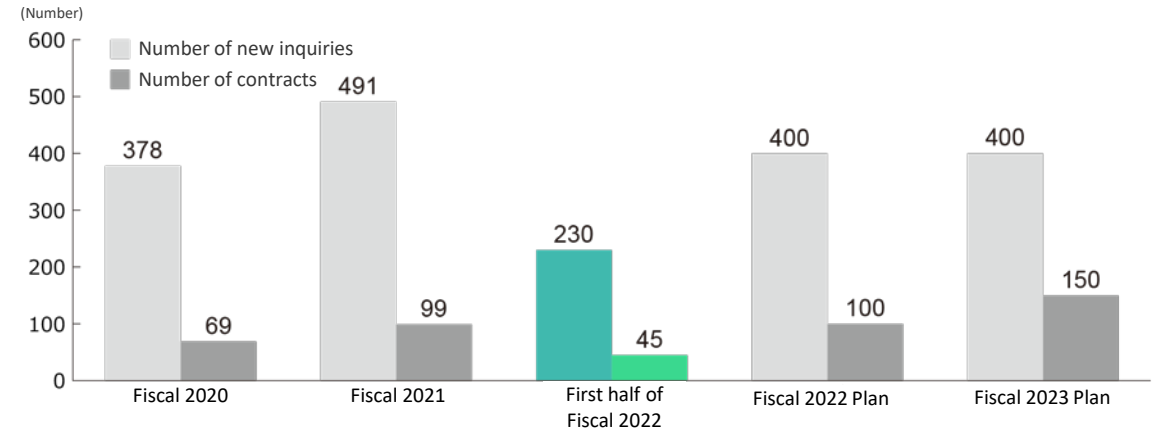
Iyogin Group Companies

- The entire Group provides multifaceted management support to invested companies

Consider setting up new growth support funds, etc.

Staffing Business and Human Resource Development Related Businesses

- Steadily increased to a total of 1,099 inquiries including 213 contracts since the service started in April 2020



Intra-Group Cooperation

Iyo Bank (IBK)

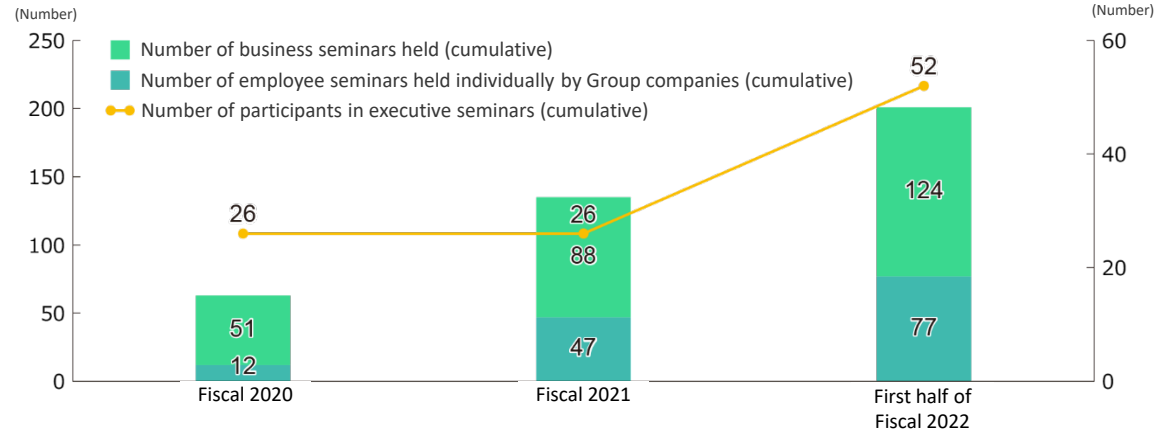


✓ Holding various seminars



Customers

Iyogin Regional Economy Research Center (IRC)

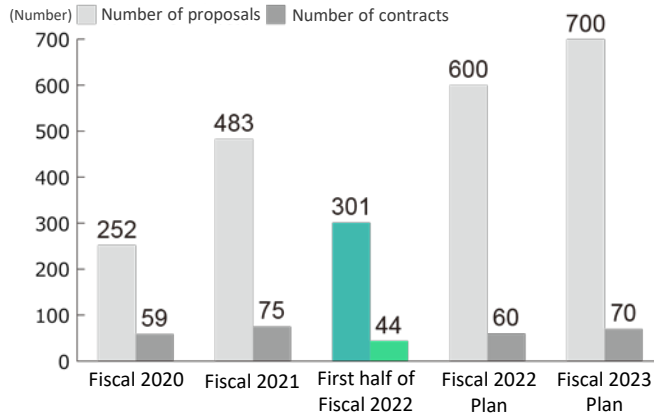


Business Strategies _ Corporate Related III

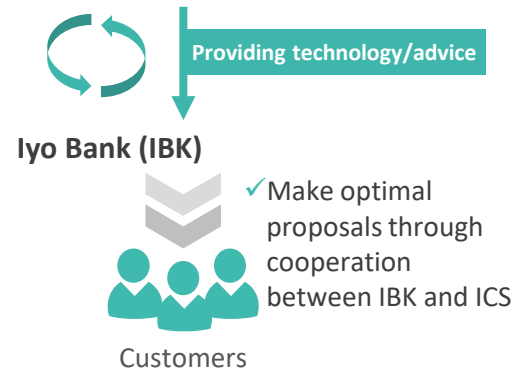
ICT Consulting

Intra-Group Cooperation

- Reflecting high demand for DX, both the number of proposals and the number of contracts are on an increasing trend



Iyogin Computer Service (ICS)



Lease

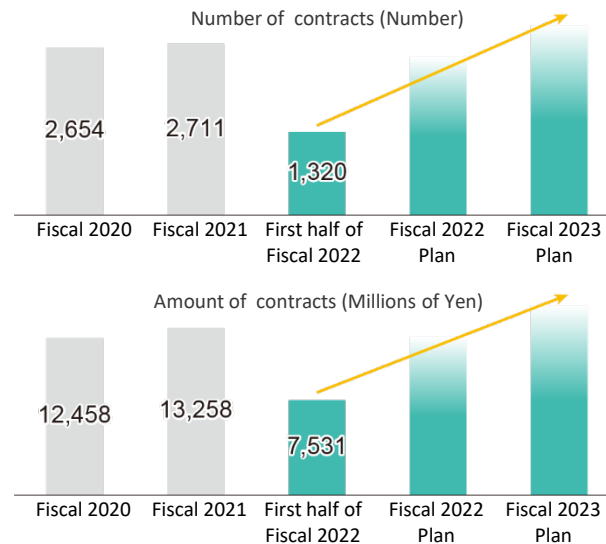
Intra-Group Cooperation

Iyo Bank (IBK)



Iyogin Leasing (ILC)

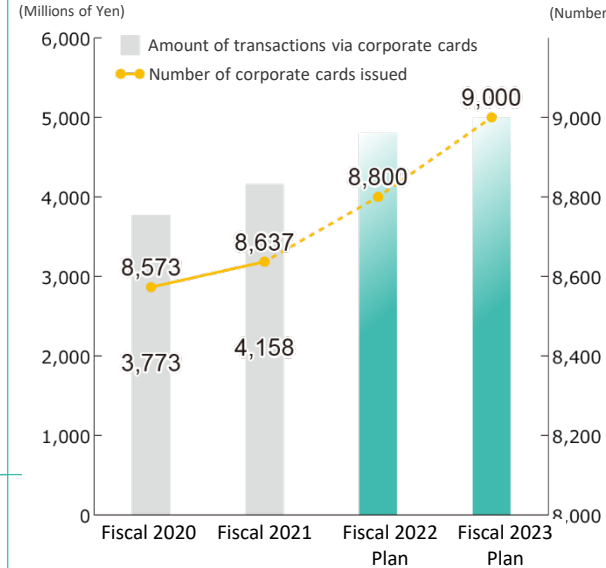
- Support customers in capital investment through cooperation between IBK and ILC
- Utilize data on equipment needs collected by IBK through meetings and provide proposals for lease utilization by ILC



Credit Cards

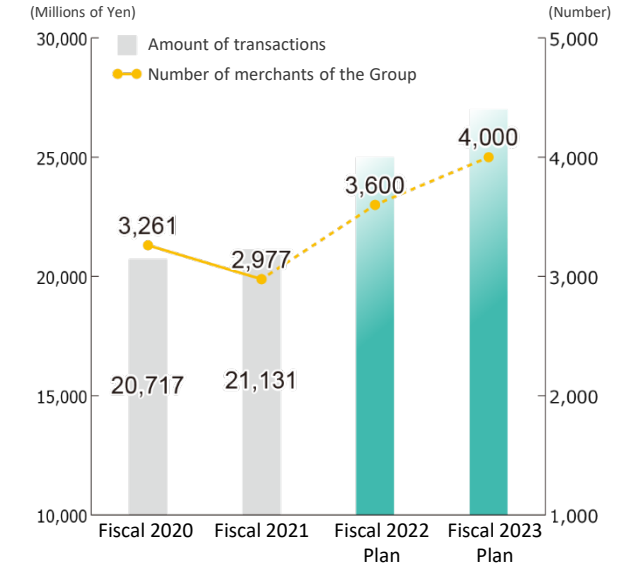
<Target: Cumulative number of cards issued>

Fiscal 2023: 9,000



<Target: Cumulative number of merchants>

Fiscal 2023: 4,000



- Promote efficiency in expense calculation by cooperating with ICT consulting as well

- Focus on developing merchants
- Market has tended to recover partially owing to the resumption of economic activities

Intra-Group Cooperation

Iyo Bank (IBK)



Iyogin DC Card (IDC)

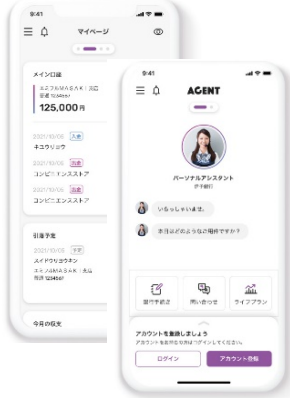
- Jointly manage back-office operations from August 2022
- Outsource the Bank's personal card membership operations, etc. to IDC
- Improve operational efficiency by eliminating similar operations and generate sales resources



Business Strategies _ Personal Related I

Providing integrated solutions and customer experience value for each customer by promoting popularization of DHD services including AGENT app

AGENT A bank on your palm



- **Alternative services for branch functions and internet banking**
 - ✓ The app allows performing procedures from opening of account to inheritance
 - ✓ Scheduled to implement remitting function in Spring 2023
- **Creating highly frequent contact points with customers**
 - ✓ October 2022: Linked with read and write APIs for Visa debit
- **Improving usability**
 - ✓ July 2022: Renewed to UI/UX based on chat function

At the end of fiscal 2023
Targeting 100
 thousands of users

Life design based on AGENT

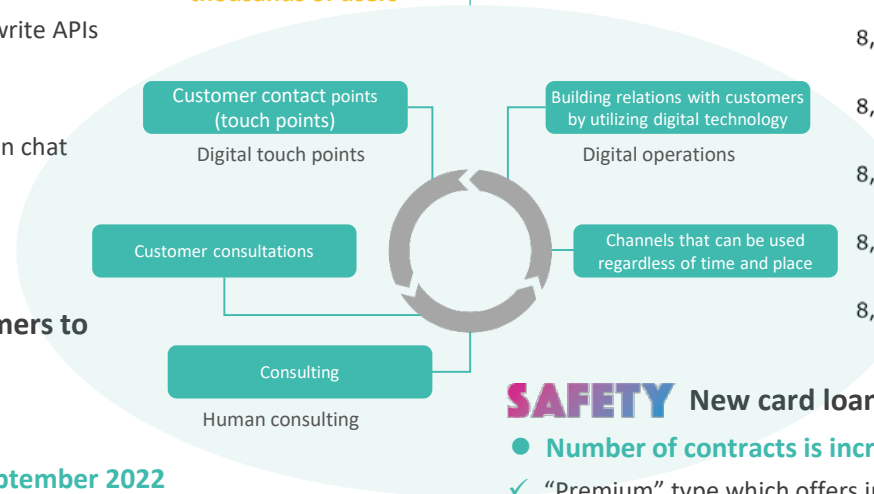
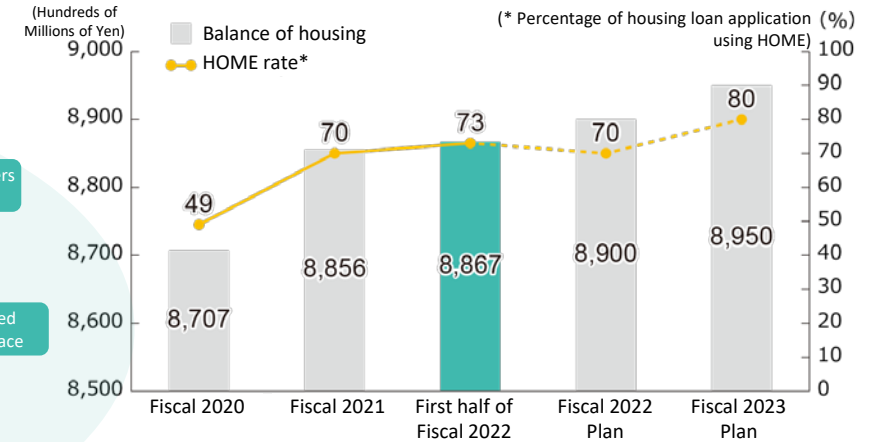
LIFE PALETTE Simulation tool that allows customers to chart various future plans



- **Extensively renewed in September 2022**
 - ✓ Significant improvement in UI/UX
 - ✓ Easy and simple check in approx. 10 minutes
 - ✓ Adding new functions such as “Asset Management Simulation”
- **Providing value according to each customer’s life plan and life events**
 - ✓ By having advance knowledge of users’ life events, it makes timely proposals for adequate advice and product/service possible
 - ✓ Enhancing appeal for customers in the mass retail category by cooperation of various channels
 - ✓ Providing face-to-face consulting services after sharing life plans with advisors

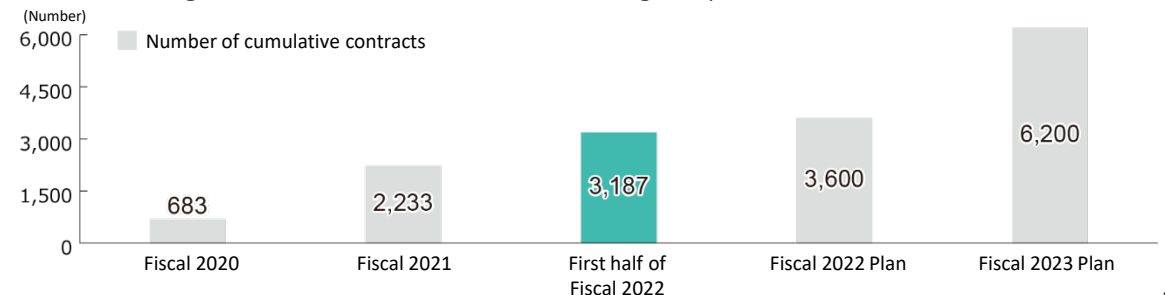
HOME House purchasing plan with a smartphone

- **Growing as a housing loans infrastructure**
 - ✓ 73% of HOME rate* and 216 locations of “HOME HOUSE BUILDER,” targeting housing companies in the first half of fiscal 2022
 - ✓ Scheduled to renew main step-up interest rate type products and expand the line-up of group credit life insurance

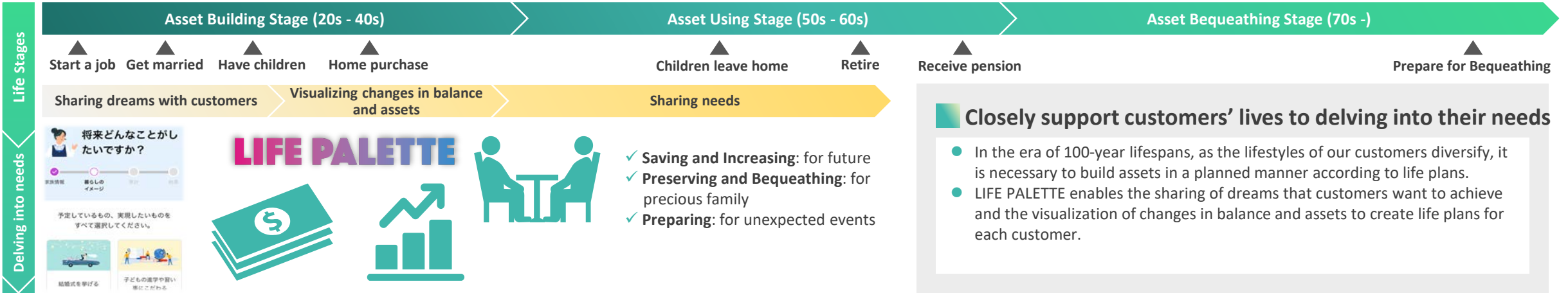


SAFETY New card loan service that issues notifications on insufficient amount

- **Number of contracts is increasing following line-up renewal in February 2022**
 - ✓ “Premium” type which offers interest rates based on “risk ranking” instead of the “borrow amount”
 - ✓ Number of contracts is increasing due to the differentiation of services and application function increasing the borrow amount has received a favorable reception, it contributed to an increase in balance
 - ✓ Expanded target areas in October 2022 to further strengthen promotion



Business Strategies _ Personal Related II

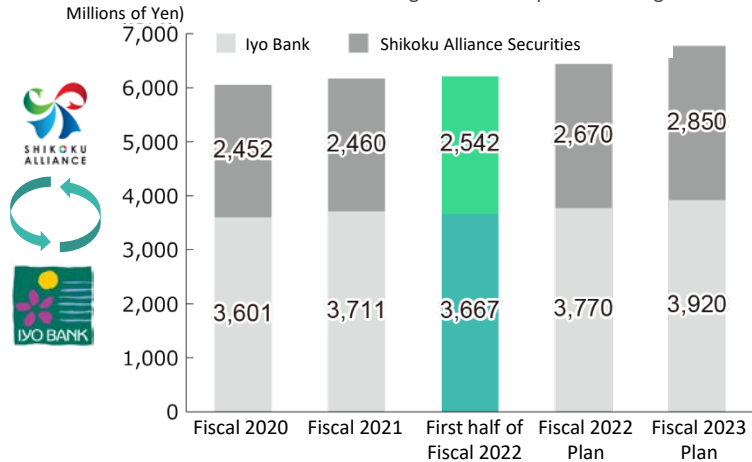


Providing consulting services for each customer

Saving and Increasing

- Supporting stable, long-term asset formation based on diversification in terms of time, currency, and assets
- Providing sophisticated asset management consulting services through cooperation between bank and securities

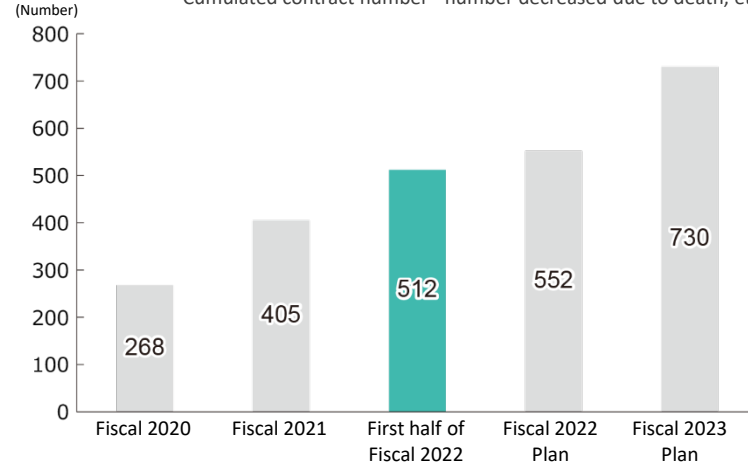
<Change in Group Assets in Custody Balance>
(Hundreds of Millions of Yen) * Including individual deposits in foreign currencies



Preserving and Bequeathing

- Responding to diversified and enhanced needs for bequeathing by combined efforts of bank branches and headquarters
- Offering a range of services, including a wealth of life insurance products, will writing support, civil trust, and handling of the bequeathing process

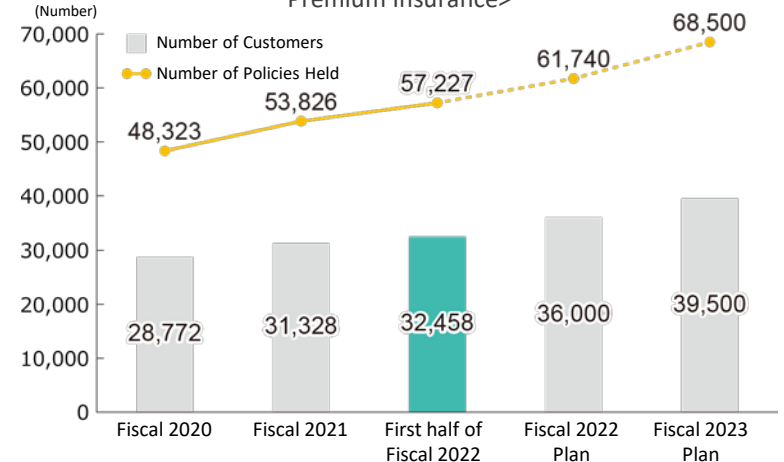
<Number of Customers of Trust-Related Contracts>
* Cumulated contract number - number decreased due to death, etc.



Preparing

- Providing sophisticated consulting services in cooperation with HOKEN NO MADOGUCHI GROUP to prepare for future risks and deliver safety to customers
- Developing system for online consultation as well as face-to-face consultations

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



Business Strategies _ Ship Related I

Environment Surrounding Ship Owners

- Amid large fluctuations in foreign exchange and interest rates as well as market conditions, investment decisions remain difficult for ship owners due to soaring costs of producing new ships and ship management.

Ship Owners' Business Status

Favorable factors

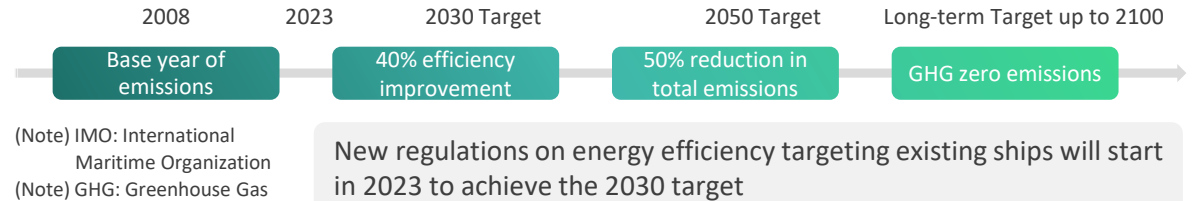
- ✓ Ongoing weaker yen, up more than ¥20 in six months
- ✓ Continuing low yen interest
- ✓ Decrease in supply of small and mid- to small-sized bulkers
- ✓ Extension of cargo transport distance due to geopolitical events

Concerns

- ✓ Sharp increase in U.S. dollar interest
- ✓ Continued high price of steel and materials
- ✓ Decrease in demand of cargo transport due to global economic slowdown
- ✓ Sharp decline in container freight rate in last few months

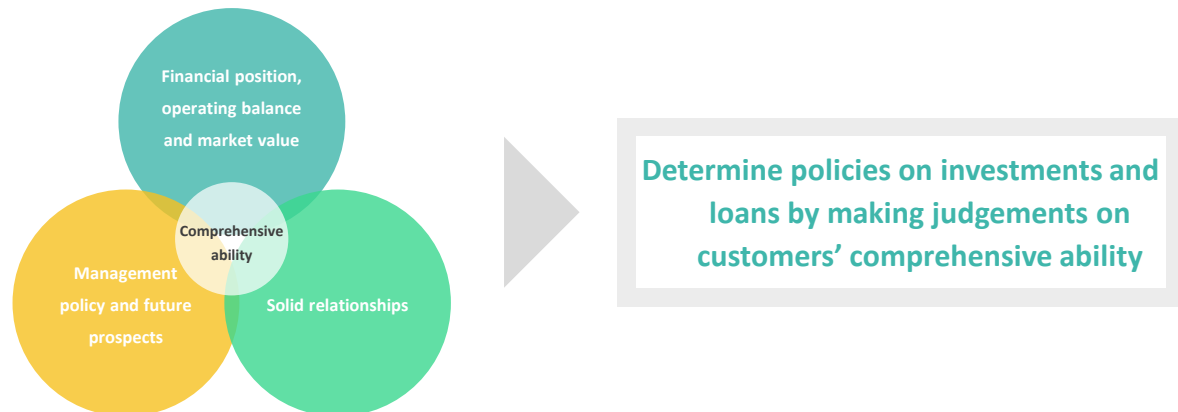
- Environmental regulations
IMO has adopted a goal of reducing total GHG emissions by 50% by 2050.

"Strategy on the reduction of GHG emissions" by IMO



Our Loan Policies in Line with Solutions in Preparation for Risks of Market Condition Downturn

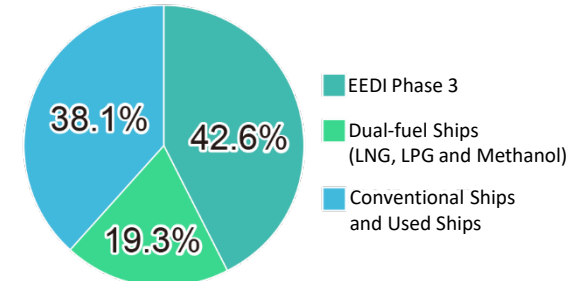
- Emphasis on a portfolio not overly depending on short-term charters/charters related to market condition and asset value of ships held
- Proposing derivatives, etc., that prepare for risks of future fluctuation in foreign exchange and interest rates
- Emphasis on long-term relationships and make judgements on customers' comprehensive ability in a multilateral manner



Efforts to Support Decarbonization in Ocean Transport

- Loans for ships manufactured by Japanese shipbuilding yards that have high fuel efficiency
- Initiatives on loans for LNG dual-fuel ships
- Loans for ships following the regulations on energy efficiency starting 2025 in advance
- Initiatives for Sustainability Linked Loans (March 2021) and Transition Loans (September 2021)
- Efforts toward matching energy saving device manufacturers with ship owners

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



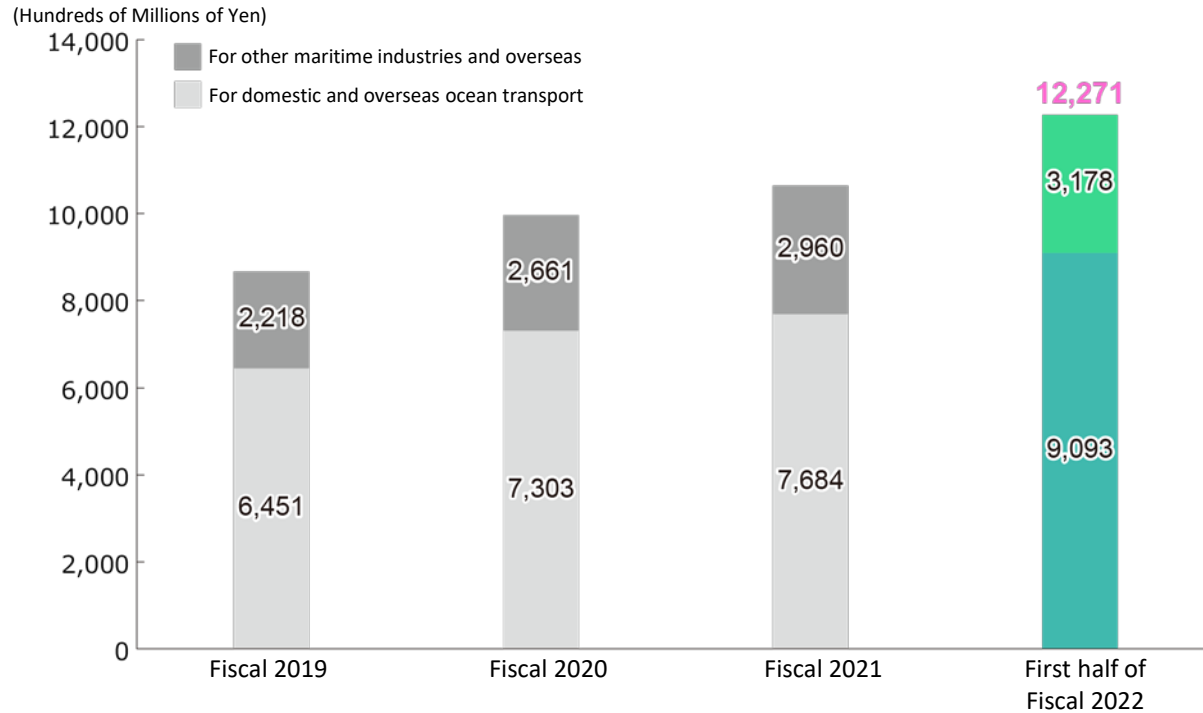
Decarbonization in Ocean Transport and Asset Value of Ships

- Relatively high environmental performance
Domestic ships on our loans are on average 5 years old and are mostly manufactured in Japan, and have relatively high fuel efficiency
- Assets with quick turnover rate
Loans for ships, in principle, have a maximum period of 15 years after manufacture, and most ships are sold by around 10 years old, resulting in a quick renewal cycle for the assets

Business Strategies _ Ship Related II

Loan Balance for the Maritime Industry

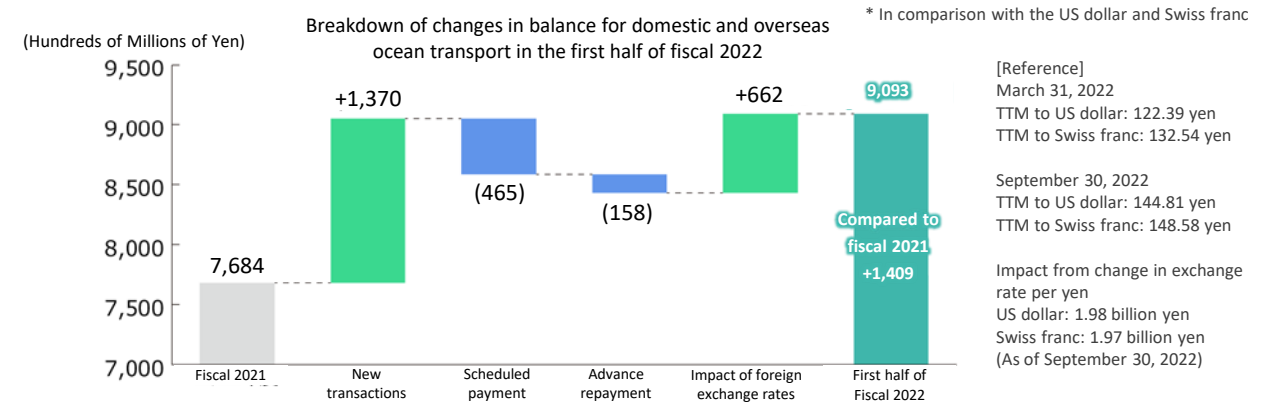
» ¥1,227.1 billion



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, significantly weaker yen* during the fiscal year resulted in an increase in foreign-denominated loan amounts when translated into yen



For Other Maritime Industries

- 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 Bank 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 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

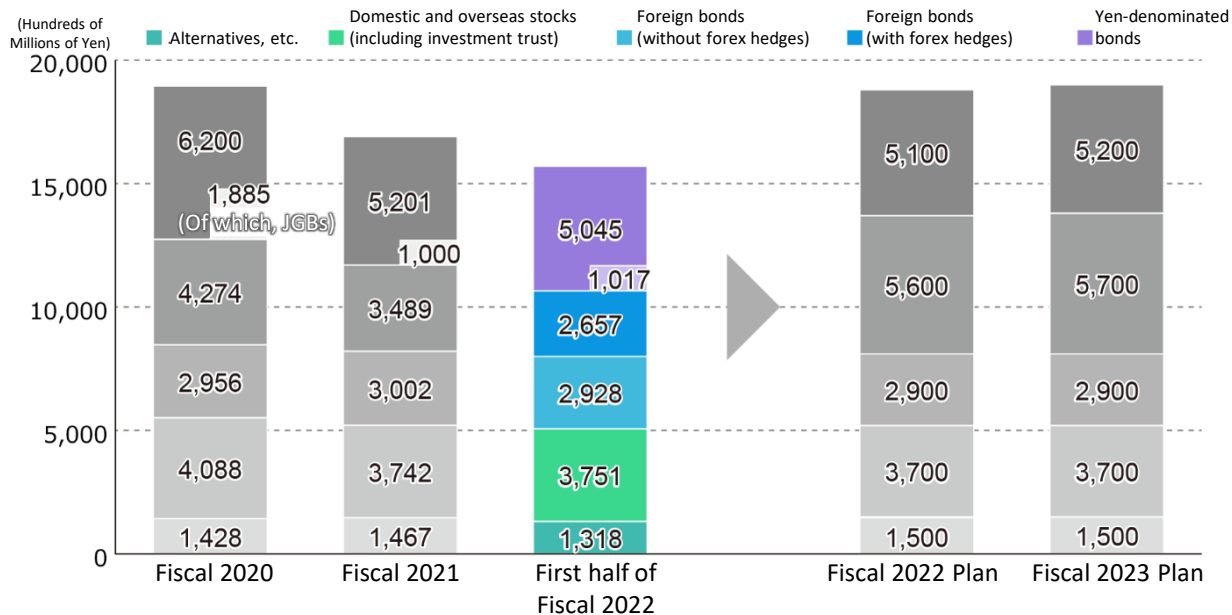
- Aiming for business matching and case intermediation through a unique information network

Business Strategies _ Market Investment I

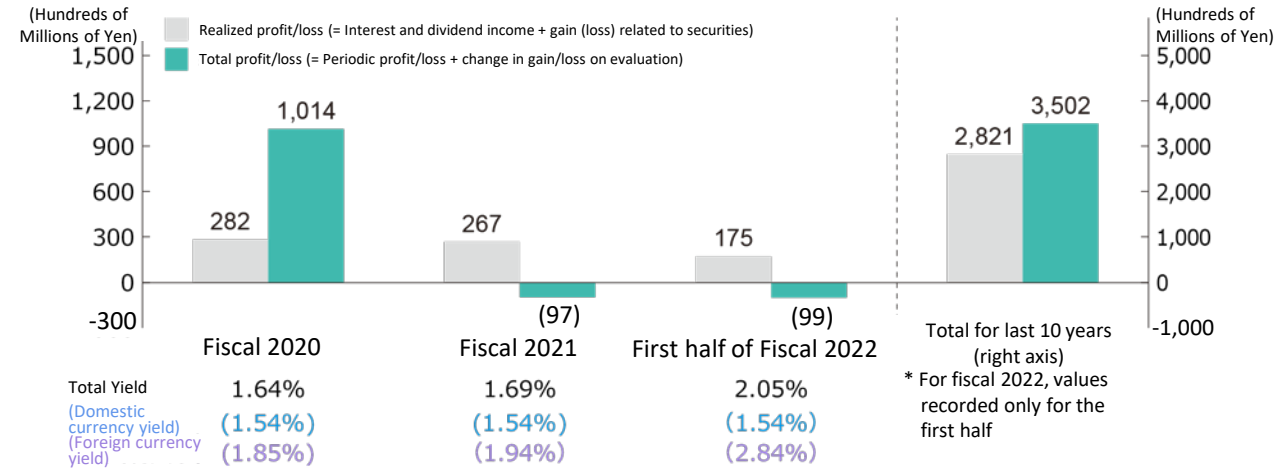
Investment Policy by Risk Category

(Risk category)	(Direction)	(Policy for investment)
Yen-denominated bonds	Restore balance	<ul style="list-style-type: none"> Keep the balance as a bond including foreign bonds as assets inversely correlated with stocks. 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 (with forex hedges)		
Foreign bonds (without forex hedges)	Not change	<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.

Balance of Securities at Market Value by Risk Category



Securities Performance

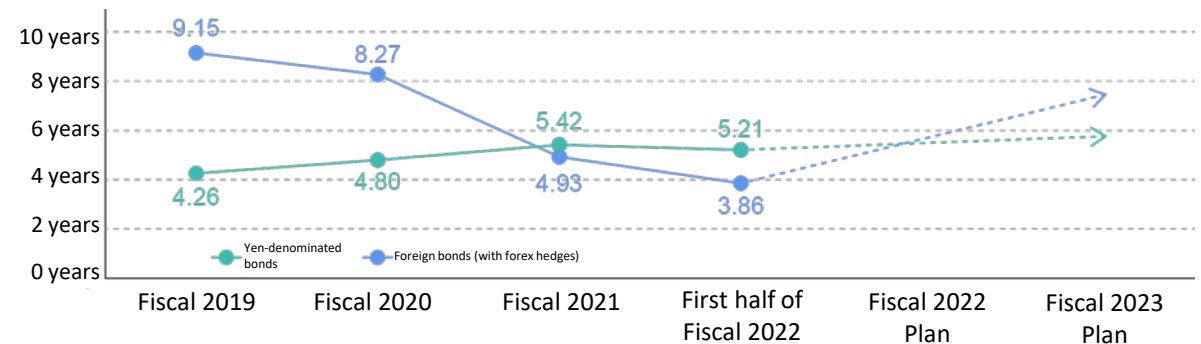


Portfolio Risk Sensitivity and Duration

Portfolio risk sensitivity (As of September 30, 2022)

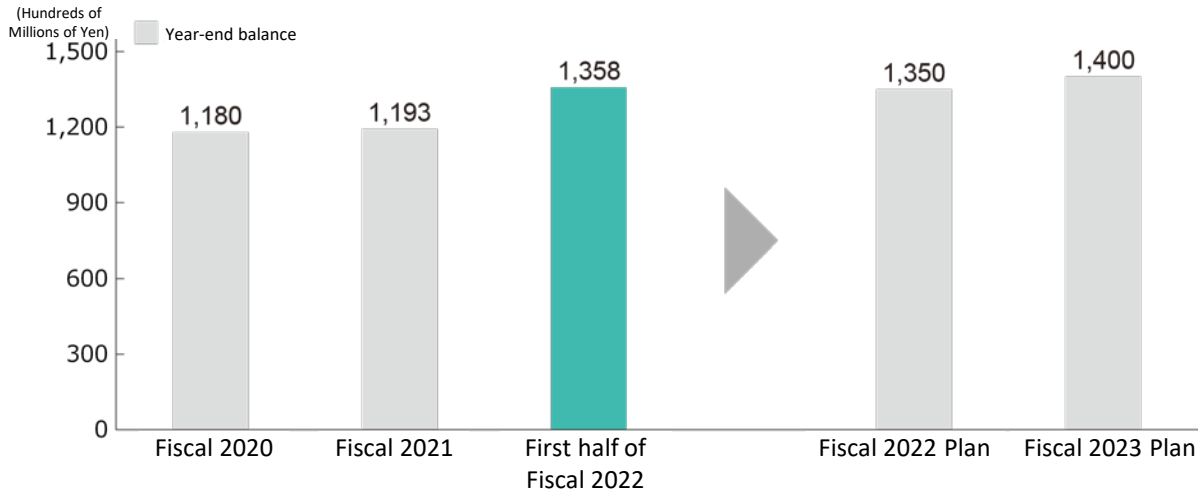
Yen-denominated bond portfolio 10BPV	¥2.6 billion
Foreign bond portfolio (with forex hedges) 10BPV	¥1.1 billion
Foreign bond portfolio (without hedges) 10BPV	¥0.8 billion / exchange ¥10V ¥20.2 billion
Stock portfolio Nikkei Stock Average ¥1,000V	¥10.3 billion

Duration

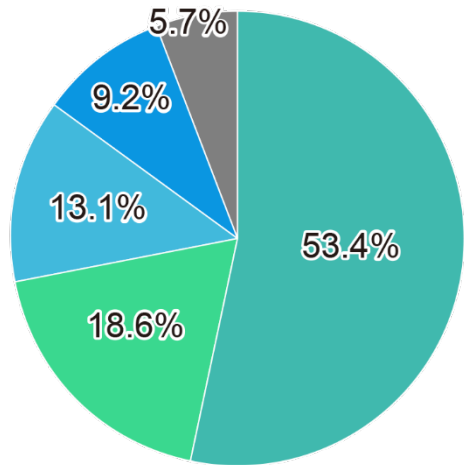


Business Strategies _ Market Investment II

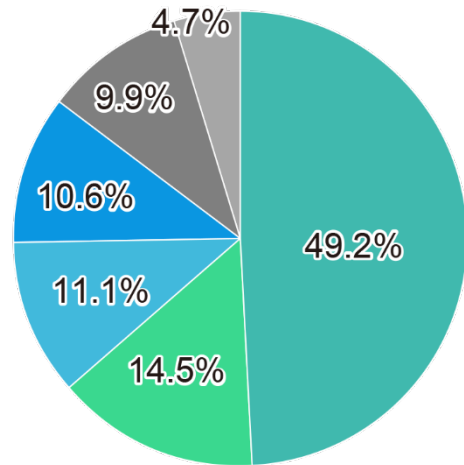
Loan Balance Plan [Financial Market Business Office]



Portfolio by Region and Industry [Financial Market Business Office]

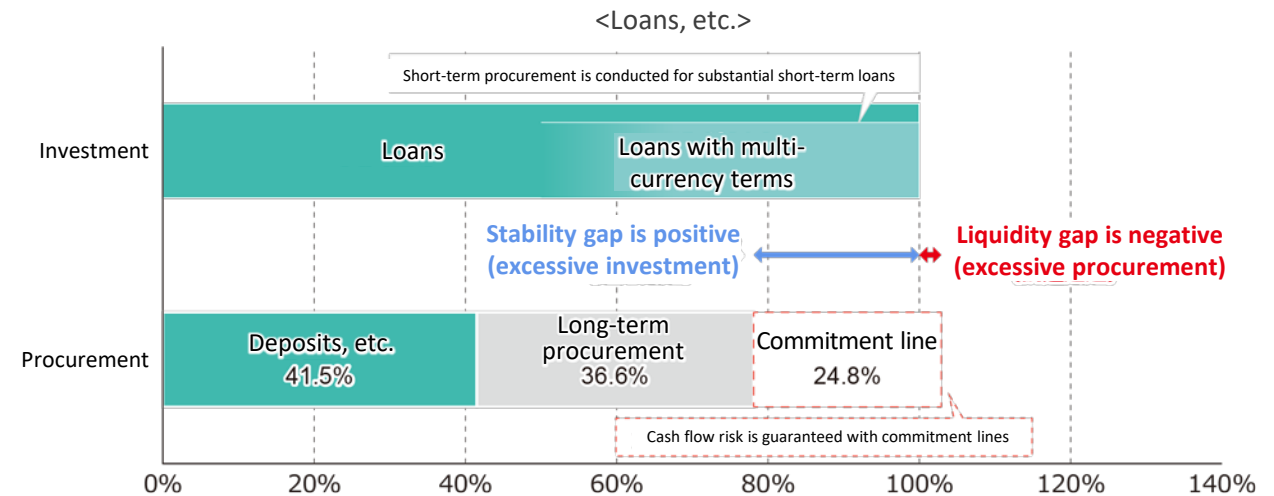
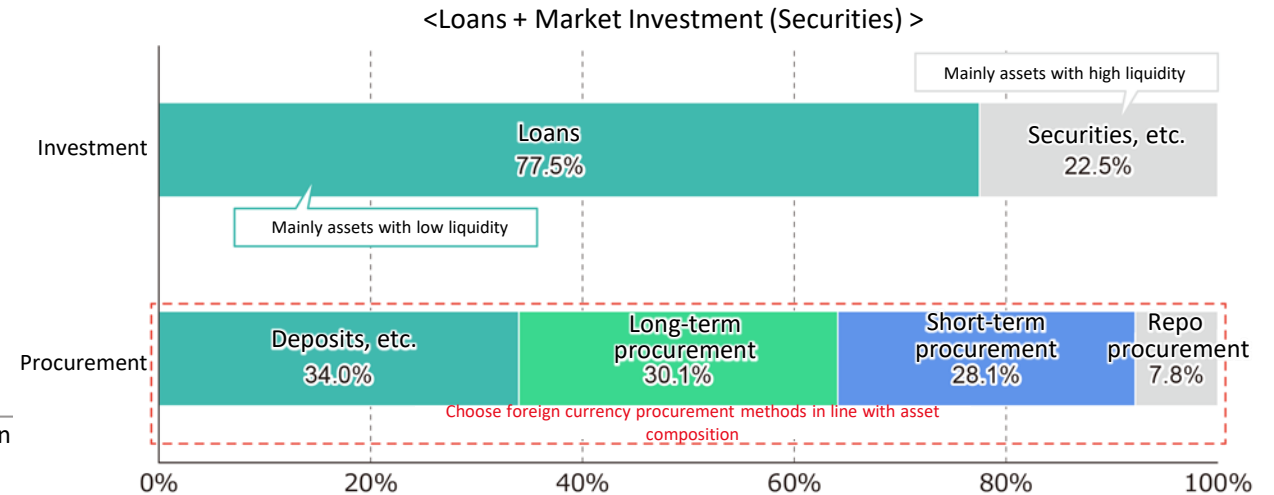


Japan North America Europe
Asia/Oceania Other



Electricity and gas Manufacturing Finance
Transportation Various services Other

Status of Foreign Currency Investment and Procurement [September 30, 2022]



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 Strategy I

Added new function "Inheritance procedures" to AGENT app, a bank on your palm

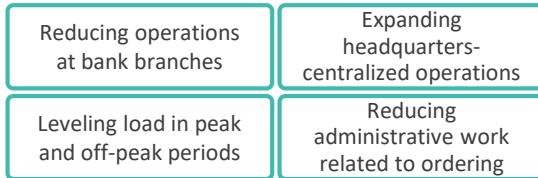
- Additional functions have been gradually released aiming to lower the load of administrative work both on customer and the Bank sides and to provide unprecedented experiences



Fundamental review of workflow using the next bank branch system (scheduled)

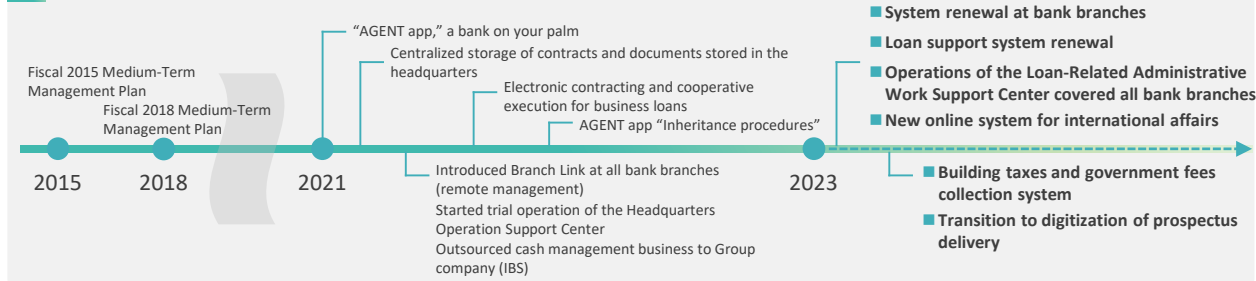
- Due to system renewal at bank branches scheduled in 2023, workload equivalent to approx. 156 administrative staff is expected to reduce

"New Centralized Operation System"



- ✓ Centralizing operations such as slips handled on the day to the headquarters
- ✓ Paperless handling for deposit and withdrawal, and remitting
- ✓ Downsizing number of branch terminals, targeting cutting by half

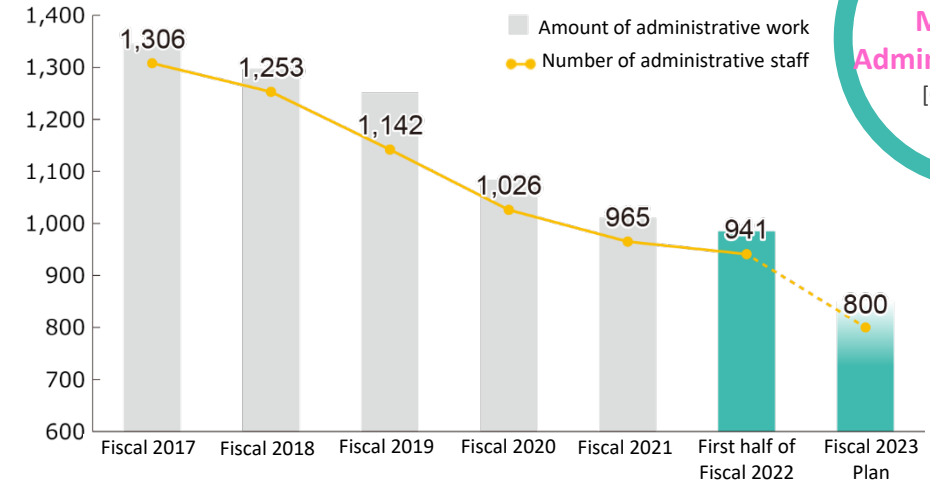
<Development of BPR Measures>



Effect of BPR at Bank Branches

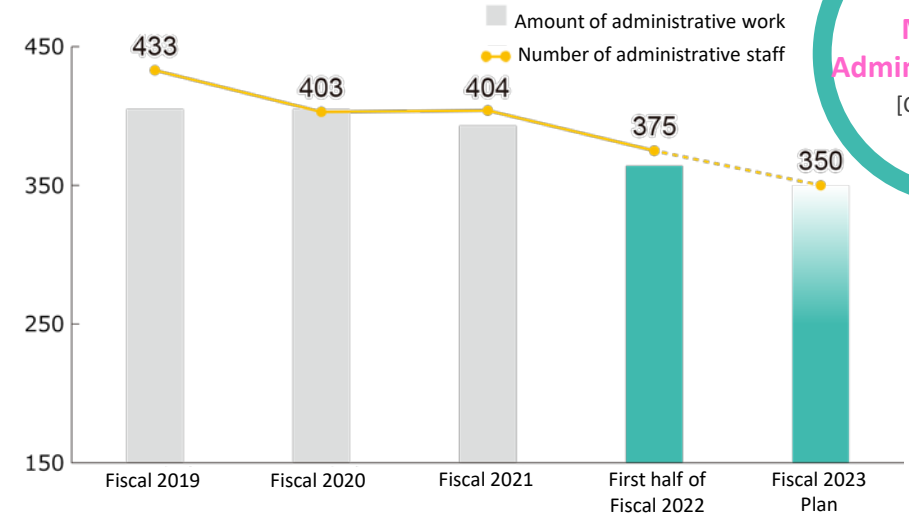
(Amount of administrative work/Number of administrative staff)

[Administrative staff in charge of operations]



As of September 30, 2022
Minus 365 Administrative Staff
[Compared to fiscal 2017]

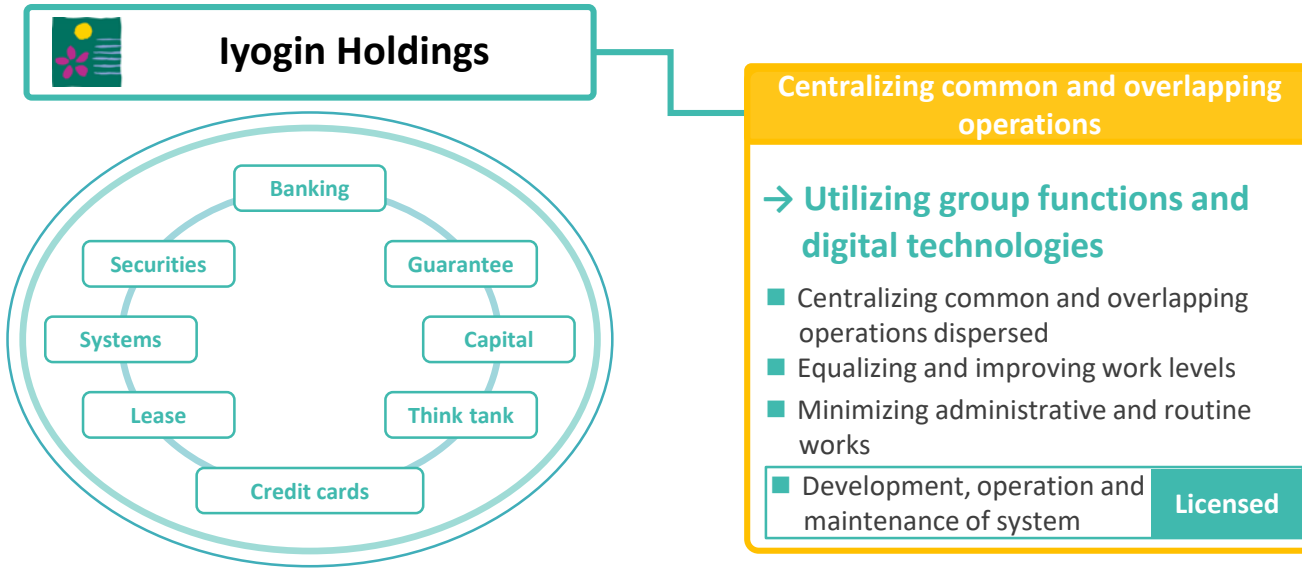
[Administrative staff in charge of loans]



As of September 30, 2022
Minus 58 Administrative Staff
[Compared to fiscal 2019]

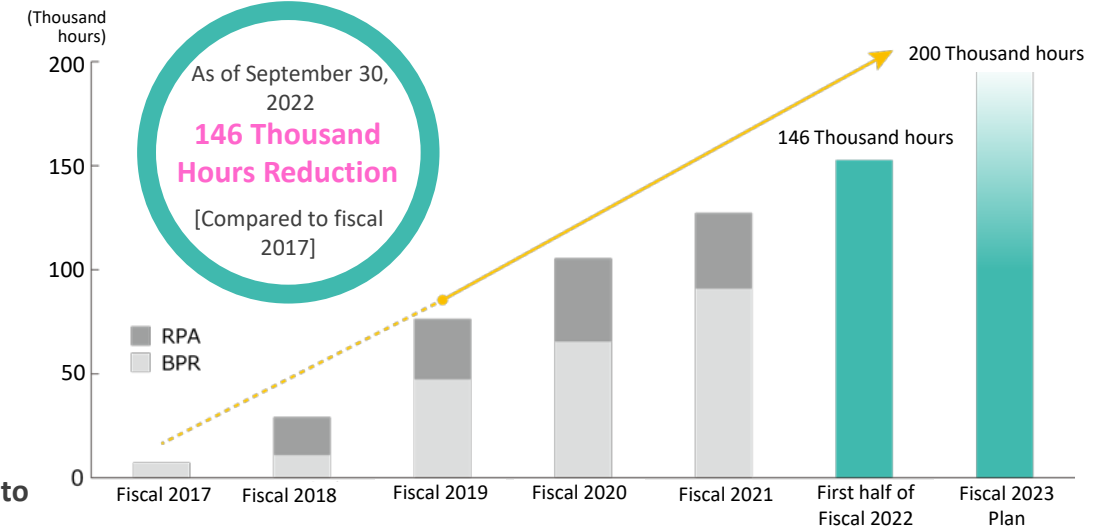
Cross-Sectional Efforts Supporting Business Strategies _ BPR Strategy II

[Changes] Transitioning to a holding company structure/Centralizing common and overlapping operations

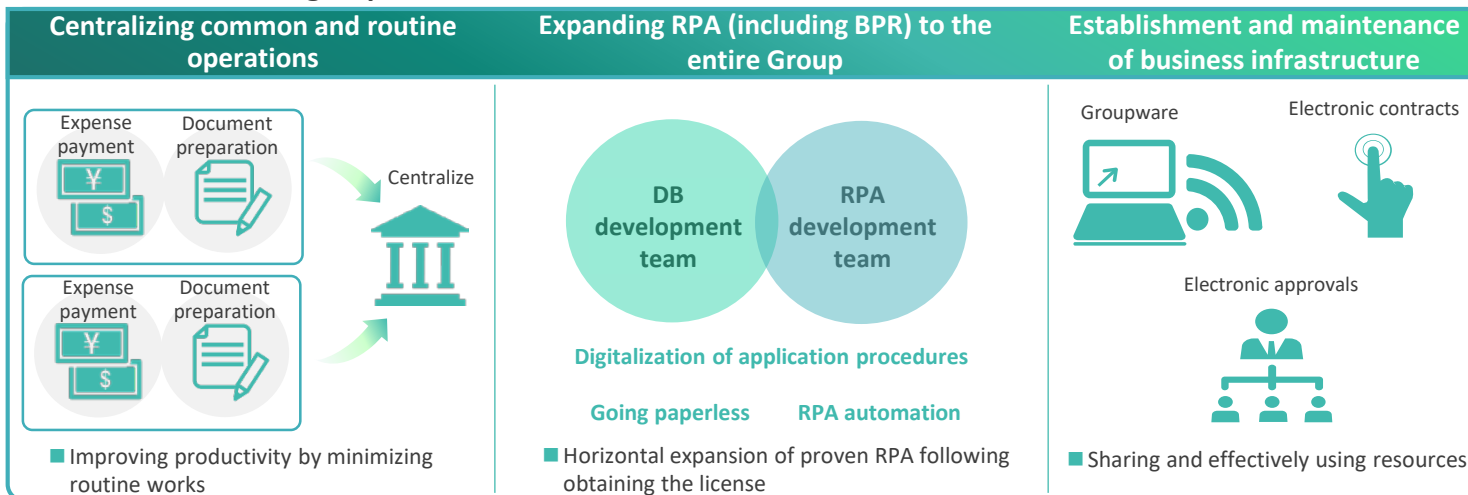


[Current situation] Effect of headquarters workload reduction (Working hour reduction)

- Reduce headquarters operations, including abolishment and review of operations, through automation of operations utilizing BPR and RPA
- With development and maintenance structures for application flow database and RPA, entirely created in-house, build internal management structures



[Future] Based on changes and current situation, expanding efforts for productivity improvement to the entire group



Horizontal expansion of proven BPR measures as cross-sectional efforts on a group-wide basis

Consideration of sharing and reallocation of resources within the group

Taking into account the holding company structure and renovation of the head office, further accelerate BPR to achieve workstyle reforms

Cross-Sectional Efforts Supporting Business Strategies _ Branch Plan I

Next-generation Branches/Securing Co-working Space for the Bank and Group Companies

Kawanoe Branch (and Kinsei Branch) * Newly opened in July 2022



- Shift to Next-generation Branches with Satto Madoguchi (Quick Counter) and AGENT system (Introduced to 102 branches)

<Transaction lobby>



- Realizing cashless processing and no filling-out of paper slips (to save customers' work)
- Labor-saving operations by improving administrative efficiency

<Consulting lobby>



- Available until **5:00 p.m. on weekdays** for various applications and consultations
- Listening closely to customers to provide values
- Holding seminars and consultation events

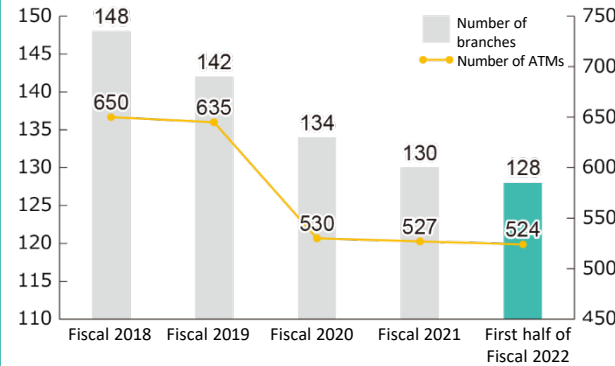
Securing Space for Working with Group Companies and Strengthening Cooperation



- Providing space for business meetings and consultations with customers that can also be used by Group companies
- Securing an open seating working space that can be used both by headquarters and Group companies
- Providing space with a large capacity to hold seminars and consultation events

Review the locations and functions of existing channels

Review of Branches and ATM Locations



- Eliminating excessive branches by optimizing branch locations while maintaining points of contact with customers
- Reducing the number of installed ATMs against a background of increases in convenience store ATMs and cashless settlements

Review of Branch Functions

- Shift to labor-saving branches
Branches located in government offices: **5 branches**
- Review of business hours
Extension of business hours: **33 branches**
*Excluding account transactions
Adoption of lunch break: **11 branches**

Expansion of the Group Head System

- Introduction of the Group Head system
Core branches (full-service banking): **26 branches**
Linked branches (branches specialized in individual services): **63 branches**
- Newly establishing Matsuyama Chuo Group (August 2022)
Strengthening cooperation between Okaido (Okaido Branch) and Gintengai (Minatomachi Branch), the central shopping streets of Matsuyama City

New channels and efforts in line with customers' changes in lifestyles

AGENT app * Released June 2021

- Released banking app that can provide the same customer experience as at a counter reception
 - ✓ Totally renewed design to be more intuitive
 - ✓ Added functions including various applications and inheritance procedures
 - ✓ Gradually increasing transaction menu



Iyogin SMART * Released August 2021

- Micro branches (branches not having account) for the purpose of maintaining contact points with the community after branch closure

<Branches>
Nakayama and Kaminada
(2 branches)



Iyogin SMART plus * Released August 2022

- Branches specialized in function of transactions to respond to customers' persistent needs

<Branches>
Wake, Johoku, Kuwabara, and Awai
(4 branches)



Advanced Use of Branches and Environmental Friendliness

<Fukuoka Branch> To be completed in April 2024 <Nagoya Branch> To be completed in July 2024



- Based on regional needs, renovating branches to include rental spaces targeting at third parties to contribute to liveliness
- Both Fukuoka and Nagoya branches aiming to obtain ZEB Ready certification

Cross-Sectional Efforts Supporting Business Strategies _ Branch Plan II

Overview and Issues of Current Head Office

Building Outline

	<Main Building>	<Annex>
■ Completion	October 10, 1952	May 20, 1968
■ Design	NIKKEN SEKKEI KOMU	NIKKEN SEKKEI KOMU
■ Construction	TAKENAKA CORPORATION	TAKENAKA CORPORATION
■ Total floor area	5,047.4m ²	11,634.6m ²
■ Structure	Steel-framed reinforced concrete	Steel-framed reinforced concrete
■ Number of stories	4 stories above ground	8 stories above ground and 2 stories below ground

<Main Building>



<Annex>



Issues

- (1) Responding to aging ■ 70 years have passed since construction and defects have occurred in facilities, including air-conditioning equipment.
- (2) Organizational centralization/ Work style reforms ■ Headquarters organization and affiliated companies are dispersed in Matsushima City, which causes issues of information sharing, etc.
■ Office space is too small and inappropriate as office environment in the era of coexistence with COVID-19 and post-COVID-19.
- (3) Responding to BCP ■ Issue of disaster resistance of the building in emergency situations such as heavy rainfall and the Nankai Trough earthquake

Overview and Concept of New Head Office Building

Outline of New Head Office Building

	<New main building>	<New annex>
■ Completion	Spring 2029	Spring 2025
■ Design	TAKENAKA CORPORATION	TAKENAKA CORPORATION
■ Construction	To be determined	To be determined
■ Total floor area	Approx. 30,000m ²	Approx. 13,000m ²
■ Structure	Steel-framed structure	Steel-framed structure
■ Number of stories	12 stories above ground, 1 story below ground	11 stories above ground

Environmental Certification

- CASBEE (Comprehensive Assessment System for Built Environment Efficiency)
- BELS (Building-Housing Energy-efficiency Labeling System)
* Target level is under consideration

Concept

Sustainable building creating brightness and prosperity for the region

Sustainable design IYO 200

“We will construct a new head office building that will contribute to the region toward the 200th anniversary of our foundation.”

Create

We will create an office that will activate communication and create new value.

Connect

We will provide places such as a large hall and co-working space where people and the community make a connection.

Secure

We will create a solid and reliable building with earthquake-proof structure and the latest security system.

Eco-friendly

We will introduce sustainable architecture friendly to people and the earth by actively using wood and adopting energy-saving technologies.

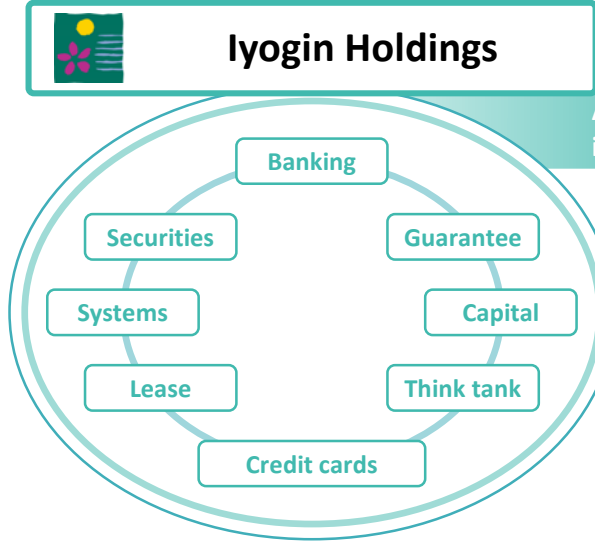
Conceptual Images of Buildings



Cross-Sectional Efforts Supporting Business Strategies _ IT Plan

Enhancement of IT governance

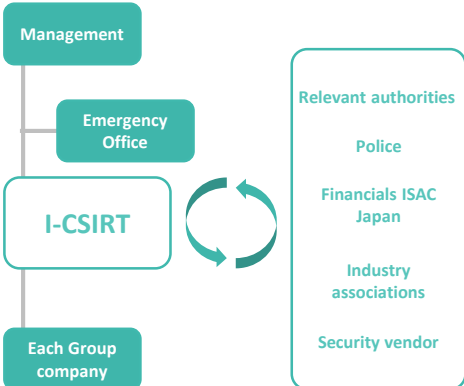
Efforts for Optimization of IT Investment



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

Strengthening Cybersecurity across the Group

By upgrading I-CSIRT*, an organization responding to cyberattacks, to the Holding Company's organization, the whole Group will develop a system to facilitate cooperation under emergency and normal situations



Major Efforts of I-CSIRT

- ✓ System development
Build a robust system by introducing "Security by design"
- ✓ Human resource development
Focus on developing management in charge of strategies for planning and direction of cyber security, as well as security human resources necessary for respective divisions

* CSIRT of the Group
CSIRT is a collective term of organizations which deal with matters related to computer security.

Development and Improvement of Data Utilization System

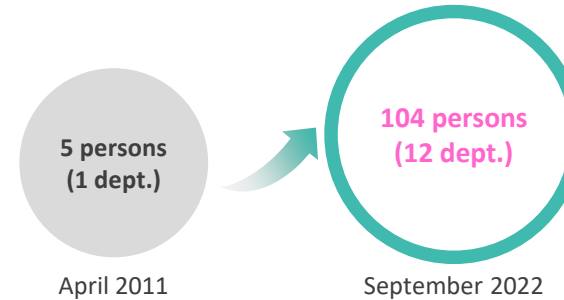
Centralized Management of Corporate Customers' Information of Each Group Company



- Contact person at each Group company
- Contact records
- Transaction status
- Revenue status, etc. (scheduled to display)

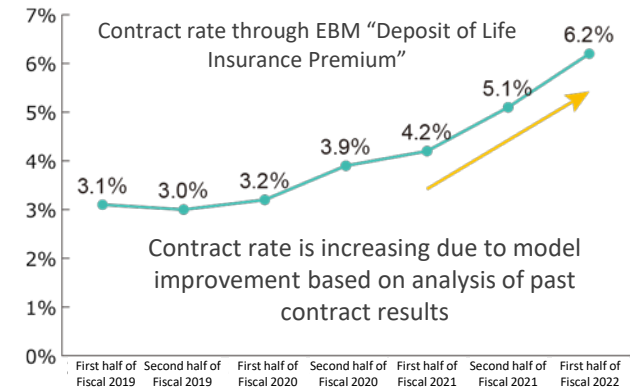
- ✓ Considering introduction of a group-wide dashboard that centralizes corporate customers' information of each Group company including the Bank
- ✓ Aiming for customer-oriented business operations, strengthening relation management for the entire Group to provide optimal products and services

Number of Persons with Capacity to Utilize Data Analyzing Tool



- ✓ Expand personnel capable of utilizing data through training and hands-on support by specialized departments
- ✓ Aiming to be a data-driven organization where every department makes decision based on data

Example of Information Enhancement through EBM*



- ✓ Contract rate is increasing owing to a change of delivery conditions for "Deposit of Life Insurance Premium" in May 2021
- ✓ Aiming to enhance EBM by analysis of various data

* EBM (Event Based Marketing):
Marketing activities based on occurrence of customers' life and financial events. The Group uses EBM as a method to realize customer-oriented CX sales.

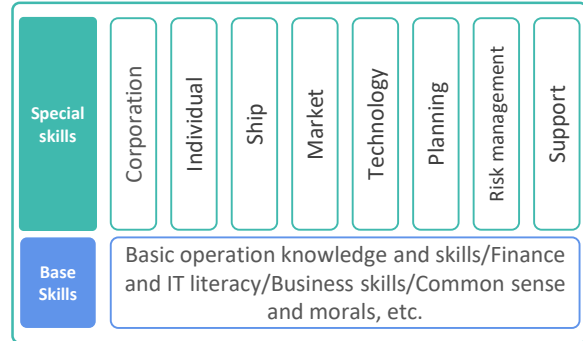
Cross-Sectional Efforts Supporting Business Strategies _ Personnel Development Plan

Improving Base Skills

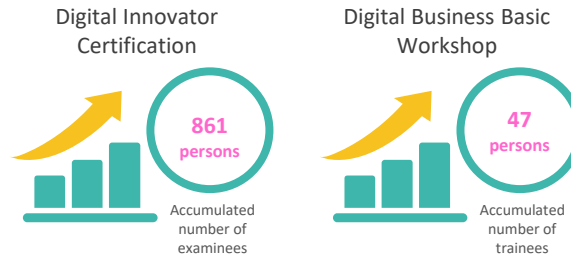
- Implementing various measures based on three key points to improve the “base skills” of each employee

(1) Personnel with an Area of Expertise

➤ Revised personnel system (October 2022) → Classify specialized skills into eight career fields



Human resource development in cooperation with specialized departments



Enhancement of short-term dispatch trainings, etc.

- Expanding the scope to Regional Vitalization Division and Shikoku Alliance Securities from fiscal 2022
- Providing for employees of 8 divisions and companies, in addition to the existing 6 divisions, an opportunity to attend training, as well as autonomously consider their own career development

(2) Establishment of an Environment Which Facilitates Autonomous Learning

Expansion of online learning tools



Making workshops online



Start of shorter classes on demand



Introduction of education and training apps for all new employees

(3) Responses to Diversifying Careers

- Introducing training programs by business (field) open to all employees
- Promotion of challenges to advanced qualifications (Small and Medium Enterprise Management Consultant, MBA, 1st-grade CFP, etc.)
- Continuation and expansion of qualification acquisition incentive system



- Started trial of one-on-one meetings to improve quality of communication and ensure opportunities

New initiatives



- Developed and started trial of skill map for visualizing skills
- Formulated guides for each career field

Improving Special Skills

- Departments in charge play a central role in the development, and employees may be dispatched to specialized institutions, including those outside the Group, to improve special skills and deliver greater value

➤ Corporation/Individual/Ship/Planning

- Dispatching employees for corporate academy training
- Training program for young employees
- Dispatching employees on assignments outside the Group
- Acquisition of external expertise

➤ Market

- Short-term dispatch training in the Funds Operation & Securities Division
- Securities analyst certification holders
- 74 persons (As of September 2022)

➤ Technology

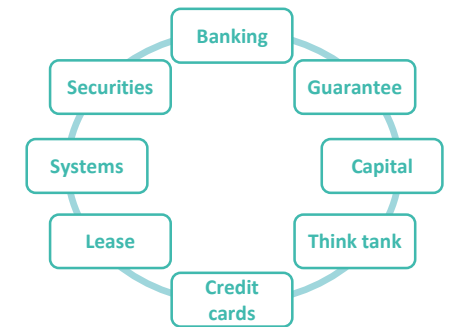
- Attending cloud-related training
- Improving IT-related skills
- Skill Compass Level 3 or higher
- Improving the skills of developers

➤ Planning (Digital Business)

- Redefine and clarify development policies
- “Starter,” “Operating Personnel,” and “High Level Personnel”
- Conducting level-based development measures
- Basic workshop, practical training, e-learning, etc.

Strengthen human resource development and initiatives across the Group

- Conduct level-based workshops for all Group companies
- Jointly conduct from April 2022 (Number of trainees at Group companies (excluding the Bank): 54)
- Expanded the scope of short-term dispatch trainings to Group companies apart from the Bank
- Added Shikoku Alliance Securities in June 2022



Establish a group-wide development system and strengthen initiatives



Create and provide diversified value

I. Summary of Earnings for the First Half of Fiscal 2022

Bank

II. Transition to Holding Company Structure

Holding Company

III. Group Medium-Term Management Plan

Holding Company

III-1. Overview of Medium-Term Management Plan

III-2. Major Numerical Targets of Medium-Term Management Plan

III-3. Main Strategies and Progress of Medium-Term Management Plan

III-4. Efforts for Sustainability

III-5. Profit / Loss Forecasts and Capital Policy

Efforts for Sustainability I-1 _ Summary of Response to TCFD Recommendations

Framework of TCFD

Governance

Overview of Initiatives

- Established a Group Sustainability Committee operated by the Group Management Meeting and set up a reporting structure to ensure that important matters could be appropriately and timely reported to the Board of Directors
- Expanded the scope of the “Environmental Policy” and “Policies on investments and loans for specified sectors” to Group companies other than the Bank

[Opportunity]

- Established a support team for carbon neutrality measures
- Expanded the visualization service of CO₂ emissions from customers through collaboration with external organization, in addition to alliance agreements with local electricity companies
- Promoted sustainable finance initiatives such as green loans, sustainability linked loans and transition loans

[Risk]

- Conducted scenario analysis of physical risks for the Bank’s corporate customers regarding risks such as an increase in credit costs, etc., resulting from damage in collateral real estates and interruption on business caused by flood
- For migration risk, risk importance assessment was conducted on the two cores of risk assessment (impact) by sector and the Bank’s portfolio composition ratio (credit amount), and the “Electricity/Gas” sector was selected. Then, we conducted scenario analysis for the sector.
- Calculated the ratio of carbon-related assets to loans and other assets mainly based on the recommended disclosure items in the TCFD Recommendations [End of fiscal 2021: 28.1%].

Risk Management

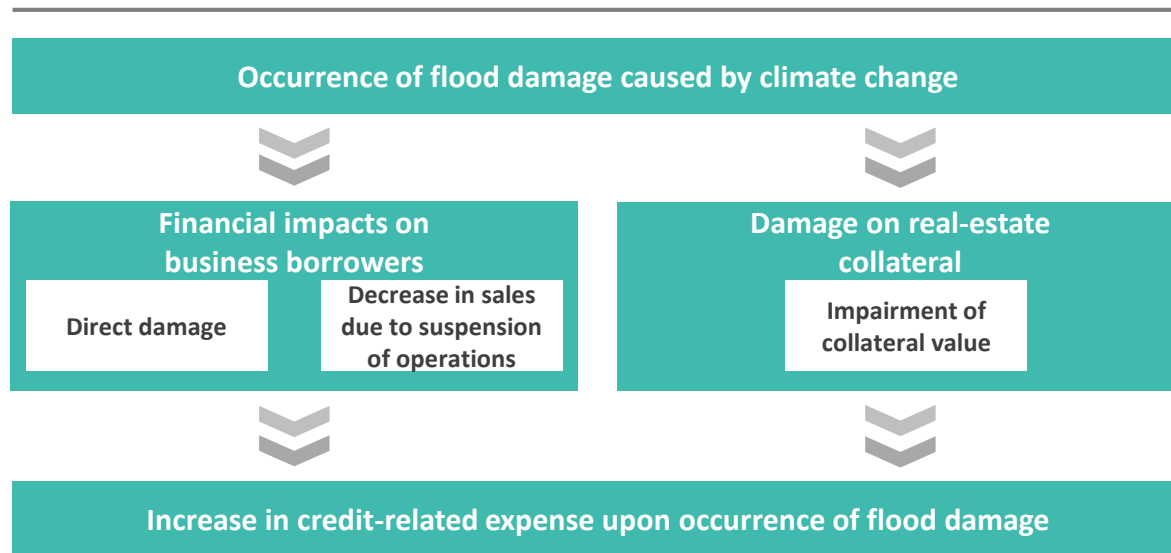
- Added items concerning environmental friendliness (business status in consideration of climate change and environment) as evaluation items in the “business feasibility assessment,” which the Bank has put efforts into

Benchmark and Targets

- Set a CO₂ emission reduction target (combining scope 1 and 2)
50% reduction by fiscal 2030 (compared to fiscal 2013) [Fiscal 2021 results: 28.8% reduction]
- Set a sustainable finance target
Cumulated transaction amount from fiscal 2021 to fiscal 2030: ¥1,400.0 billion, including ¥700.0 billion in the environmental area [Cumulated results: ¥151.0 billion]

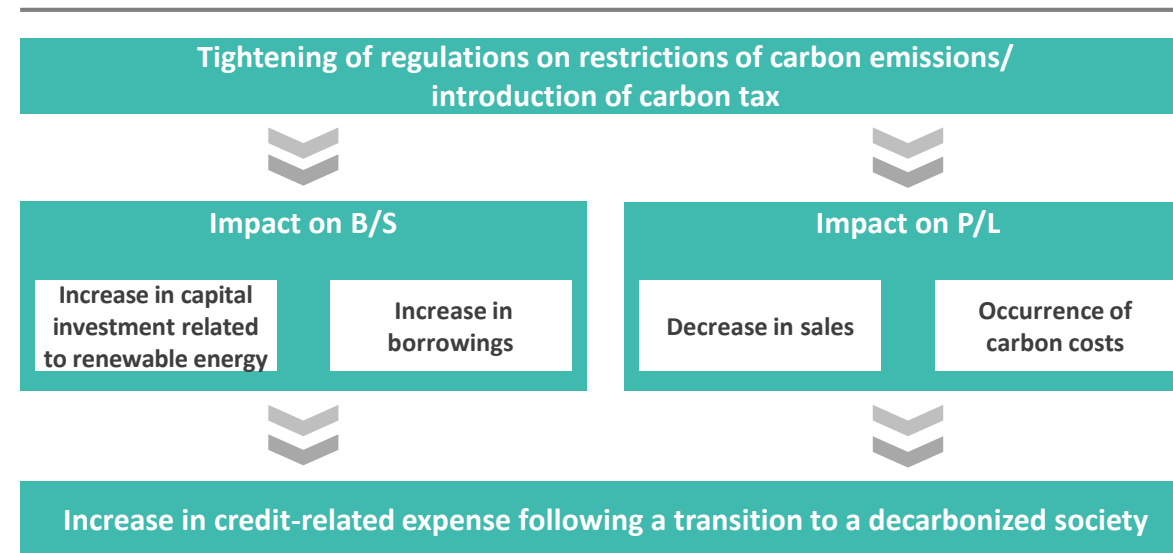
Efforts for Sustainability I-2 _ Scenario Analysis

Physical Risks



Scenarios	<ul style="list-style-type: none"> RCP 2.6 Scenario (2°C Scenario) and RCP 8.5 Scenario (4°C Scenario) publicized by the Intergovernmental Panel on Climate Change (IPCC)
Analysis target	<ul style="list-style-type: none"> The Bank's business borrowers
Analysis method	<ul style="list-style-type: none"> Calculate an increase in credit-related expenses in consideration of financial impacts on business borrowers and damage on real-estate collateral upon occurrence of flood damage and damage on real-estate collateral, as well as the probability of flood damage for each of the climate change scenarios.
Analysis period	<ul style="list-style-type: none"> Until 2050, based on data as of March 31, 2021
Analysis result	<ul style="list-style-type: none"> A total of ¥4.6 billion to ¥7.5 billion increase in credit-related expense

Transition Risks



Scenarios	<ul style="list-style-type: none"> Below 2°C Scenario (2°C Scenario) and Net Zero 2050 Scenario (1.5°C Scenario) publicized by the Network for Greening the Financial System (NGFS)
Analysis target	<ul style="list-style-type: none"> Electricity generation companies and gas service companies among the Bank's business borrowers (excluding renewable energy related)
Analysis method	<ul style="list-style-type: none"> Calculate an increase in credit-related expenses by calculating impacts of tightening of regulations on restrictions of carbon emissions and introduction of carbon tax following a transition to a decarbonized society on an individual company basis, and estimating future financial forecast until fiscal 2050
Analysis period	<ul style="list-style-type: none"> Until 2050, based on data as of March 31, 2021
Analysis result	<ul style="list-style-type: none"> 2°C Scenario: A total of ¥0.08 billion increase in credit-related expense 1.5°C Scenario: A total of ¥2.6 billion increase in credit-related expense

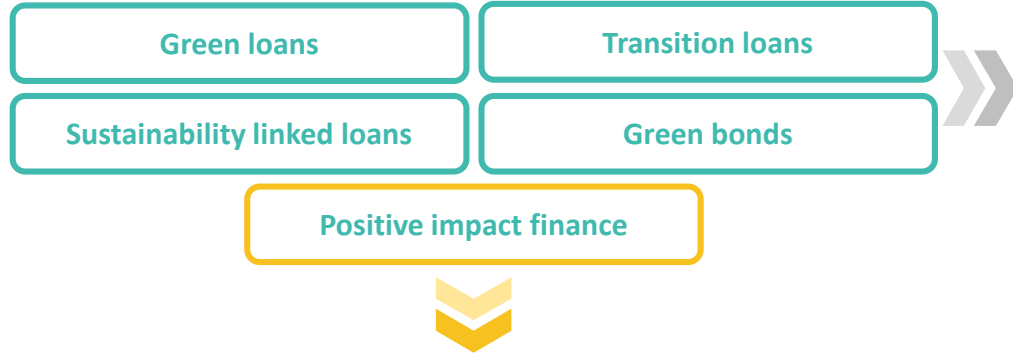
Efforts for Sustainability II

Sustainable Finance

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

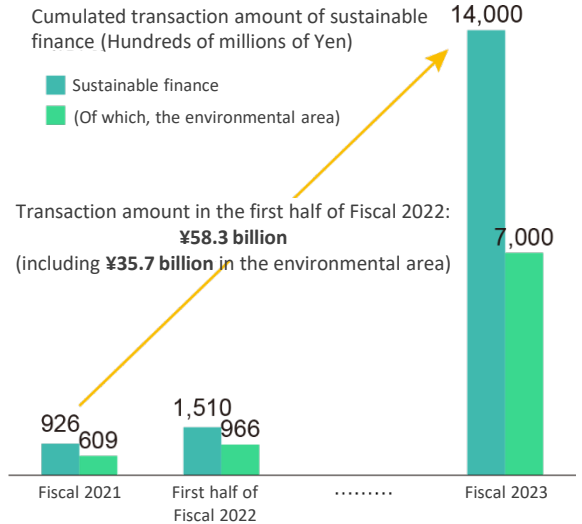
Sustainable Finance and Green Bonds

—Financial support for customers' sustainable management sophistication —



Sustainable Finance Executed

- Cumulated transaction amount from fiscal 2021: **¥ 151.0 billion** (including **¥96.6 billion** in the environmental area)
- Key sustainable finance projects
 - Renewable energy businesses related **¥54.9 billion**
 - Sustainable finance and green bonds **¥14.6 billion**
 - Private placement bonds (environmental private placement bonds and SDGs private placement bonds, etc.) **¥18.9 billion**



- Started handling positive impact finance in July 2022
- Iyo Bank comprehensively analyzes and evaluates the environmental, social, and economic impact of customers' corporate activities and supports their initiatives to increase positive impact and reduce negative impact

Support customers to refine their sustainable management



We received a second opinion on the compliance of Iyo Bank's positive impact finance with the PIF Principles* from Rating and Investment Information, Inc.

*Established in 2017 as principles for financial institutions to proactively make investments and loans with the aim of achieving sustainability

- Entered into agreement for the first case with the Educational Corporation SAIBI Gakuen
- Utilized the framework of positive impact finance for construction of a new school building for SAIBI High School



Efforts for Sustainability III

Revitalization of the Region by Business Foundation Support

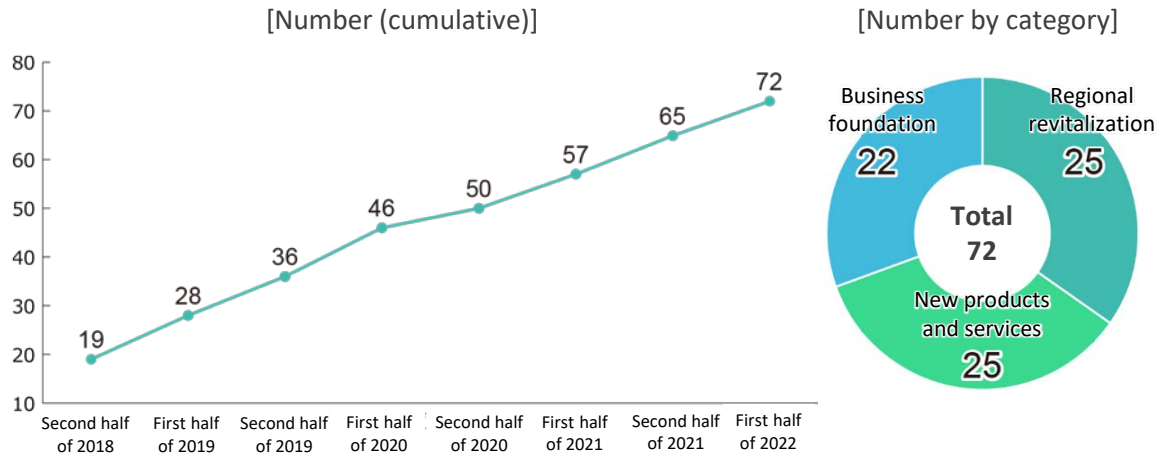
Number of Business Foundation Support

	March 2021	March 2022	September 2022
Business foundation planning support	366	352	202
Of which, start-up loans (with/without Credit Guarantee Association)	301	217	105
Of which, referrals to government-affiliated financial institutions and start-up support organizations	17	19	9
Of which, venture companies registered for grants or investments	24	18	1

*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”

Revitalization of Local Economy by Crowdfunding



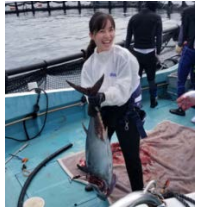
- The Bank subsidizes part of the fees paid by customers to crowdfunding companies to support projects on starting business and regional revitalization in Ehime Prefecture

The First in Japan! Sustainable Tourism Business Utilizing Farmed Tuna

- Tourism and fishery operators are working together and demonstrating trials of “Pole-and-Line Tuna Fishing Tour” with subsidies from the Japan Tourism Agency.

Purpose

- Creation of profitable local signature products
- Integrated support from creation of contents to development of sales channels utilizing local tourism resources
- Revitalization of primary industry and tourism industry



Pole-and-line fishing challenge by ANA cabin crew



Young female professional cutting up a whole tuna

Overview of initiative

- Commercialization of “Uwajima Farmed Tuna Pole-and-Line Fishing Tour”
- “Live Streaming Tour: Tuna Cutting Demonstration by a young female professional” and sales of tuna products through e-commerce
- Local production and consumption of Uwajima farmed tuna at local accommodation facilities in the prefecture

Collaboration with Two National Institutes of Technology in Ehime Prefecture for Regional Revitalization

- Entered into “Collaboration Agreement on Regional Revitalization and Manufacturing Support”
- Raise awareness of local companies among students of national institutes of technology to lead to an increase in the rate of finding jobs in the prefecture
- Activate collaboration with students and professors of national institutes of technology to create value and discover start-up cases



Overview of collaboration

- Exchange of information and support through promoting industry-academia-government collaboration
- Collaboration to solve regional issues and revitalize the region
- Support for manufacturing and human resource exchange and development

Efforts for Sustainability IV

Diversity

Review of Personnel System (October 2022)



- Integrated generalist career track and specified generalist career track into new generalist career track
→Creating an environment in which employees can work actively regardless of courses, gender, etc.
- New generalist career track enables employees to decide whether to transfer
→Aiming for a system that makes it easier for employees to balance work and private life without give up promotions
- Raised the re-employment age limit of senior employees from 65 to 70
→Creating more fulfilling lives and work as well as opportunities for seniors to stay active
- Reviewed the re-employment system for resigned employees and abolished requirements for period of separation from employment, etc. to allow them to return immediately as the Bank's employees after resignation
- Introduced a referral recruitment system to ensure diverse recruitment measures

Expanded Support System for Employees Who Raise Children while Working

- 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 to allow employees to take up to 4 weeks of leave within 8 weeks after childbirth



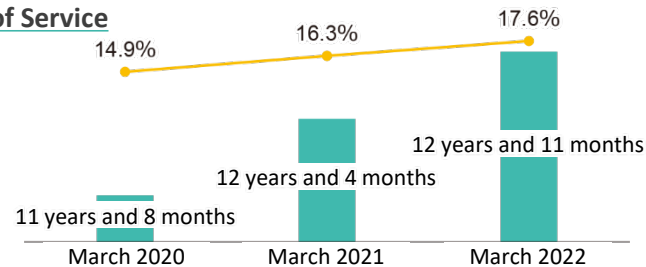
- ✓ Ensure full salary and bonus during parental leave after birth
- ✓ Employees can also work during leave from the perspective of promoting flexible work styles

Use of Birth Name in Business

- Employees can continue to use their birth name in business even if they have changed their family name in the Japanese family register after marriage, etc.

Female Manager Ratio/Average Years of Service

- Results at the Iyogin Bank
→ Increasing steadily year after year



Health Management

Maintain and Increase Employees' Health

- Established the health management declaration and implemented measures such as subsidizing costs for health checkups and granting special leave, based on the understanding that the corporate sustainable growth is supported by human resources
- Providing health checkups, lending out wearable devices and introducing health management system at the Iyogin Bank



2022
Recognized in the Certified Health & Productivity Management Outstanding Organizations Recognition Program for five years consecutively



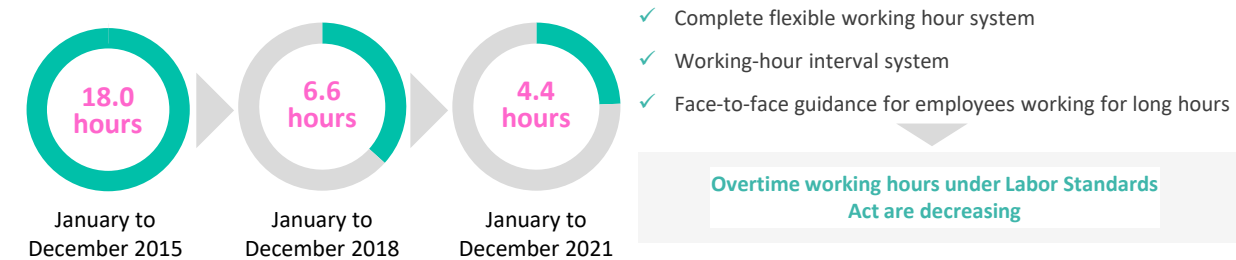
- Developed a **Health Management Strategy Map** to systematically organize the past health management initiatives.

Work Style Reforms

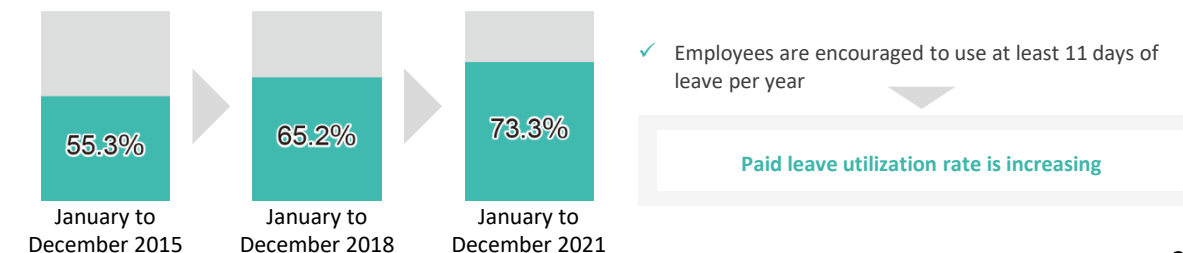
- Continued to implement the "Smart Working Challenge," an initiative for work style reforms at the Iyogin Bank

[Results at the Iyogin Bank]

Changes in Overtime Working Hours under Labor Standards Act



Change in Paid Leave Utilization Rate



Efforts for Sustainability V

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

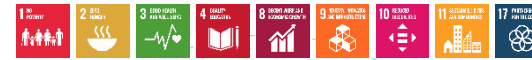
Applications are invited once every year from April to August

We support organizations and individuals who are engaging in environmental preservation activities in Ehime. To this day, we granted a total of ¥65 million to 179 recipients.



Fiscal 2021 “Tada Eco-group Tanpopo”

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 ¥250 million to 1,296 organizations. In addition, “special applications” targeting organizations damaged by the heavy rain in July 2018 are also invited.



61st recipient “Dozen Daiko LA-BANTA”

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 the First Half of Fiscal 2022

Bank

II. Transition to Holding Company Structure

Holding Company

III. Group Medium-Term Management Plan

Holding Company

III-1. Overview of Medium-Term Management Plan

III-2. Major Numerical Targets of Medium-Term Management Plan

III-3. Main Strategies and Progress of Medium-Term Management Plan

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III-5. Profit / Loss Forecasts and Capital Policy

Profit / Loss Forecasts for Fiscal 2022

- Despite interest and dividend income increasing, core business gross profit is projected to be ¥87.0 billion, a decrease of ¥3.4 billion year on year due to a decrease in non-interest and dividend income
- Profit attributable to owners of parent is forecasted to continue at a high level at ¥28.0 billion due to a significant decrease in credit costs at the Bank

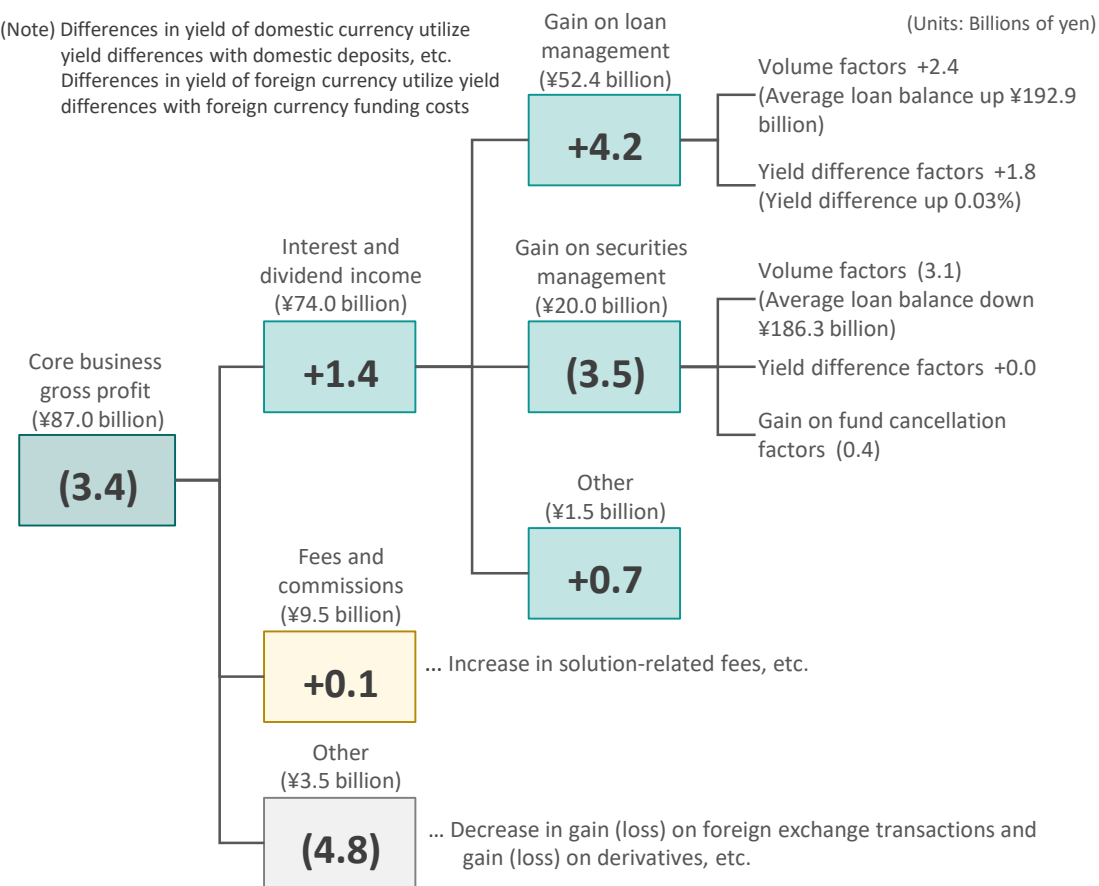
(Units: Billions of yen)

[Holding Company Consolidated] * Fiscal 2021 results are on a consolidated basis at the Bank level	Fiscal 2021 results		Fiscal 2022 forecast			
	Inter-mediate results		Inter-mediate forecast	YoY		YoY
Core business gross profit	44.9	90.4	44.9	+0.0	87.0	(3.4)
Of which, interest and dividend income	37.0	72.6	37.7	+0.7	74.0	+1.4
Of which, non-interest and dividend income	7.9	17.7	7.2	(0.7)	13.0	(4.7)
Expenses (-)	25.5	51.6	26.1	+0.6	52.5	+0.9
Core business net income	19.4	38.8	18.8	(0.6)	34.5	(4.3)
Credit costs (-)	3.9	4.3	(0.7)	(4.6)	(3.5)	(7.8)
Gain (loss) related to securities	3.9	1.1	7.5	+3.6	0.0	(1.1)
Ordinary income	21.1	38.2	28.9	+7.8	41.0	+2.8
Profit attributable to owners of parent	14.8	26.4	19.8	+5.0	28.0	+1.6

[Reference: Bank Nonconsolidated]	Fiscal 2021 results		Fiscal 2022 forecast			
	Inter-mediate results		Inter-mediate forecast	YoY		YoY
Core business gross profit	41.8	84.5	42.2	+0.4	82.0	(2.5)
Expenses (-)	24.3	49.0	24.8	+0.5	50.0	+1.0
Core business net income	17.5	35.4	17.3	(0.2)	32.0	(3.4)
Ordinary income	19.7	35.2	27.3	+7.6	38.5	+3.3
Net income	14.0	24.6	19.1	+5.1	26.5	+1.9

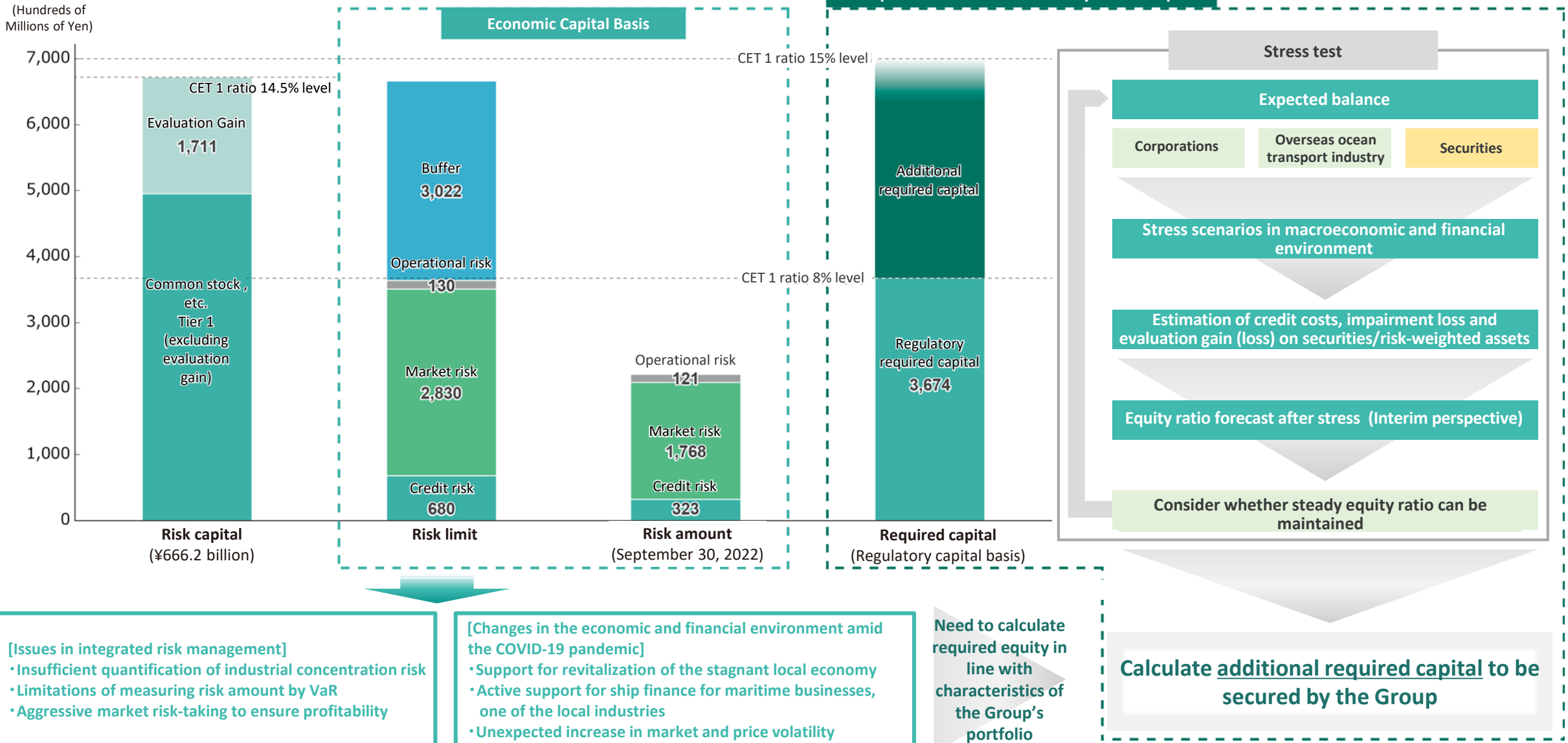
Factors Contributing to Increase / Decrease in Consolidated Core Business Gross Profit (Fiscal 2022 - Fiscal 2021)

(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



Capital Policy II _ Ensuring Soundness

Status of Integrated Risk Management (September 30, 2022)



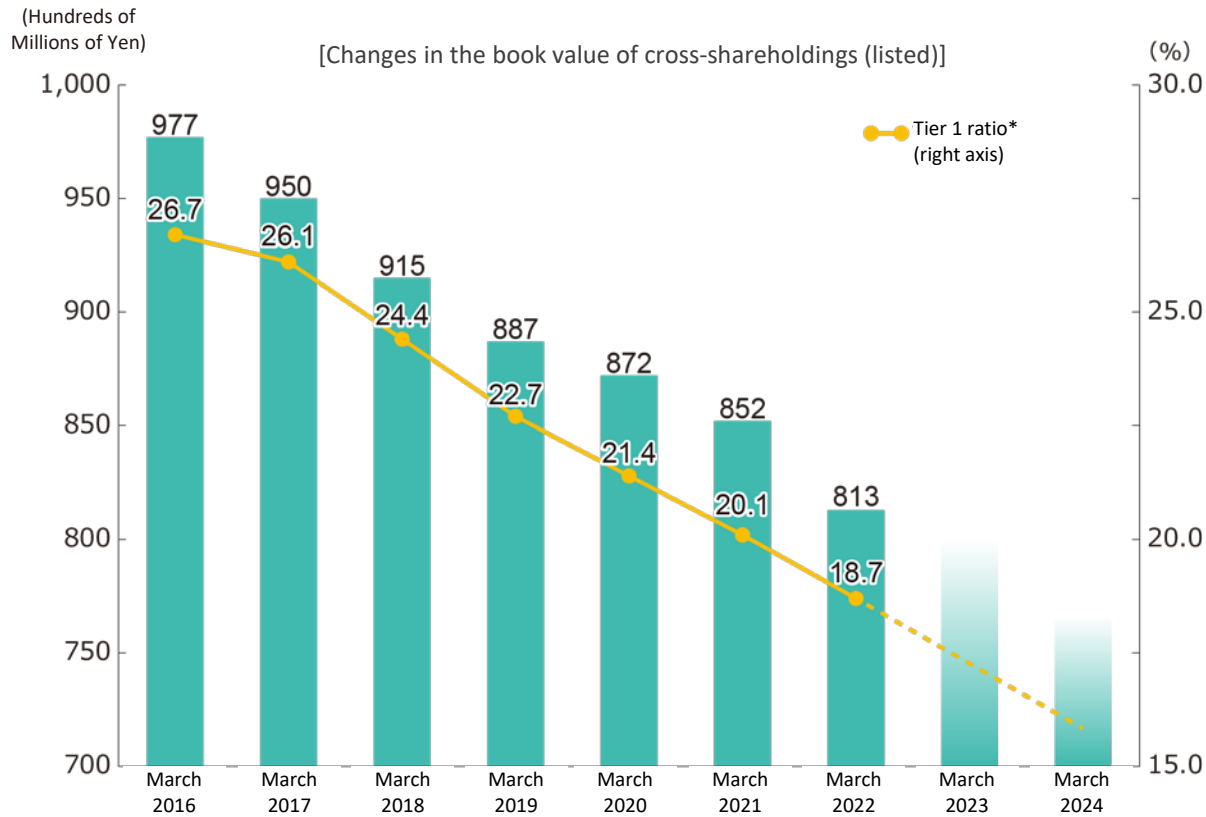
Capital Policy II _ Cross-Shareholdings/Dividend/Shareholder Return Policy

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
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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.



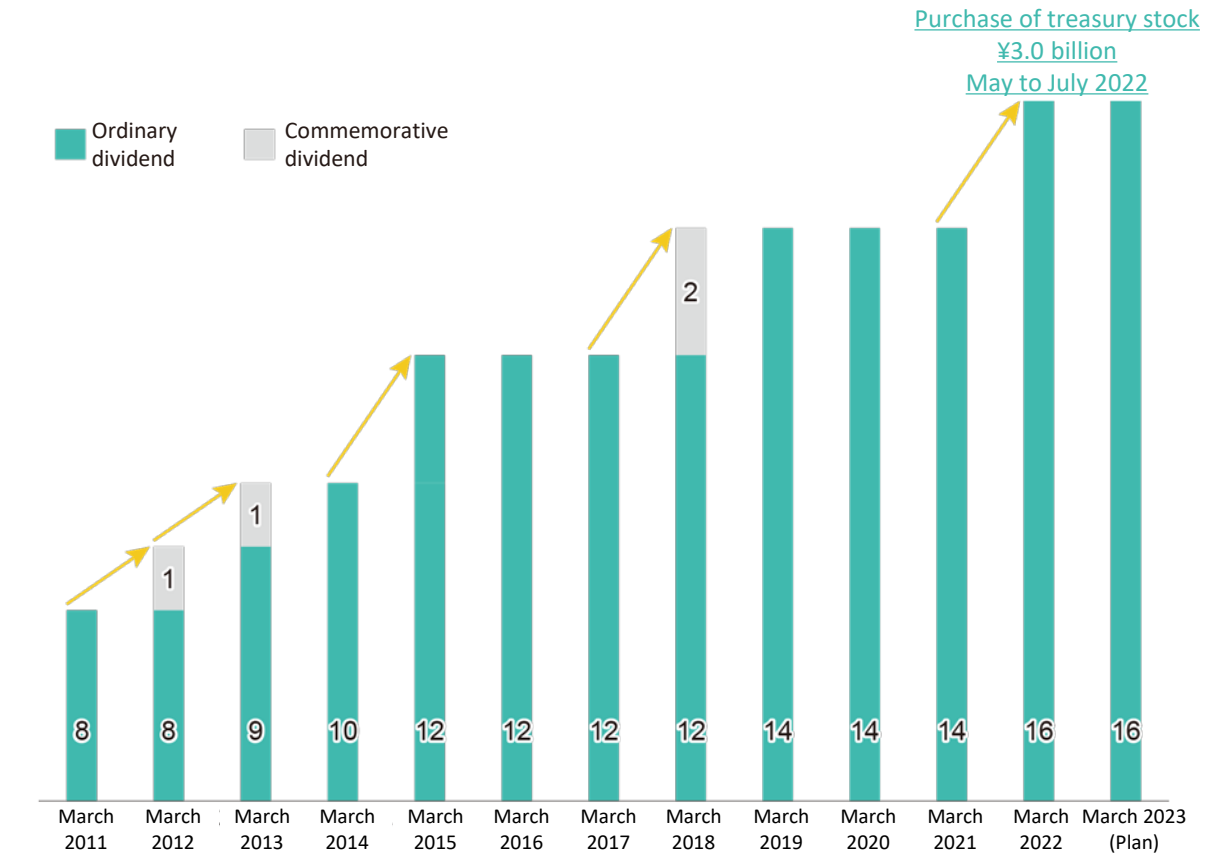
* Tier 1 excludes components of comprehensive income

Dividend and Shareholder Return Policy

Basic policy and response status of dividend and shareholder return policy

Basic policy	Maintenance of long-term and stable dividends
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Dividends for **the fiscal year ending March 2023** are planned to be **¥16 per annum***



*Following the establishment of Iyogin Holdings on October 3, 2022, an interim dividend of ¥8 per share paid by the Iyo Bank is included in total dividends for the fiscal year ending March 31, 2023

- 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 First Half of Fiscal 2022 Earnings Briefing

(April 1, 2022 – September 30, 2022)

Reference Materials



Iyogin Holdings

December 2, 2022

Index of Reference Materials

Overview of the Iyogin Holdings Pg

◎ Profile	2
◎ List of Group Companies	3
◎ Branch 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

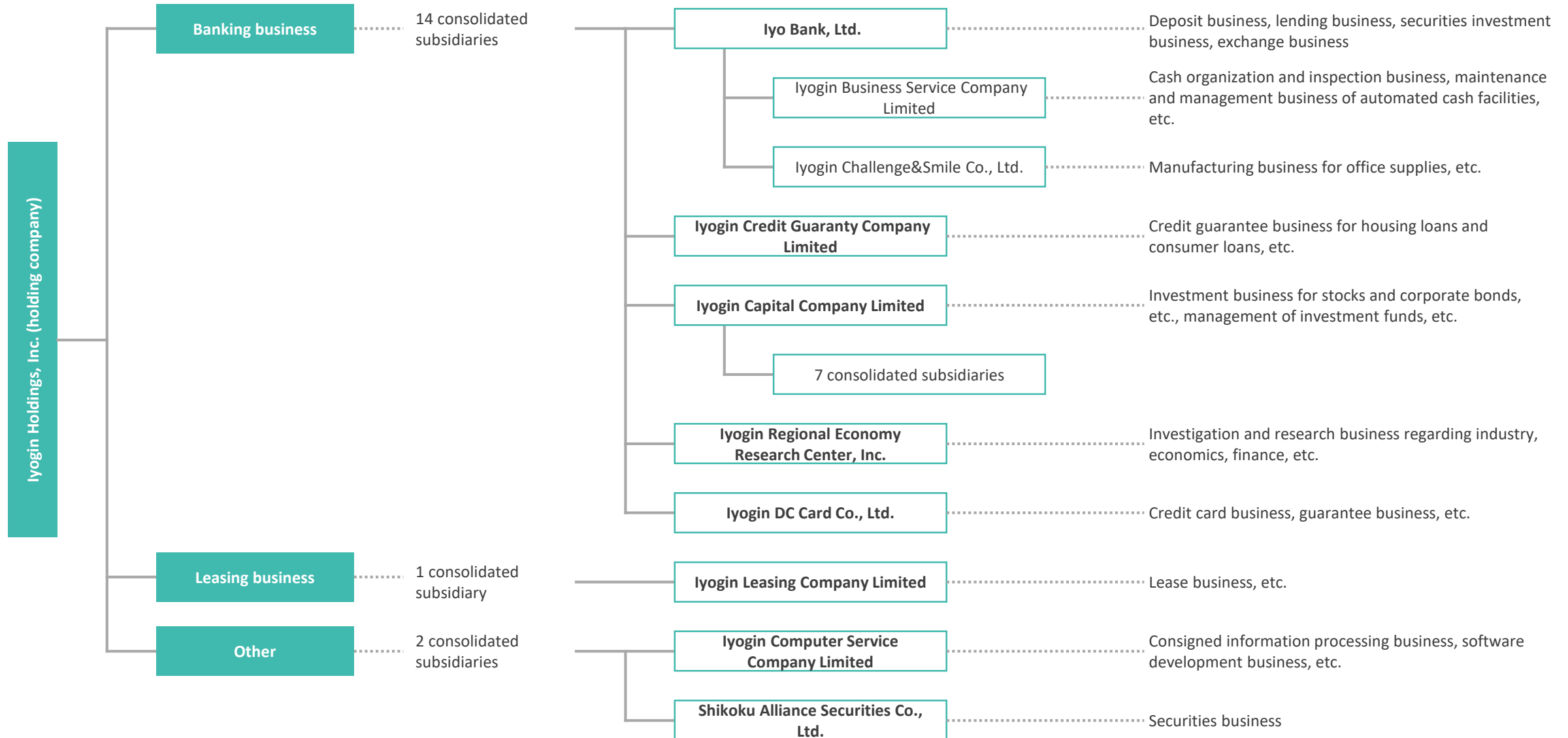
◎ Management by Risk Category: Securities Investment	15
◎ Balance of Investments by Region and Sector: Financial Market Business	16

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	3,061 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 October 3, 2022〉

List of Group Companies



(As of October 3, 2022)

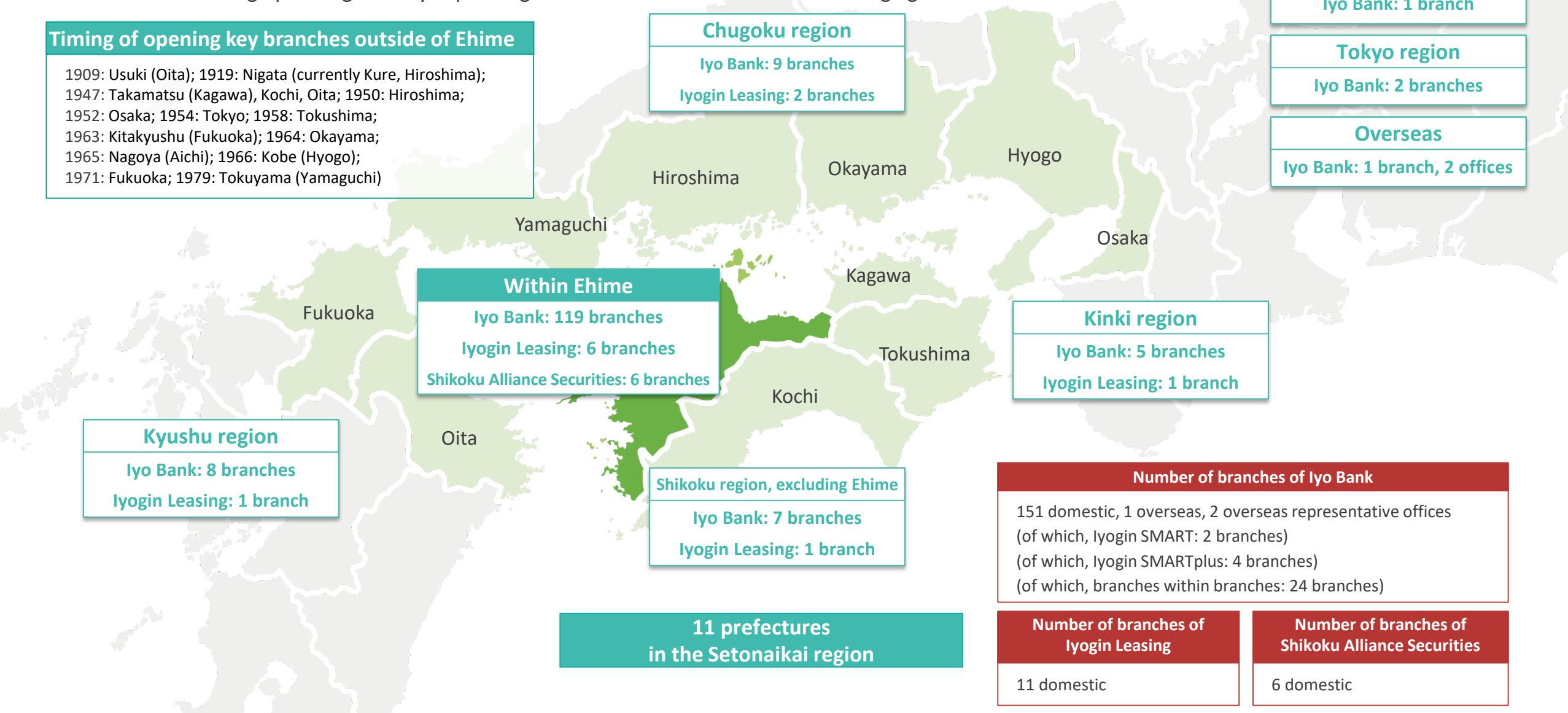
* Apart from the above, the Group has 2 non-consolidated non-equity method subsidiaries and 4 non-equity method affiliates.

Branch 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)



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 **¥4.3 trillion (45% of Shikoku)** in 2019

 ...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

13.4%
(¥58.6 billion)

No. 1 in Japan
(Note 2)

Sea culture industry (2020)
¥436.8 billion total national production

Niihama Region

Manufactured product shipments (2019)

¥1,644.7 billion

Approx. 38.2% 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

61.5%
(¥32.9 billion)

No. 1 in Japan
(Note 2)

Towels (2019)
¥53.6 billion shipped in Japan

Uma (Shikokuchuo) Region

7.4%
(¥570.2 billion)

No. 2 in Japan
(Note 2)

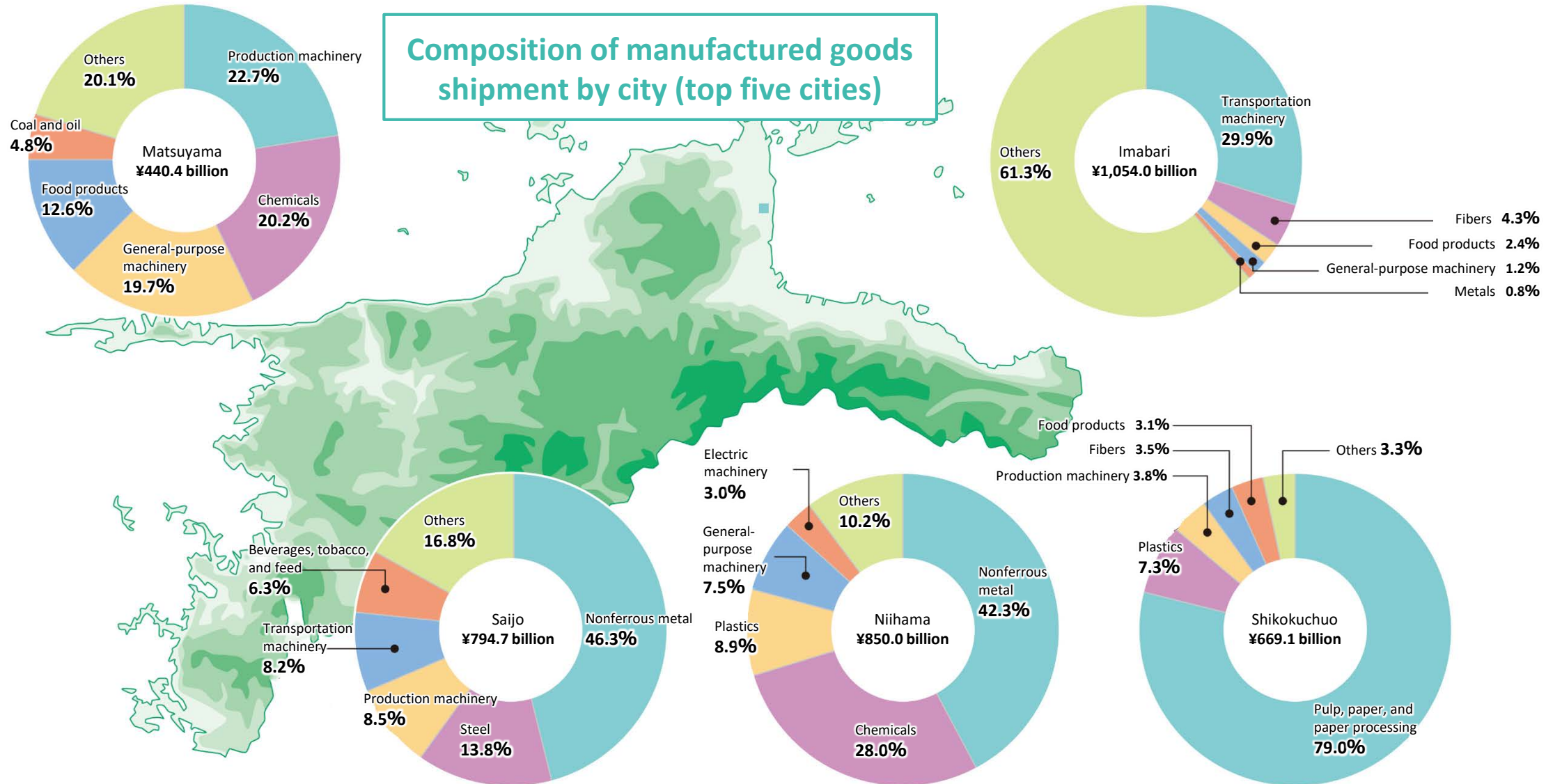
Pulp and paper industry (2019)
¥7,687.9 billion shipped in Japan

•(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 Ministry of Economy, Trade and Industry’s “Census of Manufacture 2020” (2019 results) and the Ministry of Agriculture, Forestry and Fisheries’ “total fishery output for 2020.”

Manufacturing Industry in Ehime Prefecture

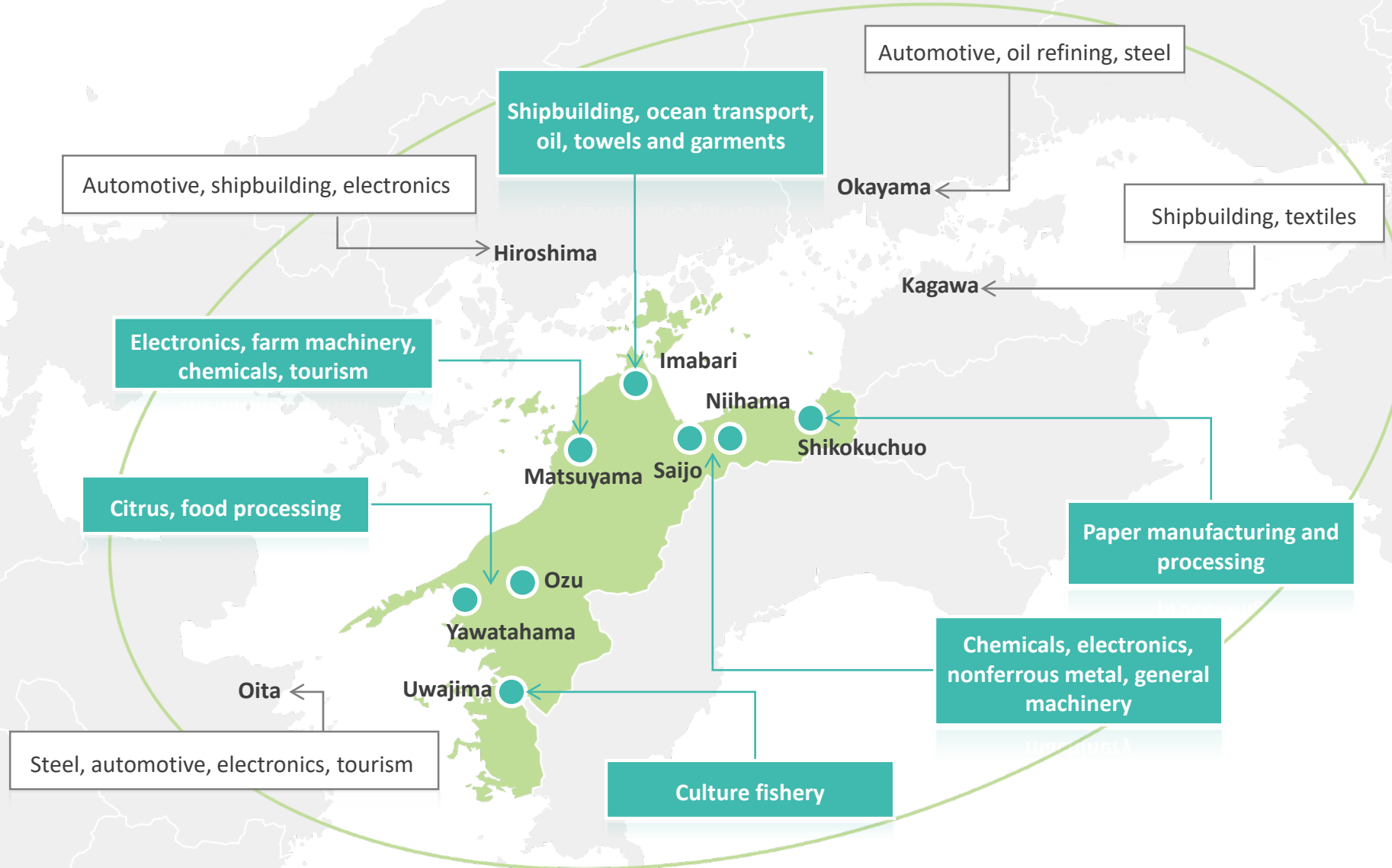
Ehime Prefecture has manufacturing industries distinctive to each region



Source: Prepared by Iyogin Regional Economy Research Center, Inc. (IRC) based on the Ministry of Economy, Trade and Industry's "Census of Manufacture 2020" (2019 results).

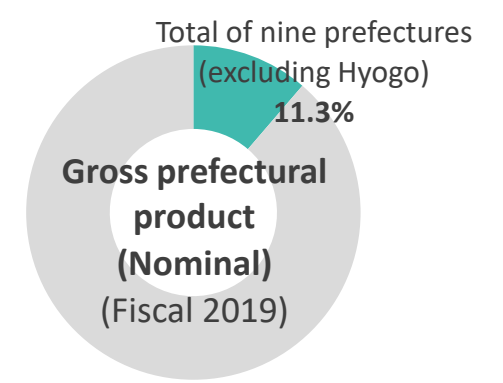
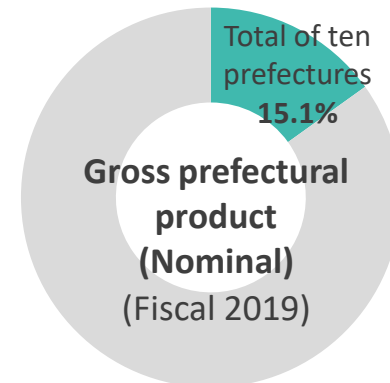
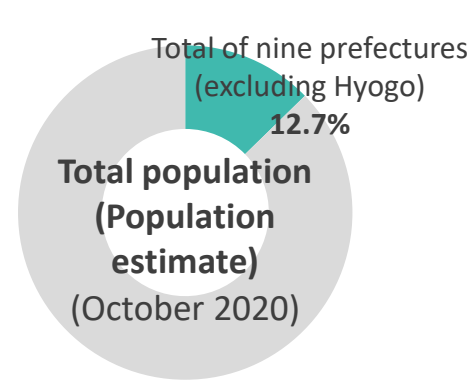
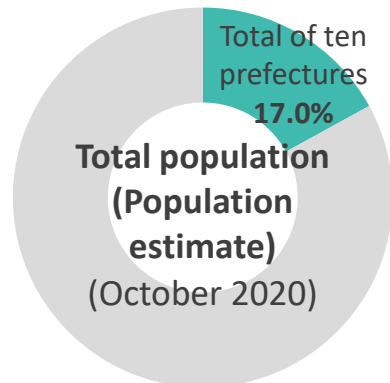
Industrial Structure of the Setouchi Region

■ The Setonaikai coastal region has established various industrial structures



Economic Indicators of the Setouchi Region I

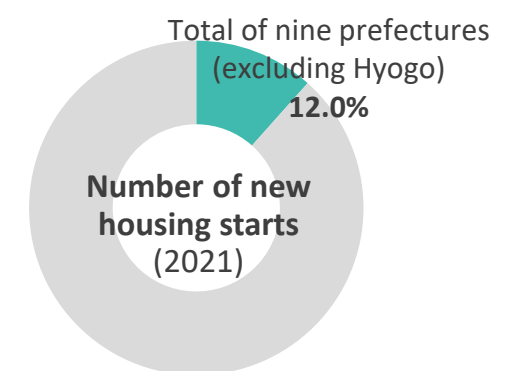
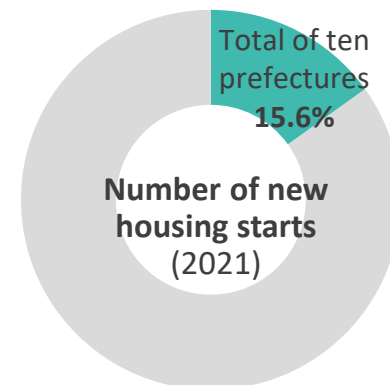
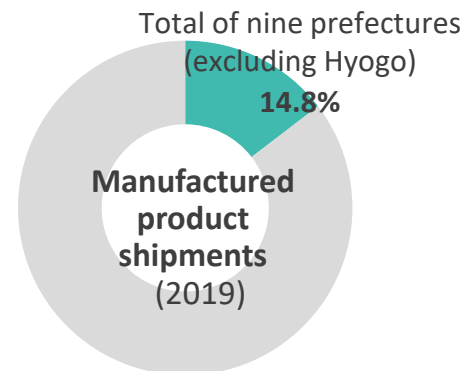
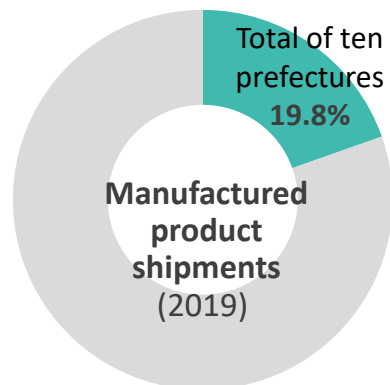
	Total population (Population estimate)	Total area (Geospatial Information Authority of Japan)	Number of offices (Private sector, excluding public sector)	Number of employees (Private sector, excluding public sector)	Prefecture total production (Nominal)	Prefectural gross product growth rate (Real)	Prefectural income per capita
	October 2020 (Persons)	July 2022 (km ²)	2021 (Offices)	2021 (Persons)	Fiscal 2019 (Billions of yen)	Fiscal 2019 (%)	Fiscal 2019 (Thousands of yen)
Ehime	1,334,841	5,676	59,021	563,282	5,148.3	(0.6)	2,717
Kagawa	950,244	1,877	44,528	435,625	4,008.7	0.7	3,021
Tokushima	719,559	4,147	33,794	304,672	3,222.4	(0.1)	3,153
Kochi	691,527	7,103	32,839	275,520	2,464.6	(1.0)	2,663
Oita	1,123,852	6,341	49,937	473,690	4,525.1	(2.7)	2,695
Fukuoka	5,135,214	4,988	205,965	2,294,657	19,942.4	(1.0)	2,838
Yamaguchi	1,342,059	6,113	55,759	571,202	6,350.5	(2.1)	3,249
Hiroshima	2,799,702	8,479	120,069	1,293,541	11,969.1	(2.6)	3,153
Okayama	1,888,432	7,115	77,428	835,270	7,842.5	(1.7)	2,794
Total of the above nine prefectures (A)	15,985,430	51,840	679,340	7,047,459	65,473.6		
(A)/(C)	12.7%	13.7%	13.4%	12.3%	11.3%		
Hyogo	5,465,002	8,401	199,966	2,194,727	22,195.2	(0.2)	3,038
Total of the ten prefectures (B)	21,450,432	60,241	879,306	9,242,186	87,668.8		
(B)/(C)	17.0%	15.9%	17.3%	16.1%	15.1%		
National Total (C)	126,146,099	377,973	5,078,617	57,457,856	556,303.7	(1.3)	3,344



Source: Prepared based on the Statistics Bureau of Japan's "2020 Population Census," the Geospatial Information Authority of Japan's "Statistical reports on the land area by prefectures and municipalities in Japan," the Ministry of Internal Affairs and Communications' and Ministry of Economy, Trade and Industry's "2021 Economic Census for Business Activity (preliminary figures)," websites of each prefecture, and Cabinet Office's "Annual Report on National Accounts"

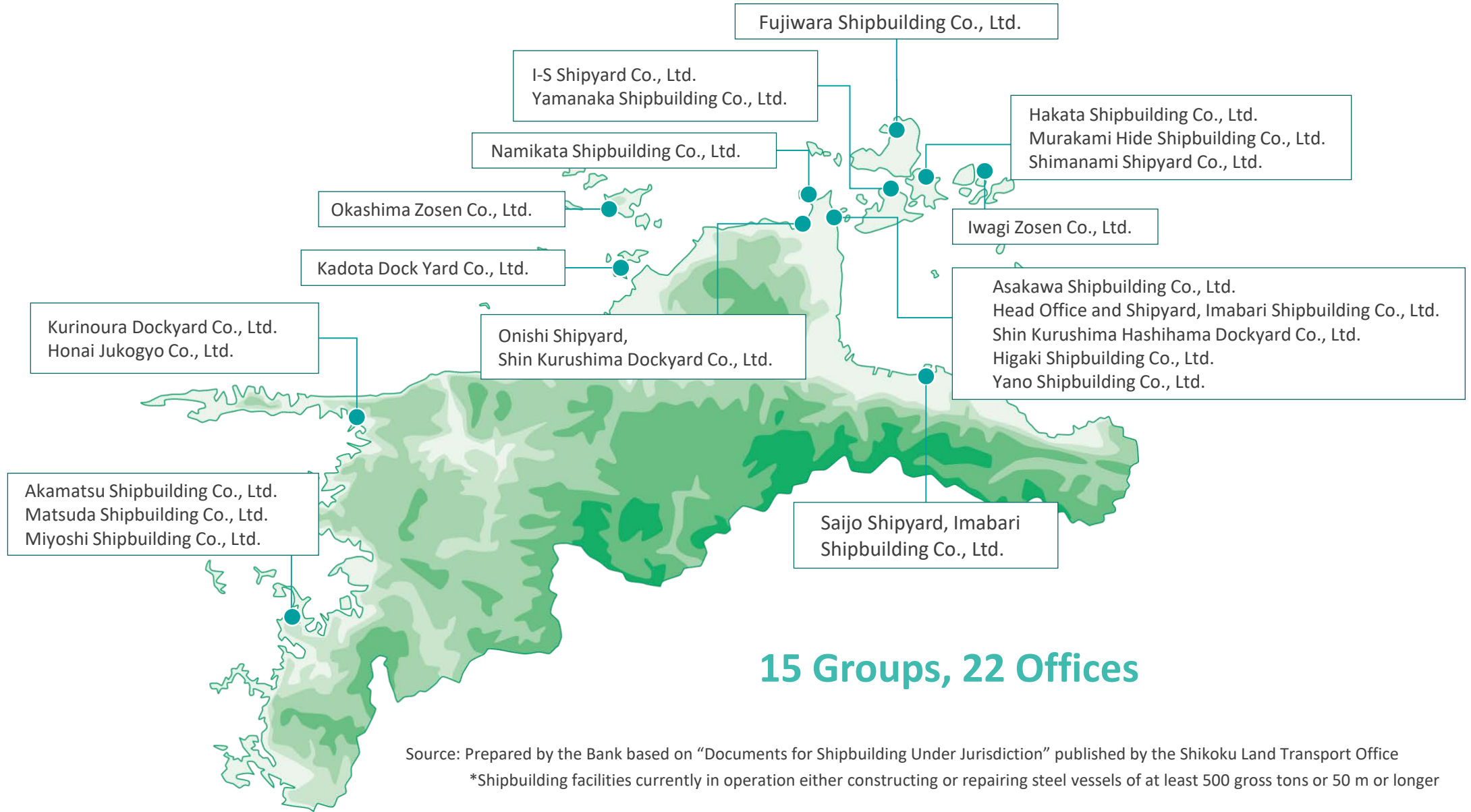
Economic Indicators of the Setouchi Region II

	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)
	2019 (Millions of yen)	2016 (Millions of yen)	2016 (Millions of yen)	2020 2015=100	2021 (Homes)	2021 (Times)	2021 (%)
Ehime	4,308,818	2,511,264	1,528,554	94.2	8,069	1.28	2.0
Kagawa	2,711,583	2,619,010	1,169,352	92.5	5,718	1.36	2.4
Tokushima	1,908,126	904,487	757,121	95.1	3,044	1.19	2.5
Kochi	585,527	874,256	753,371	93.0	2,790	1.08	2.5
Oita	4,298,945	1,344,689	1,235,257	Unpublished	6,260	1.16	2.2
Fukuoka	9,912,191	16,970,699	5,864,032	Unpublished	40,298	1.06	3.0
Yamaguchi	6,553,479	1,641,957	1,488,895	92.2	7,832	1.33	2.0
Hiroshima	9,741,531	9,166,762	3,309,726	89.4	17,809	1.32	2.4
Okayama	7,704,136	3,543,971	2,093,111	92.8	11,316	1.39	2.3
Total of the above nine prefectures (A)	47,724,336	39,577,095	18,199,419		103,136		
(A)/(C)	14.8%	9.1%	12.5%		12.0%		
Hyogo	16,263,313	10,219,241	5,726,476	94.0	30,284	0.93	2.8
Total of ten prefectures (B)	63,987,649	49,796,336	23,925,895		133,420		
(B)/(C)	19.8%	11.4%	16.5%		15.6%		
National Total (C)	322,533,418	436,522,525	145,103,822	90.6	856,484	1.13	2.8



Source: Prepared based on the Ministry of Economy, Trade and Industry's "Census of Manufacture", the Ministry of Internal Affairs and Communications' and Ministry of Economy, Trade and Industry's "Economic Census," each prefecture's materials, the Ministry of Land, Infrastructure, Transport and Tourism's "Survey of Building Construction Work Started," the Ministry of Health, Labour and Welfare's "Employment referrals for general workers" and the Statistics Bureau of Japan's "Labour Force Survey"

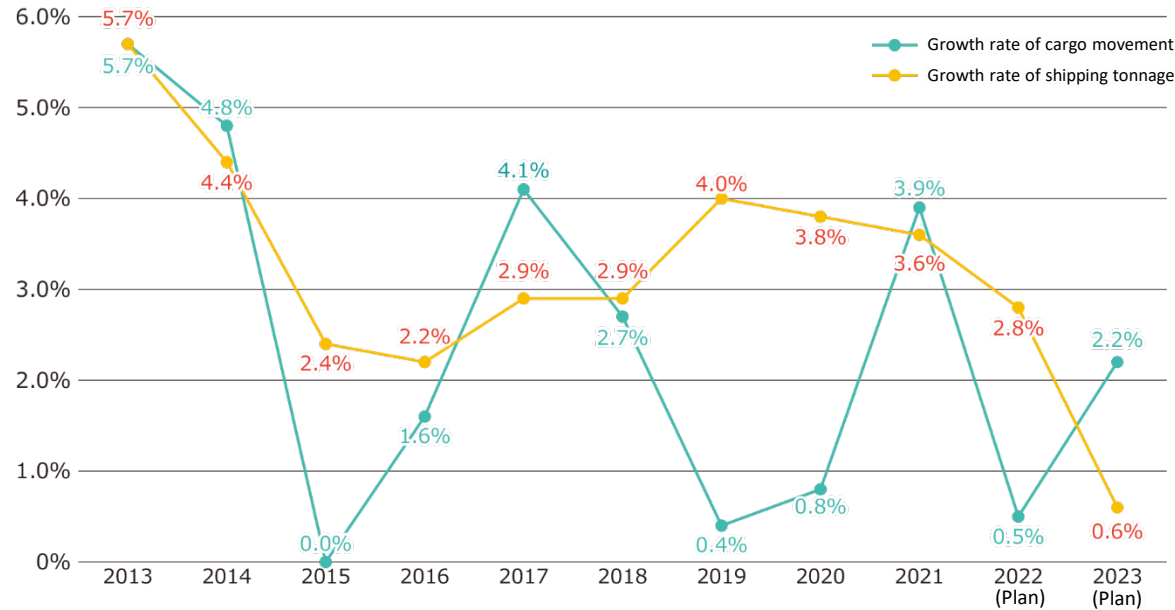
Shipbuilding Yards in Ehime Prefecture



Outlook of Dry Bulk Market Conditions

Dry Bulk Transport Demand and Supply

Unit transport volume and shipping tonnage



Source: "Clarkson Research Shipping Review & Outlook" (Autumn 2022)"

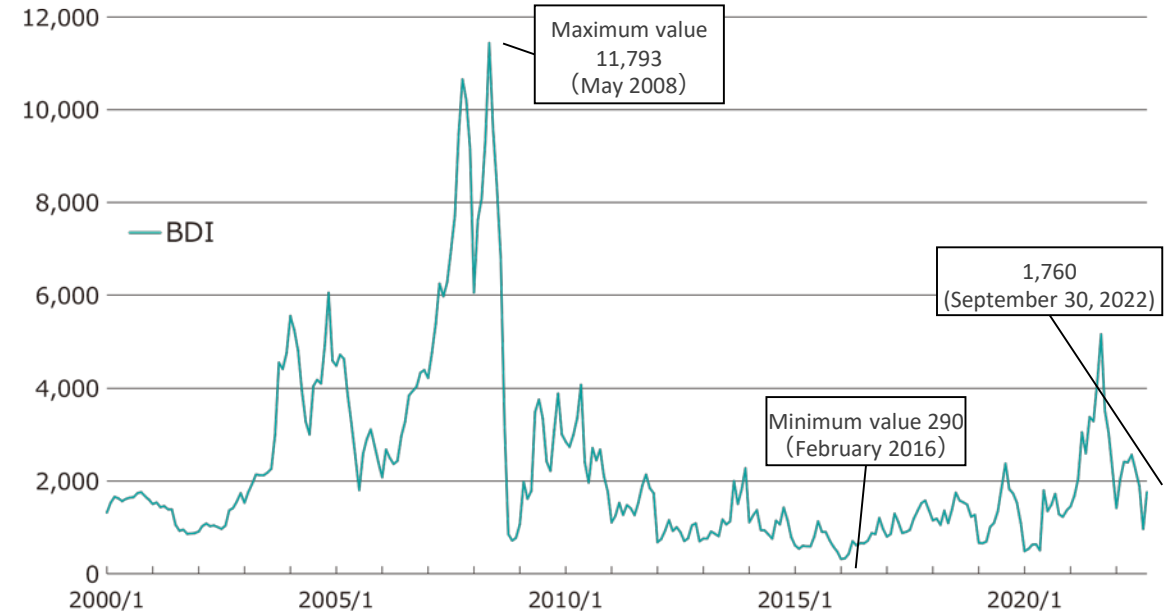
Dry bulk transport demand and supply

- Shipping tonnage of dry bulk vessels for 2022 is expected to increase by 2.8% (up 261 thousand DWT) from 2021. However, the unit transport volume* is expected to increase by only 0.5% due to a decrease in shipment volume of grains, etc. resulting from the situation between Russia and Ukraine.
- Because it is expected that the unit transport volume will increase but the increase in shipping tonnage will be limited in 2023, concerns over a significant decline in transport demand are considered low at present.

* 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

- In 2022, although the market is depressed in comparison with 2021 which was a boom period, the market level, especially for small-sized vessels, remains historically favorable. This is mainly due to the fact that certain container cargo continues to be transported by bulk carriers.
- In 2023, supply and demand are expected to remain steady in the market, as shown on the left. However, the market could be entering into an adjustment phase triggered by a decline in transport volumes beyond the current forecast, mainly due to economic downturn in China, the largest exporting nation of dry cargo, and an intensifying global economic slowdown.

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)

	September 2018	March 2019	September 2019	March 2020	September 2020	March 2021	September 2021	March 2022	September 2022	Vs. September 2021
Total Loans	4,431.5	4,550.8	4,617.5	4,756.6	4,874.5	4,999.3	4,959.1	5,068.8	5,257.4	298.3
General loans	4,192.2	4,310.7	4,387.7	4,522.2	4,648.1	4,783.6	4,752.4	4,870.3	5,062.0	309.6
Corporate loans (incl. overseas, etc.)	3,146.0	3,238.2	3,291.1	3,397.9	3,507.7	3,624.6	3,586.1	3,696.2	3,887.7	301.6
Corporate loans (domestic branches)	3,060.4	3,135.8	3,158.3	3,248.8	3,347.1	3,434.9	3,387.6	3,479.8	3,653.1	265.5
Individual financing	1,046.2	1,072.4	1,096.5	1,124.3	1,140.3	1,158.9	1,166.3	1,174.0	1,174.3	8.0
Housing loans	758.2	781.0	805.3	831.8	852.6	870.7	879.6	885.5	886.6	7.0
Apartment and building loans	198.0	202.2	203.1	205.2	205.2	205.7	206.2	208.8	209.6	3.4
Card Loans, etc.	29.1	28.3	27.9	26.9	24.5	23.6	22.9	21.9	21.6	(1.3)
Municipal loans, etc.	239.2	240.1	229.7	234.3	226.4	215.6	206.6	198.5	195.3	(11.3)

(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)

	September 2018	March 2019	September 2019	March 2020	September 2020	March 2021	September 2021	March 2022	September 2022	Vs. September 2021
Total Deposits, etc. + assets in custody A	5,894.2	6,070.6	6,174.5	6,094.1	6,532.5	6,870.9	6,956.9	7,015.2	7,027.4	70.5
Total Deposits, etc.	5,542.2	5,712.6	5,817.3	5,754.3	6,184.6	6,522.6	6,603.0	6,654.1	6,669.7	66.7
Total deposits	5,057.7	5,247.1	5,288.5	5,265.6	5,652.6	5,983.1	5,956.2	6,041.8	6,099.8	143.6
Individual	3,412.0	3,423.6	3,450.2	3,512.5	3,652.2	3,740.7	3,794.0	3,850.8	3,889.9	95.9
General companies	1,455.4	1,555.4	1,553.7	1,564.4	1,733.5	1,853.4	1,857.9	1,915.1	1,949.8	91.9
Public	111.4	126.4	113.2	119.8	112.7	162.8	114.0	141.7	118.9	4.9
Financial	37.4	61.0	31.9	40.8	32.7	43.4	30.6	45.2	30.4	(0.2)
Overseas / offshore	41.3	80.5	139.4	28.0	121.3	182.6	159.5	88.8	110.6	(48.9)
NCD	484.4	465.5	528.8	488.7	531.9	539.4	646.8	612.2	569.9	(76.9)
General companies	345.1	348.2	390.0	367.0	384.9	427.4	476.2	445.0	385.6	(90.6)
Public	139.2	117.3	138.7	121.7	147.0	112.0	170.6	167.0	184.1	13.5
General company funds (incl. NCD)	1,800.6	1,903.6	1,943.8	1,931.4	2,118.5	2,280.8	2,334.1	2,360.2	2,335.5	1.4
Public funds (incl. NCD)	250.7	243.7	252.0	241.5	259.8	274.9	284.6	308.8	303.0	18.4
Foreign currency deposits (balance)	111.0	111.0	101.6	89.3	96.3	99.0	116.0	133.1	138.6	22.6
Individual deposits + individual assets in custody	3,751.4	3,769.1	3,795.6	3,841.4	3,988.5	4,078.3	4,137.4	4,201.0	4,236.7	99.3
Individual deposits	3,412.0	3,423.6	3,450.2	3,512.5	3,652.2	3,740.7	3,794.0	3,850.8	3,889.9	95.9
Individual assets in custody	339.3	345.4	345.4	328.8	336.3	337.6	343.4	350.1	346.8	3.4

<Assets in custody (Term-end basis)>

Assets in custody at the Bank (excl. deposits, etc.) B	351.9	357.9	357.1	339.7	347.8	348.3	353.9	361.1	357.7	3.8
JGBs	24.0	22.4	20.3	19.8	19.9	19.2	20.0	21.3	23.9	3.9
Investment trusts	71.5	68.6	66.7	53.8	58.7	61.6	64.0	67.8	64.4	0.4
Single premium policies	210.8	215.7	216.4	214.2	211.3	208.7	207.2	205.4	203.6	(3.6)
Financial product intermediary	45.5	51.0	53.6	51.7	57.7	58.6	62.5	66.4	65.6	3.1
Shikoku Alliance Securities balance C	208.3	199.5	207.8	202.4	226.6	245.2	246.3	246.0	254.2	7.9
Balance of Group's assets in custody B+C=D	560.3	557.4	565.0	542.2	574.5	593.5	600.2	607.1	611.9	11.7

Assets in custody composition (D/A+C)	9.2%	8.9%	8.9%	8.6%	8.5%	8.3%	8.3%	8.4%	8.4%	—
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(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, %)

	September 2017		September 2018		September 2019		September 2020		September 2021		September 2022		Vs. September 2021	
	Balance	Composition	Balance	Composition	Balance	Composition	Balance	Composition	Balance	Composition	Balance	Composition	Balance	Rate of balance increase/decrease
Manufacturing	589.4	14.4	629.8	14.5	646.9	14.4	671.7	14.2	652.5	13.7	653.9	13.0	1.4	0.2%
Agricultural	2.5	0.1	2.8	0.1	2.8	0.1	2.9	0.1	2.8	0.1	2.8	0.1	0.0	0.0%
Forestry	0.2	0.0	0.2	0.0	0.3	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.0	0.0%
Fishing	12.3	0.3	11.1	0.3	11.2	0.2	9.8	0.2	8.1	0.2	6.8	0.1	(1.3)	(16.0%)
Mining	8.9	0.2	8.5	0.2	8.1	0.2	6.8	0.1	6.4	0.1	4.2	0.1	(2.2)	(34.4%)
Construction	105.0	2.6	111.2	2.6	108.9	2.4	126.4	2.7	127.7	2.7	138.7	2.8	11.0	8.6%
Electricity, gas, heat provision, water	97.5	2.4	122.5	2.8	141.3	3.2	167.4	3.6	197.4	4.1	207.8	4.1	10.4	5.3%
Information communications	28.5	0.7	21.7	0.5	20.0	0.4	17.8	0.4	18.2	0.4	17.9	0.4	(0.3)	(1.6%)
Transportation	649.2	15.8	703.3	16.2	728.8	16.3	801.6	17.0	847.5	17.8	1,030.6	20.5	183.1	21.6%
Of which, ocean transport	526.6	12.8	566.5	13.0	593.6	13.2	666.0	14.1	716.6	15.1	904.3	18.0	187.7	26.2%
Wholesale and retail	465.4	11.3	500.3	11.5	499.5	11.1	509.9	10.8	510.1	10.7	530.8	10.6	20.7	4.1%
Finance and insurance	198.7	4.8	208.9	4.8	190.1	4.2	181.3	3.8	170.0	3.6	201.8	4.0	31.8	18.7%
Real estate	238.4	5.8	259.0	6.0	284.1	6.3	312.2	6.6	311.7	6.5	313.6	6.2	1.9	0.6%
Various services	426.2	10.4	425.5	9.8	459.2	10.2	483.4	10.3	483.4	10.2	479.5	9.5	(3.9)	(0.8%)
Of which, medical-related	187.6	4.6	191.5	4.4	194.2	4.3	205.0	4.3	207.6	4.4	204.4	4.1	(3.2)	(1.5%)
Regional public entities	232.6	5.7	233.9	5.4	224.4	5.0	222.1	4.7	203.6	4.3	194.6	3.9	(9.0)	(4.4%)
Other	1,049.7	25.6	1,106.5	25.5	1,158.1	25.8	1,199.4	25.4	1,220.2	25.6	1,238.7	24.7	18.5	1.5%
Total	4,105.0	100.0	4,345.9	100.0	4,484.6	100.0	4,714.0	100.0	4,760.5	100.0	5,022.7	100.0	262.2	5.5%

(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 six months ended September 30, 2022, excluding “goods rental,” was ¥296.1 billion, which is an increase of ¥3.1 billion (+1.1%) compared with the six months ended September 30, 2021. In addition, “other” includes “home renting by individuals” (¥218.0 billion for the six months ended September 30, 2022).

* 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)

		September 30, 2022							Rate of degradation to at risk of bankruptcy or below	Improvement	Degradation
		Total	Normal borrowers	Borrowers requiring close monitoring	Borrowers under strict observation	Borrowers at risk of bankruptcy	Substantially bankrupt borrowers	Bankrupt borrowers			
September 30, 2021	Normal borrowers	18,779	17,279	16,697	529	21	20	9	3	0.17%	582
		36,109	36,955	36,140	772	29	14	1	1	0.04%	816
	Borrowers requiring close monitoring	2,329	2,211	541	1,546	19	103	2	0	4.51%	541
		4,082	3,813	1,088	2,557	28	139	1	0	3.42%	1,088
	Borrowers under strict observation	139	127	13	15	82	13	3	1	12.23%	28
		315	294	17	15	234	27	0	0	8.67%	32
	Borrowers at risk of bankruptcy	385	360	22	31	7	295	3	2		60
		565	513	11	30	13	456	1	1		55
Substantially bankrupt borrowers	69	46	0	0	0	0	46	0		0	
	12	8	0	0	0	0	8	0		0	
Bankrupt borrowers	23	7	0	0	0	0	0	7		0	
	4	1	0	0	0	0	0	1		0	
Total	21,724	20,030	17,273	2,121	129	431	63	13		629	
	41,088	41,584	37,256	3,374	304	636	11	2		1,175	
											728
											1,012

(Note 1) The chart displays the changes in the borrower classification from September 30, 2021 to September 30, 2022.

(Note 2) The balances after changes are the balances after write-offs as of September 30, 2022.

Management by Risk Category: Securities Investment

(Units: Billions of Yen)

Risk Category (*1)	Six months ended September 30, 2022											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	498.4	+6.1	504.5	32.1%	+1.4%	0.6	1.7	1.7	0.0	(0.0)	(1.1)	Difference in long and short term interest on yen interest
Of which, JGBs	96.0	+5.6	101.7	6.5%	+0.6%	1.9	0.6	0.6	0.0	0.0	1.2	
Of which, inflation-indexed JGBs	80.2	+3.5	83.8	5.3%	+0.5%	1.9	0.5	0.5	0.0	0.0	1.5	Rise in expected inflation rate
Foreign currency bonds (with hedges)	281.0	(15.3)	265.7	16.9%	(3.7%)	(22.2)	0.1	2.6	2.5	(12.7)	(9.6)	Difference in long and short term interest on overseas interest
Foreign currency bonds (without hedges)	285.6	+7.2	292.8	18.7%	+0.9%	12.5	3.6	3.6	0.0	16.1	(7.2)	Gain on foreign exchange /interest revenue
Domestic and overseas stocks (incl. stock trusts)	143.2	+231.9	375.1	23.9%	+1.8%	4.2	4.2	4.2	0.0	1.3	(1.3)	Growth in domestic/foreign companies centered on transaction partners
Alternatives	117.6	+14.3	131.8	8.4%	(0.3%)	(5.0)	1.6	1.6	0.0	1.7	(8.2)	
Hedge funds	30.3	(3.1)	27.2	1.7%	(0.0%)	(2.3)	(0.0)	0.0	0.0	0.0	(2.3)	Strategic diversification by external consigned management
Real estate-related	74.7	+16.8	91.5	5.8%	(0.3%)	(2.6)	1.5	1.5	0.0	1.7	(5.8)	Revenue from real estate rentals and profit from price increase
Private equity	7.6	+0.0	7.7	0.5%	+0.0%	(0.1)	(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	+0.5	5.4	0.3%	+0.0%	(0.0)	0.1	0.1	0.0	0.0	(0.1)	Growth and foreign exchange gains in emerging markets
Total	1,325.7	+244.1	1,569.9	100.0%	-	(9.9)	11.2	13.7	2.5	6.4	(27.4)	

*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	151.7	(5.4)	146.3	9.3%	(1.6%)	(3.6)	(0.9)	(0.4)	0.5	(0.0)	(2.7)	Business continuity of domestic and foreign companies, etc.
Securitized products	1.8	(0.0)	1.8	0.1%	(0.0%)	0.0	0.0	0.0	0.0	0.0	(0.0)	Loan interest revenue from housing loans, etc.
Subtotal	153.5	(5.4)	148.1	9.4%	(1.6%)	(3.6)	(0.9)	(0.4)	0.5	(0.0)	(2.7)	

Balance of Investments by Region and Sector: Financial Market Business

Balance by Region (Final Risk Country Basis)

(Units: Billions of Yen)

	September 2022			
	Loan balance	Commitment balance	Total	Composition
Japan	68.5	10.7	79.3	53.4%
North America	25.6	2.0	27.6	18.6%
(Of which, the U.S.)	(24.7)	(2.0)	(26.7)	(18.0%)
Europe	19.3	0.0	19.3	13.1%
Asia and Oceania	13.7	0.0	13.7	9.2%
Middle East	4.3	0.0	4.3	2.9%
Latin America	2.9	0.0	2.9	2.0%
Other (international organization)	1.1	0.0	1.1	0.8%
Total	135.8	12.7	148.6	100.0%

* Excluding Singapore Branch

Balance by Sector (Final Risk Country Basis)

(Units: Billions of Yen)

	September 2022			
	Loan balance	Commitment balance	Total	Composition
Electricity and gas	62.3	10.7	73.1	49.2%
(Of which, solar power generation)	(34.2)	(3.6)	(37.9)	(25.6%)
Manufacturing	21.5	0.0	21.5	14.5%
Financial	14.5	2.0	16.5	11.1%
Transportation	15.7	0.0	15.7	10.6%
(Of which, aircraft finance)	(10.7)	(0.0)	(10.7)	(7.2%)
Various services	14.6	0.0	14.6	9.9%
Wholesale and retail	2.4	0.0	2.4	1.6%
Construction	1.2	0.0	1.2	0.8%
Other	3.2	0.0	3.2	2.2%
Total	135.8	12.7	148.6	100.0%

* Excluding Singapore Branch