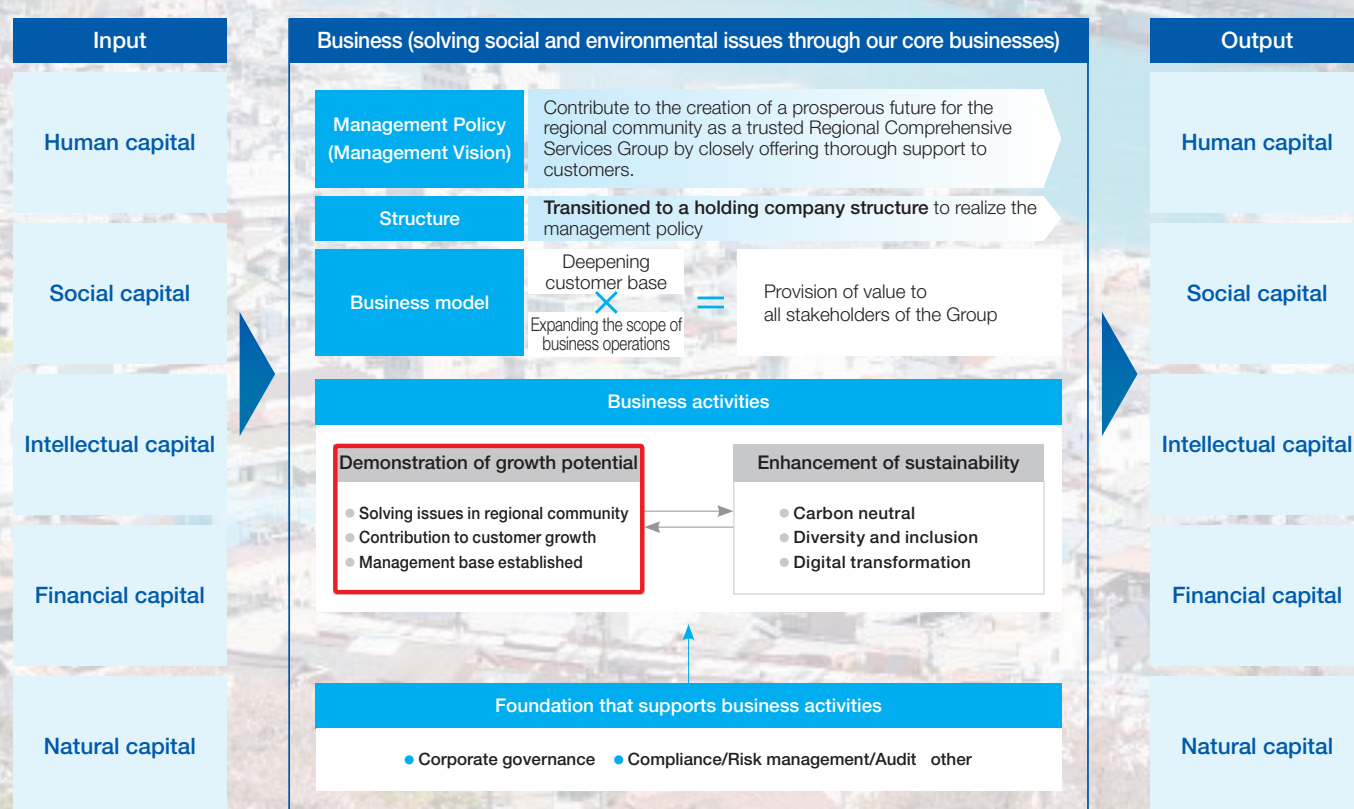


How We Will Grow

— Progress of Mid-Term Management Plan 2020 —

Hirogin Group is deepening and expanding the scope of our business operations and our customer base in the markets of our four local prefectures of Okayama, Yamaguchi, Ehime, and, in particular, Hiroshima, which has enormous potential in terms of the size of economy and growth opportunities. At the same time, the Group aims to realize our management policy and achieve sustainable growth of the Group by thoroughly working to resolve every issue that faces the local community and customers and actively committing ourselves to development of the region.

Value Creation Process Map



Onomichi Channel

Onomichi, the birthplace of Hiroshima Bank, is a region of flourishing commerce and industry, including the shipbuilding industry. The region of Hiroshima and other three prefectures (Okayama, Yamaguchi and Ehime) is an attractive market with a population of approximately 7.42 million and a GDP of approximately ¥31 trillion. With abundant tourism resources, such as Itsukushima Shrine and the Hiroshima Peace Memorial (Genbaku Dome), this region possesses enormous growth potential.





We will work to improve the Group's corporate value by maintaining and improving the capital adequacy ratio through ample retained earnings, appropriate risk-taking and strategic investment to capture new revenue opportunities.

Message from Financial Officer

Akira Ogi Director & Senior Managing Executive Officer

Positioning fiscal 2021 as substantively our inaugural fiscal year under the holding company structure, we worked to deepen and expand our customer base through mutual cooperation by Group companies and to expand the scope of our business operations, including enhancing group solution functions by establishing new subsidiaries.

Fiscal 2022 is an important year that will serve as a bridge to fiscal 2023, the final year of Mid-Term Management Plan 2020. In order to consolidate the holding company structure, we will strengthen intra-Group cooperation even further and accelerate the integration and streamlining of operations common to the Group with Hirogin Holdings at the center.

Business performance for fiscal 2021 and financial results forecasts for fiscal 2022

Business performance for fiscal 2021

Regarding the economy in this region during fiscal 2021, while exports and production improved as a whole and there were signs of a recovery in capital investment, the pace of recovery remained slow, with personal spending still at a low ebb amid continued caution about the new coronavirus.

Under such economic circumstances, despite increases in net interest income due to Hirogin Lease being made a wholly-owned subsidiary, increased income in corporate solutions such as support for business succession and M&A, and increases in fees related to shares and investment trusts at Hirogin Securities, the Company's consolidated gross profit fell by ¥3.2 billion year on year to ¥92.0 billion as a result of replacement trading of overseas bonds designed to improve yield, with the aim of improving the soundness of the securities portfolio.

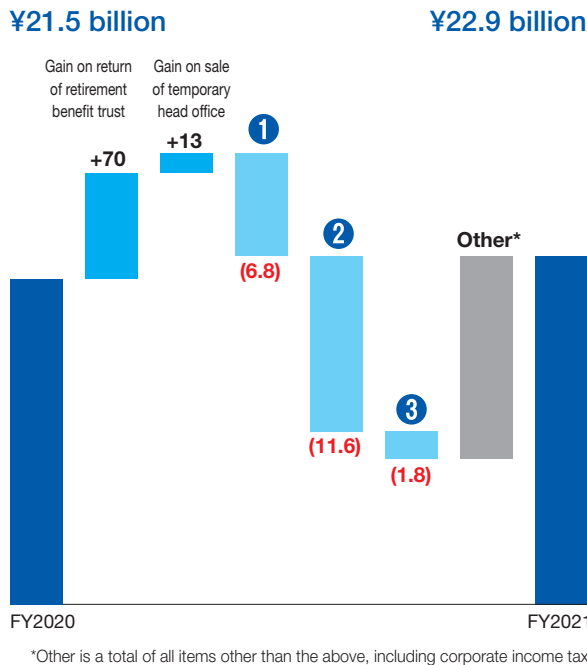
Profit attributable to owners of the parent increased by ¥1.4 billion to ¥22.9 billion due to the recording of gains on return of retirement benefit trust resulting from the partial return of trusts related to the retirement benefit trust, despite the recording of impairment losses on branches, as well as proactive allowances for credit expenses.

On the other hand, as we promote consulting services as a unified group, the total revenue related to consulting service for corporate and retail customers of Hiroshima Bank and net income for the Group companies, which is one of the management targets, was ¥14.8 billion, up ¥2.8 billion year on year, and contributions of Group companies to consolidated performance increased by 4.5 pt from the previous year to 15.9%.

Efforts for financial soundness in fiscal 2021

In fiscal 2021, we undertook actions to contribute to financial soundness, such as the sale of U.S. Treasury bonds with low yields of 1.5% or less and the recording of proactive allowances.

Special factors in profit attributable to owners of the parent



Financial results forecasts for fiscal 2022

For fiscal 2022, in addition to the strengthening of provision of Group solutions that go beyond financial areas to corporate customers in anticipation of post COVID needs, we will strive for the strengthening of carbon neutral initiatives in the region as well as working to strengthen stock revenue through the conversion of the fundamental business model in our retail strategy. The total revenue related to consulting services for corporate

1 Loss on replacement trading of overseas bonds [(6.8)]

The Company undertook replacement trading of overseas bonds with the aim of improving yield, including selling all U.S. Treasury bonds with low yields of 1.5% or less (approximately ¥99.0 billion).

| Yield (overseas bonds) | End of December, 2021 Approx. 1.3% | End of June, 2022 Approx. 1.9% |
|------------------------|---------------------------------------|-----------------------------------|
|------------------------|---------------------------------------|-----------------------------------|

2 Proactive allowance in credit losses [(11.6)]

¥4.5 billion was recorded due to the review of the extension of the calculation period for expected loss ratio and ¥3.0 billion was recorded due to the provision of Group allowances.
We also recorded an additional allowance of ¥4.1 billion for some corporate customers.

| Coverage to amounts of loans reported | FY2020 70.6% | FY2021 76.6% |
|---------------------------------------|-----------------|-----------------|
|---------------------------------------|-----------------|-----------------|

*Improvement of capital adequacy ratio with proactive allowance: Approx.+0.1 pt (Decrease in shortfall of eligible provisions. Comparison between end of December 2021 and end of March, 2022)

3 Impairment loss on branches [(1.8)]

With the aim of reducing the number of branches, a policy of approximately 20 individual branches (amalgamation, relocation, etc.) was decided, and impairment losses were recorded.

and retail customers of Hiroshima Bank and net income for the Group companies is forecast at ¥14.0 billion.

Credit expenses are forecast at ¥4.0 billion, due mainly to the effect of proactive allowances recorded in fiscal 2021.

For profit attributable to owners of the parent, we expect an increase to ¥25.0 billion due to the effect of financial soundness efforts made in fiscal 2021.

Hirogin Holdings (Consolidated)

| (¥ billion) | FY2021 (Results) | FY2022 (Plan) |
|--|------------------|---------------|
| Consolidated gross profit | 92.0 | — |
| Ordinary profit | 27.0 | 37.0 |
| Profit attributable to owners of the parent | 22.9 | 25.0 |
| Total of revenue related to consulting service for corporate and retail customers of Hiroshima Bank*1 and net income for the Group companies*2 | 14.8 | 14.0 |
| Contributions of Group companies to consolidated performance*3 | 15.9% | 13.1% |
| Consolidated capital adequacy ratio*4 | 10.3% | 11.1% |
| Consolidated ROE | 4.5% | 4.7% |

Hiroshima Bank (Non-consolidated)

| (¥ billion) | FY2021 (Results) | FY2022 (Plan) |
|---------------------------|------------------|---------------|
| Core gross banking profit | 87.9 | 86.0 |
| Core banking profit | 34.7 | 32.5 |
| Ordinary profit | 22.8 | 33.5 |
| Net income | 20.6 | 23.0 |

*1 Bank's revenue related to consulting service for corporate and retail customers is the total of revenues from corporate solutions, asset management, and equity business.

*2 Net income for the Group companies is the total of net income for consolidated subsidiaries, excluding Hiroshima Bank, multiplied by investment ratio.

*3 Contributions of Group companies to consolidated performance is net income for the Group companies (*2) divided by profit attributable to owners of the parent.

*4 The effect of the early implementation of the finalized Basel III framework under the Basel Regulations (regulations for soundness of banks, etc.) has been factored into forecasts for consolidated capital adequacy ratio for FY2022 (end of March, 2023).

Management objectives for Mid-Term Management Plan 2020

In Mid-Term Management Plan 2020, we are aiming to achieve higher profitability through intra-Group cooperation and have set out management objectives of over ¥16.0 billion in total of revenue related to consulting service for corporate and retail customers of Hiroshima Bank and net income for the Group companies and 12% or more in contributions of Group companies to consolidated performance.

Moreover, we are also targeting over ¥27.0 billion in profit attributable to owners of the parent and 5% or more in consolidated ROE.

Please see Page 62 for a progress report on Mid-Term Management Plan 2020.

Management objectives for Mid-Term Management Plan 2020

| | FY2023 |
|--|-------------------------|
| Profit attributable to owners of the parent | More than ¥27.0 billion |
| Total of revenue related to consulting service for corporate and retail customers of Hiroshima Bank and net income for the Group companies | ¥16.0 billion or more |
| Contributions of Group companies to consolidated performance | 12% or more |
| Consolidated capital adequacy ratio | 10% or more |
| Consolidated ROE | 5% or more |

Capital policy

Management aimed at maintaining soundness and improving capital efficiency

The amount of risk assets of the Company at the end of March 2022 increased by ¥196.4 billion compared with the end of March 2021 to ¥4,046.8 billion. This was attributable mainly to financing support for companies affected by the coronavirus crisis and active credit risk-taking on equity investment, as well as increases in securities due to the partial return of trusts related to the retirement benefit trust.

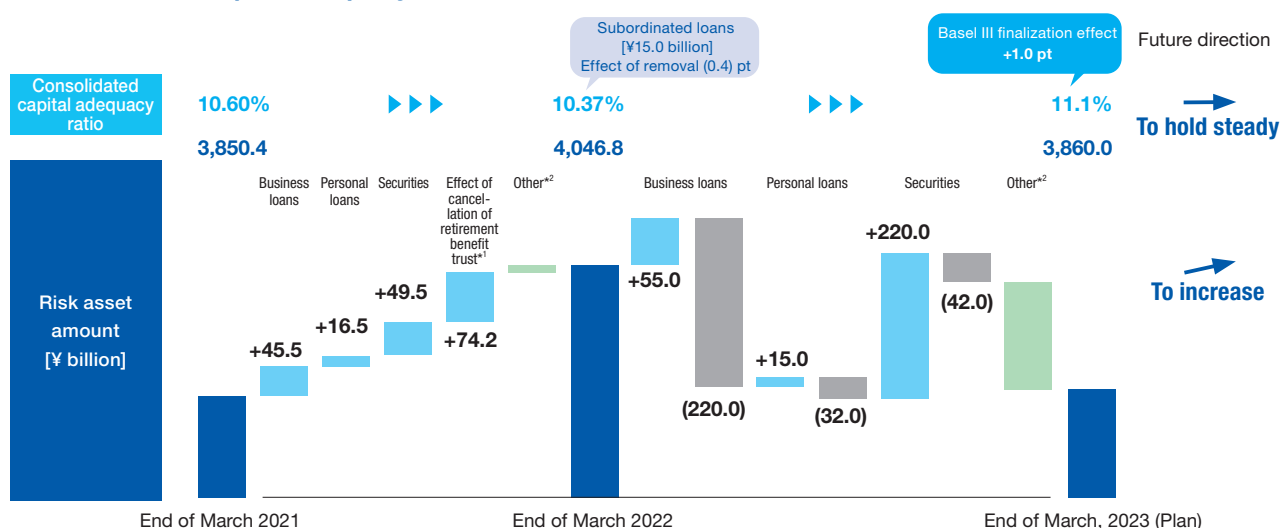
The consolidated capital adequacy ratio at the end of March 2022 was 10.37%, due mainly to the aforementioned increase in risk assets and to the effect of removal of subordinated loans in December 2021.

The Group sets a risk appetite framework to operate business in a way that soundness is maintained and the capital efficiency is improved.

We position active credit risk-taking in the region and strategic investment aimed at gaining new revenue opportunities as one of the pillars of our management strategy. To strengthen the equity business, which is a growth driver of the Mid-Term Management Plan 2020, we are allocating capital based on strategic risk assets, while also taking into account the early implementation of the finalized Basel III standards at the end of March 2023.

We will strive to maintain a consolidated capital adequacy ratio of at least 10% for the medium to long term by continuing to focus on achieving appropriate levels of profitability concerning the amount of risk assets and striking the right balance against the capital adequacy ratio.

Consolidated capital adequacy ratio and risk asset amount



*1 Recording of assets as securities (shares) due to cancellation of retirement benefit trust

*2 Other includes assets of Group companies other than the Bank, fixed assets, operational risk assets, etc.

■ is the effect of early implementation of finalized Basel III standards (effect on operational risk assets is recorded in *2 Other)

<Reference> External credit rating

| | Japan Credit Rating Agency (JCR) | Rating and Investment Information (R&I) | Moody's |
|------------------|----------------------------------|---|---------|
| Hirogin Holdings | AA- | A | — |
| Hiroshima Bank | AA- | A+ | A2 |

Reducing cross-shareholdings for improved capital efficiency

The Group has a basic policy of not engaging in cross-shareholding, except where it is deemed that the holding has a rationale such as development of the regional economy or improvement of corporate value.

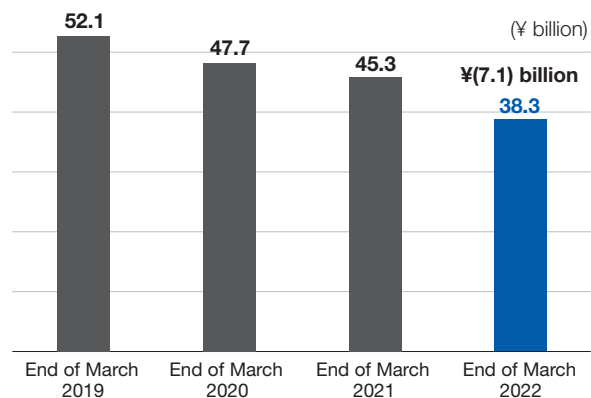
As for shares held, the Group examines the rationale for the shareholding, also taking ESG perspectives into account, and if the Group cannot find sufficient rationale for the shareholding, it will decide whether to continue to hold them after having dialogue with the issuing company.

In fiscal 2021, we reduced our cross-shareholdings by 21 companies (including partial reduction) and by ¥7.1 billion (based on acquisition cost), as a result of dialogue with issuing companies.

We will continue to reduce cross-shareholdings through dialogue with the issuing companies with a view to efficient utilization of capital.

See page 102 for details of our policy regarding cross-shareholdings, etc.

Shareholding of listed shares and cross-shareholdings (¥ billion; based on acquisition cost; excludes deemed shareholdings)



RORA on cross-shareholdings of listed companies
3.3% (FY2021 results)

Enhanced shareholder returns

The Group takes care to enhance shareholder returns and retained earnings in order to thoroughly address various issues facing the regional community and our customers and contribute to the region's sustainable growth as a Regional Comprehensive Services Group, and pays "performance-linked dividends," which reflect profit attributable to owners of the parent, in addition to "stable dividends."

In fiscal 2021, we paid out an annual ordinary dividend of ¥24 per share and the consolidated payout

ratio came to 32.5%. For fiscal 2022, we plan to pay an annual dividend of ¥27 per share, based on the dividend criteria table.

In addition, we aim to pay an annual dividend of ¥30 or more per share for the last year of the Mid-Term Management Plan (FY2023).

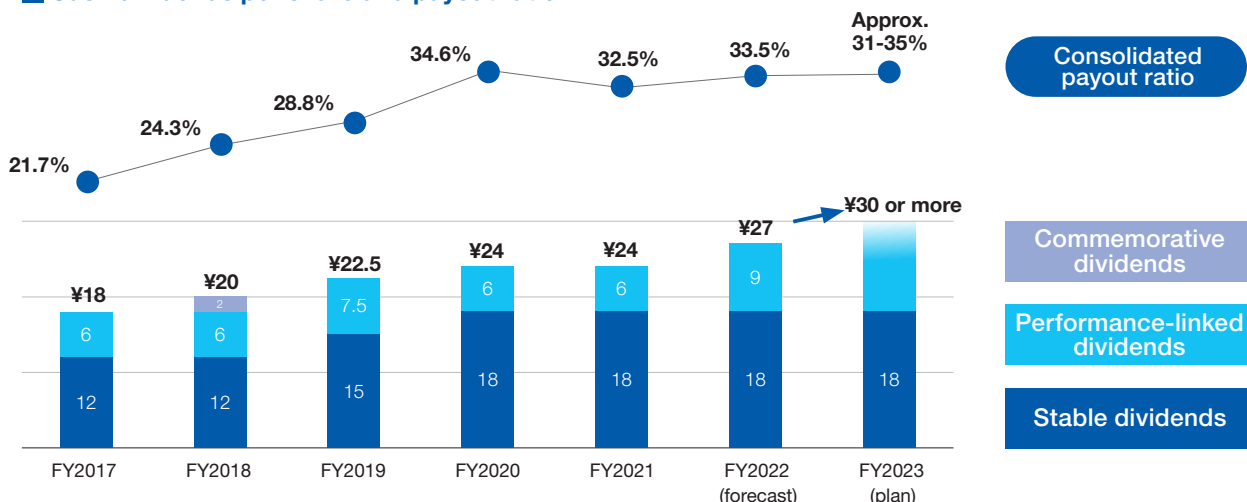
We will continue to aim for enhanced shareholder returns, while steadily increasing retained earnings.

Dividend criteria table

| Profit attributable to owners of the parent | Cash dividends per share | | | Consolidated payout ratio |
|---|--------------------------|----------------------------------|-----------|---------------------------|
| | (1) Stable dividends | (2) Performance-linked dividends | (1) + (2) | |
| Over ¥33.0 billion | ¥18 | ¥18 | ¥36 | Below 34.1% |
| Over ¥30.0 billion - up to ¥33.0 billion | | ¥15 | ¥33 | 31.2% - below 34.4% |
| Over ¥27.0 billion - up to ¥30.0 billion | | ¥12 | ¥30 | 31.2% - below 34.7% |
| Over ¥24.0 billion - up to ¥27.0 billion | | ¥9 | ¥27 | 31.2% - below 35.1% |
| Over ¥21.0 billion - up to ¥24.0 billion | | ¥6 | ¥24 | 31.2% - below 35.7% |
| Over ¥18.0 billion - up to ¥21.0 billion | | ¥3 | ¥21 | 31.2% - below 36.4% |
| Up to ¥18.0 billion | | ¥0 | ¥18 | 31.2% or more |

Note: The Group conducted a share consolidation of common shares at the ratio of 1 share for 2 shares on October 1, 2017. Cash dividends per share figures in fiscal 2017 are amounts accounting for the share consolidation. As we revised the dividend criteria table in fiscal 2019, proportionate figures for the period before and after the revision are shown. For fiscal 2020, as Hirogin Holdings was established on October 1, 2020, the interim dividend of ¥12 per share (total of dividends paid: ¥3,748 million) paid by Hiroshima Bank is included.

Cash dividends per share and payout ratio



Mid-Term Management Plan 2020

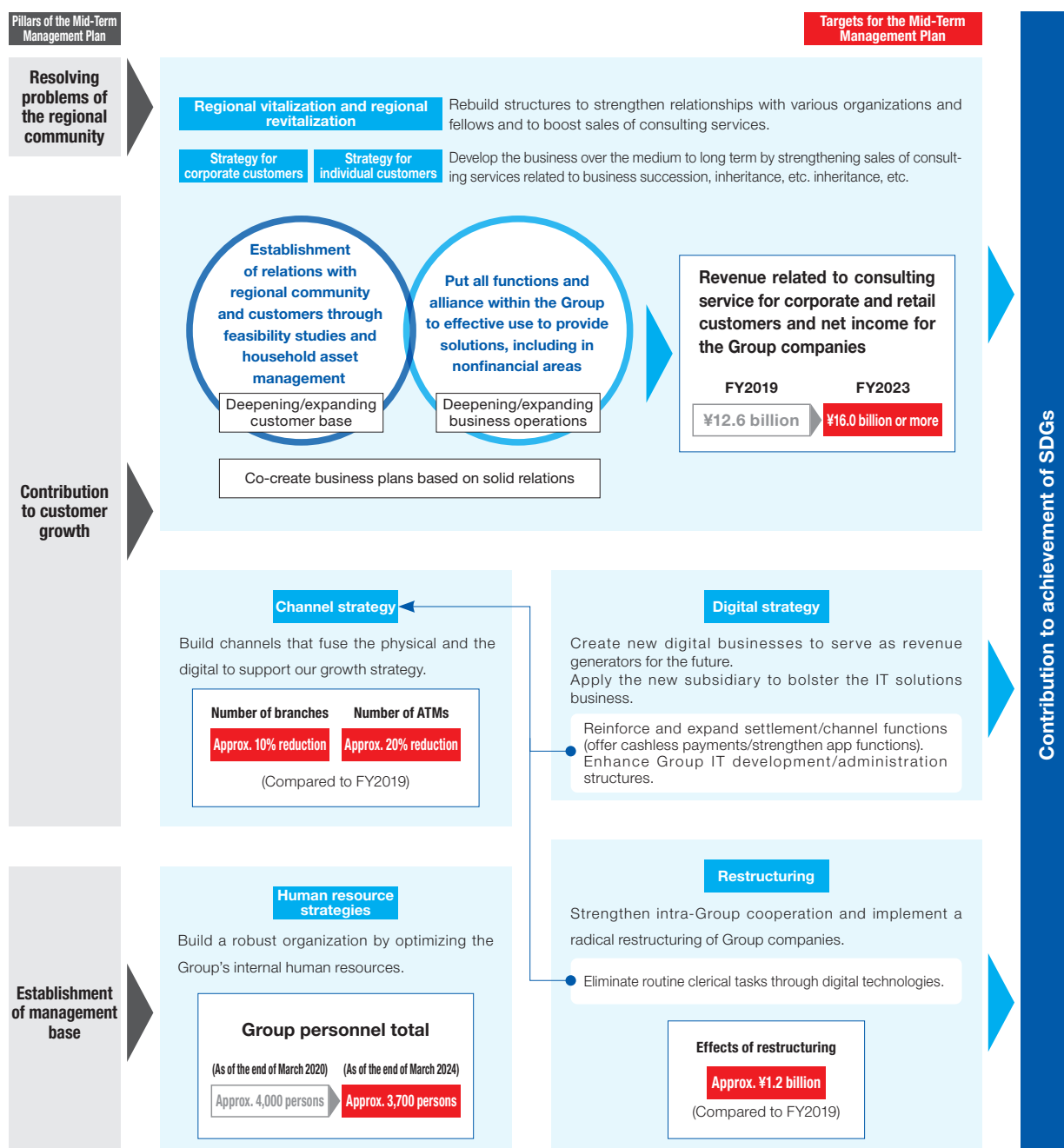
Basic approach to Mid-Term Management Plan 2020

We are deepening and expanding the scope of our business operations and our customer base in the markets of our four local prefectures of Okayama, Yamaguchi, Ehime, and, in particular, Hiroshima, which has enormous potential in terms of the size of economy and growth opportunities. At the same time, we aim to

realize our management philosophy and achieve sustainable growth of the Group by thoroughly working to resolve every issue that faces the local community and customers and actively committing ourselves to development of the region.

Advancing to the next stage by boldly accelerating Group integration through reformed awareness and actions triggered by becoming a holding company structure

Overall picture of Mid-Term Management Plan 2020



Progress toward management targets in Mid-Term Management Plan 2020

FY2023 objectives

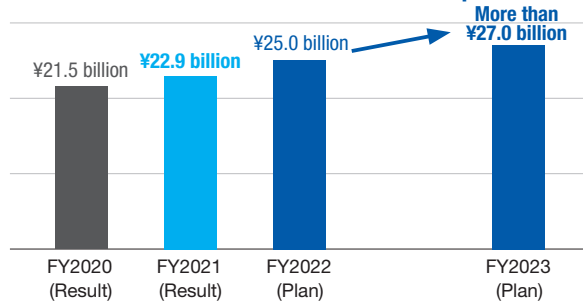
| | | |
|--------------------------|--|-------------------------|
| Hirogin Holdings | Profit attributable to owners of the parent | More than ¥27.0 billion |
| | Consolidated ROE | 5% or more |
| | Consolidated capital adequacy ratio | 10% or more |
| Hiroshima Bank | Revenue related to consulting service for corporate and retail customers of Hiroshima Bank ^{*1} | ¥16.0 billion or more |
| Excluding Hiroshima Bank | Net income for the Group companies ^{*2} | |
| Excluding Hiroshima Bank | Contributions of Group companies to consolidated performance ^{*3} | 12% or more |

^{*1} Revenue related to consulting service for corporate and retail customers = Total of revenues from corporate solutions, asset management, and equity business

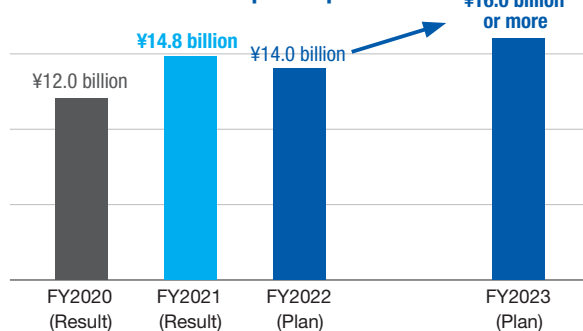
^{*2} Net income for the Group companies = Total of net income for consolidated subsidiaries, excluding Hiroshima Bank, multiplied by investment ratio

^{*3} Contributions of Group companies to consolidated performance = Net income for the Group companies (^{*2}) / Profit attributable to owners of the parent

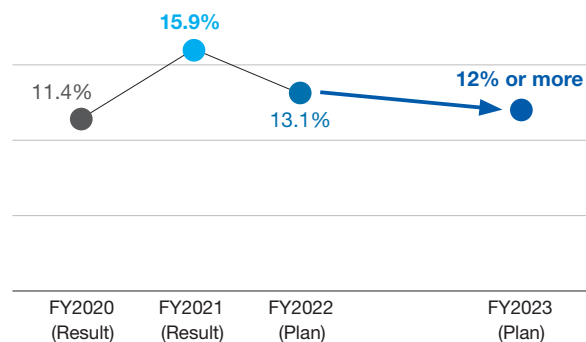
Profit attributable to owners of the parent



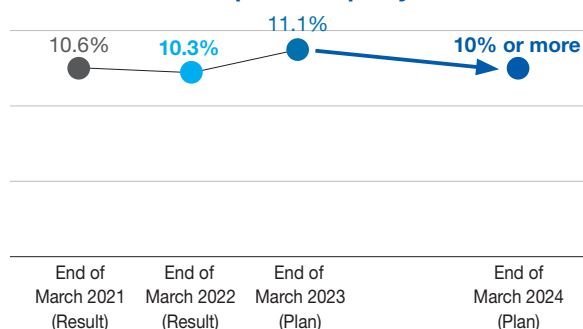
Total of revenue related to consulting service for corporate and retail customers and net income for the Group companies



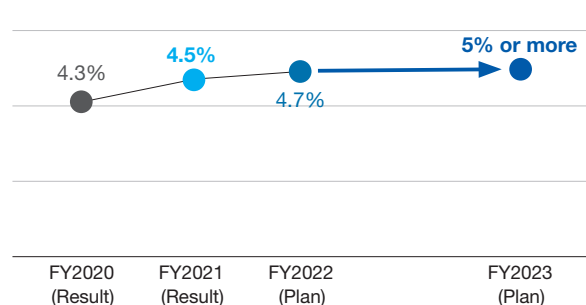
Contributions of Group companies to consolidated performance



Consolidated capital adequacy ratio



Consolidated ROE



Initiatives Aimed at Practicing Customer-Oriented Business Operations

Basic approach

The Group has strived for the development of regional economy while enhancing customers' satisfaction and peace of mind.

However, today, in what has been called the VUCA (volatility, uncertainty, complexity, and ambiguity) era, as changes in the environment surrounding customers grow more intense, customers' concerns and needs are likely to become even more complicated.

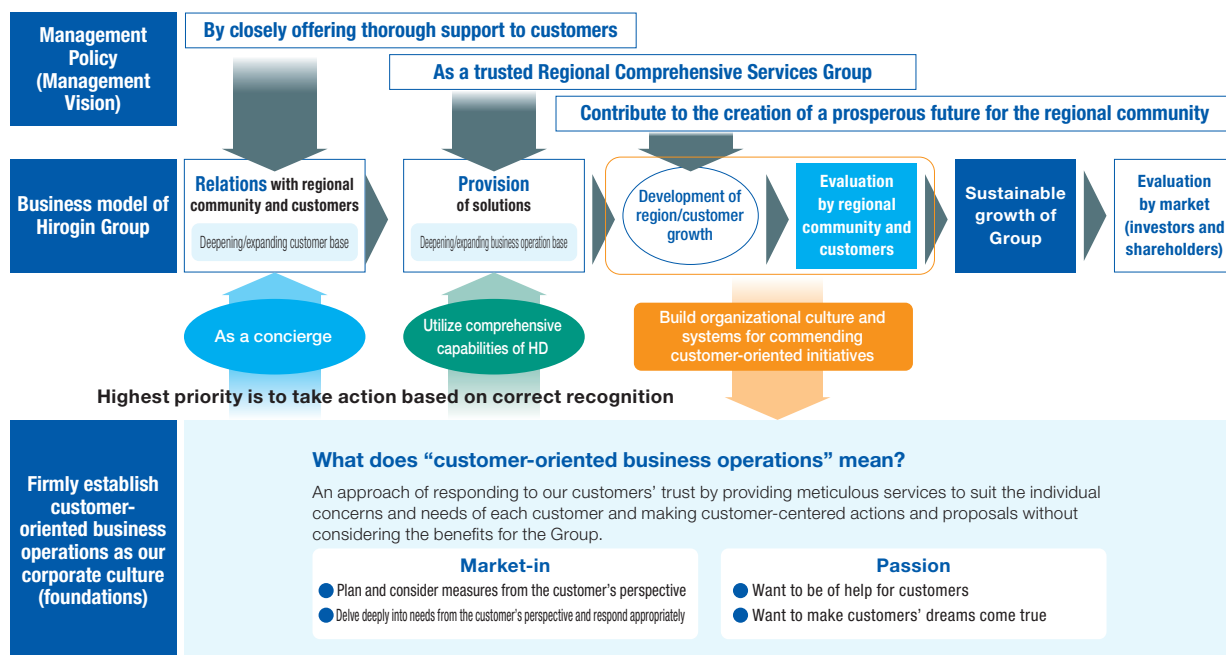
Based on that recognition, the Group reorganized the Group Fiduciary Duty (FD) Committee into the Group Customer-oriented Business Operation Committee in May 2022, based on the concept that "customer-oriented business operations" means to respond to our customers' trust by providing meticulous services to suit the individual concerns and needs of each customer and making customer-centered actions and proposals,

with the aim of realizing a Regional Comprehensive Services Group. In doing so, we will strive for the Group-wide penetration and practice of customer-oriented business operations that go beyond financial products sales.

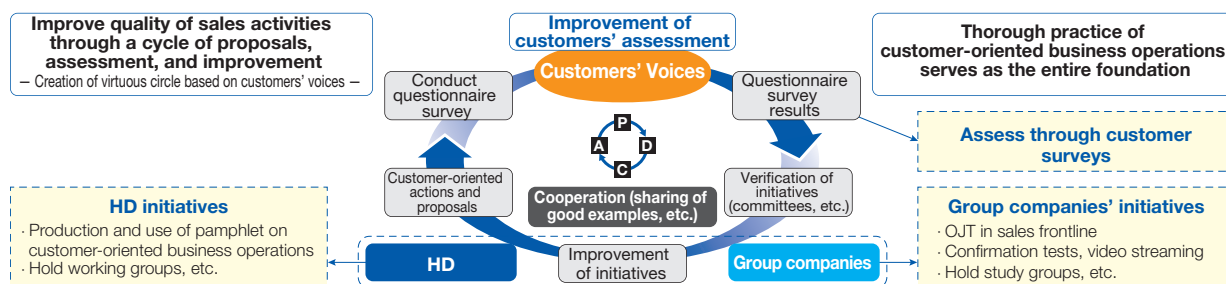
Our DNA of customer-oriented business operation, which has overcome hardships such as the atomic bomb and been passed down over the years, is a valuable intangible asset of the Group.

With "market-in" approach based on customers' voices and "passion" as key words, we will continue in our efforts to give form to our business model of being a Regional Comprehensive Services Group that is our aim and to realize our management policy by further establishing customer-oriented business operations as our corporate culture.

Customer-oriented business operations to realize the Group's management policy



Creation of PDCA cycle based on customers' voices and initiatives to realize a virtuous circle



Policy for initiatives aimed at practicing customer-oriented business operations

With the awareness of being a regional comprehensive services group that supports the regional economy, we deal with our customers with sincerity, prepare for terrorism, cyber-attacks, and natural disasters that threaten civilian life and business activities, and provide the highest quality regional comprehensive services with full consideration for appropriate protection of customers' interests by improving security standards and ensuring business continuity in the event of disasters. Through these efforts, the Group strives to enhance customer satisfaction and peace of mind and contributes to the development of the regional economy.

In the provision of services, we hold customers' interests to the maximum priority. In line with this attitude, we maintain a high level of expertise and offer high-value-added products and services from a customer perspective, which we believe would result in improved corporate value of the Group over the medium and long term. Based on such recognition, we have established, published, and practiced the "policy for Hirogin Group's customer-oriented business operations."

Customer-oriented lineup of products

Hiroshima Bank and Hirogin Securities work as one to offer a wide range of financial products that meet a variety of asset formation needs depending on the customer's purpose for asset management, knowledge and experience, asset and liability composition, and risk tolerance.

When adopting new financial products, we thoroughly review "matters to be considered in product selection (merchantability, product structure, and com-

mission level, etc.)," which are set by each group company, to select products that aid customers' medium to long term asset formation and asset management.

In addition, we periodically verify whether the current lineup of products of each group company complies with the above matters to be considered.

When adopting products, we check matters on credit quality and support systems of asset management companies.

Proposals for portfolios that contribute to customer asset formation (promotion of long-term, deposit, or diversified investment)

For inexperienced or beginner investors, we help them understand the necessity of asset investment in line with life events, risk and return relationships, and investment procedures. We precisely identify customer's target asset amounts based on their investment purposes, risk tolerance, needs, knowledge and experience, financial assets, and life plans, and the appropriate proportions of financial products to achieve that target.

When proposing products based on customers' purposes, risk tolerance, needs, target asset amounts, and other information identified, we provide an easy-to-understand explanation of products, including commissions that customers bear, using materials and tools such as a product brochure and a proposal tool in accordance with the customer's level of understanding.

When proposing a complicated product with high risks, we carefully explain in an easy-to-understand way, using key information sheets, to make it easier for the customer to compare the proposed product with similar products.

In order to reduce customer paperwork for product applications, we are improving operational efficiency.

To meet a variety of customer needs for asset management, we strive to research on and actively use FinTech, including the introduction of a robo-advisor.

We hold seminars to help customers improve financial literacy in areas such as understanding market environments and gaining knowledge on finance and investment.

Customer-oriented follow-up services

We explain to the customer the characteristics and management status of products, and verify any changes in the initially identified investment purpose, risk tolerance, needs, and target asset amounts in order to propose reviews of the customer's portfolio and life plans. As such, we provide appropriate and easy-to-understand information regularly from long-term perspectives, according to the degree of the customer's understanding.

In case of a drastic change in market trends, we provide customers with information necessary for making investment decisions, such as forecasts on market value and management status of the products to provide customers with information in a timely and appropriate manner. We hold periodical seminars to provide customers with information including related market trends and management status necessary for making investment decisions on products that customers hold.

Frameworks to give appropriate incentives to employees for the pursuit of customer-oriented business operations

We have established a performance evaluation system that contributes to customer-oriented business operations.

To maintain a high level of expertise that is responsive to diversifying and more sophisticated customer needs for asset management, we enhance the quality of education for our sales staff and improve performance evaluation management by expanding the number of

personnel with the financial planner certification and providing training programs to refine the level of consulting services.

We study the status of customer-oriented consultation and information provision conducted by sales representatives through monitoring by headquarters and utilize it for the education of sales representatives.

Regional Vitalization and Regional Revitalization

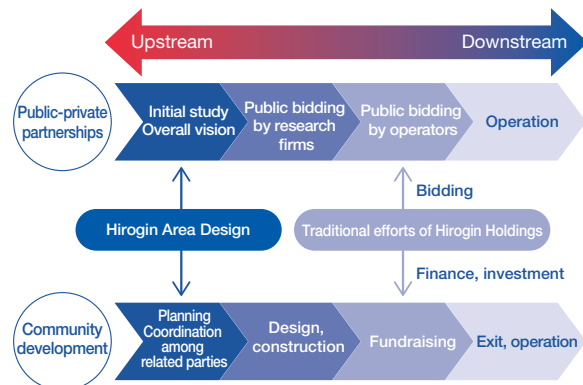
Development of new business related to regional vitalization and regional revitalization

The Group has been working on regional vitalization and regional revitalization, including consulting for tourism promotion, urban redevelopment, and government organizations, mainly through Hiroshima Bank. Most of our involvement has been in the downstream stages, such as bidding for public projects and lending in the financing stage.

However, in order to solve increasingly diverse issues in the regional community, it is important that we be actively involved in projects from the upstream stages, such as initial studies, planning, and coordination among related parties.

To this end, the Group established Hirogin Area Design in April 2021, centralizing Group functions related to regional vitalization and regional revitalization to strengthen our response framework.

The trust and results that we have fostered with stakeholders in the regional community through the history of thorough community-based management are an important intangible asset of the Group.



Going forward, the Group, with Hirogin Area Design at the center, will become a leader in pushing forward with new businesses tied to local vitalization and local revitalization, cooperating with local public bodies and business operators along the way, by becoming actively involved in regional vitalization projects from the upstream stages.

Support for formulation of city promotion strategy by Miyoshi City

In July 2021, Hirogin Area Design was contracted by the City of Miyoshi to perform work for the creation of regional attractions. The company assisted with the formulation of a city promotion strategy designed to attract more people to move into the city, work there, or become involved with the city in one way or another, by conveying Miyoshi's appeal both within and outside the city.

In the formulation of this strategy, as well as appealing to adults, Hirogin Area Design held residents' meetings for high school students in cooperation with local senior high schools and, by absorbing a wide range of opinions from Miyoshi residents, conducted activities to deepen their love for the city and formulated a brand message to express the appeal of the Miyoshi.



Project to make use of Citrus Park in Setodacho, Onomichi City

In November 2021, after a public call was made for proposals for the use of Citrus Park Setoda, which is owned by the City of Onomichi, a consortium comprising Hirogin Area Design and two other companies was selected as project operator.

Hirogin Capital Partners has acquired a stake in the park's operating entity, Setomosu Co., Ltd., and, mainly through Hirogin Area Design, the Group is involved in growing lemons, operating glamping facilities, and other projects to rehabilitate the park.

We will contribute to regional vitalization and regional revitalization by rehabilitating Citrus Park in Setodacho, Onomichi, which is currently closed, to make it a park where everyone can familiarly and casually enjoy with peace of mind. Our contribution will also solve regional issues concerning business succession resulting from the aging of lemon growers in Setoda, which is one of Japan's most prominent lemon-growing regions, as well as tourism-related issues.



Tourism promotion and urban redevelopment initiatives

Our local region, including Hiroshima, is rich in tourism resources, including World Heritage Sites such as the Hiroshima Peace Memorial (Genbaku Dome) and Itsukushima Shinto Shrine, as well as the Seto Inland Sea and surrounding semi-mountainous areas.

With Hirogin Area Design taking the lead, Hirogin Group is pursuing initiatives for communicating these

tourism resources and the appeal of the local region as well as initiatives aimed at the further vitalization of urban functions.

With the G7 Summit to be held in Hiroshima in 2023, the eyes of the world will be on our region. Seeing this as an opportunity, we will focus even more on tourism promotion and urban redevelopment.

Attracting Hilton Hotels

October 2022 will see the grand opening of the Hilton Hotel Hiroshima, the first Hilton-branded hotel to open in the Chugoku/Shikoku region.

Hirogin Group provided investment and financing for this hotel project and is also supporting operations related to the hotel's management, including market research.

In addition to its use as a MICE facility and capturing inbound tourism demand, hotel-related businesses and job creation will contribute to the revitalization of the regional economy.

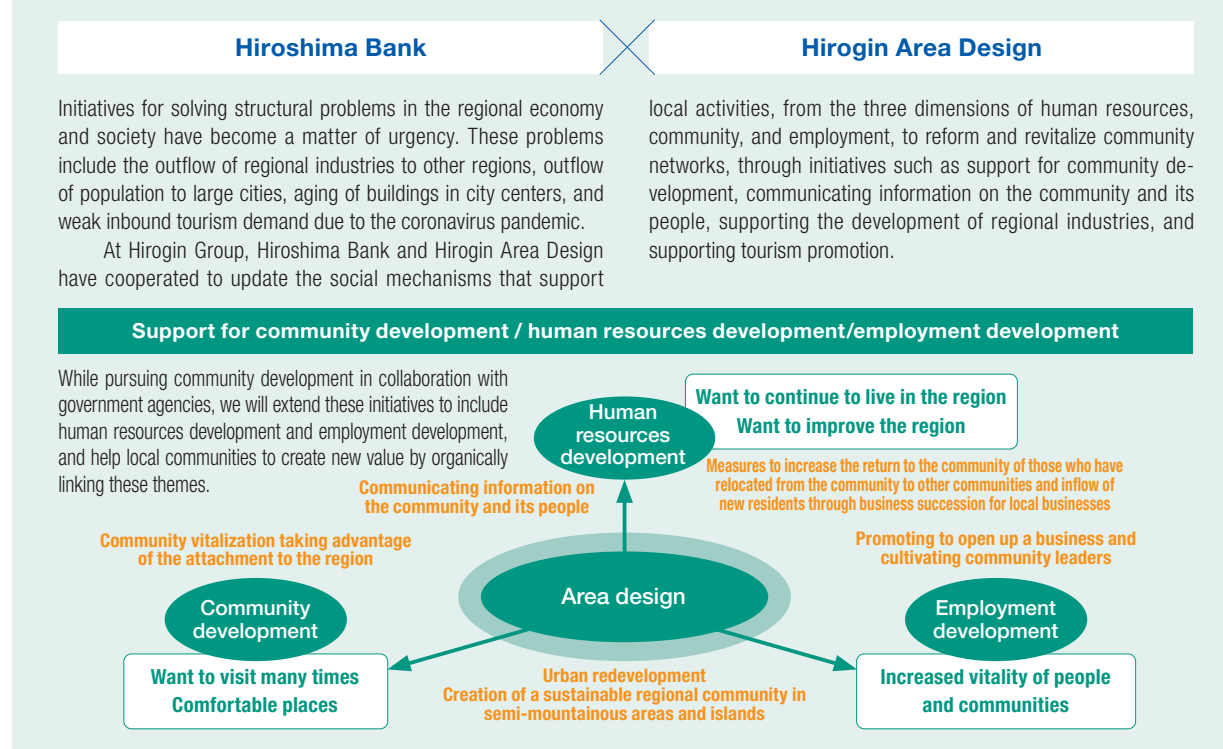


Operation of Hiroshima Airport

With the privatization of Hiroshima Airport (outsourcing of operations to the private sector), a consortium comprising local influential companies, including Hiroshima Bank and Hirogin Capital Partners, and Tokyo-based real estate companies and trading firms with operational expertise was selected and is now engaged in the operation of the airport. There are plans to expand international routes with the aim of making the airport the sky gateway to Hiroshima to capture inbound tourism and vitalize the region.



Group Collaboration Regional Vitalization and Regional Brand Strategy



Development of regional industries through acceleration programs

Hirogin Group, through Hirogin Area Design and Hiroshima Bank, is engaged in acceleration programs in cooperation with alliance partners to discover university

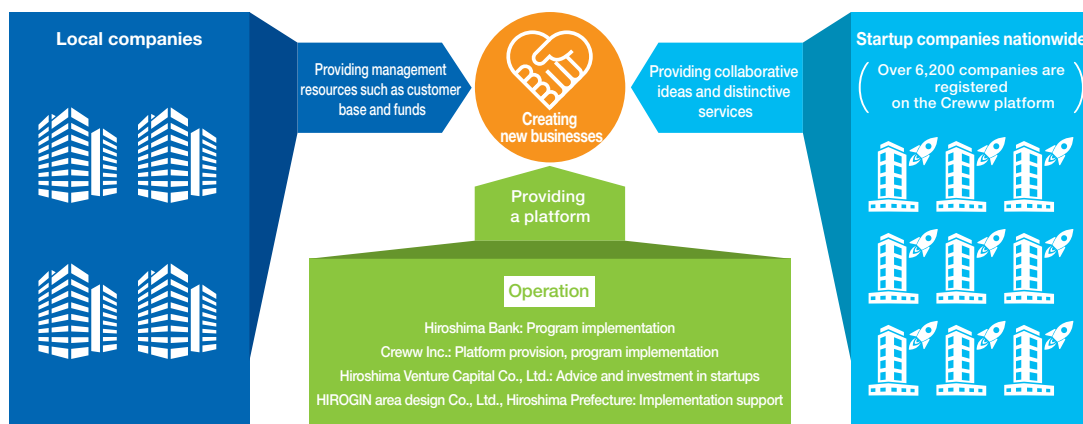
spin-off ventures and support the creation of new businesses by companies, with the aim of developing regional industries.

Hiroshima Open Accelerator

In a collaboration with Creww, Inc., we are implementing acceleration programs with the aim of new business creation through open innovation, linking the management resources of companies in Hiroshima Prefecture with the distinctive services of startup companies nationwide.

Track Record in Holding Hiroshima Open Accelerator

| Year held | Participating companies | New business proposals |
|-----------|-------------------------|------------------------|
| FY2019 | 5 companies | 8 proposals |
| FY2020 | 4 companies | 12 proposals |
| FY2021 | 6 companies | 12 proposals |

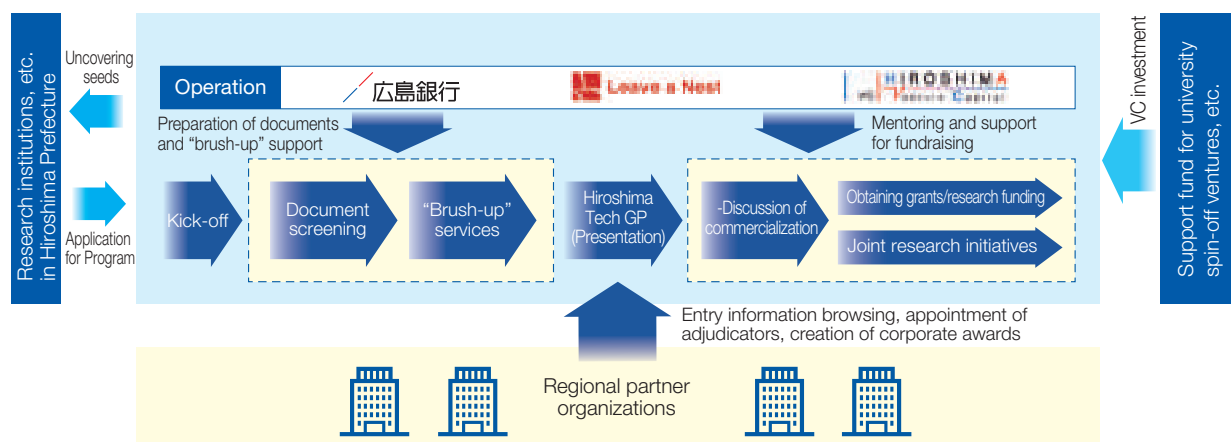


HIROSHIMA TECH PLANTER

In collaboration with Leave a Nest Co., Ltd., we are implementing HIROSHIMA TECH PLANTER, an acceleration program aimed at uncovering the seeds of research at universities and other institutions and providing end-to-end support starting from commercialization to growth.

Track Record in Holding HIROSHIMA TECH PLANTER

| Year held | Entry | Business launch support |
|-----------|-------|-------------------------|
| FY2020 | 24 | 9 |
| FY2021 | 24 | 9 |



Strategy for Corporate Customers

Practice of customer-oriented consulting based on feasibility studies

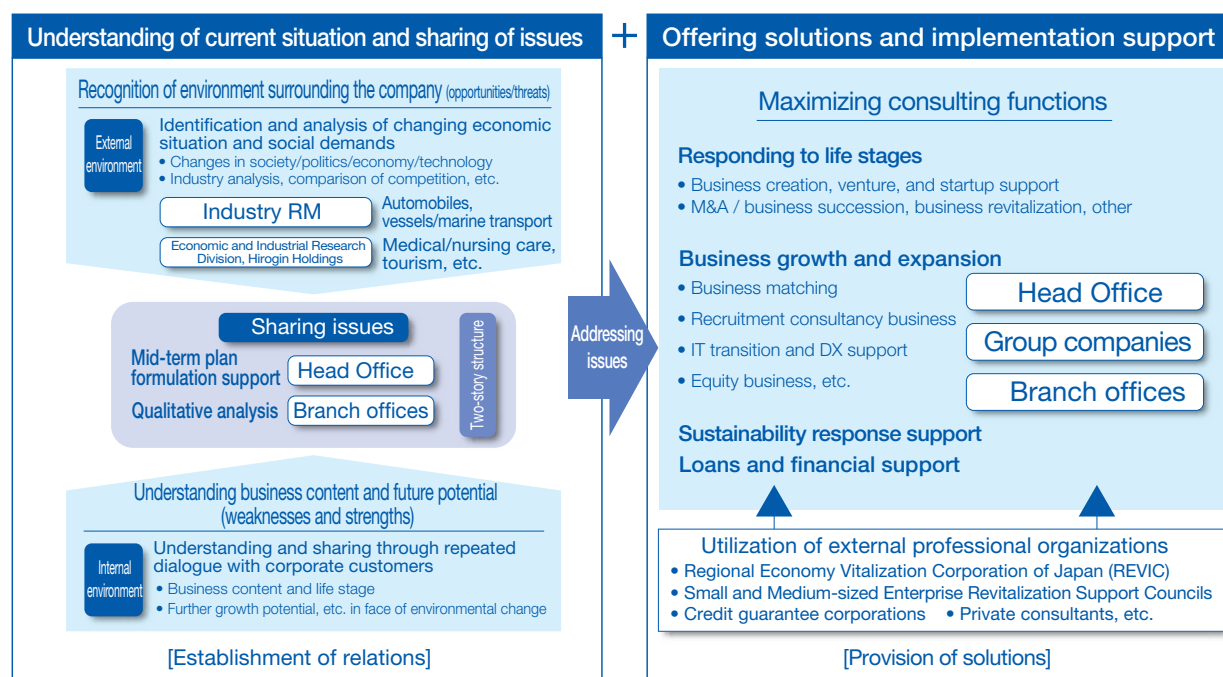
As we previously realized the importance of qualitative information linked to our corporate customers' future business prospects, Hirogin Group has positioned Hiroshima Bank's feasibility studies at the core of consulting sales based on corporate customers' needs.

The history and know-how of these feasibility studies, which we have developed through many years of

providing support suited to characteristics of local industries, are an important intangible asset of the Group.

Going forward, through the provision of high value-added financial and nonfinancial solutions based on these feasibility studies that are our strength, we will pursue initiatives to understand the region and industry and to provide core business support that can lead to customers' growth.

Hiroshima Bank's "feasibility studies"



T O P I C S

History of feasibility studies

In the 1990s, a decade plagued by the issue of bad debt disposal, Hiroshima Bank provided financing to suppliers in the automobile industry (components manufacturers) by looking at their financials. However, when the suppliers possess irreplaceable technical expertise, they must be supported if they are in a financially difficult position, even if it means taking a step into management restructuring, or it would deteriorate the automobile industry. It became necessary to place more importance on qualitative information from the perspective of whether or not they were necessary for their industry cluster, instead of looking solely at their financial position.

In January 2001, in order to accurately respond to the diversification and sophistication of corporate customers in the automobile-related industries, Hiroshima Bank newly established the "Automobile-related Measures Office" by hiring personnel transferred from the auto industry. Experts visited suppliers'

plants and gained an understanding of the technical side of their businesses. To this, the financial analysis made by Hiroshima Bank enabled understanding of customers' businesses in terms of both "technical" and "financial" aspects. Even in the midst of rapid external changes such as the global financial crisis, we were able to deal with these changes while remaining committed to this approach. This led to the development of Hiroshima Bank's feasibility studies.



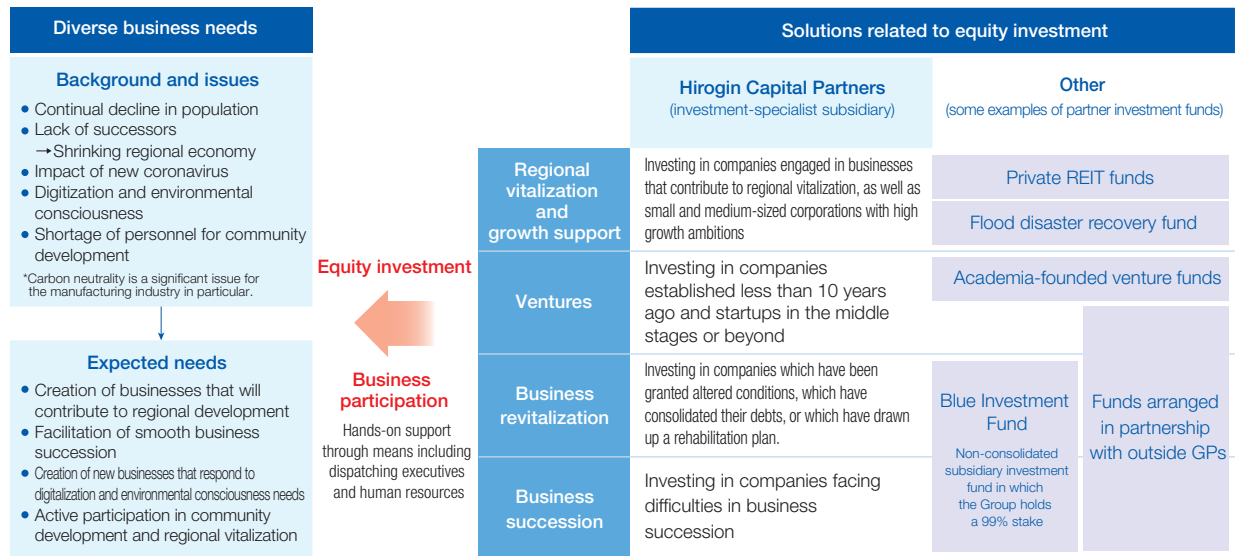
Strengthen initiatives for equity business

Hirogin Group, with Hirogin Capital Partners at the center, provides support in the form of “business participation,” which goes beyond the “escort-runner style support,” by leveraging “equity investment,” targeting customers that contribute to solving regional issues and those working to grow their business, and “consulting functions,” which we have developed over the years.

In April 2022, Hirogin Capital Partners formed a new fund (Regional Vitalization Fund), adding to its three

existing funds, namely the Business Rehabilitation Fund, the Business Succession Fund, and the Venture Fund.

Going forward, leveraging Hiroshima Bank's feasibility studies, we will provide diverse means of fundraising, including equity, and support our regional corporate customers' growth by strengthening our hands-on support initiatives, including the dispatch of personnel.



Cooperation with external alliance partners aimed at strengthening of initiatives for equity business

| Alliance domains (outline) | Partner | Alliance description | Timing |
|--|---|--|---------------|
| Management support for manufacturing companies, etc. | Serendip Holdings and Serendip Financial Services | Business alliance (Hiroshima Bank, Hirogin Capital Partners) | December 2020 |
| Strengthening of fund management business | Frontier Management Inc. | Business alliance (Hiroshima Bank, Hirogin Capital Partners) | December 2020 |
| Initial public offering (IPO) support | Bridge Consulting Group Inc. | Business alliance (Hiroshima Bank) Investment (Hirogin Capital Partners) | December 2021 |

Group Collaboration Business Creation and New Business Development

Hiroshima Bank

With heightened global awareness of the environment, technological innovations in the automotive industry, the spread of next-generation telecommunications standards such as 5G, and other developments, society is in an era of great transformation. These times could be seen as an excellent opportunity for business

Hirogin Capital Partners

creation and new business development. At Hirogin Group, Hiroshima Bank and Hirogin Capital Partners have cooperated to provide support with fundraising for the roll-out of new businesses and support for ambitious challenges, from business launch assistance to sales support.

New business development assistance

We provide wide-ranging support, including fundraising and business plan formation, to novel and creative venture companies for the creation of next-generation industries and core companies. We also act as a bridge between universities and other research institutions and public administration to promote original technological innovations.

Examples of support for business creation and new business development

Support for venture start-ups

- Grants** ▶ Hiroshima Venture Grant
- Investment** ▶ Investment through venture funds

Industry-academia-government cooperation

- Joint research and development with universities and research institutions, etc.
- Utilization of various policy measures from government, etc.

Strengthen initiatives for IT consulting

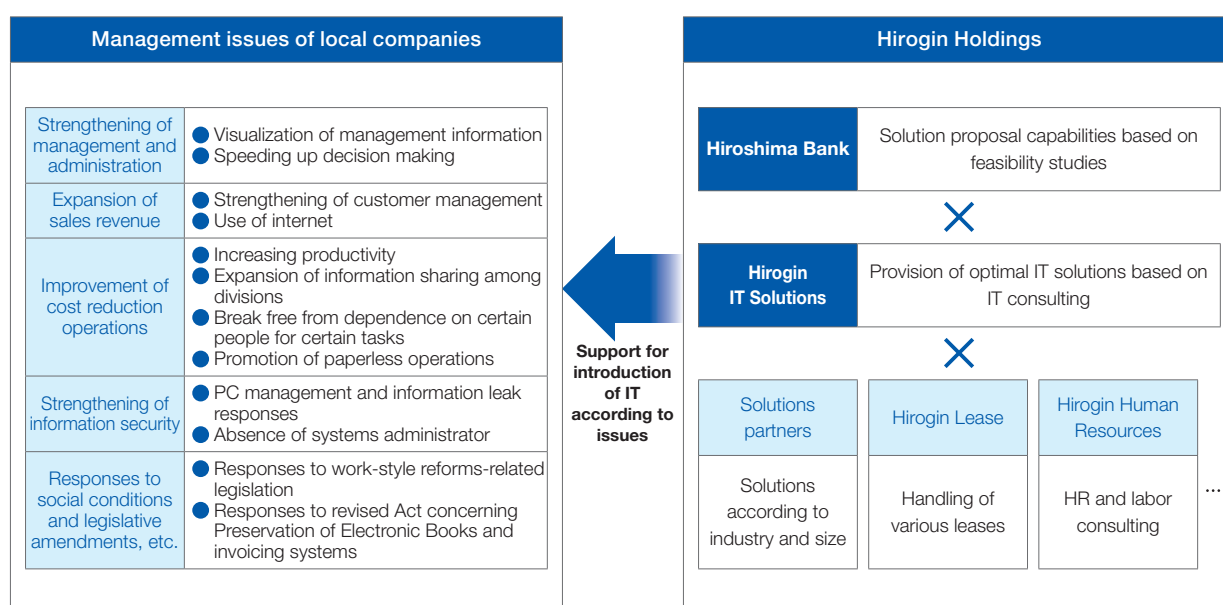
Hirogin Group provides a variety of solutions to help solve customers' management issues and concerns, mainly through Hirogin IT Solutions, which conducts ICT and worker dispatching businesses.

Hirogin IT Solutions is a company (advanced banking service company) formed by a joint venture with an existing business partner, Mighty Net Co., Ltd. Made a subsidiary in January 2021, it possesses extensive human resources and solutions in IT-related

areas. Leveraging Hiroshima Bank's feasibility studies, Hirogin IT Solutions supports management problem-solving through the provision of optimal IT solutions (e.g., introduction of cloud services and outsourcing services, system construction) based on IT consulting.

Going forward, it will cooperate with external solutions partners and Hirogin Holdings Group companies to respond to customers' various IT needs, which are becoming increasingly diverse and advanced.

Solutions to customers' management issues through support for introduction of IT by Hirogin IT Solutions



Group Collaboration Digitalization and Operational Efficiency Improvement

Hiroshima Bank

In the current era of rapid digitalization of society, the introduction of new IT strategies has become a matter of urgency in all industries.

At Hirogin Group, Hiroshima Bank and Hirogin IT Solutions cooperate to support customers' DX through

Hirogin IT Solutions

the provision of optimal IT solutions by specialists with a wealth of IT-related knowledge and skills. Support includes assistance with improving operational efficiency and increasing productivity with the use of digital technologies.

IT solutions strategies

We leverage digital technology to provide highly detailed support for DX at offices, shops, hospitals and clinics, and other settings. The types of support provided include internal operational reforms and productivity improvements, as well as conversion to electronic invoicing, promotion of cashless payments, and the introduction of remote work.

Improvement of operational efficiency

- Total support from organization of issues to improvement measures through IT-based diagnosis of current situation
- Workstyle reforms, etc., such as remote work, online meetings, and RPA

Productivity improvement

- Proposal of IT-based solutions according to customer's company size and operations
- Digitalization of operations with the use of cloud services, etc.

Strengthen initiatives for human resources support

Hirogin Group provides a variety of solutions, including a recruitment consultancy business, training business, and human resources consulting business, mainly through Hirogin Human Resources, to help solve corporate customers' issues related to "people," such as securing human resources, strengthening human resources development, and improving productivity.

Hirogin Human Resources is a subsidiary newly established in April 2021 to support solutions to people-related management issues faced by many company owners. In addition to its recruitment consultancy business, training business, and human resources consulting business, which it has operated since it was first established, it has been pursuing the expansion of its operations, including a worker dispatching business, through M&As, since April 2022.

Top ten challenges facing company owners in Hiroshima Prefecture

| | |
|--|-------|
| Rising prices of raw materials | 54.2% |
| Securing human resources, labor shortage | 44.3% |
| Decreased sales and orders received | 35.1% |
| Improving employee skills, strengthening human resources development | 28.4% |
| Rising costs of production, sales, logistics, etc. | 17.7% |
| Difficulties in procuring raw materials, components, etc. | 16.2% |
| Aging facilities and their replacement | 12.4% |
| Difficulty in raising sales prices | 12.2% |
| Rising labor costs | 10.9% |
| Increasing productivity | 9.9% |

Source: Hirogin Holdings Survey of Company Owners H1/FY2022

Going forward, leveraging Hiroshima Bank's feasibility studies, we will aim to build a one-stop framework to all manner of HR and labor issues to meet the people-related needs of our customers.

Outline of Hirogin Human Resources businesses and services

| Businesses and services | Details | Results |
|---------------------------------------|--|--|
| Recruitment consultancy business | ● Introduction of management human resources and specialist human resources through cooperation with external recruitment agencies | Number of contracts: 92 (Up 19 from corresponding period of previous year) |
| Training business | ● Holds training programs and seminars for all levels, from new employees to executive management ● Supports implementation of internal training programs such as dispatching lecturers | Number of participants: 1,482 (Up 881 from annual result for previous fiscal year) |
| Human resources consulting business | ● Consulting related to HR and labor (e.g., responding to workstyle reforms, various consulting related to labor management) ● HR system construction consulting (e.g., reviews of evaluation system and compensation system, HR system design support) | Number of contracts: 49 (none in previous fiscal year) Number of consulting contracts: 31 (no results in previous fiscal year) |
| Worker dispatching business | ● Primarily dispatch of clerical personnel (office staff for sales, accounting, general administration, etc.) | Business launched in April 2022 (M&A of other company) NEW |
| Employee benefits and welfare support | ● Provision of "Benefits and Welfare Support," which bundles health management, self-development, asset formation/loans, and discounts and bonuses in a single package | Services scheduled to commence in October 2022 NEW |

Group Collaboration Leveraging and Development of Human Resources

Hiroshima Bank

The growth engine of any company is the leveraging of the power of its people. As well as securing capable human resources, it is possible to extend the power of a company's people by various means, including upgrading employees' skills and making use of IT. At

Hirogin Human Resources

Hirogin Group, Hiroshima Bank and Hirogin Human Resources have cooperated to provide customers with various consulting services, including the creation of labor environments for workstyle reform and proposals of human resources utilization measures.

HR and labor consulting business

As well as consulting on securing and development of human resources, we provide HR and labor consulting services, such as advice on labor management and responding to disputes. We also help raise employees' motivation through reviews of various evaluation and compensation systems.

Challenges facing company owners

- Enhancing HR development, improving employee skills
- Securing human resources, labor shortage
- Increasing productivity
- Responding to work-style reforms
- Employment stability and maintenance
- Rising labor costs

Details of solutions

Various types of HR and labor consulting

- Responding to work-style reforms
- Strengthening of introduction of IT related to HR and labor
- Consultations related to labor management etc.

Consulting related to HR systems development

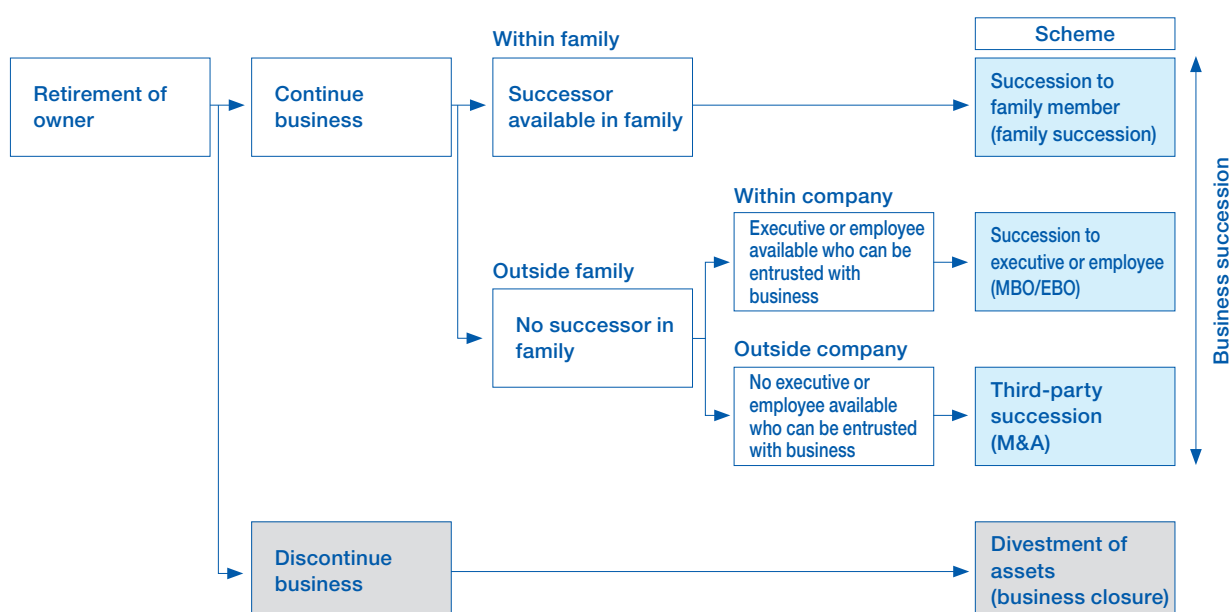
- Reviews of evaluation and compensation systems
- Support for HR system design, etc.

Strengthen initiatives for business succession

Against a background of population aging and a shortage of successors, Hirogin Group supports business succession through M&A operations for the solution of corporate customers' issues relating to business succession, mainly through Hiroshima Bank.

Going forward, leveraging Hiroshima Bank's feasibility studies, we will aim to build a one-stop framework to meet all manner of needs concerning business succession, from succession to family members or employees to third-party succession (M&A), to support the smooth succession of our corporate customers' businesses.

Number of successful M&A contracts and consultations offered



Group Collaboration Business Succession and M&A

Hiroshima Bank

The smooth handover to the next generation is a critical management issue for company owners.

At Hirogin Group, mainly through Hiroshima Bank and Hirogin Capital Partners, we properly identify the respective needs of the parties and support the smooth handover to the next generation through the

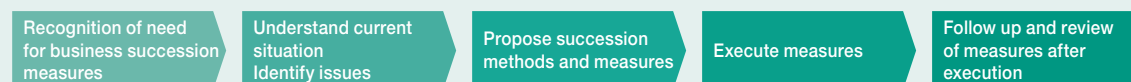
Hirogin Capital Partners

optimal means from a diverse range of methods. These include consulting about business succession methods, introduction of and negotiations with prospective partners or assignees through M&A methods, and invitations to external successor candidates.

Support for inheritance and business succession

In the handing over of management to the next generation, in addition to finance and asset-related concerns, initiatives to enhance corporate value through the selection of an appropriate successor are important. We cooperate with external experts, including legal, tax, and labor experts to propose more effective inheritance and business succession measures.

Process of business succession consulting



Strengthening of core business support for corporate customers in anticipation of post-COVID times

The prolonged COVID-19 pandemic has had a major impact on economic activities in the four prefectures covered by the Hirogin Group. Our corporate customers face growing needs for conversion of their business structure in anticipation of post-COVID times and for digitalization responses that will help raise productivity.

Under these circumstances, mainly through Hiroshima Bank and based on feasibility studies, we

provide cashflow support, management improvement and business revitalization support, as well as equity funds that go beyond conventional lending in response to business conversion and succession needs. In these and other ways, we are strengthening our initiatives for core business support through the provision of financial and nonfinancial solutions that leverage all manner of Group functions.

Strengthening of financial and nonfinancial support for core business in anticipation of post-COVID times

| Management issues | Support for corporate customers (examples) |
|--|--|
| Securing cash flow | <ul style="list-style-type: none"> ● Securing funds to assist with stabilization of business ● Securing of funds for capital investment, etc. |
| Business succession/management improvement | <ul style="list-style-type: none"> ● Formulation of plans for business succession/management improvement ● M&A, etc. |
| Securing of sales channels and sales revenue | <ul style="list-style-type: none"> ● Rebuilding of business, including business expansion, new areas, conversion of business type, etc. ● Expansion of online services, e.g. use of e-commerce sites |
| Securing of human resources | <ul style="list-style-type: none"> ● Development of remote work environments ● Development of systems for acceptance of diverse working styles and workers |
| Improvement of operational efficiency | <ul style="list-style-type: none"> ● Improvement of productivity, introduction of IT in production management ● Introduction of IT in HR and labor management, etc. |

Expansion of corporate solutions using digital technologies

DX

Hirogin Group works with Group companies and alliance partners in other industries to create new busi-

nesses and undertake business reforms (creation/provision of new customer value) using digital technologies.

“Hirogin Bill” BtoB automated billing service

Hiroshima Bank formed a business alliance with Money Forward Kessai, Inc. and, in April 2021, started handling “Hirogin Bill,” an agency service covering a series of billing and settlement operations, from conducting credit screening when corporate and individual business owner customers sell on credit to issuing and sending invoices and managing payments.



Online subsidy diagnosis

Hiroshima Bank has formed a business alliance with Writeup Co., Ltd. to start offering a subsidy benefit support service available through non-face-to-face contact via the internet from October 2020.

By simply answering the questionnaire in the “automatic diagnosis system for subsidies and grants” page on the website of Hiroshima Bank, the subsidy amount the customer is eligible for will be automatically assessed, and consultation for applying can be accessed on the spot.

Portal Site for Business Operators

DX

In a collaboration with NTT DATA Corporation and Credit Engine, Inc., Hiroshima Bank launched Hirogin Business Portal, a portal site for business operators, in June 2022. This is an initiative for the digitalization of various transactions with corporate and individual business owner customers.

This free service enables customers to check their account balances, transaction details on

deposits/withdrawals, and complete financing processes, etc. entirely on the internet.

We will continue to consider the introduction of new services utilizing digital technologies by progressively adding new contents to this service and work to provide greater convenience to customers.

Hirogin Business Portal screen (conceptual image)



Hirogin Business Portal services

| Service name | Outline |
|------------------------------|---|
| Transaction Inquiry Service | <ul style="list-style-type: none"> Inquiries about current savings balance and transaction details for the past 50 days |
| Hirogin Business Portal Loan | <ul style="list-style-type: none"> Loans that can be processed completely online using this service, from application to contract Eligible customers will be shown this service on the service screen |
| Electronic Issuing Service | <ul style="list-style-type: none"> Fee Withdrawal Notice/Receipt, Loan Repayment Schedule, and other various notices that are sent to customers by post can also be viewed on this service's screen |

Expansion of alliance SaaS by intragroup cooperation

DX

At Hirogin Group, Hiroshima Bank, Hirogin IT Solutions and Hirogin Lease have cooperated to

expand handling of various SaaS through agency contracts and business matching contracts.

SaaS alliances by intragroup cooperation

| SaaS Name | Outline | Date of Introduction | Cooperating Group companies |
|------------------|---|----------------------|-----------------------------|
| Smart Mat Cloud | Inventory management/automated order placement service using IoT | From April 2021 | Hirogin IT Solutions |
| MonoRevo | Process management service specialized for manufacturing industry | From April 2021 | Hirogin IT Solutions |
| SmartDrive Fleet | Service combining telematics and vehicle management systems | From June 2021 | Hirogin Lease |
| ANDPAD | Construction management service specialized for construction industry | From July 2021 | Hirogin IT Solutions |

Strategy for Individual Customers

Offering Customer-Centered Total Life Support Through Our Life Design Service

With the aim of becoming the most trusted “concierge” that closely offers thorough support to each and every customer, Hirogin Group has placed Hiroshima Bank’s Life Design Service at the core of our total support for life plans, including for customers’ households, based on their and their families’ dreams for the future.

For the realization of customers’ and their families’ future dreams, it is first important that we be able to see what their present and future looks like and share their present situation in an objective manner.

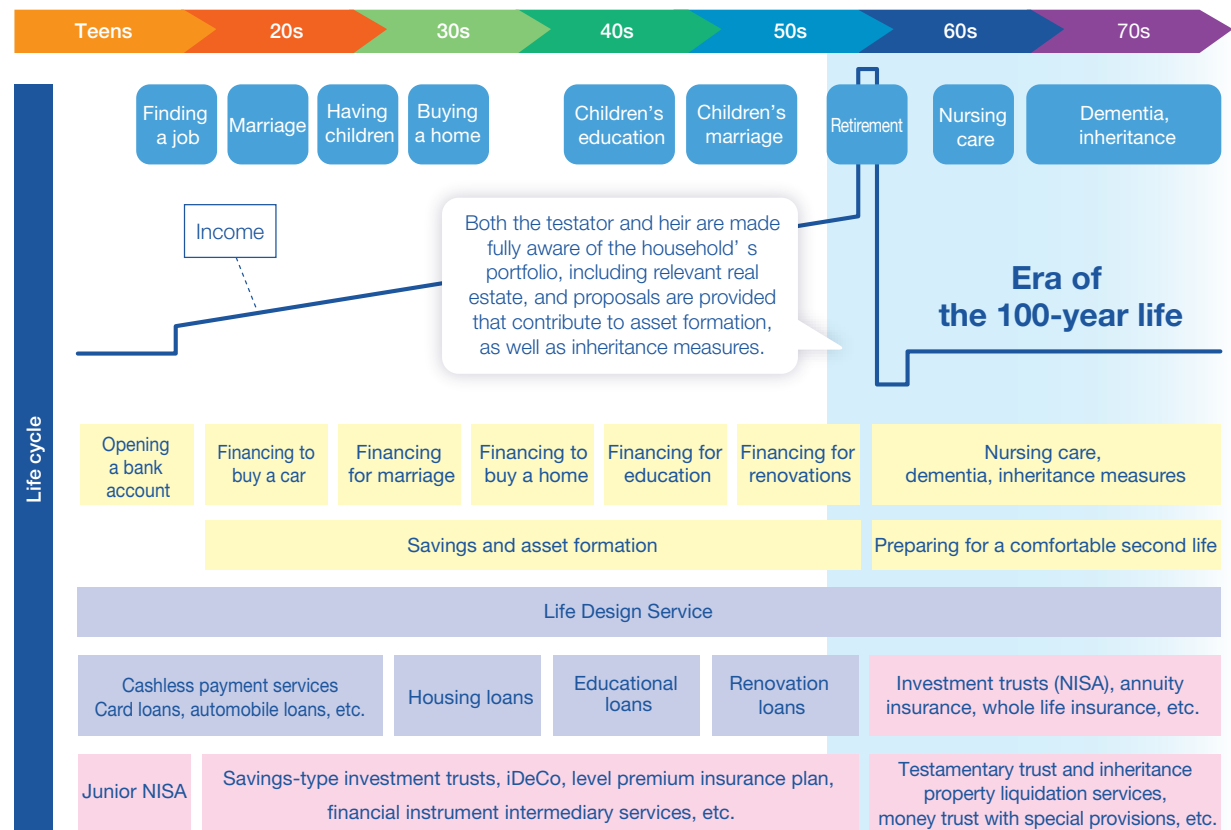
To achieve this, in Hiroshima Bank’s Life Design Service, the Bank asks customers about their life plans, as well as information such as their family structure and asset details, and devises a “life design” blueprint for the future. Having gained a firm understanding of customers’ thoughts and concerns, the Bank goes beyond funding support to provide them with a variety of information and services as needed, including in nonfinancial areas.

The history of our relationships with customers, offering close support for the thoughts and concerns of each and every customer over medium to long-term time frames, is an important intangible asset of the Group.

Going forward, based on our Life Design Service, we will continue to serve as a “concierge” for our customers to help enrich their lives, by offering consistent support from the beginning of the consultation right to the end, through total support for their individual life plans, including for their household.



Total support for life plans



Strengthen initiatives for inheritance consultation business

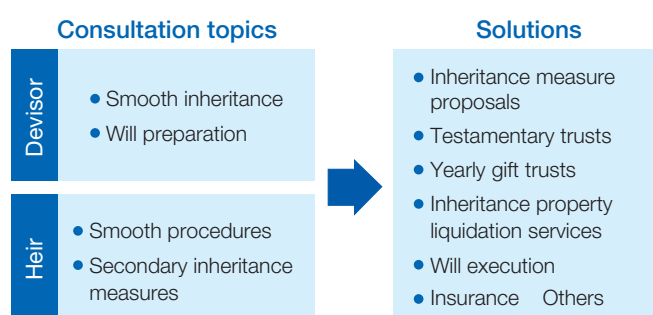
Hirogin Group, mainly through Hiroshima Bank, is strengthening its response to inheritance needs that are increasing as region's population ages.

Specifically, since 2019, we have established two Inheritance Consultation Plazas where staff specialized in inheritance matters give easy-to-understand explanations and provide support for free at dedicated consultation booths, for which customers are asked to make a reservation.

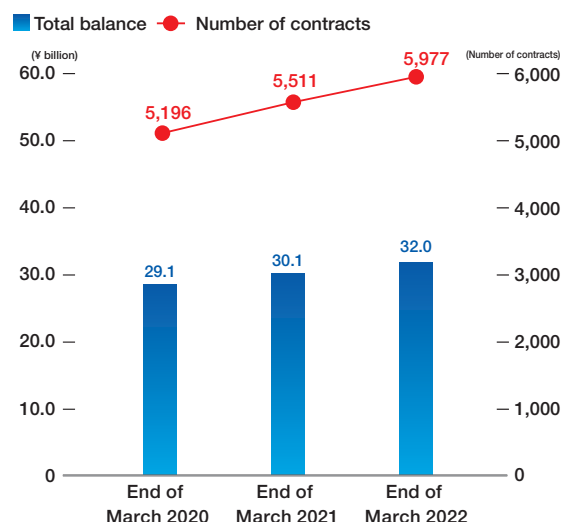
In addition, Hiroshima Bank itself began handling testamentary trust and inheritance property liquidation services in 2018.

Going forward, leveraging Hiroshima Bank's Life Design Service, we will provide optimal solutions to address customers' inheritance needs, from the development of inheritance measures taken before the devisor's death to support for procedures after his or her death.

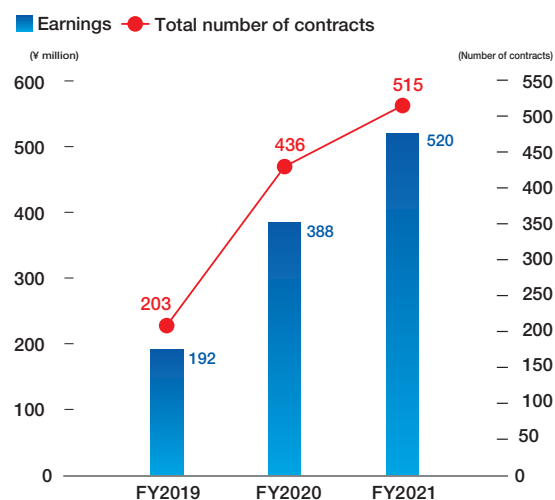
Key solutions for inheritance needs



Number of contracts of inheritance-related trust products and balance



Number of contracts and earnings of Hiroshima Bank's testamentary trust and inheritance property liquidation services



T O P I C S

Introduction of goal-based asset management sales

Sales staff had previously been assigned on a geographical area basis, but this has been changed to assignments based on customer segments. Assigning staff to different groups of customers, such as customers who are in the asset formation stage and customers who require handling with more advanced knowledge and experience in areas such as asset management and inheritance measures, will allow us to maximize our function as a concierge.

We have also introduced a goal-based asset management style of sales based on our Life Design Service. This is an "escort-runner" style of sales in which our staff share customers' goals from the life planning stage, make asset management proposals, and accompany them toward those goals through ongoing reviews.

With this approach, we respond to our customers' trust by providing meticulous services to suit the individual concerns and needs of each customer and making customer-centered actions and proposals.

Further strengthen banking-securities collaboration

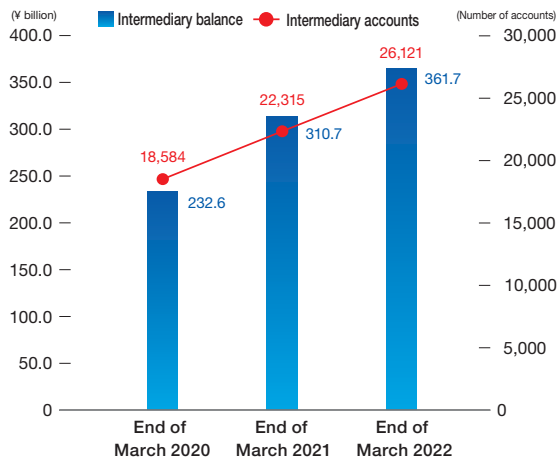
At Hirogin Group, Hiroshima Bank and Hirogin Securities have established a system for responding to customers' consultation needs and requests related to advanced, specialized asset management and inheritance issues, from a one-stop platform, primarily through their 24 joint branches. In doing so, they have built an appropriate operational

management system based on preventive measures against adverse effects (firewall regulations) pursuant to the Financial Instruments and Exchange Act.

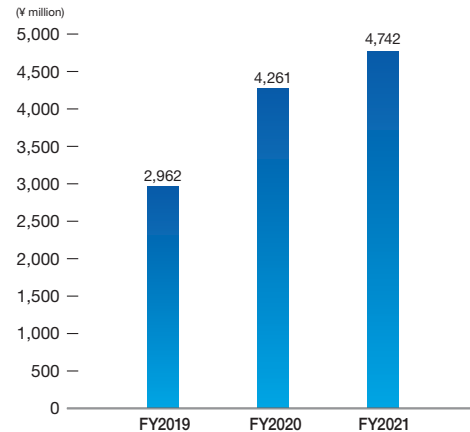
Joint branches established (as of May 31, 2022)

Total 24 branches

Trends in the number of intermediary accounts and balance (Hirogin Securities)



Trends in earnings from intermediary services (Hirogin Securities)



Group Collaboration Banking-Securities Collaboration

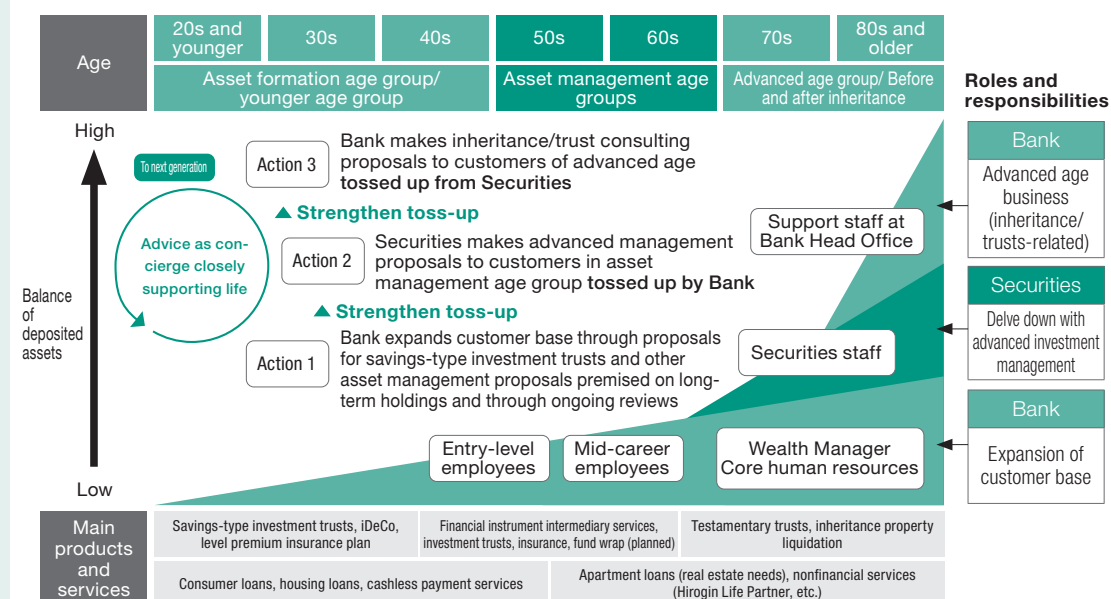
Hiroshima Bank

Hirogin Securities

To further strengthen banking-securities collaboration within the Group, Hirogin Group aims to broaden our customer base and provide optimal solutions to meet customers' diverse asset and investment management

needs, by clarifying the roles of banking and securities according to customer segment (life stage, types of needs, etc.)

Structure of Banking-Securities Collaboration (Diagram)



Enhance solutions for various life's concerns

The Hirogin Life Partner service, started in September 2017, provides an optimum solution for customers'

various everyday concerns and problems.



Action on DX and cashless payment in companies and schools

DX

Hirogin multifunctional IC cards

This solution uses IC cards to add multiple functions to employee IDs, student cards, membership cards and the like. With the digitalization of work and school attendance management, stricter management of building entry and exit, and the promotion of cashless payments on and

off company premises using electronic money, these cards support DX and workstyle reforms where they are introduced by improving convenience for employees and students.



COi Pay

By leveraging Hiroshima Bank's proprietary mobile payment service, COi Pay, we provide a cashless environment for local events, etc. and conduct campaigns aimed at regional vitalization. Going forward,

in addition to providing highly convenient services, we will contribute to the expansion of cashless payments in the region through initiatives that are unique to the local community.



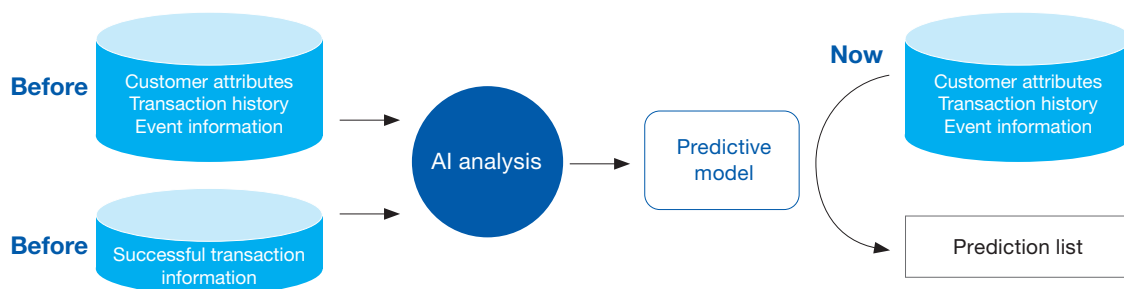
Shift to in-house advanced data analysis for the improvement of marketing precision

DX

Forming a dedicated team in April 2021, Hirogin Group has embarked on an in-house endeavor using artificial intelligence (AI).

As part of this endeavor, the team constructed a model for outputting lists that predict the score of card loan targets using AI and embarked on building functions for proposing optimal products and services to customers at optimal timing.

Since then, the team has continued to work on expanding the analysis parameters and making analysis methods more sophisticated, including working on the construction of a predictive model for applications to Hirogin Securities' multichannel services.



Channel Strategy

Overhaul of physical channels in response to changes in contact points with customers

The lifestyles of our customers are changing significantly due to factors including declining population, falling birthrate and aging society, rapid progress of the internet, and the spread and expansion of smartphones to all generations. While the number of customers visiting physical branches is decreasing, financial transactions via digital channels such as the internet and websites are increasing, and the roles and functions of physical branches have been undergoing major changes.

While seeking to fuse physical channels and digital channels in light of market changes and progress in digitization, Hiroshima Bank is now working to review its operations at branch offices and the network of branches and ATMs, as well as to reallocate management resources to new business areas including Group companies and non-financial areas, in order to accurately respond to customers' diverse and increasingly sophisticated needs.

Overhaul of sales organization

Since April 2020, Hiroshima Bank has been proceeding with the implementation of efficient branch operations in a sequential manner by clarifying the roles of full-service branches, branches specializing in individual customers

and other branches in accordance with the market characteristics by each area, thereby strengthening its sales organization and optimizing management resources.

Overhaul of operations at branch offices

With a view to eliminating the "two-line system" (back-office clerical tasks conventionally performed at branches) through centralization at headquarters, Hiroshima Bank will set up centralized locations called "area support" at the Administration Center and large

branches in each area. By expanding the "area support" system across Hiroshima Prefecture, we will achieve efficient branch operations in each area rather than each branch office.

Overhaul of the network of branches and ATMs

Hiroshima Bank will further enhance its non-face-to-face channels and digital channels, and reallocate its management resources to new business areas by

reducing the number of bank branches by 10% and ATMs by approximately 20% in the period of the current Mid-Term Management Plan.

Overhaul of physical channels

Create a structure for reallocating management resources to new business areas including Group companies and non-financial areas

Overhaul of operations at branch offices and drastic overhaul of physical channels (branches and ATMs)

Overhaul of operations
Improve operations efficiency at branch offices
 → Shifting branch offices to "where consulting services take place"
 → Further sophistication of consulting services

Branch
Overhaul of branches and sales structure
 → Strategic placement of staff
 → Re-allocation of investments for digital channels

ATM
Cutting down on the number of ATMs
 → Promotion for cashless payments
 → Re-allocation of investments for digital channels

Construction of physical channels to enhance consulting functions and sophisticate specialized expertise

The Group is working to construct physical channels to enhance consulting functions and sophisticate specialized expertise to deepen core businesses and

expand business areas, in order to contribute to the growth of customers.

Provide one-stop service with securities

The Group has been actively operating joint branches to offer one-stop service for both banking and securities and to enhance convenience for customers.

We further accelerated operations after Hirogin Securities became a wholly-owned subsidiary in June 2017, and completed the joint transfer of the Head

Office Business Department in conjunction with the opening of the new Head Office building in May 2021. Currently, we are operating 24 joint branches, building a structure to provide services that accurately meet the diverse and sophisticated needs of the customers.

Expand channels specialized for consulting

In addition to banks and securities branches, the Group is operating Hirogin Individual loan centers, Hirogin Insurance Plazas, and Hirogin Inheritance Consultation Plazas as physical channels specialized in consulting related to individual customer's life plans, in order to accommodate a wide range of customers' needs. They are open not only on weekdays but on weekends and holidays.

Going beyond the scope of services traditionally provided by banks and securities companies to meet the financial needs of customers, a variety of channels (people, branch, and functions) will serve as a "concierge" to offer total support for life planning to make each individual customer's life more comfortable. As a channel to realize such Group strategy for individual customers, we will proceed with considering the integration of functions in the future.

Strengthening digital channels to expand contact points with customers

DX

In light of the progress of digitization, changes in the lifestyles of our customers, etc., the Group has been working to further strengthen digital channels and enhance convenience for customers in order to expand

contact points with customers, through efforts such as reinforcing functions of the Hirogin App and expanding services that can be completed on the internet.

Reinforcing functions of the Hirogin App

Hiroshima Bank positions Hirogin App as a new customer contact point to emerge after branch counters and ATMs, which are closer to customers and can be very convenient. We have enhanced its functionality since the February 2019 update.

Aiming to make it a portal app serving as an entrance and a starting point for carrying out daily transactions without physically being at the branches, from balance inquiry and banking transactions to applying for various services, in simple operation, we will continue to further strengthen its functions and enhance its convenience.

Main functions of the Hirogin App

- Open account request (Hirogin Carp Branch)
- Balance inquiry
- Deposit and withdrawal statements inquiry (up to 36 months)
- Biometric identification for internet banking logins
- Request opening of investment trust accounts
- Linkage with Hirogin Securities and online brokers (SBI Securities and Rakuten Securities) in functions such as open account request
- Security check function
- FAQ function using automated response "AI support"
- Search for branches and ATMs, etc.

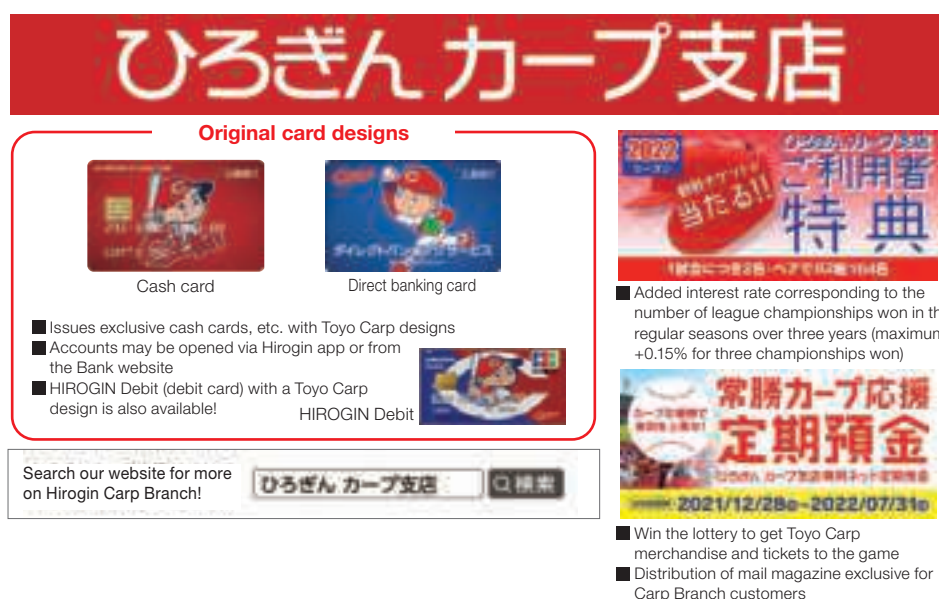


Internet-only branch—Hirogin Carp Branch

Hiroshima Bank is supporting the region-wide effort to support and cheer the Hiroshima Toyo Carp baseball team, a local professional baseball team. We renewed a previous internet branch in March 2019 and opened the internet-only branch “Hirogin Carp Branch” in order to contribute to the expansion of contact points with customers and the revitalization of the local economy.

The branch is the first of its kind in Japan as a bank branch named after a professional baseball team. As we offer various benefits, we would like to continue supporting Hiroshima Toyo Carp, the treasure of our home city Hiroshima, together with Hiroshima Toyo Carp fans across Japan.

Internet-only branch—Hirogin Carp Branch



Original card designs

Cash card Direct banking card

- Issues exclusive cash cards, etc. with Toyo Carp designs
- Accounts may be opened via Hirogin app or from the Bank website
- HIROGIN Debit (debit card) with a Toyo Carp design is also available!

Search our website for more on Hirogin Carp Branch!

ひろぎんカープ支店

2022年12月28日～2022年7月31日

常勝カープ応援 定期預金

- Added interest rate corresponding to the number of league championships won in the regular seasons over three years (maximum +0.15% for three championships won)
- Win the lottery to get Toyo Carp merchandise and tickets to the game
- Distribution of mail magazine exclusive for Carp Branch customers

Start accepting various notifications via smartphones

As part of the business process reform together with the overhaul of physical channels, Hiroshima Bank started making the individual customer transactions handled at the bank counter completely self-service by deploying tablets at branch counters, in order

to minimize clerical work at branch offices. At the same time, we implemented paperless operations and eliminated *hanko* seals, and started accepting notifications such as address change via smartphones and PCs starting December 2020.

How the contact points with customers should be amid the coronavirus pandemic

In the era of the coronavirus pandemic, the Group will create new contact points with customers by actively utilizing online meetings in order to accommodate the

accelerating expansion of non-face-to-face channels, while maintaining the added value of face-to-face sales activities.

T O P I C S

Cashless payment business

To expand its cashless payment business, the Group is strengthening its systems and integrating operations in phases.

In October 2021, Hiroshima Bank established the Payment Services Division, integrating the planning, promotion management and other functions related to the payment business.

In addition, Hirogin Guarantee Co., Ltd. and Hirogin Card Service Co., Ltd. are scheduled to be merged in April 2023, which will consolidate common and overlapping operations performed by our subsidiaries, as well as pave the way for future expansion and deepening of our business operation base.

Going forward, through continuing to focus on the cashless payment business, we will aim to expand our fee business by increasing active accounts and expanding sales in payment services.

Digital Strategy

Implementing strategies toward digital transformation (DX)

DX

In order to realize its management policy (management vision) and business model, the Group reorganized its digital strategy anew in June 2022, in light of issues that emerged in working in line with its pre-existing digital strategy and the knowledge and knowhow acquired in the course.

The reorganized digital strategy is a concrete strategy for achieving the “digital transformation (DX) at Hirogin Group” mentioned earlier, which clearly defines the areas to be addressed and identifies actions to be taken for building the foundation that will serve as the basis for our DX initiatives. Its aim is to accelerate the Hirogin Group’s DX initiatives and to help achieve the Mid-Term Management Plan 2020, and further to use

these rapidly changing chaotic times as opportunities and a driving force to transform our organization and mindset into those ready to respond immediately to customers.

Specifically, the strategy defines “digital innovation,” “digitalization” and “digitization” as the three areas of DX, and requests consideration of benefiting from these in planning every measures. And to build a foundation for that, we will work on the following four items: “establishing a structure for DX promotion and governance management,” “defining DX human resource types,” “developing DX system infrastructure” and “sophisticated utilization of data.”

New digital strategy in Hirogin Group

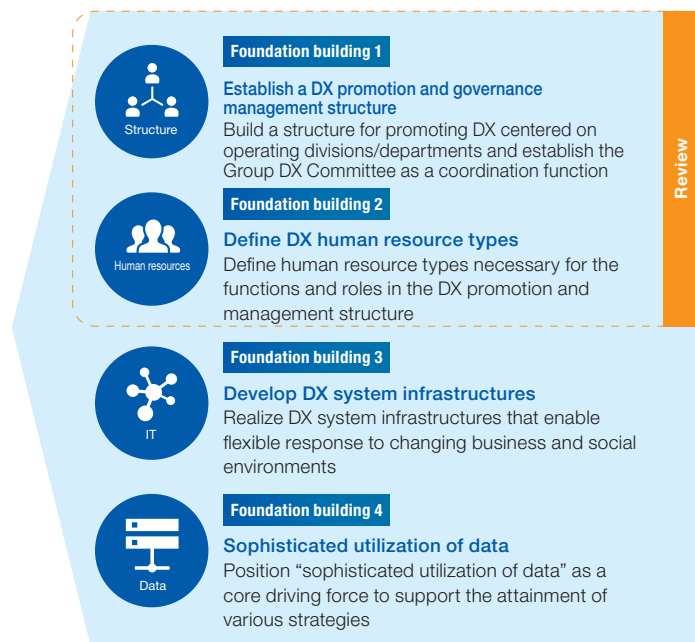
Areas of DX

(= leveraging DX in every measure to take)

| | |
|---|---|
| Digital innovation (creating new businesses) | Creating new business models and businesses utilizing digital technology Create new and radical added value by creating business models and businesses by utilizing digital technology |
| Digitalization (proactive shift to digital technology) | Innovating existing operations and processes utilizing digital technology Revamp the organization's entire business models by overhauling existing operations and processes utilizing digital technology to improve customer value |
| Digitization (reactive shift to digital technology) | Using IT to perform existing operations (for cost reduction and efficiency) Introduce digital technology to improve efficiency without changing existing processes to generate resources for growth (people, goods, money and data) |

Building the foundation

to serve as a basis for DX initiatives



Realize the management policy (management vision) and business models

Building the foundation to serve as a basis for DX initiatives (1): Strengthening the DX promotion and governance management structure

DX

To enable speedy actions under the major circumstantial changes that are taking place including changes in customer contact points due to digital shift and the further spread of cashless payments, in October 2020, we consolidated and integrated the Group's DX management and digital strategy planning functions into the Digital Innovation Division of Hirogin Holdings, which is headed by the President of the Company serving concurrently as the general manager. Under the initiative of top management, we have built a structure to press toward a speedier and more challenging digital transformation.

Under the reorganized digital strategy, we are appointing a DX Manager and a DX Leader for each operating division/department of Group companies to further strengthen and make clear the organization for promoting DX centered on operating divisions/departments.

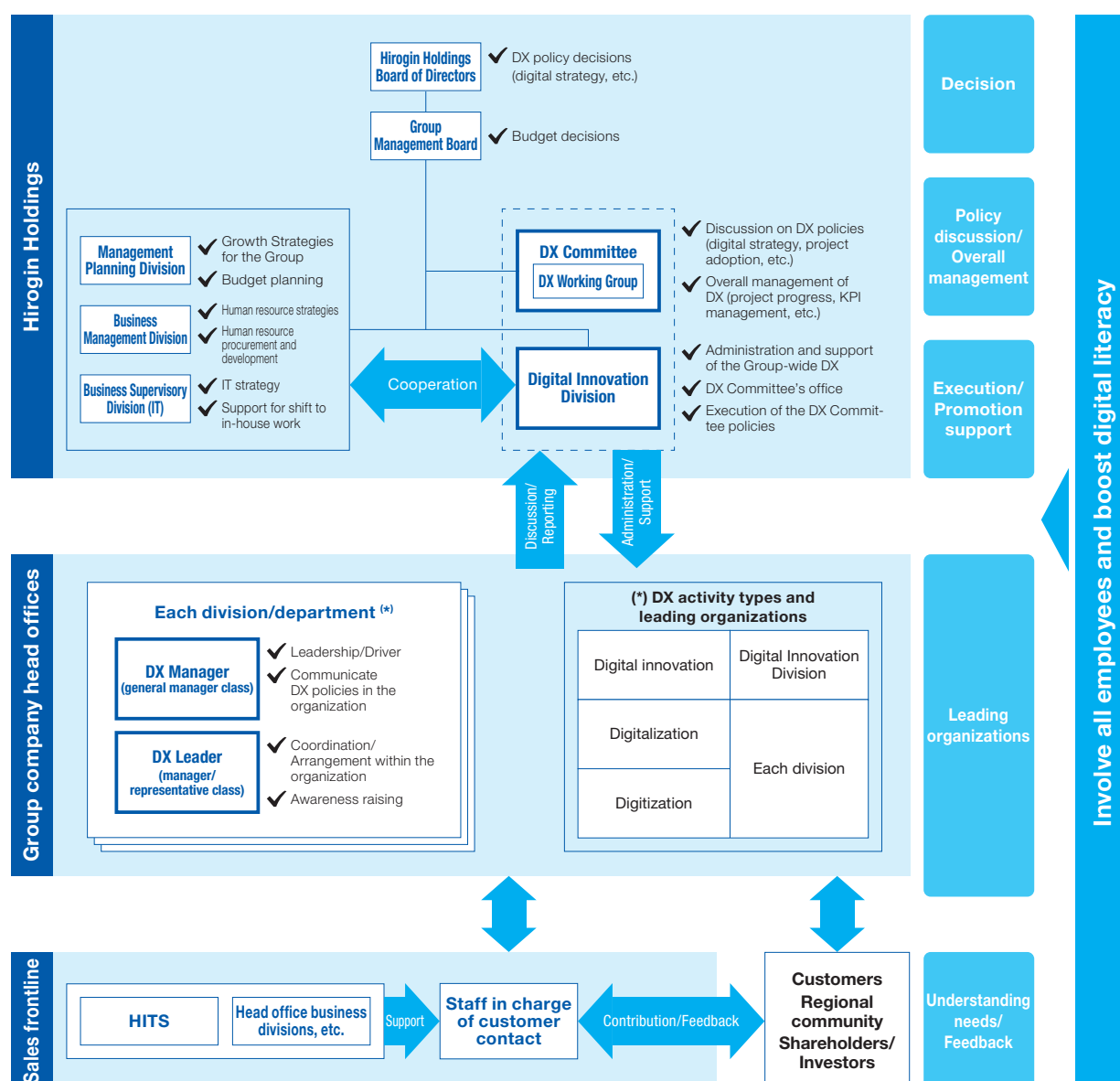
To enhance our drive for DX and governance management in view of risks specific to DX while

ensuring cross-functional communication across the Group based on the Group management policy, we will organize the Group DX Committee involving the top management as a deliberative function (policy discussion and overall management) for these matters, and the DX Working Group as its subordinate organization to discuss practical matters concerning policies for the adoption of DX projects.

The Digital Innovation Division will manage the operations of these bodies as office and serve as their executive body, and will administer and support the operating divisions/departments based on the decisions made, to strengthen and ensure the effectiveness of the Group's overall organization for implementing DX.

At the same time, we will implement specific measures to encourage the active involvement of all employees, including those at branch offices, from the viewpoint of understanding customer needs and obtaining feedback, and boost the overall level of their digital literacy.

DX structure (to start in the second half of FY2022)



Building the foundation to serve as a basis for DX initiatives (2): Defining DX human resource types DX

The Hirogin Group believes that the most important resources for promoting and managing DX are human resources.

For each of the functions and roles in the DX promotion and management structure described in the previous page, we have defined the types of human resources that will be necessary as listed below.

We will further define more detailed skill requirements for each human resource type, formulate a procurement and training plan, and work systematically to strengthen our DX human resource programs in accordance with the Hirogin Group's DX roadmap.

Types of human resources required for the DX promotion and management structure of the Hirogin Group

| DX promotion and management structure | | | |
|---|--|---|--|
| Organization | Roles/Functions | Types of DX human resources | General skill requirements |
| Digital Innovation Division | DX strategy planning/administration | Human resources for digital strategy | · DX strategy planning and general administration |
| | Support for DX (digitalization/digitization) activities | Human resources for DX promotion/support | · Project management · General DX and business skills |
| | Creation of new digital businesses (digital innovation) | Human resources for creating new businesses through DX | · Innovation and commercialization · Advanced DX skills |
| Each division/department of Group companies | Creation and operation of DX (digitalization/digitization) | Human resources for DX promotion DX Manager DX Leader | · Business skills · Understanding of DX |
| Sales frontline | Understanding needs/Feedback | Human resource for basic DX | · Understanding of DX |
| Data analysis team | Advanced data analysis | Human resources for data science | · Data analysis |

Building the foundation to serve as a basis for DX initiatives (3): Developing DX system infrastructures DX

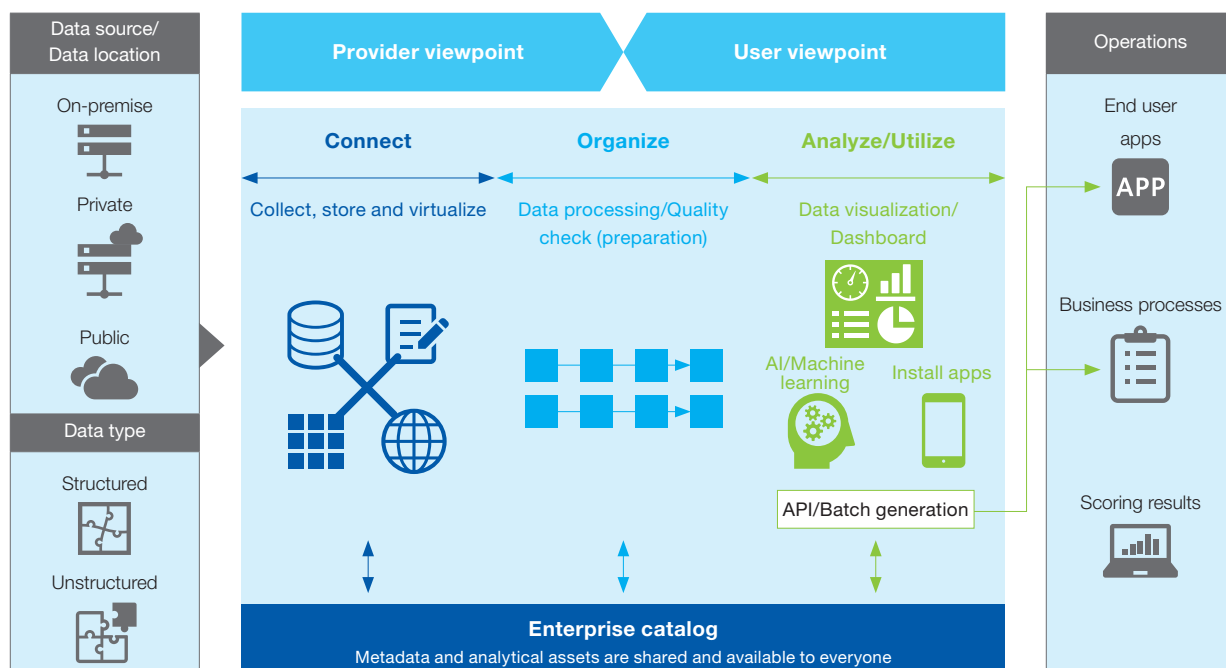
Based on the fundamental premise of “ensuring the stable operation of Group companies’ systems and the safety of their information systems and information assets,” it is essential to build DX system infrastructures that can flexibly respond to changes in business and social environments by utilizing ever-evolving digital technology.

The Hirogin Group has been proactively investing in, developing, and utilizing industry-leading DX system infrastructures, such as an open banking API infrastructure and a public cloud service infrastructure.

In April 2022, we began using an integrated data analysis platform as a public-cloud service, as part of our efforts to build an environment to enable more sophisticated utilization of data in the future through realizing in-house data analysis.

We will continue working to build DX system infrastructures that are necessary from the perspective of overall optimization.

Concept of the integrated data analysis platform as a public-cloud service



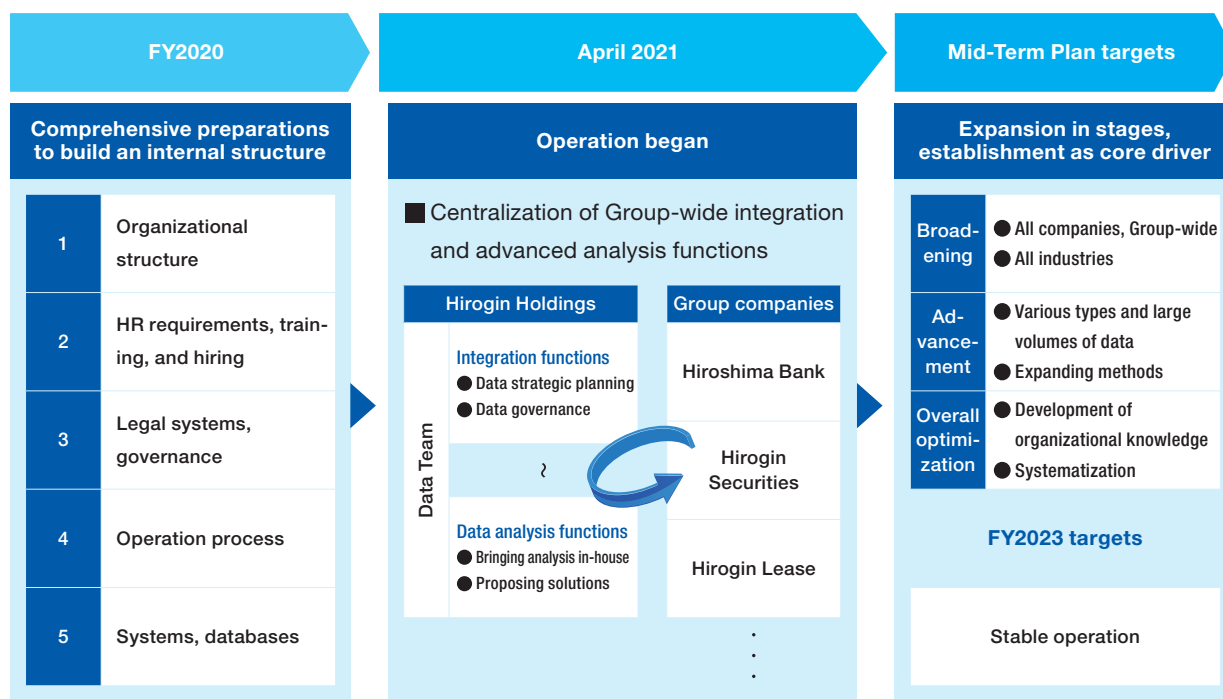
Building the foundation to serve as a basis for DX initiatives (4): Sophisticated utilization of data

DX

By positioning “sophisticated utilization of data” as the core driver which helps to realize various strategies of Hirogin Group as a whole, we have been systematically preparing to create a structure since FY2020 and already started an in-house endeavor using artificial intelligence (AI) in April 2021 by forming a team with dedicated people in charge.

We will gradually expand our initiatives on a Group-wide basis, in order to contribute to addressing business challenges based on speedy, objective, and rational judgment backed by data.

Activities aimed at sophisticated utilization of data



Strategic indicators (KPIs) realizing DX

DX

To align our intentions for promoting DX across the Group and to facilitate goal management, we have established new strategic indicators (KPIs) for promoting DX in the Hirogin Group, based on which we will monitor progress at the Group DX Committee meetings and periodically disclose the results to the public.

In the current Mid-Term Management Plan, we will use the following indicators as KPIs to prepare the structure for promoting DX and human resources before other issues for building the foundation for DX.

Target KPIs (during the current Mid-Term Management Plan period)

| | |
|---|---|
| 1 | Overall progress of activities for DX DX Promotion Indices (self-assessment): 2.4 (1.6 in FY2022) (*1) |
| 2 | Establishment of a structure for DX promotion Appointment of a DX Manager and DX Leader for each division/department of each company (*2) |
| 3 | Improvement of IT literacy across Group companies All Group employees with the Information Technology Passport certification (target: 30%) (*3) |

(*1) DX Promotion Indices: Indices established by the Ministry of Economy, Trade and Industry (METI) in July 2019 to provide opportunities for sharing the recognition of current situations and challenges in the efforts for DX promotion among executive managers and other internal stakeholders and utilizing the findings to guide future actions.

(*2) Qualifications for the appointment to these positions include the Information Technology Passport certification and completion of an internal qualification course.

(*3) Information Technology Passport certification: A national examination program through which METI certifies that the examinee's knowledge and skills as an information processing engineer meets a certain minimum standard based on the Act on Facilitation of Information Processing.

Human Resource Strategies

Optimizing the Group's human resources

After the transition to a holding company structure, the Group is proactively allocating its human resources into growing areas including non-financial areas.

We will continue our efforts to build an optimal human resource portfolio for the entire Group to

Active exchange of human resources

We actively exchange human resources within the Group, including two-way secondment of employees among Group companies. This is not only for the optimal allocation of the Group's human resources to support the business development of the Group companies, but also to accelerate awareness and

further accelerate our Groupwide efforts as a "Regional Comprehensive Services Group" aiming to contribute to the revitalization of the region and the growth of our customers.

behavioral reforms to maximize Group synergies under the holding company structure.

Number of employees seconded (exchange of human resources)

| After transition to a holding company structure (total number) |
|--|
| 111 |

Efforts to leverage specialized expertise

Hiroshima Bank revised its personnel system in July 2020 with the aim of "building a system that can enhance and utilize specialized expertise" and "demonstrate the ability and skill in the right place." Hiroshima Bank has adopted a personnel system based on specific course categories that enables employees to select either the BK business field or the AM business field according to their own aptitude and to increase their expertise within the business field, and to pursue higher expertise in specific fields such as the IT field and the market field.

To enable senior employees with high expertise to continue to play active roles, since April 2021 Hiroshima Bank has introduced a system to secure employment opportunities for human resources up to 70 years old. We plan to introduce this system also in other Group companies in the future.

In addition, under a holding company structure, we introduced job-based employment in July 2021 to accelerate the assignment of the right resources

in the right places at each Group company, as well as to secure human resources with high expertise, knowledge, and skills in operations besides banking operations.

Furthermore, in April 2022, Hiroshima Bank introduced a new "Career Design System" to support the autonomous career development of employees, including an in-house internship program that allows employees to temporarily experience other jobs, and a career change support program that assigns employees in an appropriate additional position (in training) for a certain period to facilitate transition to their desired jobs.

A personnel system where employees can develop their career path on their own (Hiroshima Bank)

| | |
|------------|--|
| July 2020 | Introduced a personnel system based on specific course categories (the BK business field or the AM business field) |
| April 2021 | Revised the senior staff employment system |
| July 2021 | Introduced a job-based employment |
| April 2022 | Introduced the new Career Design System |

Managing personnel affairs as a unified Group

With the aim of maximizing Group synergy under a holding company structure, the Group is working to manage personnel affairs as an integrated Group

Recruitment activities emphasizing the Hirogin Holdings brand

We have launched a recruiting web page on the Hirogin Holdings website as a single entry point for applicants for employment by all Group companies (the recruitment processes are carried out by respective companies) to emphasize the oneness of the Hirogin Group brand in our recruitment activities.

Alignment of personnel systems within the Group

To maximize the Group synergy, we have been working mainly to enable Group companies to use common systems.

while taking into consideration differences between companies in terms of industrial sector, size, and characteristics of their businesses.

Number of recruitment entries accepted by major Group companies

| Graduates in: | March 2022 (entries before a holding company structure) | March 2023 (entries under a holding company structure) |
|----------------------|---|--|
| Hiroshima Bank | 100% | 142% |
| Hirogin Securities | 100% | 186% |
| Hirogin Lease | 100% | 414% |
| Hirogin IT Solutions | 100% | 307% |

*Figures as percentage of the number of entries by March 2022 graduates (100%).
Figures include entries for multiple Group companies by a single applicant.

Major actions for the alignment of personnel systems within the Group

- Adopt common benefit programs
- Review the performance-linked bonus systems

Strengthening the development of the Group's human resources

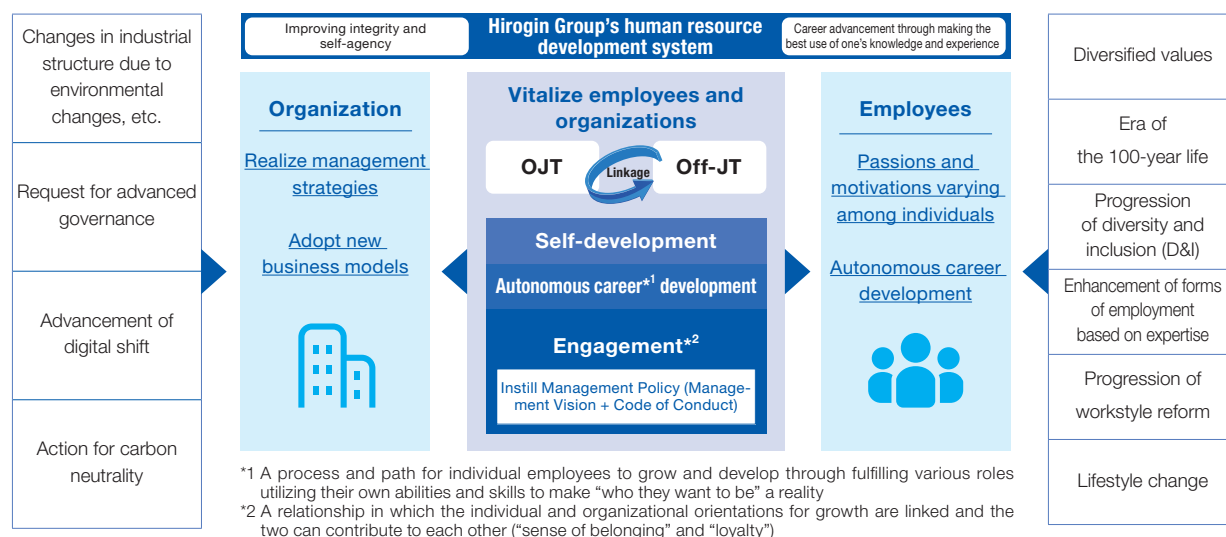
The Hirogin Group focuses on the development of human resources with an aim of realizing sustainable growth by creating a lively organization where all Group employees can demonstrate their abilities and expertise to the fullest while being fully engaged and highly motivated.

From the perspective of human capital management, to respond to changes in the external environment surrounding our organization and employees, we are working to create an environment for employees to pursue active and proactive self-development, which serves as the basis for employee engagement and the autonomous career development of every employee. We are working at the same time to improve linkage between OJT at workplaces and off-the-job training (off-JT), to revitalize employees and the organization.

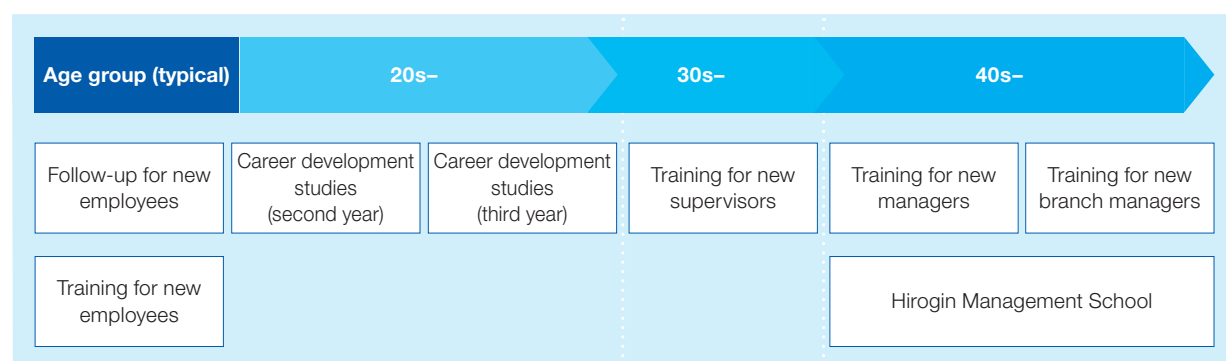
To enhance the development of autonomous human resources under the human resource development systems of the Hirogin Group, we have prepared a list of training programs and show it to all employees as a “syllabus,” to encourage individual employees to think what knowledge and skills they need to acquire to get closer to “who they want to be,” and select training courses by themselves.

With the aim of maximizing Group synergy under a holding company structure, we are taking actions to develop human resources as an integrated Group. This includes conducting theme-based training and position-based training programs on Groupwide basis, which were formerly conducted company by company.

Human resource development system



Structure of position-based training programs



Number of trainees in position-based training programs (FY2021)

| Program | Target | Number of trainees |
|--|---------------------------------|--------------------|
| Training for new branch managers | New branch managers | 23 persons |
| Training for new managers | Persons promoted to managers | 46 persons |
| Training for new supervisors | Persons promoted to supervisors | 66 persons |
| Career development studies (third year) | Third year employees | 158 persons |
| Career development studies (second year) | Second year employees | 117 persons |
| Follow-up for new employees | New employees | 120 persons |
| Training for new employees | | 127 persons |

Improving integrity and self-agency

Starting from fiscal 2021, we offer theme-based training programs to those who apply on Groupwide basis to help develop the underlying views and approaches employees hold as an individual, and improve their basic skills as a working member of society (integrity and self-agency).

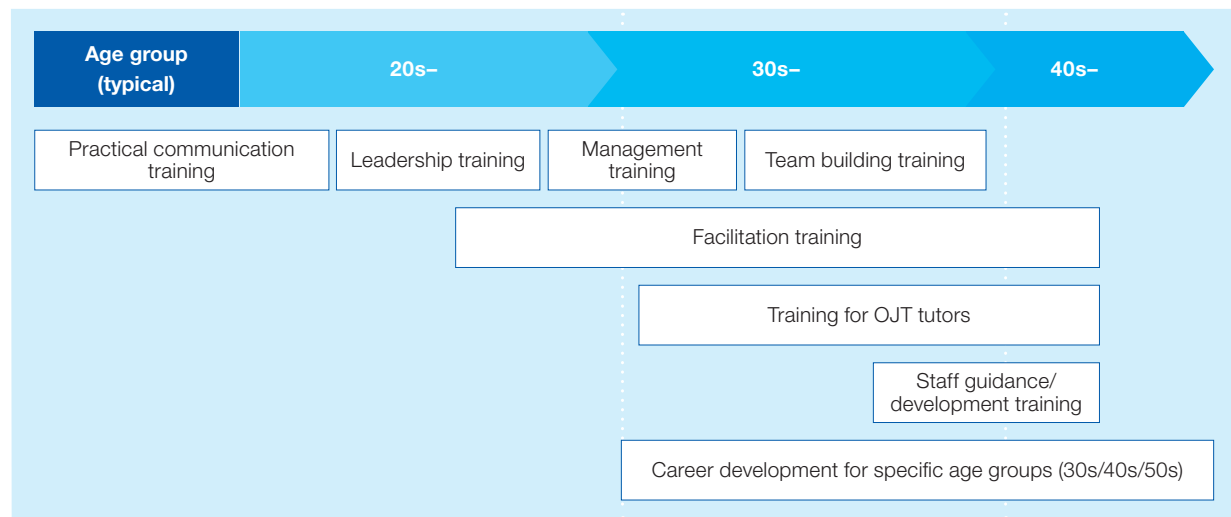
These theme-based training programs often use a “blended learning” approach to maximize their effectiveness, i.e., a learning method that combines multiple methods, such as face-to-face group sessions

and e-learning, or face-to-face group sessions and online training.

Number of trainees in theme-based training programs (FY2021)

| Program | Target | Number of trainees |
|-------------------------------------|-------------------------------|--------------------|
| Leadership training | Younger/ Mid-career employees | 132 persons |
| Management training | Mid-career employees | 41 persons |
| Team building training | Supervisors | 64 persons |
| Staff guidance/development training | Managers and supervisors | 39 persons |

Structure of theme-based training programs



Facilitating the fastest possible growth of younger employees into professionals

We are conducting various growth support measures mainly for younger employees to realize a more sophisticated consulting business with customer needs as a starting point while valuing their autonomy.

In establishing systems and plans for developing younger employees, we define the three-year period after joining the Company as an important period for developing new employees as core personnel.

In particular, the development system up until the third year after joining Hiroshima Bank, with a large number of new graduate hires, is as follows.

| Year | Development system |
|-------------------|--|
| First year | After learning the basic flow of operations at branch offices and through training programs in the first half-year, they will accumulate firsthand experience by visiting customers with superiors or seniors. |
| Second year | They experience both banking operations and asset management operations by independently visiting customers. |
| Third year onward | Employees choose from either banking operations or asset management operations themselves, and hone their expertise in the respective areas to grow into core players in the operations. |

Furthermore, based on the concept that new employees should be educated organizationally, we have established an instructor system to help their development not only in operation, but also to help them have a happier private life and develop their personal integrity.

To strengthen off-JT, we also have development programs and training systems for each operation area through which entry-level employees can step up to mid- or high-level in a steady manner.

Number of trainees in entry-level employees development programs (FY2021)

| Operation | Number of trainees |
|------------------|--------------------|
| Banking | 105 persons |
| Asset management | 91 persons |

(Scope of survey: Hiroshima Bank)

We are improving training effects by proactively by adopting many practical training programs such as group work, in addition to knowledge acquisition through lectures.

We have also created a learning environment by holding “free college” seminars on Saturday at which attendance is voluntary and adopting the “home learning support system @Home-Web” which enables online learning using their household computer and smartphone. In this way, we encourage employees to develop themselves proactively on their own initiatives.

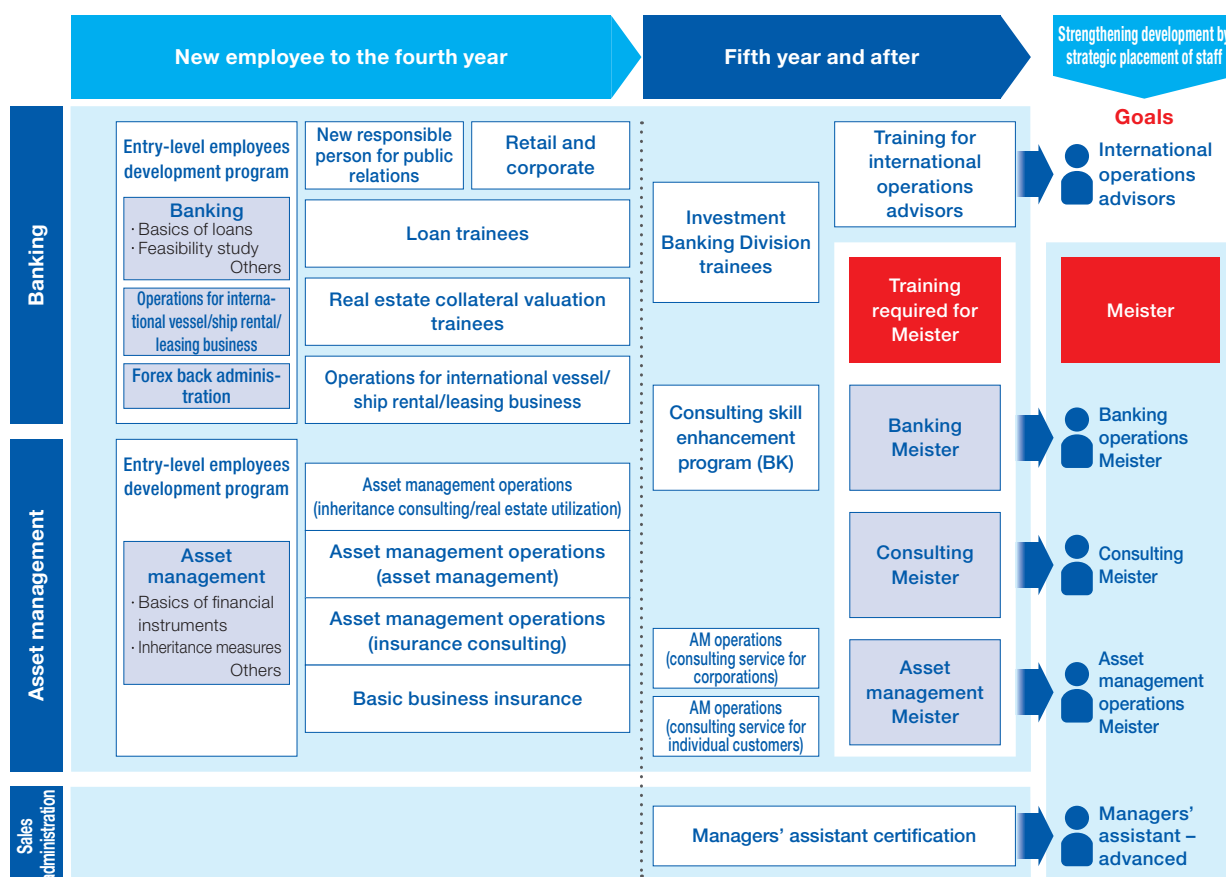
We also refer employees to external resources such as a flat-rate video website to brush up basic skills as a working member of society (integrity and self-agency), apps that summarize the content of books, and Information Technology Passport correspondence course designed to enhance IT literacy.

Strengthening expertise

Amid a rapidly changing environment, we are required to strengthen the expertise of each and every employee to respond to customer needs reliably. Based on this concept, Hiroshima Bank has established the Meister System as a final goal of operational skills for employees as part of its system of operation-based training programs.

We also send employees to business schools in and outside Japan to study as students, as well as to external organizations including government bodies, academia and industries on secondment, which further hones their expertise while increasing their experience outside the company (and the Group).

Structure of operation-based training programs for general employees of Hiroshima Bank



Number of certified Meisters (FY2021)

| Classification of Meister | Number of certified persons |
|-----------------------------|-----------------------------|
| Banking operations | 18 persons |
| Consulting | 5 persons |
| Asset management operations | 31 persons |

Company-sponsored enrollment in MBA programs (cumulative total as of March 31, 2022)

| Program | Number of employees enrolled |
|----------------------------|------------------------------|
| MBA programs outside Japan | 23 persons |
| MBA programs in Japan | 19 persons |

Assignments on secondment outside the Group (cumulative total as of April 1, 2022)

| Host organization | Number of employees on secondment |
|-----------------------|-----------------------------------|
| Government/University | 10 persons |
| Industry | 60 persons |

Development of future executives

The Group holds the Hirogin Management School for developing future executive candidates with support from GLOBIS CORPORATION to strengthen the "ability of thinking befitting of a corporate manager" in considering management strategies and business reform.

The Hirogin Management School program has been conducted on Groupwide basis since FY2021, in which participants learn the leadership and management theory and business frameworks with specific cases as examples and ultimately make suggestions on management.

Number of trainees in Hirogin Management School (FY2021)

| Program | Main topics | Number of trainees |
|--------------|--|--------------------|
| Practical | <ul style="list-style-type: none"> Program to nurture a sense of mission Organizational reform | 16 persons |
| Upper | <ul style="list-style-type: none"> Technovate strategies Design thinking Leadership | 19 persons |
| Intermediate | <ul style="list-style-type: none"> Business strategies Marketing Reinforcing influence on others Business innovation | 35 persons |

Restructuring

Strategic cost management

Through various reforms as a unified Group, we will implement strategic cost management from a medium- to long-term perspective, aiming to establish a stable

management base that supports the foundation for our growth.

Branch transformation

The Group is working to optimize the allocation of its management resources through revamping branches and other sites mainly of Hiroshima Bank, in view of en-

vironmental changes and looking to new business areas including those of Group companies and nonfinancial businesses.

Major actions for branch transformation

- Achieving the efficiency of branch operations by clarifying the roles of full-service branches, branches specializing in individual customers and other branches, in view of changes in the market
- Offering one-stop service through joint operations of banking and securities services at joint branches that have increased in number and scale
- Reducing the number of branches by the use of a branch-in-branch arrangement
- Reducing the number of ATMs

Targets and results of branch transformation under the Mid-Term Management Plan 2020

| Target (by the end of FY2023) | Result (including plans within FY2022) | |
|---|---|-------------------------|
| Reduction in the number branches: Approx. 20 (approx. 10% down from FY2019) | Reduction in the number branches: 14 | Achievement: 70% |
| Reduction in the number of ATMs: Approx. 170 (approx. 20% down from FY2019) | Reduction in the number of ATMs: Approx. 140 | Achievement: 82% |

Operational transformation and cost transformation

We pursue Groupwide efforts to reduce costs from medium- to long-term perspectives for reform, including eliminating routine clerical tasks through drastic operational transformation and utilization of digital

technologies in each Group company, which is also intended to allow Group employees to have more time (to allocate to more productive work).

Major actions for operational transformation and cost transformation

- Steady cost reduction through reductions in branch and ATM rents, and revisions of outsourcing contracts and building management operations, etc.
- Eliminating or increasing efficiency of operations through digitizing operations in the Group

| Major operations digitized | Description of operations |
|---------------------------------------|---|
| Electronic contracting service | Using an electronic contract service for business loans (No need for revenue stamps or seals, etc.) |
| AI translation service | Automatic translation of overseas contracts and market reports (23 languages) by AI |
| Investment trust robo-advisor service | Finds out customers' preferences in investment and guides them to most suitable funds |
| AI voice bot | Automated call handling using AI for interactive voice response |

- Progress in the shift to self-service for in-store operations using branch tablets and other devices, paperless operation and elimination of *hanko* seals
- Improving efficiency in branch operations through expanding elimination of two-line system (centralize back-office processes at headquarters) from area branches to cover the whole of Hiroshima Prefecture
- Improving efficiency in operations through alliance with other companies in the same or other sector, such as the alliance with Chugoku Bank on fee-free customer use of each other's ATMs (December 2020)

Targets and results of operational and cost transformation under the Mid-Term Management Plan 2020

| Target (by the end of FY2023) | Result (including plans within FY2023) | |
|---|--|--|
| Revenue increase from restructuring Approx. ¥1.2 billion | Effect of restructuring • Cost reduction: Approx. ¥1 billion (compared to FY2019) • Improvement in balance of service transactions: Approx. ¥0.3 billion (compared to FY2019) Total: Approx. ¥1.3 billion | Expected to achieve the target under the Mid-Term Management Plan |

Summary of Business Performance (FY2021)

Consolidated gross profit

¥92 billion

Profit attributable to owners of the parent

¥22.9 billion

Group total credit

¥7,060.6 billion

Total custody assets (Hiroshima Bank and Hirogin Securities)

¥10,631.2 billion

* Group total credit = loans (consolidated) + lease claims + privately placed bonds + private equity investments (pledged investment amount), etc. (including private REIT investments)

* The balance of Hirogin Securities is stated at fair value.
* Financial instrument intermediary services through the Hirogin App (Rakuten Securities and SBI Securities) are not included.

Consolidated capital adequacy ratio

10.3%

Consolidated ROE

4.5%

Total of revenue related to consulting service for corporate and retail customers and net income for the Group companies

¥14.8 billion

Contributions of Group companies to consolidated performance

15.9%

* Revenue related to consulting service for corporate and retail customers
= Total of revenues from corporate solutions, asset management, and equity business

* Net income for the Group companies
= Total of net income for consolidated subsidiaries, excluding Hiroshima Bank, multiplied by investment ratio

* Contributions of Group companies to consolidated performance = $\frac{\text{Net income for the Group companies}}{\text{Profit attributable to owners of the parent}}$

External credit rating

(As of June 30, 2022)

| | Japan Credit Rating Agency (JCR) | Rating and Investment Information (R&I) | Moody's |
|------------------|----------------------------------|---|---------|
| Hirogin Holdings | AA- | A | — |
| Hiroshima Bank | AA- | A+ | A2 |

Number of companies for which Hiroshima Bank is the main bank

| Japan (ranked No. 13) | Chugoku region (ranked No. 1 for 12 consecutive years) | Hiroshima Prefecture (ranked No. 1 for 12 consecutive years) |
|--------------------------|---|---|
| 16,046 companies (1.10%) | 15,613 companies (16.23%) | 14,605 companies (37.38%) |

Source: Teikoku Databank (as of the end of December 2021)

Nonfinancial Highlights (FY2021)

Initiatives related to sustainability

Reduction in greenhouse gas emission (Scope 1 and 2)



32.6%
reduction

Between FY2013 and FY2021

Target reduction in greenhouse gas emission

- Carbon neutrality in Scope 1 and 2 by FY2030
- Carbon neutrality in Scope 1, 2 and 3 by FY2050

Investment and financing in sustainable finance



¥122.0 billion
Including ¥85.0 billion
in the environmental field
(FY2021)

Target sustainable finance
(total for FY2021–FY2030)

¥2.0 trillion

Including target environmental finance
(total for FY2021–FY2030)

¥1.0 trillion

Promotion of active participation of women (ratio of women in management positions)



16%
(246 persons)

(As of April 1, 2022)

Target

Approx. **20%** by FY2023

Approx. **25%** by FY2030

Employment of disabled persons



2.4%
(101 persons)

(As of June 1, 2022)

We plan to increase hires with a target rate of

2.6% or more

beyond the legal requirement for a private company.

Initiatives for customer-oriented business operations (Hiroshima Bank and Hirogin Securities combined)

Number of qualified financial planners (Development of human resources with advanced expertise)



CSPFP 1st grade: 439 persons

CSPFP 2nd grade: 1,782 persons

(as of the end of March 2022)

Note: 1st and 2nd grades include CFP and AFP holders, respectively.

Number of holders of financial instruments and balances (Enlarged customer base as a result of our efforts)



209,109 customers

¥1,503.7 billion

(as of the end of March 2022)

Endorsement of domestic and international initiatives and third-party evaluations



2022
健康経営優良法人
Health and productivity
ホワイト500

Certified as health and productivity
management organization (White 500)
for four consecutive years