

Overview of Financial Results for FY2025 1Q

August 4, 2025



Hirogin Holdings, Inc.

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I. Overview of Financial Results for FY2025 1Q

Overview of Financial Results for FY2025 1Q

Hirogin Holdings summary of consolidated business performance

(Billion yen)

	FY2025 1Q	YoY	(Change rate)	Progress
Consolidated gross profit	31.4	2.5	(8.4%)	
(excluding gains/losses related to treasuries and other bonds)	31.8	2.7		
Net interest income	24.3	3.9		
Income on service transactions and other fees	6.0	-0.2		
Income from specific transactions and other businesses (including gains/losses related to treasuries and other bonds)	1.0	-1.1		
	-0.4	-0.3		
Operating expenses (-)	16.7	0.8		
Credit costs (-)	-1.3	0.6		
Gains/losses related to equities, etc.	0.5	0.4		
Equity in earnings of affiliates	0.0	0.0		
Other	0.0	-0.1		
Ordinary profit	16.6	1.3	(8.2%)	29%
Extraordinary gains/losses	-0.1	0.0		
Total income tax, etc. (-)	4.8	0.3		
Net income attributable to non-controlling interests (-)	0.0	0.0		
Net income attributable to owners of the parent	11.6	1.0	(9.7%)	29%
(Ref.) Operating overhead ratio (*)	52.6%	-2.2%		

* Operating overhead ratio = operating expenses / (consolidated gross profit-gains/losses from treasuries and other bonds)

Hiroshima Bank summary results

(Billion yen)

	FY2025 1Q	YoY	(Change rate)
Core business gross profit	28.7	2.7	(10.6%)
Net interest income	24.4	3.9	
Net non-interest income	4.3	-1.1	
Corporate solutions	1.0	-0.7	
Asset management	0.8	-0.2	
Revenue from personal loans	0.8	0.3	
Other (domestic exchange, foreign exchange, etc.)	1.7	-0.5	
Expenses (excluding extraordinary disposal) (-)	14.5	0.6	
Net income from core businesses	14.2	2.2	(18.6%)
Net income from core businesses (excluding gains/losses from cancellation of investment trusts)	14.2	2.2	(18.6%)
Gains/losses related to treasuries and other bonds	-0.4	-0.3	
Effective net income from businesses	13.8	2.0	(16.5%)
Credit costs (-)	-1.4	0.5	
Gains/losses related to equities, etc.	0.5	0.4	
Other temporary gains/losses	0.1	-0.2	
Ordinary profit	15.9	1.6	(11.1%)
Extraordinary gains/losses	-0.1	0.0	
Total income tax, etc. (-)	4.5	0.3	
Interim net income	11.2	1.3	(13.1%)

Results for major Group companies: Excluding Hiroshima Bank

Financial consolidated subsidiary
Nonfinancial consolidated subsidiary

Hirogin Securities			Hirogin Lease			Shimanami Servicer			Hirogin Capital Partners			Hirogin Credit Service		
(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY
Gross income	1,177	-74	Gross income	812	115	Gross income	110	-157	Gross income	63	22	Gross income	1,044	77
Ordinary profit	192	-72	Ordinary profit	425	-26	Ordinary profit	-27	-179	Ordinary profit	19	16	Ordinary profit	498	54
Net income	132	-44	Net income	292	-19	Net income	-19	-125	Net income	13	11	Net income	327	35
(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY
Net income	650	172	Net income	880	- 60	Net income	187	132	Net income	31	- 29	Net income	1,325	71

Hirogin Life Partners*			Hirogin Human Resources			Hirogin IT Solutions			Hirogin Area Design			Total net income for group companies*		
(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY	(Million yen)	FY2025 1Q	YoY
Gross income	7	10	Gross income	67	-3	Gross income	174	-40	Gross income	6	-2	Total net income for group companies	715	- 188
Ordinary profit	-7	14	Ordinary profit	-8	8	Ordinary profit	-51	-46	Ordinary profit	-83	-45			
Net income	-5	9	Net income	-6	12	Net income	-35	-35	Net income	-83	-41			
(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	(Million yen)	FY2025 planned	YoY	Total net income for group companies	3,301	296
Net income	- 13	26	Net income	50	34	Net income	102	21	Net income	10	- 41			

* Established January 2024, with operations starting in July

* Total amount obtained after multiplying net income for consolidated subsidiaries, etc. excluding Bank by ownership ratio

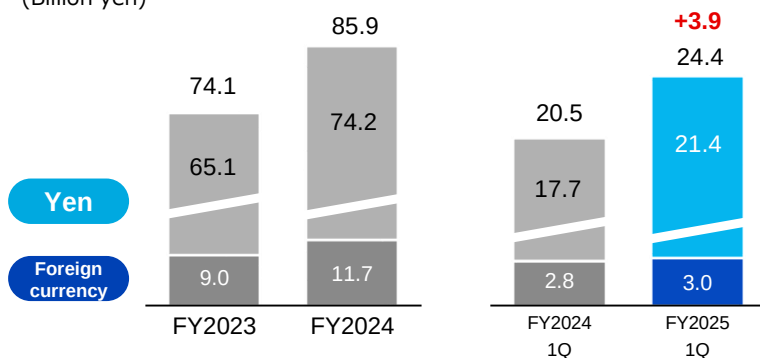
Net interest income

Hirogin Holdings
consolidated

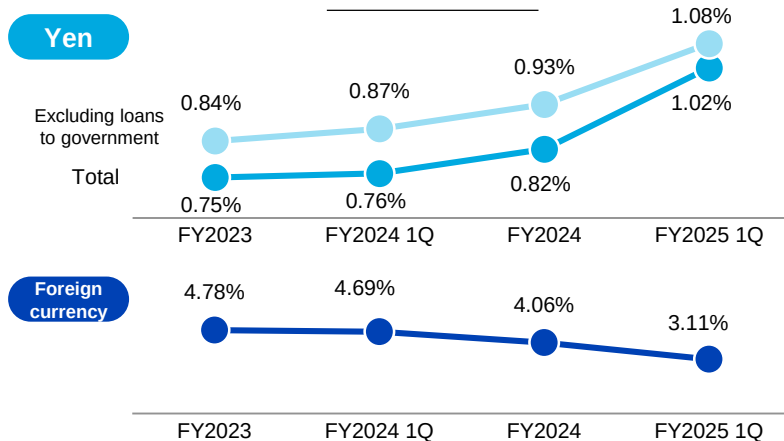
Hiroshima Bank
nonconsolidated

Net interest income

(Billion yen)

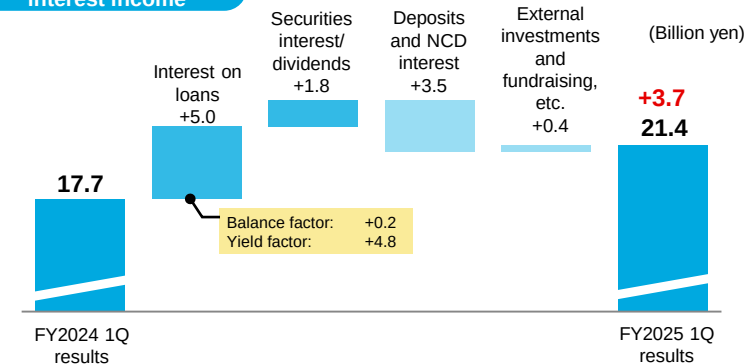


Yields on loans

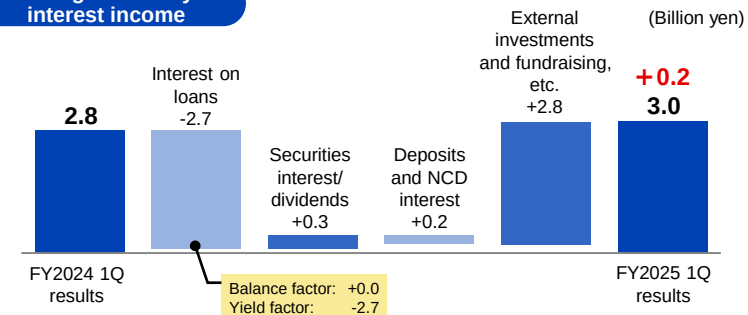


Factors contributing to changes in net interest income

Yen-denominated interest income



Foreign currency interest income



Net non-interest income, expenses

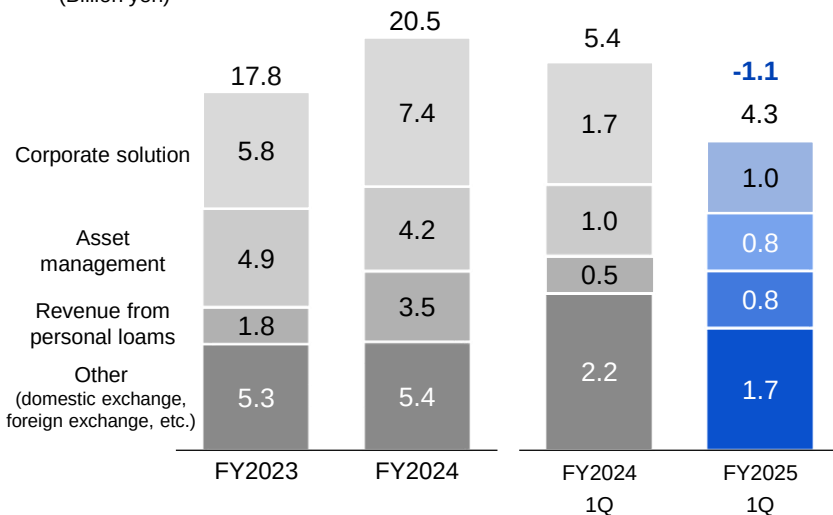
Hirogin Holdings
consolidated

Hiroshima Bank
nonconsolidated

Net non-interest income

Non-interest income = Income on service transactions and other fees + Income from specific transactions + Income from other businesses (excluding gains/losses related to treasures and other bonds)

(Billion yen)



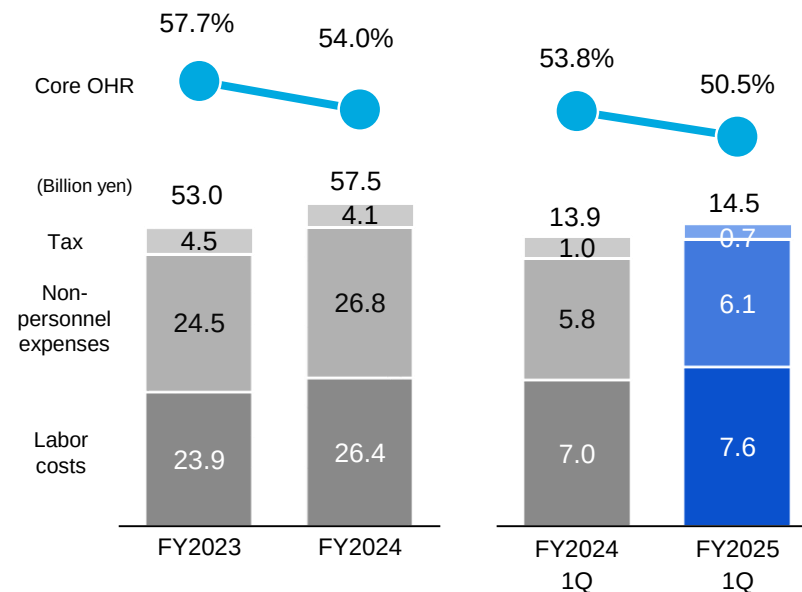
(Billion yen)

	FY2023	FY2024	FY2024 1Q	FY2025 1Q	YoY change
Asset management (Hiroshima Bank + Hirogin Securities)	10.2	9.2	2.3	2.0	-0.3
Of which Hiroshima Bank	4.9	4.2	1.0	0.8	-0.2
Of which Hirogin Securities*	5.3	5.0	1.3	1.2	-0.1

* Net operating revenue (after deducting intermediary fees paid to banks)

Expenses (excluding one-time disposal) / core OHR

$$\text{Core OHR} = \frac{\text{Expenses}}{\text{Gross profit on core businesses}}$$

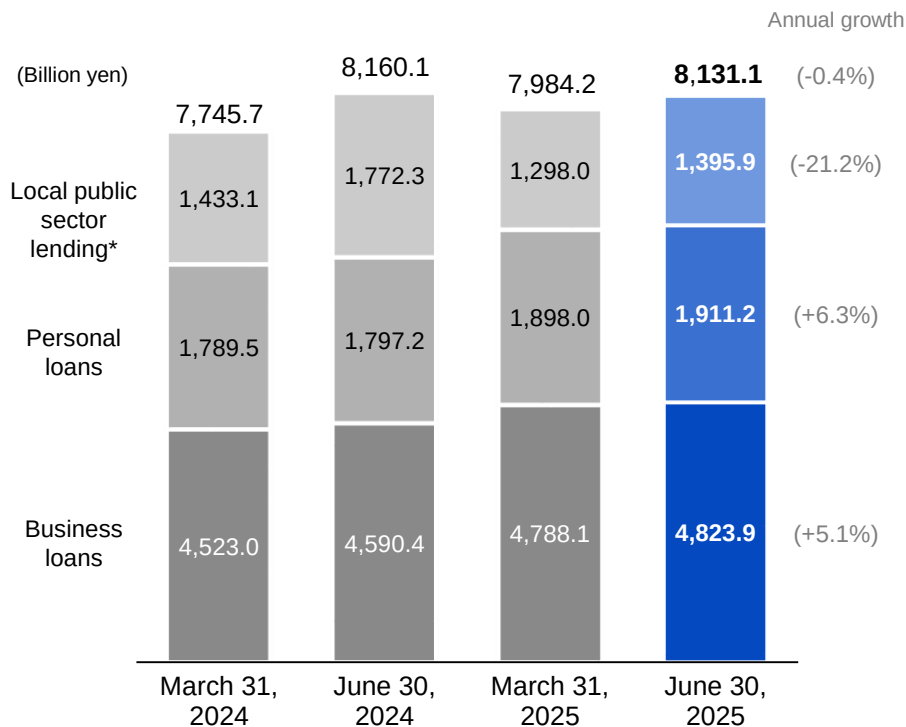


Loans (ending balance) / deposits, etc. (ending balance)

Hirogin Holdings
consolidated

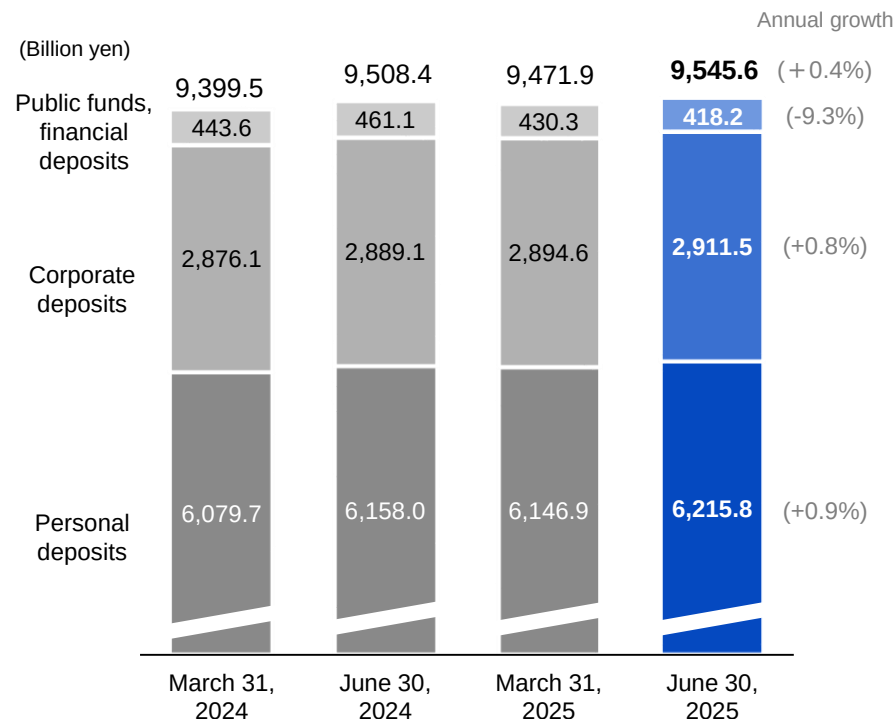
Hiroshima Bank
nonconsolidated

Loans (ending balance)



* Local public sector lending: Lending to local public agencies and public corporations

Deposits, etc. (ending balance)



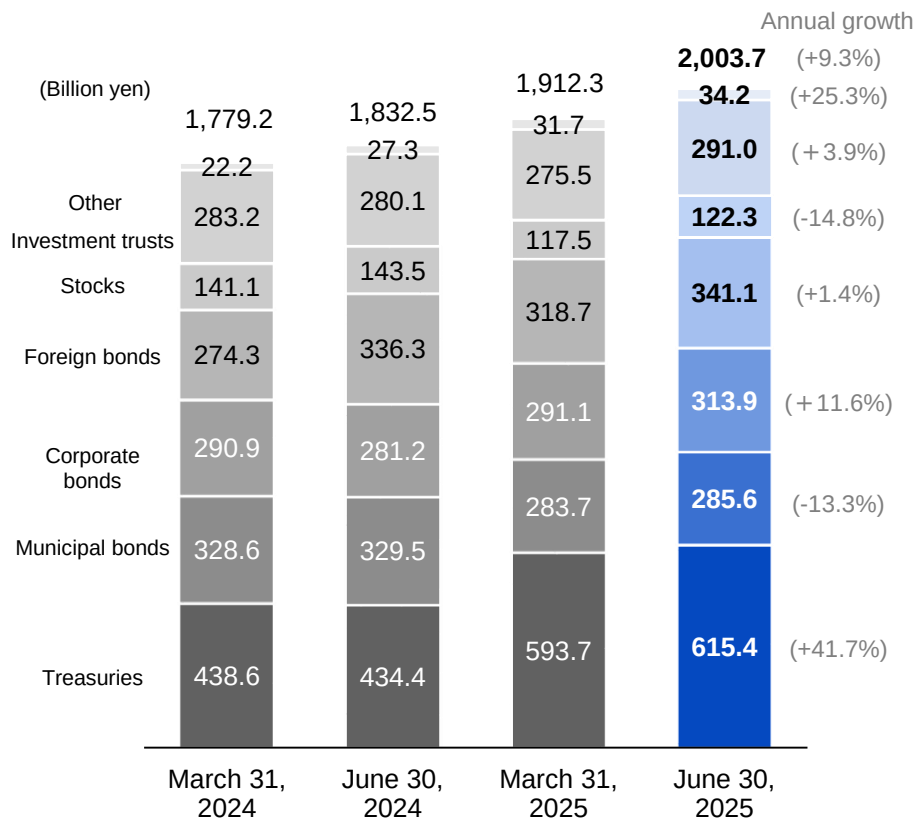
* Deposits, etc. include negotiable certificates of deposit (NCDs).

Securities (end balance) / Gains/losses on securities

Hirogin Holdings
consolidated

Hiroshima Bank
nonconsolidated

Securities (end balance)



Gains/losses on securities

	March 31, 2024	June 30, 2024	March 31, 2025	June 30, 2025	vs. March 31, 2025
Held to maturity	0	-1.1	-3.1	-2.6	0.5
Available-for-sale securities*	33.4	20.5	-27.8	-10.9	16.9
Stocks	61.0	63.2	45.2	49.1	3.9
Bonds	-28.7	-42.2	-68.9	-70.2	-1.3
Treasuries	-16.9	-24.8	-42.0	-45.3	-3.3
Municipal bonds	-6.0	-8.7	-12.5	-11.1	1.4
Corporate bonds	-5.7	-8.6	-14.3	-13.7	0.6
Other	1.2	-0.4	-4.2	10.1	14.3
(Included) Foreign bonds	-20.6	-22.8	-14.4	-13.9	0.5
(Included) Investment trusts	21.6	22.2	9.2	23.0	13.8
Total	33.5	19.4	-31.0	-13.6	17.4
* Gains/losses after hedging					
Other securities (before hedging)	33.4	20.5	-27.8	-10.9	16.9
Interest rate swaps	-	-	8.3	11.9	3.6
Other securities (after hedging)	33.4	20.5	-19.4	0.9	20.4

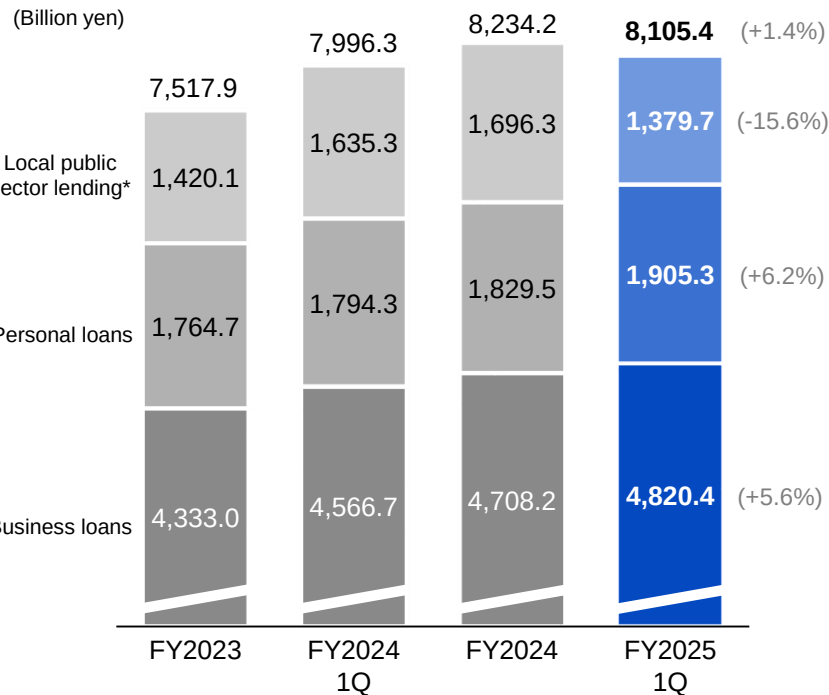
Loans (average), deposits, etc. (average)

Hirogin Holdings
consolidated

Hiroshima Bank
nonconsolidated

Loans (average)

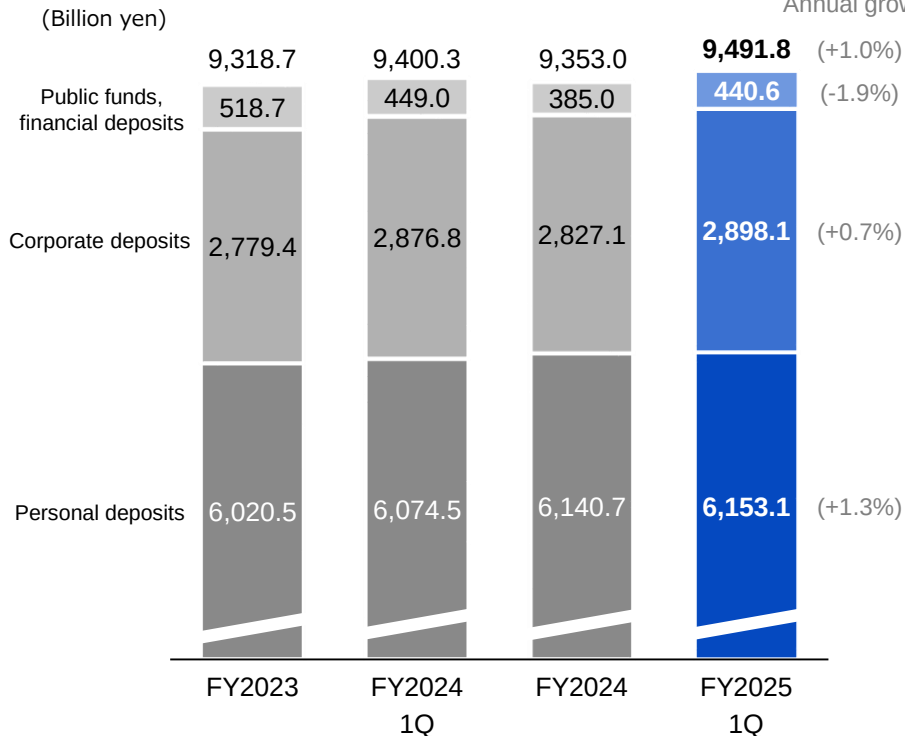
Annual growth



* Local public sector lending: Lending to local public agencies and public corporations

Deposits, etc. (average)

Annual growth



* Deposits, etc. include negotiable certificates of deposit (NCDs).

II. Performance Projections (FY2025)

FY2025 performance projections

- Net income attributable to owners of the parent for FY2025 is expected to reach 40 billion yen, marking a record high for the second consecutive year.

FY2025 performance forecasts

FY2025 nonconsolidated forecast for Hirogin Holdings (Billion yen)

	Interim performance forecast	FY2025 performance forecast	YoY change
Ordinary profit	27.5	57.0	4.9
Net income attributable to owners of the parent	19.0	40.0	4.2
(Reference) Net income of Group companies *excluding Bank		3.3	0.3

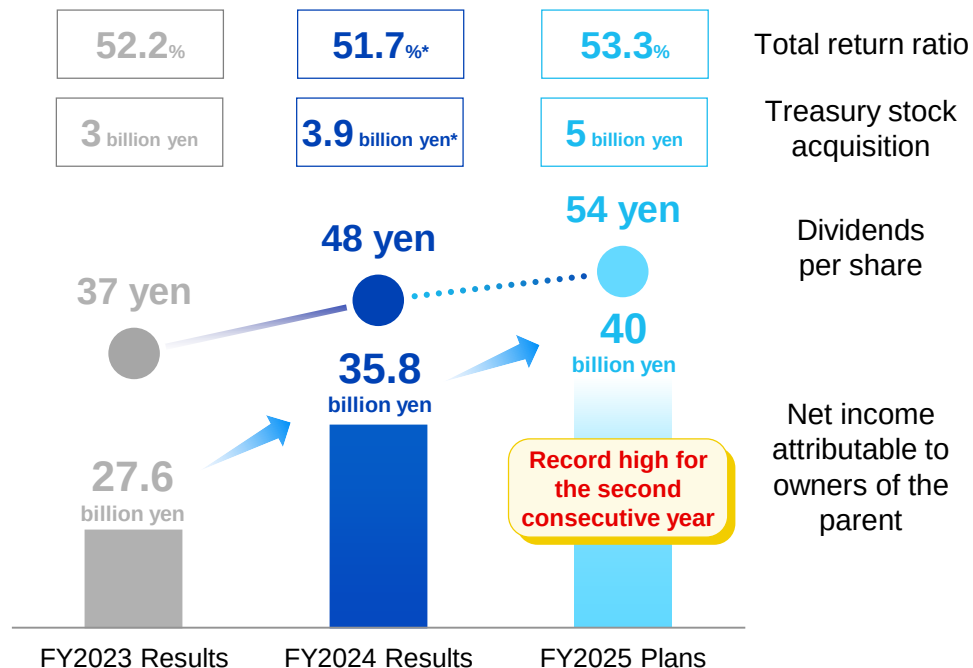
Reference: FY2025 nonconsolidated forecast for Hiroshima Bank (Billion yen)

	Interim performance forecast	FY2025 performance forecast	YoY change
Net interest income		97.5	11.6
Net non-interest income		21.0	0.5
Core business gross profit		118.5	12.0
Expenses (-)		61.5	4.0
Net income from core business		57.0	8.0
Gains/losses related to securities, etc.		1.0	1.7
Credit costs (-)		7.0	4.7
Ordinary profit	25.5	52.0	4.3
Net income	18.0	36.5	3.6

Market scenario assumptions of performance forecasts

Yen interest rate	:	(Short-term) BoJ policy rate 0.50%	(Long-term) Rate on 10-year JGBs 1.40%
Foreign interest rates	:	(Short-term) FF rate 3.75%	(Long-term) Rate on 10-year US treasuries 4.50%
Exchange rate (USD/JPY)	:	145 yen	
Nikkei average	:	35,000 yen	

Performance and shareholder returns



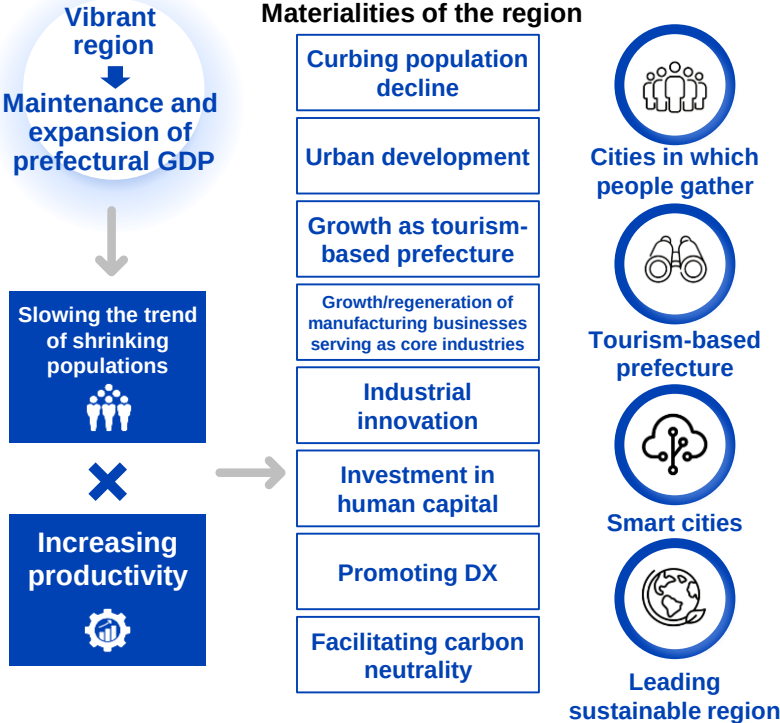
* Of the treasury stock repurchase amount of 5 billion yen, 1 million shares are scheduled to be disposed of via third-party allotment in support of the Hiroshima Museum of Art. Therefore, we estimate the effective repurchase amount will be 3.9 billion yen.

Appendix: Mid-Term Plan 2024

Overview of Mid-Term Plan 2024: Regional and Group vision

- ▶ Mid-Term Plan 2024 identifies clear regional materialities for realizing vibrant region (maintenance and expansion of prefectural GDP). The Group will demonstrate an overwhelming presence in the region through efforts to identify solutions to these issues.
- ▶ The Group will strengthen its corporate value by deepening and expanding its business axes and maximizing the human capital, thereby achieving its ideal form and ultimate purpose.

Regional vision



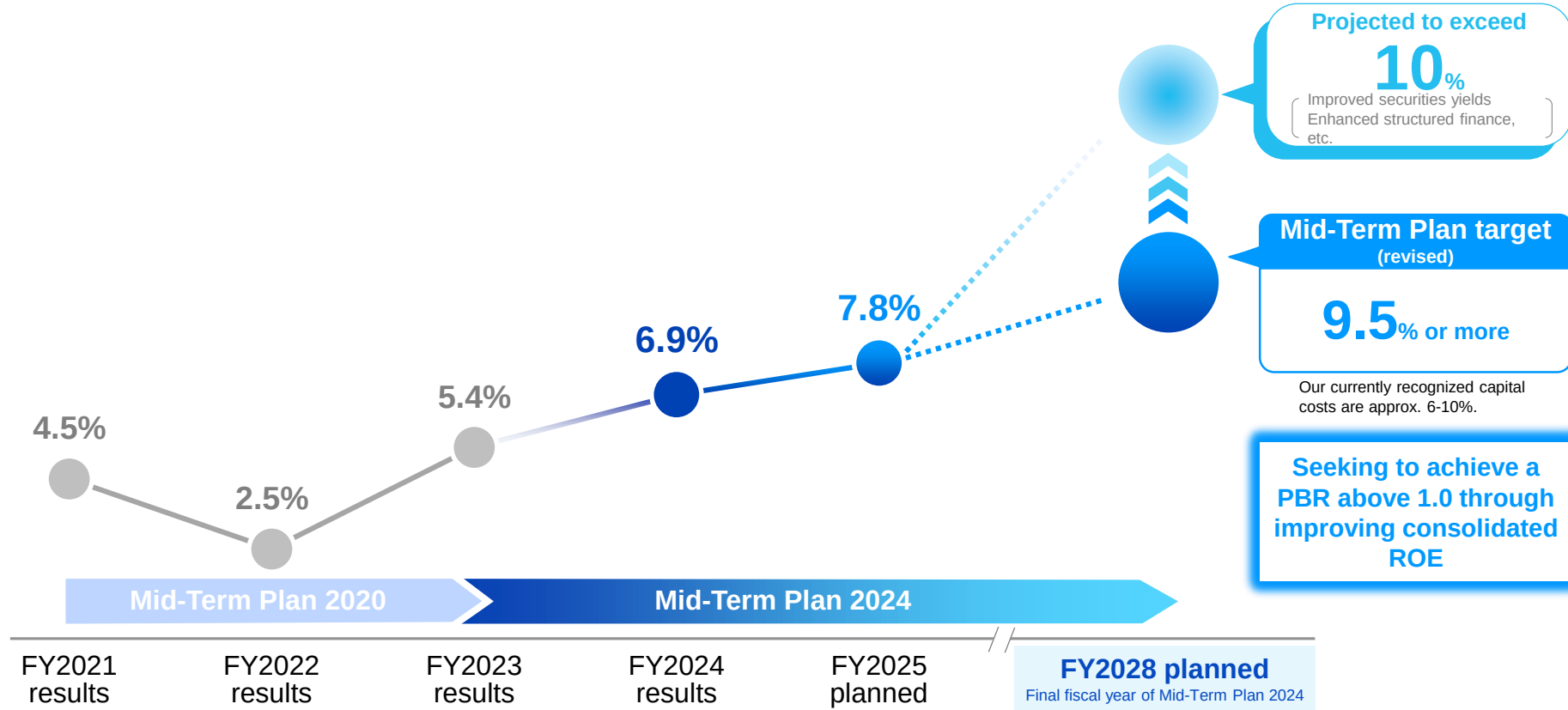
The Group's vision

To demonstrate an overwhelming presence in the region



Consolidated ROE level

- ▶ To achieve a PBR better than 1.0, plans call for consolidated ROE to reach a minimum of 9.5% in FY2028, the final fiscal year of the Mid-Term Plan.
- ▶ Through improved securities yields and enhanced structured finance , ROE is expected to exceed 10%.



(Reference) Plans for net income attributable to owners of the parent

Earnings plans

		FY2024	...	FY2028	vs. FY2024	vs. before revision
Bank	Net interest income	85.9 billion yen		121.5 billion yen	+35.6 billion yen	+24.5 billion yen
	(Included) Loan interest, deposit interest, etc.	70.8 billion yen		87 billion yen	+16.2 billion yen	+13.3 billion yen
	(Included) Interest and dividends from securities	13 billion yen		22.5 billion yen	+9.5 billion yen	+2.5 billion yen
	Net non-interest income	20.5 billion yen		26.5 billion yen	+6 billion yen	+5 billion yen
	(Included) Corporate solutions	7.4 billion yen		11 billion yen	+3.6 billion yen	+2.5 billion yen
	(Included) Asset management	4.2 billion yen		6 billion yen	+1.8 billion yen	+0.5 billion yen
	Core business gross profit	106.5 billion yen	→	148 billion yen	+41.5 billion yen	+29.5 billion yen
	Expenses	57.5 billion yen		66.5 billion yen	+9 billion yen	+9.5 billion yen
	Net income from core businesses	49 billion yen		86.5 billion yen	+37.5 billion yen	+25 billion yen
	(Included) Credit costs	2.3 billion yen		8 billion yen	+5.7 billion yen	±0 billion yen
	Net income	32.9 billion yen		52 billion yen	+19.1 billion yen	+11 billion yen
Nonbank	Net income (Total)	2.9 billion yen		4.8 billion yen	+1.9 billion yen	+0.8 billion yen
	Net income attributable to owners of the parent	35.8 billion yen		57 billion yen	+21.2 billion yen	+12 billion yen

Note: Interest on loans and securities profits and dividends reflect deductions of external fundraising costs.

Major factors contributing to changes

Loan interest and deposit interest, etc.

- (Loans)
- Average annual growth rate of business loans and personal loans: 3%
 - Loan rate pass-through to policy rate: Prime (long-term): 80%, Prime (short-term): 50%, Market-linked / Long-term fixed: 100%
- (Deposits)
- Average annual growth rate of yen deposits: 2%
 - Deposit rate pass-through to policy rate: Current deposit: 40%, Time deposit: approx. 50%

Net non-interest income

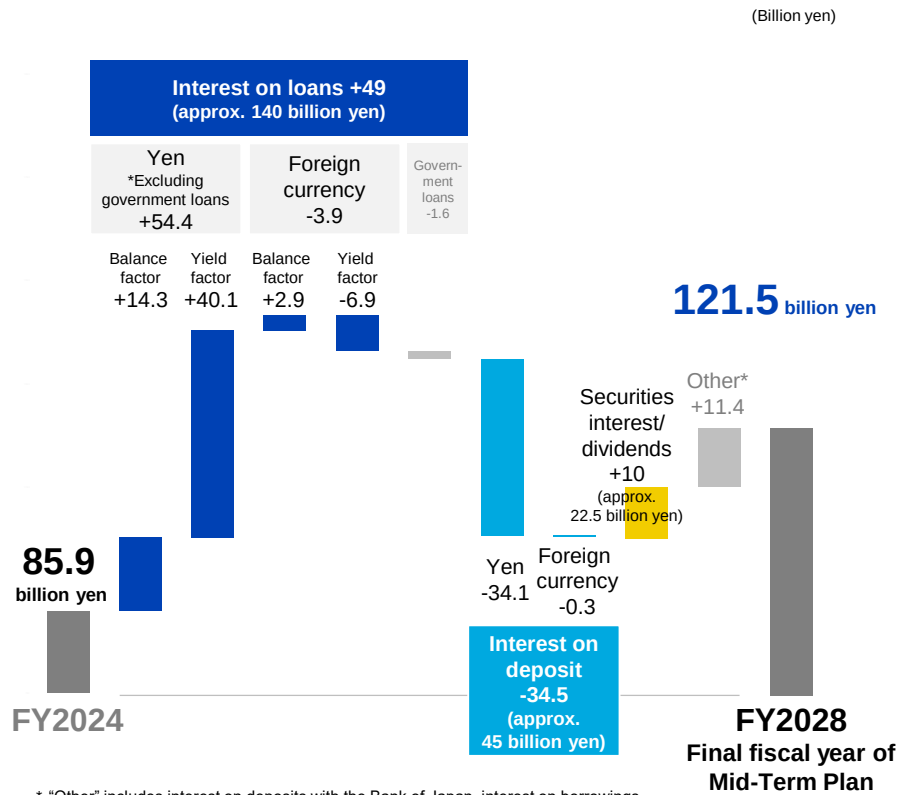
- (Corporate)
- Provision of new solutions and further risk-taking initiatives
(Strategic direction and implementation measures under consideration)

Expenses

- (Labor costs)
- Incorporating an average annual base salary increase of 3%
(+ approx. 1.6 billion yen)
- (Non-personnel expenses)
- Incorporating core systems migration and other IT investments
 - Incorporating additional DX investments
(+ approx. 4 billion yen)

Factors contributing to changes in net interest income and capital allocation plan

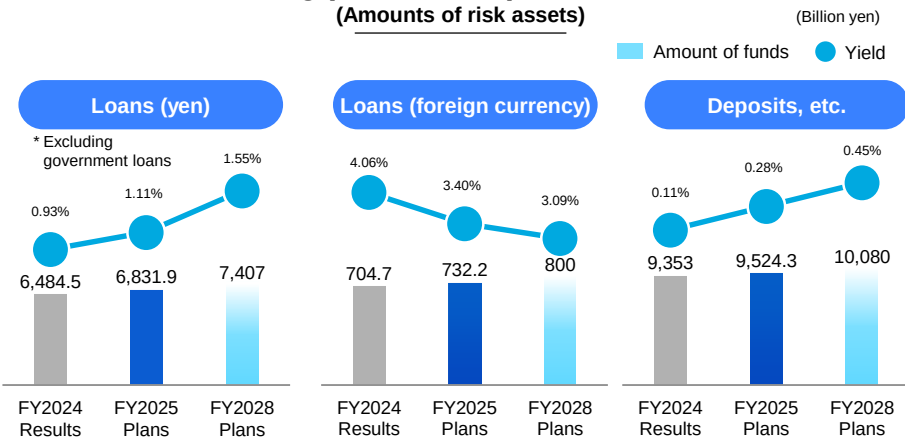
Factors contributing to changes in net interest income



* "Other" includes interest on deposits with the Bank of Japan, interest on borrowings from the Bank of Japan, etc.

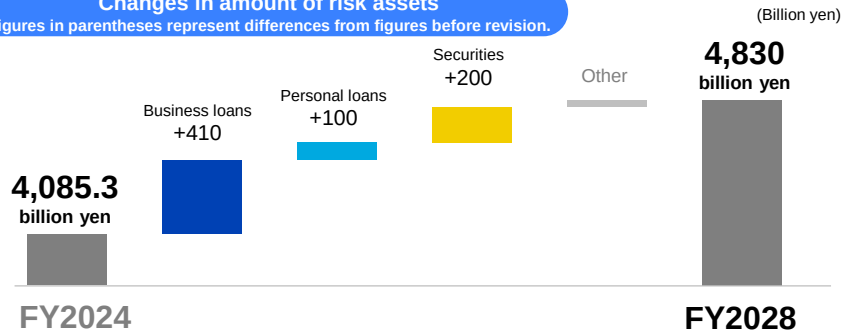
Funding plan and capital allocation

(Amounts of risk assets)



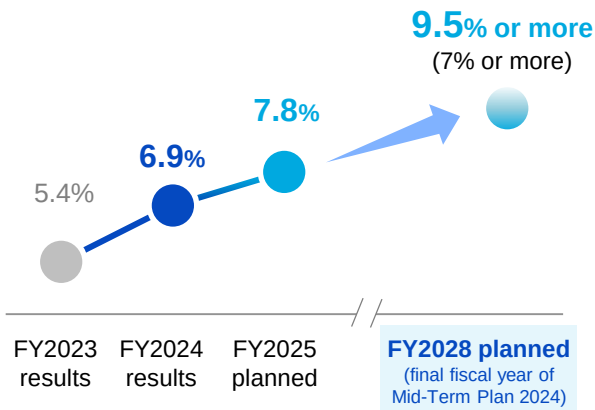
Changes in amount of risk assets

*Figures in parentheses represent differences from figures before revision.

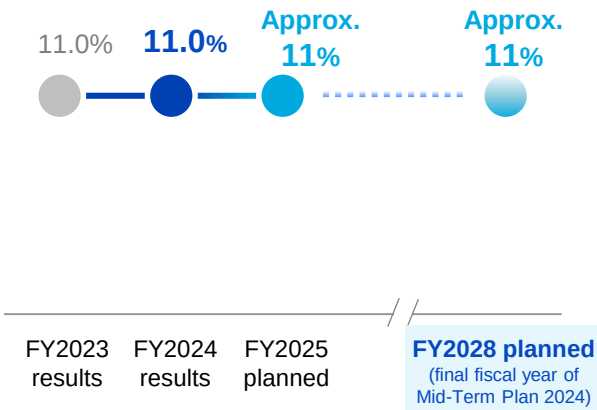


Consolidated ROE

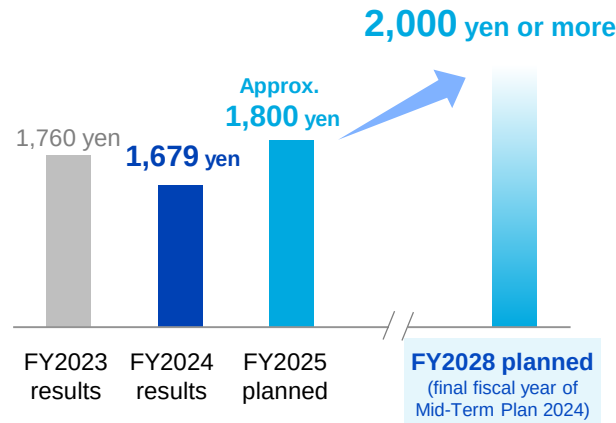
Figures in parentheses indicate targets before the revision.



Consolidated capital adequacy ratio



Consolidated BPS



Group initiatives to achieve the Regional Revitalization KPIs

KPIs for regional revitalization

Trends in Hiroshima Prefecture's population

Reducing the rate of decline (2028)

Tourism consumption in Hiroshima Prefecture

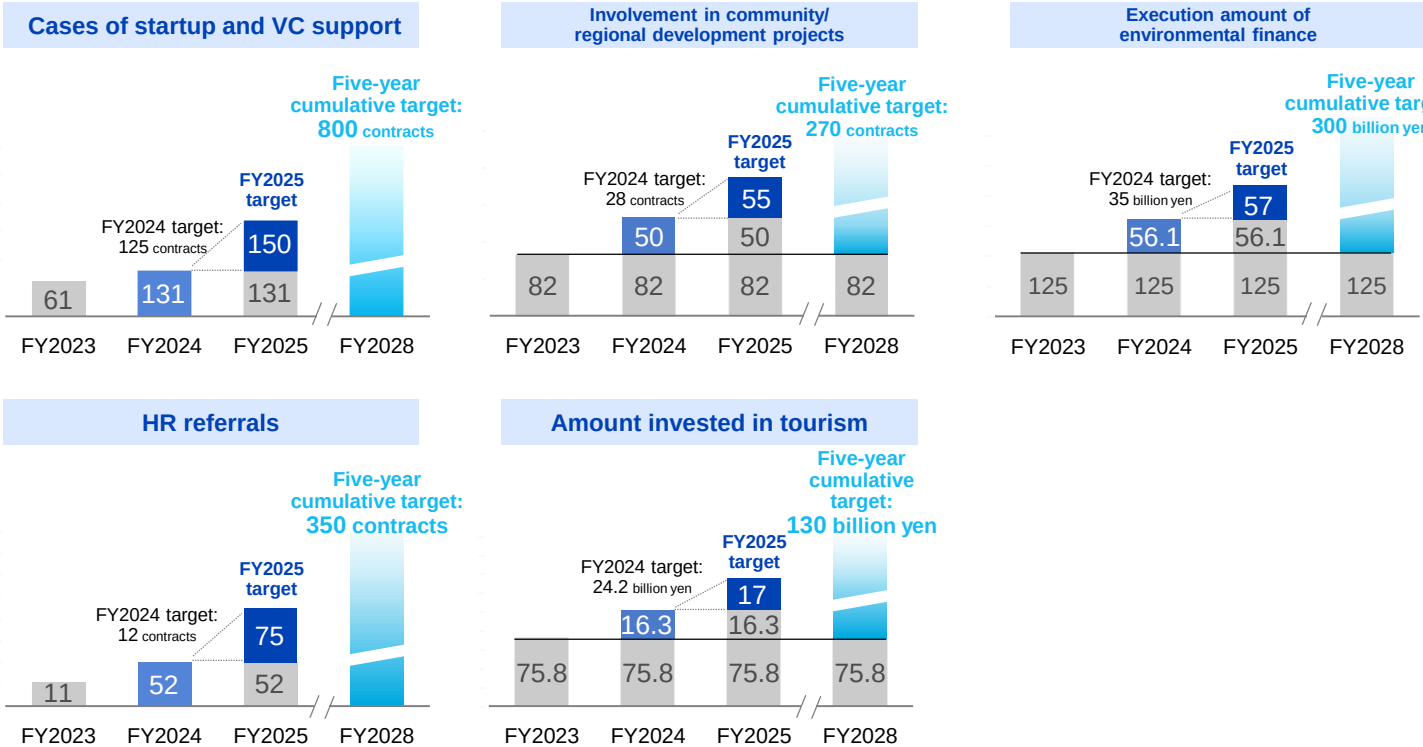
Targeting continual growth* (2028)

Hiroshima Prefecture's greenhouse gas emissions

Targeting continual reductions (2028)



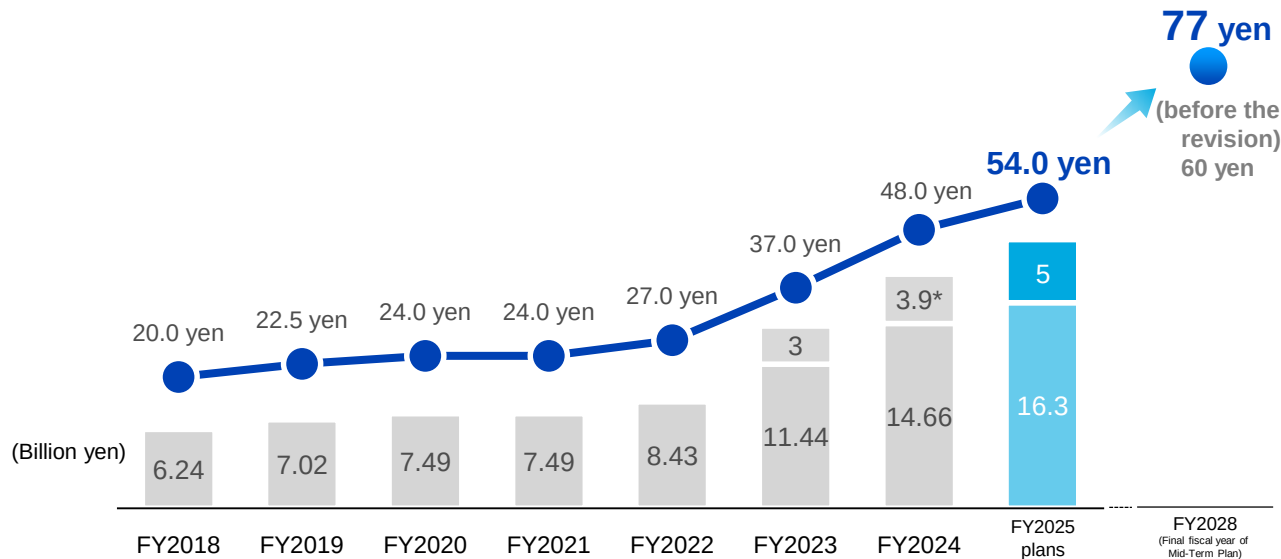
The Group's initiatives



* Increasing unit amount through shift from tourism by travelers passing through to excursion and long-term-stay tourism consumption

Returns to shareholders

- ▶ The annual dividend per share for FY2025 is scheduled to be 54.0 yen, an increase of 6.0 yen from the previous year.
- ▶ The dividend per share for the final fiscal year of the Mid-Term Plan 2024 is projected to be 77 yen (60 yen before the revision).



Dividends per share

Total treasury stock acquired
(Including planned acquisitions)

Total dividends
(Including planned dividends)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 plans	FY2028 (Final fiscal year of Mid-Term Plan)
Payout ratio	24.3%	28.8%	34.6%	32.5%	67.1%	41.0%	40.5%	40.4%	... Approx. 40%
Total return ratio	24.3%	28.8%	34.6%	32.5%	67.1%	52.2%	51.7%*	53.3%	—
Net income attributable to owners of the parent	25.5 billion yen	24.2 billion yen	21.5 billion yen	22.9 billion yen	12.5 billion yen	27.6 billion yen	35.8 billion yen	40 billion yen	57 billion yen

* Of the treasury stock repurchase amount of 5 billion yen, 1 million shares are scheduled to be disposed of via third-party allotment in support of the Hiroshima Museum of Art. Therefore, we estimate the effective repurchase amount will be 3.9 billion yen.

Note: Hirogin Holdings was established on October 1, 2020. The figures shown for FY2020 represent totals paid by Hiroshima Bank, including interim dividends of 12 yen per share (3,748 million yen in total).

Disclaimer

This document contains statements related to the future, including forecasts, outlooks, and plans concerning Hirogin Holdings, Inc. (hereinafter “the Company”) and its group companies (hereinafter “the Group”).

These statements are based on information currently available to the Company and reflect its expectations as of the time of preparation of this document. Certain assumptions have been used in preparing these statements. These statements and assumptions are subjective in nature and may prove to be inaccurate or may not materialize in the future. There are various uncertainties and risks that could cause such outcomes. Please refer to the Company’s financial results, securities reports, and integrated reports for additional information on these. In addition, the future-related statements in this document are, as stated above, based on information as of the date of this document (or as of any separately specified date), and the Company has neither the obligation nor the policy to update such information whenever changes occur. Also, any information contained in this document regarding companies or entities other than the Company or the Group has been quoted from publicly available sources, and the Company has neither verified the accuracy or appropriateness of such information nor does it guarantee its accuracy or appropriateness.

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