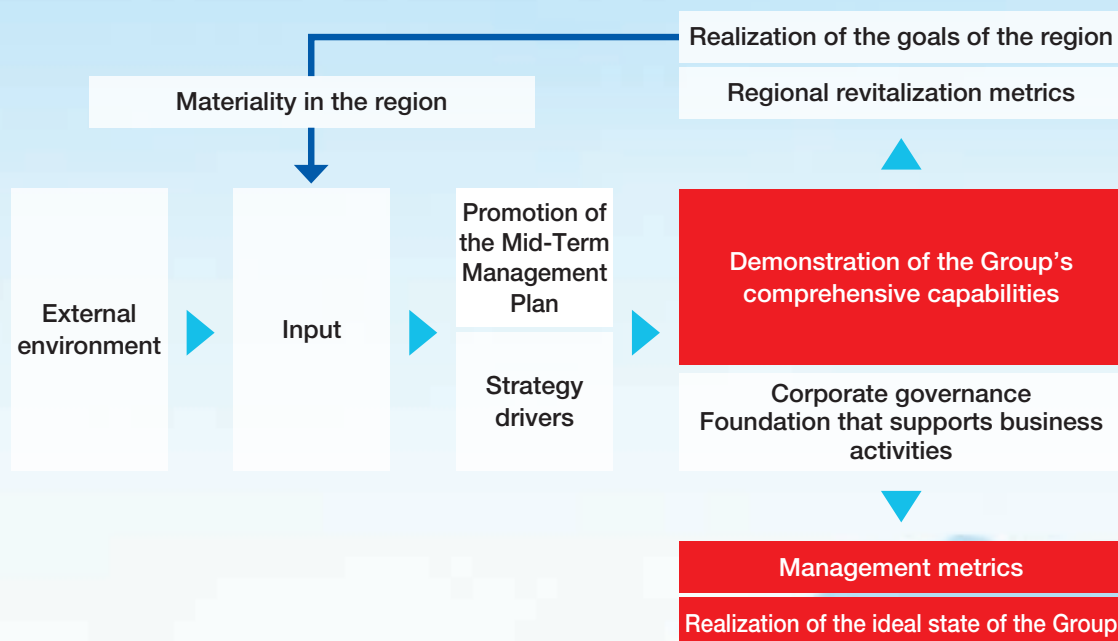


How We Will Create Value



Positioning within the value creation story described in this section



What we want to communicate in this section

- **Strategies for value creation**
- **Materiality and initiatives to help to create a vibrant region**
- **Sales strategies for corporate and retail business areas**

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Message from the Financial Officer



We will aim to enhance our sustainable corporate value by pursuing a steady accumulation of profits, investments for growth, and management with a balanced approach to shareholder returns.

Yuji Hiroe

Director & Senior Managing Executive Officer

Enhancing capital efficiency and corporate value in “a world with positive interest rates”

In fiscal 2024, under our newly launched Mid-Term Management Plan 2024, we have prioritized the allocation of management resources to key strategic domains such as corporate solutions, regional development business, and shipping finance, while accelerating initiatives aimed at driving growth. In addition, to enhance ROE, we are not only maximizing profitability but also strengthening our focus on capital efficiency and advancing our management control systems.

As we enter a full-fledged “world of positive

interest rates,” we will work to build a revenue base that ensures stable and sustainable net interest income through the optimal management of assets and liabilities, with Hiroshima Bank playing a central role. We will continue to pursue balanced management by steadily accumulating profits, making growth investments, and providing shareholder returns, while striving to enhance our corporate value on a sustainable basis. At the same time, we are fully committed to achieving a consolidated P/B ratio exceeding 1.0 at an early stage. Going forward, we will continue to uphold honest and highly transparent financial management to meet the expectations of our shareholders and investors, and we sincerely ask for your continued support.

■ Business performance in fiscal 2024 and financial results forecasts for fiscal 2025

Review of fiscal 2024

Achieved record-high profit and strengthened earnings base for sustainable growth

Fiscal 2024 was a year of considerable change in the market environment, marked by a shift in monetary policy beginning with the Bank of Japan's lifting of its negative interest rate policy and subsequent additional rate hikes. In such an environment, the growth in interest on loans and discounts resulting from an increase in loans—mainly to local customers—and improved yields, as well as higher profitability from securities investment, provided a tailwind that led to a substantial rise in net interest income. As a result, revenues from our core businesses remained solid, with consolidated gross profit increasing by ¥12.1 billion year on year to ¥112.8 billion.

Meanwhile, under the policy of “incurring costs to raise the top line” set forth in our Mid-Term Management Plan 2024, we proactively made growth investments, focusing on human capital and DX/IT initiatives, to strengthen our earnings base for sustainable growth. Consequently, while general and administrative expenses increased by ¥6.2 billion year on year, profit attributable to owners of parent rose by ¥8.2 billion to ¥35.8 billion, marking a record-high profit.

Financial results forecasts for fiscal 2025

Expecting record-high profit for the second consecutive year by maximizing revenue focused on corporate business areas

In fiscal 2025, amid a lack of certainty on the future economic outlook and market trends triggered by the revision of US tariff policy, customer needs and challenges are expected to become even more diverse and complex. To accommodate such circumstances, using the feasibility studies we have engaged in ahead of other banks as the starting point, the Group will form an accurate grasp of the true issues faced by our customers and endeavor to provide them with optimal solutions. In particular, we will aim to steadily accumulate revenues, starting with an increase in interest on loans and discounts, by targeting solid funding demand in regional redevelopment projects and ship-related industries and demonstrating our loan mediation function to the fullest. Additionally, we will proactively offer business continuity and M&A support tailored to the growth investment and business revitalization needs of local companies, and will also focus on the expansion of income on service transactions and other fees. By steadily advancing these initiatives, we expect profit attributable to owners of parent to increase by ¥4.2 billion from fiscal 2024 to ¥40.0 billion, marking a record high for the second consecutive year.

► Hirogin Holdings (consolidated)

(¥ billion)	FY2024 results (YoY change)		FY2025 forecast (YoY change)	
Consolidated gross profit	112.8	(+12.1)	—	(—)
Ordinary profit	52.1	(+18.0)	57.0	(+4.9)
Profit attributable to owners of parent	35.8	(+8.2)	40.0	(+4.2)
(Reference) General and administrative expenses	64.1	(+6.2)	—	(—)

► Hiroshima Bank (non-consolidated)

(¥ billion)	FY2024 results (YoY change)		FY2025 forecast (YoY change)	
Core gross banking profit	106.5	(+14.5)	118.5	(+12.0)
Core banking profit	49.0	(+10.1)	57.0	(+8.0)
Ordinary profit	47.7	(+16.3)	52.0	(+4.3)
Profit	32.9	(+6.4)	36.5	(+3.6)
(Reference) Credit costs	2.3	(-12.1)	7.0	(+4.7)

(Assumed market scenario for forecasts)

Yen interest rates: (short-term) BOJ policy rate of 0.50%, (long-term) Rate on 10-year JGBs of 1.40%

Foreign currency interest rates: (short-term) FF rate of 3.75%, (long-term) Rate on 10-year US T-Notes of 4.50%

Exchange rate (USD/JPY): 145 yen

Nikkei stock average: 35,000 yen

Since our Mid-Term Management Plan 2024 got underway in April 2024, interest rate levels and the market environment have changed significantly against the backdrop of a rapid shift in financial policy, including the lifting of the negative interest rate policy and additional rate hikes by the Bank of Japan. Consequently, a considerable gap arose with the market scenarios we envisioned when formulating the Mid-Term Management Plan 2024. Based on such changes in our external environment, we revised the Plan in May 2025.

Assuming a new interest rate scenario in which the Bank of Japan's policy interest rate gradually rises to 1.0%, we also performed an upward revision of our targeted profit attributable to owners of parent from ¥45.0 billion to ¥57.0 billion. In line with that, we raised our consolidated ROE, a management indicator for profitability, to 9.5% (for fiscal 2028), which greatly exceeds our original target of 7.0%.

Market scenario

After review

Consolidated BPS ¥2,000 or higher ➡ —
(Remain unchanged)

(profit levels)

Profit attributable to owners of parent ¥45.0 billion → ¥57.0 billion

— Before review — After review

BOJ policy interest rate

Date	BOJ policy interest rate
April 2016	0.75%
April 2027	1.00%

After review

Yen interest rate	10-year JGB yield	1.50%	2.00%
Foreign currency interest rate	FF rate	3.00%	3.75%
	10-year US T-Note yield	3.75%	4.30%
Exchange rate (USD/JPY)		¥135	¥140
Nikkei stock average		¥41,000	¥44,000

		FY2024	...	FY2028	Compared to FY2024	Compared to figures before review	Assumptions underlying the plan
Hiroshima Bank	Net interest income	¥85.9 billion		¥121.5 billion	+¥35.6 billion	+¥24.5 billion	Interest on loans and discounts, interest on deposits, etc. (Loans and discounts) <ul style="list-style-type: none"> ● Average annual rate of 3% on business loans and individual loans ● The pass-through rates of lending rates to the policy rate are assumed at 80% for long-term loans and 50% for short-term loans based on the short-term prime rate, and 100% for market-linked and long-term fixed-rate loans. (Deposits) <ul style="list-style-type: none"> ● Average annual rate of 2% on yen deposits ● The pass-through rates of deposit rates to the policy rate are assumed at 40% for liquid deposits and approximately 50% for time deposits.
	of which, interest on loans and discounts, interest on deposits, etc.	¥70.8 billion		¥87.0 billion	+¥16.2 billion	+¥13.3 billion	
	of which, interest and dividends on securities	¥13.0 billion		¥22.5 billion	+¥9.5 billion	+¥2.5 billion	
	Net non-interest income	¥20.5 billion		¥26.5 billion	+¥6.0 billion	+¥5.0 billion	
	of which, corporate solutions	¥7.4 billion		¥11.0 billion	+¥3.6 billion	+¥2.5 billion	
	of which, asset management	¥4.2 billion		¥6.0 billion	+¥1.8 billion	+¥0.5 billion	
	Core gross banking profit	¥106.5 billion	⇒	¥148.0 billion	+¥41.5 billion	+¥29.5 billion	
	Expenses	¥57.5 billion		¥66.5 billion	+¥9.0 billion	+¥9.5 billion	
	Core banking profit	¥49.0 billion		¥86.5 billion	+¥37.5 billion	+¥25.0 billion	
	of which, credit costs	¥2.3 billion		¥8.0 billion	+¥5.7 billion	±¥0.0 billion	
	Profit	¥32.9 billion		¥52.0 billion	+¥19.1 billion	+¥11.0 billion	(Personnel expenses) <ul style="list-style-type: none"> ● An average annual base salary increase of around 3%, etc. ● Revision of personnel systems in FY2025, etc. + approx. ¥4.0 billion from FY2024
	Net income (total)	¥2.9 billion		¥4.8 billion	+¥1.9 billion	+¥0.8 billion	
Other than Hiroshima Bank	Profit attributable to owners of parent	¥35.8 billion		¥57.0 billion	+¥21.2 billion	+¥12.0 billion	(Non-personnel expenses) <ul style="list-style-type: none"> ● Backbone system migration ● DX investment, etc. + approx. ¥5.0 billion from FY2024

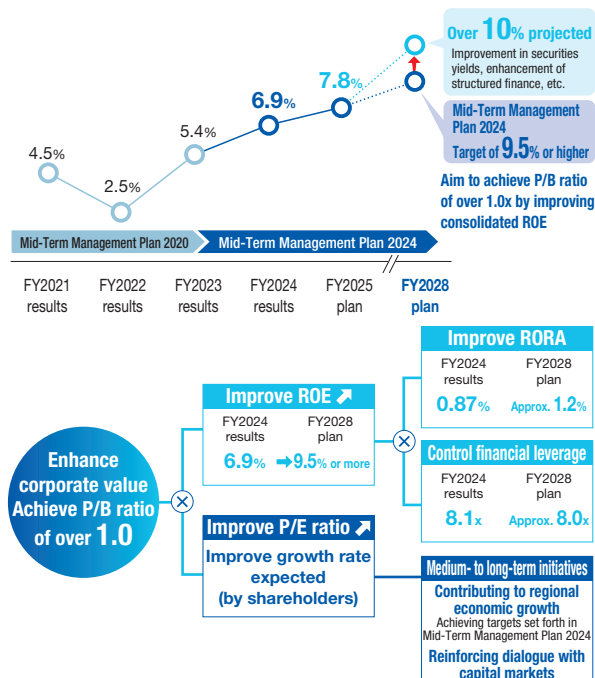
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Working to enhance corporate value

Under our Mid-Term Management Plan 2024, we set the achievement of a consolidated ROE of 9.5% as a target. Furthermore, additional measures, including further improvement in securities yields and enhancement of structured finance, put a consolidated ROE of over 10% within reach. We recognize the cost of equity for our shares to be in the range of 6% to 10%, and aim to achieve a consolidated P/B ratio exceeding 1.0x at an early stage by consistently delivering an ROE above that level.

Since improving ROE is essential to enhancing P/B ratio, we will continue to further strengthen capital efficiency by improving RORA (Return on Risk-Weighted Assets) and appropriately controlling financial leverage.

In addition, to raise shareholders' expected growth rate, we will work toward realizing regional revitalization, a key theme of our Mid-Term Management Plan 2024, while further strengthening dialogue with the capital markets.



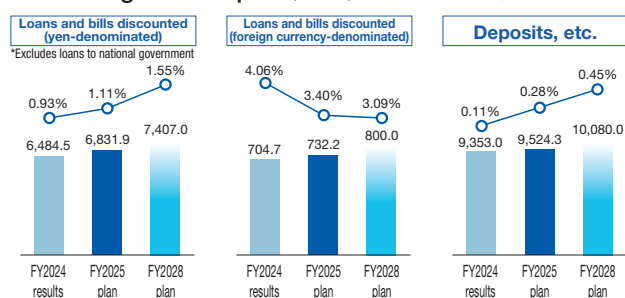
Enhancing RORA

Bolstering revenue through asset utilization in “a world with positive interest rates”

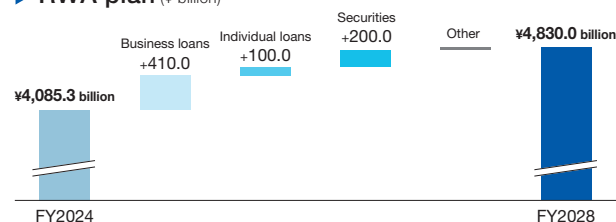
We perceive “a world with positive interest rates” as a prime chance to create new revenue opportunities through the effective utilization of assets. At the same time, we find ourselves in an environment where we are strongly required to carefully ascertain the balance between risk and return more than ever before and to conduct efficient capital management.

We remain constantly mindful of improving RORA (Return on Risk-Weighted Assets) as we work to continuously enhance our capital efficiency.

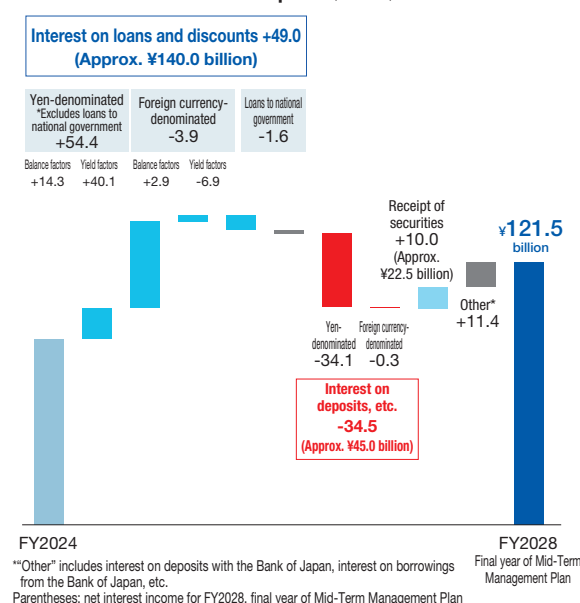
Funding volume plan (¥ billion)



RWA plan (¥ billion)



Net interest income plan (¥ billion)



Message from the Financial Officer

Reviewing asset allocation

We will pursue the optimization of our balance sheet from the standpoint of profitability, risk, and capital efficiency. In particular, where loans and bills discounted are concerned, as we actively accommodate local demand for funding, our policy will be to strategically and methodically proceed to augment structured finance and other high-profit (spread) assets. We believe such qualitative improvements to our loan portfolio will go beyond a simple accumulation of short-term revenue to link to the sustainable improvement of our corporate value over the medium to long term.

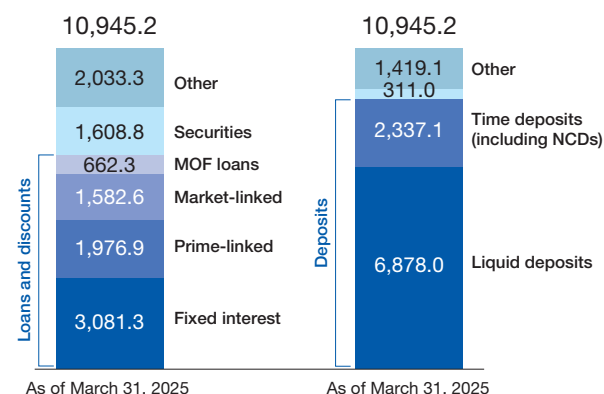
We remain constantly mindful of improving RORA (Return on Risk-Weighted Assets) as we work to continuously enhance our capital efficiency.

Strengthening deposit growth

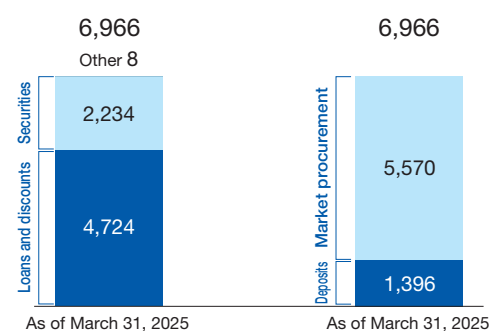
To strengthen deposit growth, we will enhance the acquisition of individual deposits through wealth management consulting utilizing trust services for high-net-worth clients, while also actively promoting digital app-based approaches to younger generations. For corporate deposits, we will work to secure a deposit share commensurate with our loan share, building on relationships with existing clients, while also focusing on approaches to non-borrowing depositors.

(Reference) Status of Hiroshima Bank's balance sheet

► Yen-denominated balance sheet (¥ billion)

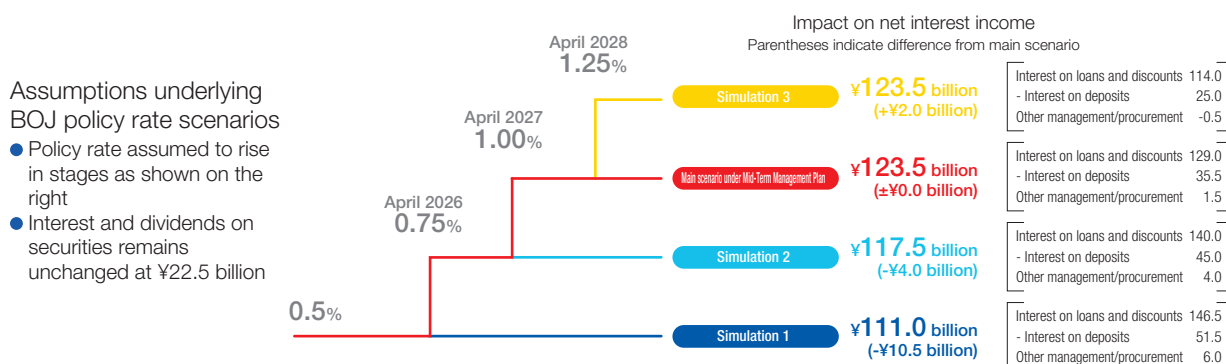


► Foreign currency-denominated balance sheet (US\$ million)



Impact of rises in the BOJ policy interest rate

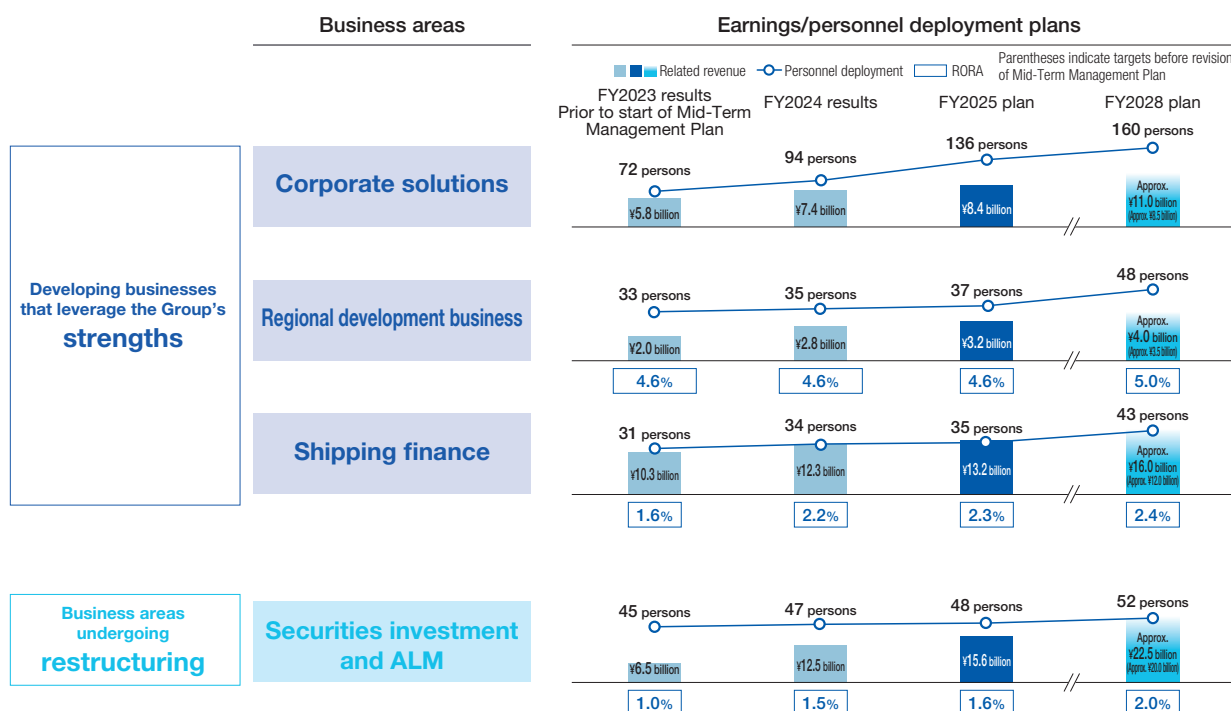
The impact on net interest income should the Bank of Japan's policy interest rates fluctuate is as follows.



Earnings drivers

Leveraging the strengths of our Group, we will focus on business development in the areas of corporate solutions, regional development business, and shipping finance, while concentrating on securities investment and ALM as business areas undergoing restructuring.

By allocating management resources—people and capital—on a priority and proactive basis to these focus areas, we aim to establish them as key drivers of earnings growth.



Shareholder return policy

We have set a shareholder return policy based on an assumed HD consolidated capital adequacy ratio of 11%. The policy comprises a dividend payout ratio of about 40% and the flexible implementation of share buybacks.

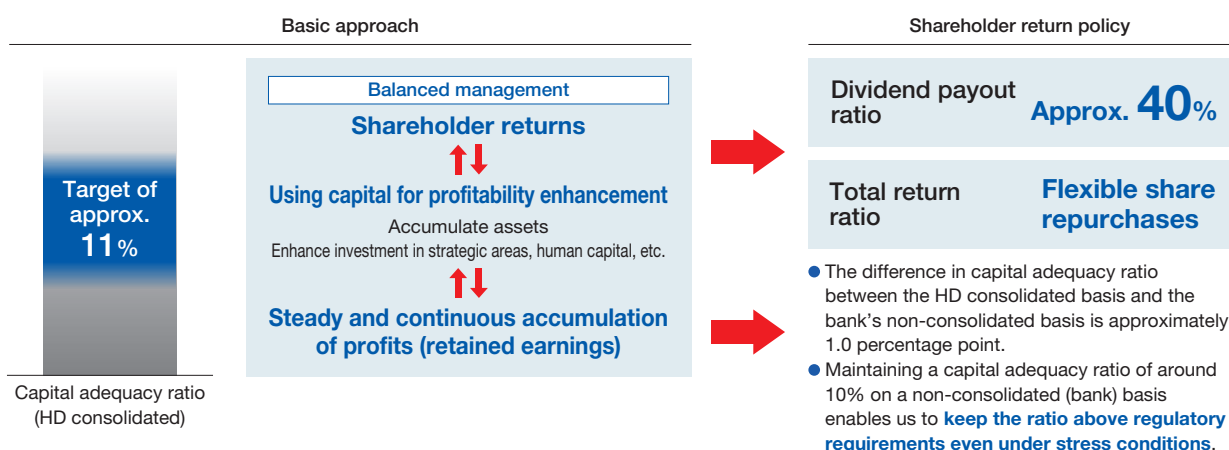
The 11% capital adequacy ratio represents a level that can be maintained above regulatory requirements, even during times of stress. For fiscal 2025, we forecast a dividend of ¥54 per share with a dividend payout ratio of 40.4%, representing an upward trend in

dividends.

We plan to repurchase ¥5.0 billion of our own shares in fiscal 2025. As a result, we anticipate that the total return ratio for fiscal 2025 will be 53.3%.

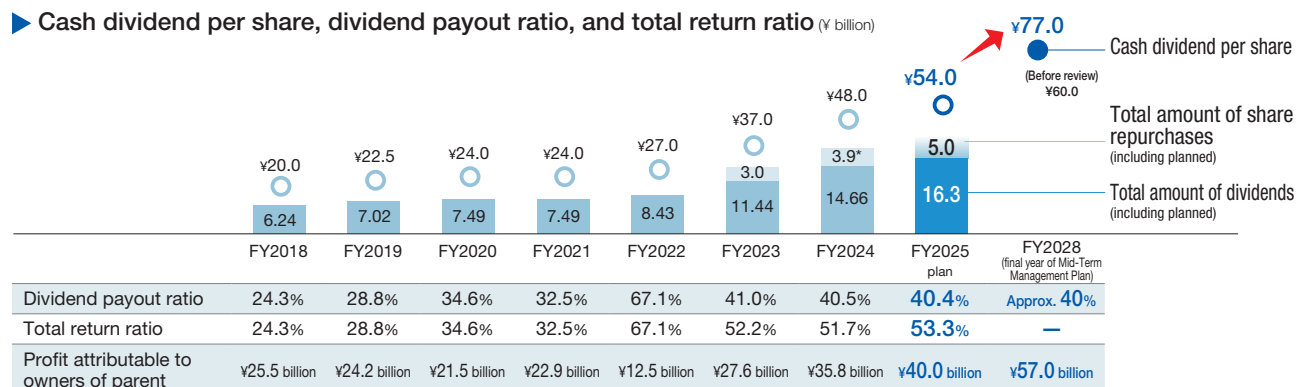
Additionally, we will aim to increase dividend per share during the current Mid-Term Management Plan period by enhancing profits. Our dividend target for fiscal 2028, the final year of the Plan, is ¥77 per share, which will be realized by achieving profit attributable to owners of parent of ¥57.0 billion.

► Approach to shareholder returns



Message from the Financial Officer

► Cash dividend per share, dividend payout ratio, and total return ratio (¥ billion)



*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.

Reduce cross-shareholdings

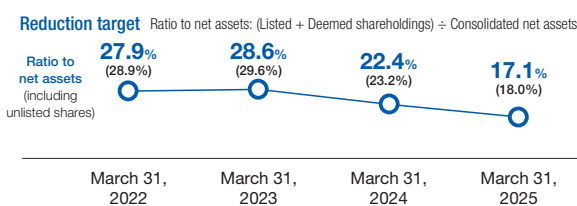
The Group has a basic policy of not engaging in cross-shareholding, except where it is deemed that the holding has a rationale such as the development of the regional economy or improvement of corporate value.

As a result of ongoing dialogue with issuing companies to reduce cross-shareholding, the ratio of the market value of cross-shareholdings (including listed and deemed shareholdings) to consolidated net assets stood at 17.1% as of March 31, 2025, achieving our target of keeping the ratio below 20%.

We will continue to steadily reduce cross-shareholdings, aiming to bring their ratio to consolidated net assets to below 15% by March 31, 2029 (the end of

the final fiscal year of the Mid-Term Management Plan 2024).

► Changes in cross-shareholdings



Please see page 120 for details of our policy regarding cross-shareholdings, etc.

Reinforcing dialogue with capital markets

Targeted shareholder composition

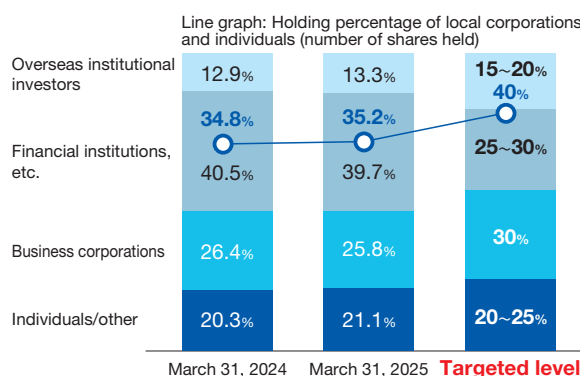
As the practice of cross-shareholdings continues to be reviewed, the shareholding ratio of domestic financial institutions and others is expected to continue declining going forward. Based on such an environmental shift, with the view that a trend towards the elimination of cross-shareholdings poses an opportunity, we are moving forward with a transition in our shareholder composition through dialogue with diverse shareholders. More specifically, we are aiming to elevate the shareholding ratio of overseas institutional investors, domestic business corporations, and individual investors. In particular, we aim to increase the ratio of local shareholders—who form our business foundation—to

(Reference) Secondary offering of shares (Conducted in July 2025)

Through ongoing dialogue with our shareholders, we have confirmed the intention to sell policy-holding shares of our stock held mainly by non-life insurance companies. After examining the most appropriate method for share sales from the Company's standpoint, we conducted a secondary offering of shares to provide a smooth selling opportunity and to help realize the shareholder structure we are aiming for. Going forward, we will continue to promote the reduction of cross-shareholdings in policy-holding stocks, while striving to expand our investor base of those who understand and support our corporate activities from a medium- to long-term perspective, and to enhance market liquidity.

40%. In the future, we will keep on endeavoring to build sound relationships with capital markets that contribute to our sustainable growth through the highly transparent disclosure of information and the reinforcement of constructive dialogue.

► Information on our targeted shareholder composition



***"Other" includes the Employee Stock Ownership Plan, etc.

Engagement with investors and analysts

We believe that the active disclosure of information, including the enhancement of disclosure content, serves to foster investor expectations regarding the Group's growth. Additionally, engagement with investors provides critical opportunities for gaining valuable take-aways and findings. We recognize that sharing feedback received through those opportunities with the Board of Directors and management, then proceeding to reflect them in management strategy, is a key mission of the financial officer. Going forward, we will continue to sincerely accept the opinions and suggestions that we gain through dialogue with investors, and incorporate them into management to further accelerate initiatives aimed at maximizing corporate value.

	FY2023	FY2024	FY2025 (planned)
Briefing sessions for institutional investors	3 sessions	6 sessions	8 sessions
One-on-one meetings with institutional investors	31 companies (including 12 from overseas)	43 companies (including 11 from overseas)	Approx. 50 companies
Briefing sessions for individual investors, etc.	3 sessions	4 meetings (including 2 with corporate customers)	4 meetings

Topics

Holding company briefing sessions locally

Company briefing sessions for corporate customers

We held our first company briefing sessions for corporate customers. These sessions, whose aim was to cultivate further understanding of our businesses, were held in two locations: Hiroshima and Fukuyama. Customers from about 150 companies were in attendance.



Company briefing sessions for individual investors

For the third consecutive year, we held a "Hiroshima IR Session" targeting local individual investors. This session, whose aim was to convey the appeal of Hiroshima, was held together alongside a lecture by Takehara City, Hiroshima Prefecture native and individual investor Hiroto Kiritani, a Japanese Kagura music and dance performance by a local Kagura troupe, and a promotional event featuring products from local companies that are available through shareholder benefit programs. The event this year attracted a large number of customers.



Curbing Population Decline

Materiality ①

■ Ideal state 10 years from now

A vibrant region where young people settle down and thrive

Today, Hiroshima Prefecture is faced with a number of regional issues, including the issues related to the environment, regional transport system, and medical and nursing care. The Group will help realize a vibrant region by confronting each of these regional issues and carefully addressing them together with a variety of partners.

We believe “a vibrant region” is where people of all ages and both genders can take on a challenge with pride to realize their dreams and hopes. We will contribute to enhancing the appeal of Hiroshima where we live and evolving the prefecture into a region loved and selected by many.

Population outflow and labor shortages

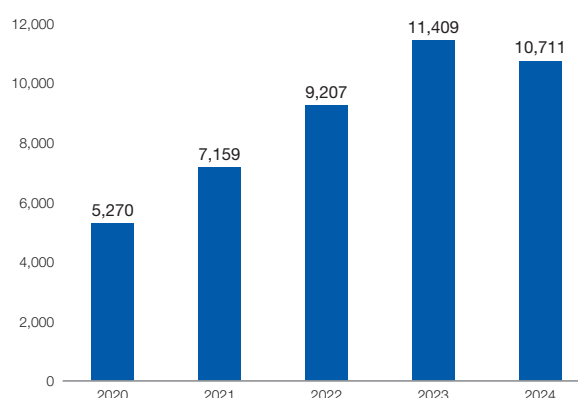
Hiroshima Prefecture has marked the highest number of net population moving out nationwide for four consecutive years up to 2024, and the number of net moving out in their 20s represented over 60% of the total. As young people tend to leave the prefecture when they start working, it is said that main reasons behind the net moving out are the shortage of attractive job opportunities for them and the lack of entertainment destinations, such as live events and theme parks, in the prefecture. In addition, Japan's so-called 2024 problem has exacerbated the labor shortages, especially in the transport and construction industries. In a survey conducted by our Group in April 2025 among corporate executives, nearly half of the respondents cited “labor shortages” as a concern surrounding business management.

While the declining young population and labor shortage issues have become increasingly apparent, the

Group plans to implement a variety of initiatives that contribute to enhancing the appeal of the region. In September 2023, Hirogin Holdings signed a letter of agreement on Cooperation in Promoting Regional Revitalization with W TOKYO INC. By collaborating with W TOKYO INC. that produces Tokyo Girls Collection (TGC), a highly appealing platform mostly among young generations, we aim to create new value in the region by enhancing entertainments.

To escape from the negative spiral of going from a decrease in young population to a shortage of manpower and from there to a decline in the vitality of local companies, it is urgent to increase the appeal of the region itself and create a Hiroshima where people can live with peace of mind and pride. As a Regional Comprehensive Services Group, we will play a leading role in enhancing the appeal of the region.

▶ Net moving out of Hiroshima Prefecture (persons)



© Hirogin Holdings Co. presents TGC Hiroshima 2025 Press Conference

Key strategies

① Curb on population decline of young people

To stop the population from declining further, it is essential that we make the prefecture an attractive region where young generations choose to stay. We will roll out appropriate measures by accurately identifying the main reasons behind the decline in young residents.

② Countermeasures against labor shortages

The issue of labor shortage, especially in the transport and construction industries faced with the so-called 2024 problem, has become increasingly apparent, which is concerned to undermine the vitality of local companies. We will forge ahead with measures to address labor shortage from the following two aspects: securing diverse human resources including female and foreign workers, and improving productivity through digital transformation (DX) and other measures.

KPIs

Social population change in Hiroshima Prefecture

Reduction in the rate of decline

(2028)

We aim to create a town where companies and the types of business attractive to young people grow, entertainment that brightens everyday life flourishes, and employment and income are secured in order to eventually attract more people.

Our actions

Creating a consortium to connect local companies with young people

We believe one of the main reasons why young people leave the region is the lack of contact between them and local companies. The region is home to not only core manufacturing industries, but also a number of unique and top-tier companies in various fields. Nevertheless, this information has not necessarily reached young people.

One of the initiatives to help young people get to know local companies is the Hiroshima AI Club Management Consortium, for which Hirogin Area Design serves as the secretariat since last fiscal year. The Hiroshima AI Club is an initiative to teach the basics of AI to high school students who are interested in AI, etc., thereby aiming to raise the level of their digital literacy. One of the objectives of the initiative is to develop and secure human resources for the future of the industry by training them as digital specialists. The initiative, however, is focused particularly on creating a point of contact between high school students and local companies, including their employees, by “having young employees of local companies involved as coaches to teach the basics of AI,” “letting high school students visit local companies and learn face-to-face how they are using technology and data in the real world” as well as through other experiences. Last year, more than 170 students from 23 schools have already participated in the Hiroshima AI Club. We expect that by helping them to get to know and have a feeling of closeness to local companies from an early stage, they may, for example, choose to work for those local companies.



Opening ceremony of the Hiroshima AI Club Management Consortium on June 13, 2024



The HIROSHIMA AI PITCH 2025 held on March 27, 2025

Our people

Tackling issues through cooperation across industry, academia, government, and finance to elevate the appeal of the region

I picture the future 10 years from now as one where young individuals have settled in the region and are able to live there with a sense of pride in the region as one brimming with vitality. Elevating the appeal of the region is not just about improving its infrastructure. It is equally about creating an environment where each individual resident can pursue their dreams and hopes.

By promoting initiatives centered on cooperation across industry, academia, government, and finance, the Group is looking to find success in curbing the decline in the population and enhancing the region's appeal.

The Hiroshima AI Club is a concrete initiative for that purpose. With roughly 40 local companies and other entities supporting the purpose of this initiative and joining it, a structure has been formed in which diverse stakeholders such as companies, universities, municipalities, and financial institutions complement each other's strengths and mutually cooperate. I feel that we succeeded in giving shape to a specific initiative that will serve as a driving force for paving the road to the region's future.



Kohei Asano
Senior Manager,
Regional Issues
Solution Unit, Hirogin
Area Design

As it moves forward, the Group will continue to reinforce its structure for further deepening initiatives based on cooperation across industry, academia, government, and finance and for engaging issues through unity across the entire region as a hub company with an extensive network across the region. I believe that this will constitute a surefooted step by Hiroshima towards realizing a future full of pride and hope, one where people can live with peace of mind.

Urban Developments

Materiality ②

■ Ideal state 10 years from now

A town appreciated by residents and chosen by visitors

To create a vibrant region, it is necessary become a town appreciated by residents and chosen by visitors. To this end, we need to continuously enhance the appeal of the region to ultimately increase its value in addition to providing elements that directly lead to livability, including convenience and comfort. By making Hiroshima full of unique attractions and giving people in the

region a variety of choices, we can turn Hiroshima into a town admired and chosen by people from not only inside but also outside the prefecture. We believe that as a result, the town will attract many people and draw in re-investment aimed at developing the region and solving issues, which will ultimately help create a sustainable and vibrant region.

Status of urban development initiatives

In urban development, we have worked to create a vibrant region through participation in area management organizations at the center of Hiroshima City, upstream involvement in a redevelopment entity, and support for the improvement and maintenance of regional infrastructure in collaboration with local government bodies, etc.

Area management refers to proactive initiatives by residents, business owners, landowners, etc. to maintain and improve the good environment and value of a region. Hirogin Area Design, etc. have participated in area management organizations in the central area of Hiroshima City. Specifically, we have been striving to improve the appeal and value of the region by considering the future vision of each area in collaboration with the member companies, etc. of the area management organizations.

In our involvement in urban development and regional development projects, we have been working to tailor the content of projects to regional issues and

needs by increasing the level of our involvement in their upstream stages, such as concept planning. We have been also striving to further enhance the value of each project by linking the projects and our existing branches together in an integrated manner.

We have also worked to improve the appeal and value of each region through the development of public spaces, including parks, in collaboration with partners such as municipalities and businesses in the private sector. In Fukuyama City, to create a town where people feel comfortable walking around JR Fukuyama Station, Hirogin Area Design has joined the Fukuyama Station Square Council as a member.

All of these are fields where the Group can demonstrate its strengths, including its regional network and finance functions. We are determined to promote urban development through collaboration within the Group.



Area management organizations in the central area of Hiroshima City
(Source: the official website of Urban Hiroshima Meeting)



FUKUYAMA EKIMAE SAISEI VISION (Vision of Regeneration of Fukuyama Station Area)
(Source: Fukuyama City official website)

Key strategies

① Participation in area management organizations in the central area of Hiroshima City

Promotion of initiatives aimed at enhancing the appeal and value of the region led by the private sector

② Involvement in a redevelopment entity at an upstream stage

Promoting area-wide urban development based on regional issues and needs

③ Support for the improvement and maintenance of regional infrastructure in collaboration with government bodies, etc.

Promoting urban development through co-creation with outside partners

KPIs

**Cumulative number of urban development/
regional development projects the Group
has been involved in
(FY2024 to FY2028)**

270

(FY2024 result: 50)

Our actions

Initiatives aimed at elevating the appeal of Ondo no Seto Park in Kure City

Kure City is the third-largest core city in Hiroshima Prefecture and a popular tourist destination that boasts a wide variety of attractions, including the Yamato Museum, the Japan Maritime Self-Defense Force (JMSDF) Kure Museum (commonly known as *Tetsu no Kujira-kan*), Ondo no Seto Park, Katsuragahama Onsen, and the Mitarai Preservation District.

With such unique tourism spots in Kure, the number of tourists entering the city has increased, yet the number of overnight stayers remains at a low level. The sluggishness in tourism consumption due to so-called “passing-through tourism” is posing a challenge.

Amid such circumstances, in April 2025, a renovation project was announced for Ondo no Seto Park, a favorite of local residents for many years. This project to facilitate the transition from passing-through tourism to stay-based tourism has gotten fully underway.

Hirogin Area Design and Hiroshima Bank will join the project as members of the CCK Group, represented by Chiiki Sosei Solution, an investment company that invests in regional revitalization and the tourism field.

In this project, we will redefine the Ondo no Seto Park, which has existed as a regional park up to this point, and will upgrade and operate it as “a center of rest” for both citizens and tourists. In doing so, we will facilitate growth in tourism consumption in Kure City and the Setouchi area. Using the setup and operation of the Banyan Tree Hotel, the luxury hotel brand forming the project’s core, as the foundation, we will renovate and rebrand the entire park to elevate the value of the region and realize an “Ondo chosen by the world.”

In the course of the project, we will cooperate with the local government, DMOs*, and regional business operators in examining and implementing measures that include the generation of activity through tie-ups with local events, the enhancement of access from Kure Station and Kure Port, and the improvement of mobility through linkage with various tourism resources in the Setouchi area.

In our aim to realize a new Ondo no Seto Park, the Group will serve as the nucleus of cooperation that connects the region and the project, draw out regional potential to the fullest, and do its part to enhance the value of the area.

*Short for Destination Management Organizations, which promote the creation of tourism regions through cooperation with the region and diverse stakeholders.



Ondo Ohashi Bridge



View in the direction of Nasakejima Island and Kurahashi Island (Source: Kure City)

Our people

Community developments that further elevate regional value

From the perspective of Hiroshima Prefecture, which is dealing with the local issues of having the worst population drain in Japan and the need to disengage itself from passing-through tourism, compelling people to live or keep living in the prefecture or visit it again is a highly crucial element in urban development. This also applies to Ondo no Seto Park, a representative location in Kure City, which needs to satisfy visitors as well as function as a site of relaxation for local residents.

In our current era, in which the nature of both lifestyles and travel are becoming increasingly diverse, our belief is that we must fulfil our role as a hub function that constantly connects projects and



Yuta Morihisa

Community
Development Group
Hirogin Area Design

the region in order to realize a region and city that people continue to choose.

The accumulation of efforts to maximize the region’s value one project at a time is, in our estimation, the true form of urban development required by Hiroshima at this time.

Growth as Tourism-Based Prefecture

Materiality ③

■ Ideal state 10 years from now

Achieving ¥130 billion in amount invested in tourism

In Hiroshima Prefecture, the manufacturing industry accounts for a significant proportion of the prefecture's entire industrial structure. The industries in the prefecture are ranging, with *monozukuri* (manufacturing) at their core, from heavy industries such as shipbuilding, steel, and automobiles to cutting-edge industries such as electrical machinery and electronic components, forming a well-balanced and layered industrial group. In the tourism industry, however, while Hiroshima has two World Heritage sites — Peace Memorial Park and Itsukushima

Shrine — as the proportion of tourists who visit only these World Heritage sites is significant, the length of their stay is short and the growth of their tourism consumption has slowed.

In order to address such issues and facilitate Hiroshima Prefecture's growth as a tourism-based prefecture, we are pursuing efforts with an established target of making ¥130 billion in investment and financing in the tourism industry over a cumulative five-year period from 2024 in our Mid-Term Management Plan.

Progress of initiatives aimed at realizing a tourism-based prefecture

A strong correlation exists between investment and financing in the tourism industry and inbound consumption. The greater the former, the greater the latter tends to be in a given prefecture. In order to increase tourism consumption, we have been setting themes and working on mechanisms to promote investment and financing in the tourism industry, such as promoting cruises in the Seto Inland Sea, appealing local food, improving accommodation facilities, solving secondary transport issues.

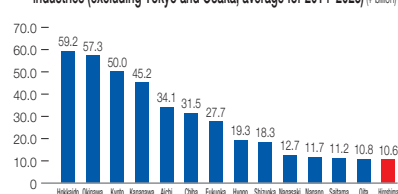
In our efforts to promote cruises and the appeal of food, we will utilize the gorgeous landscape of the Seto Inland Sea, history and culture that differs from island to island, and richly unique food resources to attract tourists to Hiroshima Prefecture.

Furthermore, in the areas of improving accommodation

facilities and solving secondary transport issues, we will proceed to improve the intake environment through means such as increasing options for accommodation facilities in the region so that tourists with diverse needs and attributes can spend their time based on their preferred style and working to resolve issues with means of transportation to enable stress-free travel around Hiroshima Prefecture.

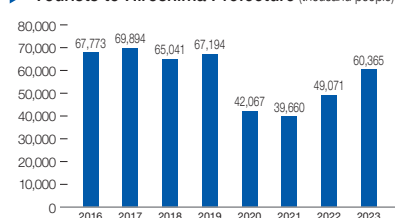
We will work together with diverse stakeholders in various areas to help increase the time stayed and tourism consumption per tourist in addition to the number of tourists, engineer a shift in tourism in the prefecture from "passing-through tourism" to "circular and stay-based tourism," and accelerate activity to make the tourism industry part of the prefecture's economic foundation.

▶ Amount of construction investment in the accommodation and F&B industries (excluding Tokyo and Osaka; average for 2014–2023) (¥ billion)



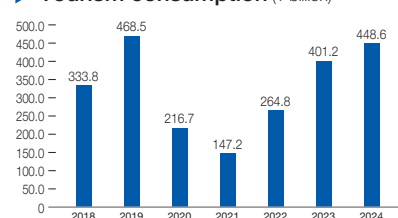
Prepared by the Company based on the monthly statistic survey of Building Starts by the Ministry of Land, Infrastructure, Transport and Tourism

▶ Tourists to Hiroshima Prefecture (thousand people)



Prepared by the Company based on the "For Businesses" data page on "Dive! Hiroshima" by the Hiroshima Tourism Association

▶ Tourism consumption (¥ billion)



Prepared by the Company based on the "For Businesses" data page on "Dive! Hiroshima" by the Hiroshima Tourism Association

Key strategies

① Increase in investment in/financing to the tourism industry

To revitalize the tourism industry, we need to create demand and improve the supply side at the same time. We will invest in and finance the tourism industry in a bid to improve infrastructure for accepting tourists, including inbound tourists, and to create regional appeal.

② Increase in tourists to Hiroshima Prefecture

Tourists contribute directly to regional economies as they use a variety of services, including accommodation, restaurants, transportation, and souvenir shops. Through our tourism-related initiatives, we aim to increase the number of tourists, including inbound tourists.

③ Increase in tourism consumption

An increase in tourism consumption will make the region look more attractive to a broader audience, thereby attracting new tourists and promoting long-term regional economic growth. Furthermore, this will help mitigate the risk that the regional economy depends heavily on industries other than the tourism industry in order to ultimately diversify the regional economy.

KPIs

Amount invested in tourism (FY2024 to FY2028)

¥130.0 billion
(FY2024 result: ¥16.3 billion)

Number of tourists to Hiroshima Prefecture

100 million people
(up 50,929 thousand people from 2022)

Amount of tourism consumption

¥800.0 billion
(up ¥535.2 billion from 2022)

Our actions

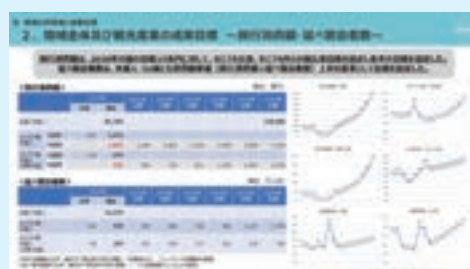
Creation of high-value tourist destinations in the Setouchi area

Amid predictions that personal spending will fall amid the decline in Japan's population, as something that brings in foreign currency from outside the region, tourism will play a considerable role in maintaining the regional economy. Attracting inbound tourism has been attracting a lot of attention in particular. It is said that the economic impact of one resident is equivalent to that of six inbound tourists, hence their heightened importance. With the Japanese government having adopted a target of increasing the number of inbound tourists, which was 36.87 million in 2024, to 60 million by 2030, initiatives aimed at inbound tourism are being conducted all over Japan. However, as there is likely a limit to such initiatives on an individual basic municipality or business operator level, initiatives that bring together surrounding regions will be required.

Since FY2023, Hirogin Area Design has been commissioned on an ongoing basis a project to promote the creation of high-value-added tourist destinations for inbound tourists in the Setouchi area by the Inland Sea, SETOUCHI Tourism Authority, a general incorporated association comprising the SETOUCHI DMO. We support the creation of a structure to draw high-value tourists, especially from the West and Australia, to the Setouchi area. In FY2024, we served as a project contact point for the numerous stakeholders who are participating in this project, including 48 basic municipalities, DMOs, and tourism associations from the seven prefectures in the Setouchi area, playing the role of eliciting active involvement in a face-to-face manner. Additionally, while assisting with the revision of the Master Plan that we helped formulate last fiscal year, we measured achievement goals for this project, such as the inbound share of the value of exports from the Setouchi area, the rate of high-end accommodations, and wage trends in the accommodations industry.

*Visitors who spend more than ¥1 million per trip to Japan are recognized as high-value tourists.

Data from the Japan Tourism Agency



Excerpt from the FY2024 revised version of Master Plan for creating high-value tourist destinations in the Setouchi area

Our people

Creating mechanisms that make people want to stay in Hiroshima

On a per-nationality basis, the majority of inbound tourists who visit Hiroshima Prefecture are accounted for by individuals from Europe, the US, and Australia. Most of them arrive in Japan via Narita Airport and Haneda Airport, and then make their way to Hiroshima using Japan's so-called Golden Route.

A large number of those tourists leave their luggage at their accommodations in Osaka and take day trips to Hiroshima using the Shinkansen bullet train. The average number of overnight stays per inbound tourist in Hiroshima Prefecture is below the national average.

This is an indication that for these tourists, the prefecture is not their final destination.

Our aim is to disengage Hiroshima from "passing-through tourism" by building mechanisms that compel tourists to visit here as a "destination" rather than a "stop" and stay here longer.

To that end, we need to promote the Setouchi area, not just Hiroshima Prefecture, as a brand, and



Yukiko Takagoshi
Community Development Group
Hirogin Area Design

enhance its added value. The Setouchi area contains a wealth of tourism resources that attract people from all over the world.

Within those resources, I would like to highlight domains such as cruises and food and make both Hiroshima Prefecture and the Setouchi area "final destinations" that tourists visit over and over again rather than just "spots."

Growth/Regeneration of Manufacturing Businesses Serving as Key Industries ①

— The Automobile Industry — Materiality ④

■ Ideal state 10 years from now

Realizing the growth of the regional economy through strengthened local supply chains

The automobile industry is one of the key industries in the region, comprising approximately 600 suppliers and more than 65,000 employees throughout the Chugoku region. Hiroshima Bank believes that the sustainable development of the regional economy cannot be achieved without the growth of the automobile industry, and has thus set support for the growth of the automobile industry as a materiality in its Mid-Term Management Plan.

As a regional financial institution, we will work to

support the core business of local suppliers as well as contribute to the strengthening of local supply chains and the growth of the regional economy by working to increase the amount of products manufactured in and shipped from the region by these suppliers and supporting their carbon neutrality efforts with the aim of realizing an ideal supply chain with an eye to the major changes to the industrial structure that will be brought about by the future spread of electric vehicles (EVs).

Status of the automobile industry in Hiroshima Prefecture

The business environment of the automobile industry is undergoing a dramatic change on the back of technological innovations such as CASE and the rising momentum for carbon neutrality. In fact, such dramatic changes in the business environment are referred to as “once-in-a-century upheaval.” Compounding this is the impact of US tariffs, which is creating further uncertainty in the medium- to long-term outlook. As for the negative impact of progress of the ongoing shift to EVs, the volume of work for the suppliers engaged in the manufacturing of engine and transmission-related parts could decline sharply in the future. Regarding US tariffs, should additional tariffs related to automobiles be prolonged, unit sales of new automobiles in the US market may decrease, and it is conceivable that the business environment surrounding our suppliers will become a challenging one.

On the other hand, many of the electronic components (motors, software, etc.) and semiconductor-related parts that are newly required for EVs, etc. are procured

from outside Hiroshima Prefecture. If these parts can be manufactured locally, we believe we can make up for the loss in work volume caused by the shift to EVs and US tariffs and successfully link that to the growth of the automobile industry in the prefecture. At Hiroshima Bank, we are aiming to build a supply chain that will facilitate the growth of the whole local automobile industry by clarifying the ideal vision of the supply chain and the direction that our customers should head for and providing precise solutions through a series of dialogues with each stakeholder in the face of this drastic change in our industrial structure.

▶ New concept car by Mazda
(Photo taken by the Company)



Key strategies

① Promoting initiatives aimed at increasing the amount of products manufactured in and shipped from the region

By bringing the production of automobile parts and electrification-related parts, which are currently procured from overseas/outside the Chugoku region, back to and creating new business in the region, we will work to improve the technical capabilities of local suppliers and expand their production volume, thereby contributing to the growth of the local automobile industry.

② Promotion of initiatives aimed at the maintenance and resilience of the local supply chain

By providing precise support for the “business succession,” “business transition,” and “business revitalization” of local suppliers that is tailored to their stage of corporate growth, we will contribute to the maintenance and improved competitiveness of the local supply chain.

③ Strengthening consulting aimed at realizing carbon neutrality in the automobile industry

By providing meticulous engagement and consulting services tailored to the size and business type of suppliers, we will strongly push forward with the realization of carbon neutrality in the region.

KPIs

- ① Realizing the local production of some parts currently procured from outside the region, such as electrification-related parts and parts produced overseas
- ② Increasing the number of cases of support contributing to the maintenance and resilience of the supply chain
- ③ Reducing suppliers' CO₂ emissions by 50% in 2030 from 2013

▶ Discussion between the Company and suppliers



Our actions

Building a framework for supporting the automobile industry beyond the region

Since Hiroshima Bank established a team dedicated to supporting the automobile industry in 2001, the team has continued to support the local automobile industry for over 20 years. In recent years, however, in the wake of drastic changes in the business environment, an increasing number of regional banks have focused on supporting the automobile industry also in other regions.

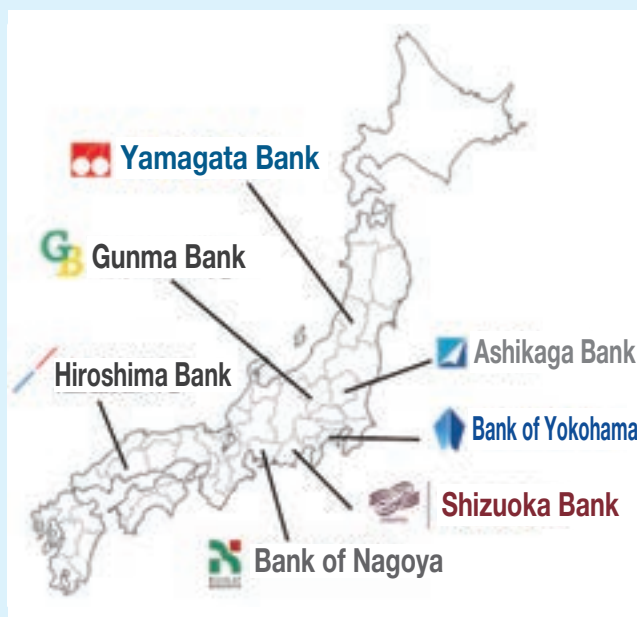
Hiroshima Bank started collaborating with the six banks shown in the right diagram in August 2023. This is because the bank believes that bringing in resources from other regions into the prefecture and co-creation through collaborative activities with other regions are the most effective ways to realize the sustainable growth and development of Hiroshima Prefecture's automobile industry in the future.

By leveraging the collaboration, we have worked to further enhance our support to local suppliers. To this end, specifically, we have been making efforts such as gaining a better understanding of trends of the entire industry, including the automobile industry in other regions, and sharing the knowledge and know-how held by each bank.

In FY2024, we held an “automobile market prediction seminar” as our first special joint project with other banks. There, we shared information with about 700 customers from the seven collaborating banks with respect to forecasts on EV popularization and predicted future trends surrounding production at domestic finished vehicle manufacturers, among other areas.

Going forward, we will continue to proactively promote initiatives that contribute to revitalizing the regional economy and strengthening the local supply chains by implementing highly effective joint measures.

► Seven banks collaborating in supporting the automobile industry



► Information exchange meeting among seven banks



► Automobile market prediction seminar



Growth/Regeneration of Manufacturing Businesses Serving as Key Industries ①

— Automobile Industry — Materiality ④

■ Working Alongside Regional Companies – Voice from Our Corporate Customer

Hiroshima Bank is a trusted one-of-a-kind partner of ours.
We hope to continue benefiting from the bank's support as a partner who walks alongside us in these times of change.

Kazunari Yashiro

President and Executive Director
 Benda Kogyo Co., Ltd.



About Benda Kogyo Co., Ltd.



Location: Headquarters Kure Plant
 (10098-3, Naeshiro-cho, Kure City, Hiroshima)
Established: 1964
Number of Employees: 142 (non-consolidated), 1,070 (consolidated)
Net sales: ¥7.14 billion (non-consolidated),
 ¥18.02 billion (consolidated) in FY ended March 31, 2025
Business Activities: Manufacture of cold rolled bars, hot rolled bars,
 ring gear, axle rings, clutch hub blanks, rotor
 sensing, timing gears, reinforcement, inertia
 rings, boss rings, pulsar gear and various other
 ring products, drive plate assemblies, fly wheels,
 mass rings, etc.

Q1 What was the spirit behind your founding? What are your current business activities?

Our founding spirit was “We’ll bend the world’s iron!” We established our company in Kure City, Hiroshima Prefecture based on that spirit in 1964, and have since moved forward with the creed of “Quality is Vital” in our hearts. True to the word “bend,” which also represents the root of our corporate name, we developed the “Benda Method,” our proprietary technique for cold rolling. In 1975, we acquired patents for this technology in nine countries worldwide. Since then, we have been developing our business with ring gears used in automobile engines as our core product.

Conventional press methods and forging have yields of roughly 15% and 50%, respectively. In comparison, our Benda Method achieves a high yield rate of 95% and up. By providing high-quality, resource-efficient products, we have achieved the world’s top share of the ring gear market.

Moreover, our *monozukuri* capability (manufacturing capability) through which we handle everything from process development to even equipment and inspection devices entirely in-house is the source of our competitiveness. Currently, in addition to Japan, we have local corporations based in South Korea, China, Thailand, and Vietnam, as well as local production systems in place. While the Japanese market accounts for roughly 40%-plus of our sales, we are developing our business in global markets that include China, North America, South Korea, Mexico, ASEAN, and Europe. By industry, products for automobiles make up about 90% of our sales. We also handle products for trucks, agricultural machinery, construction machinery, and ships.

Q2 How have you responded to changes in your external environment in recent times?

At Benda Kogyo, we recognize that the transition from gasoline-powered cars and other forms of internal combustion engine vehicles to electric vehicles (EVs) is a critically important structural shift for us. Based on our forecast that demand for internal combustion engine vehicles will peak in the early 2030s, while working to expand and enhance the efficiency of our current businesses, we have set forth the transitioning of our business portfolio in our medium-term management plan with the aim of expanding our business into new growth areas such as parts for EVs.

In order to expand our business domains with a view to such a future, in 2021, we utilized the Business Restructuring Subsidy offered by the Ministry for Economy, Trade and Industry in efforts to widen our manufacturing domain to include parts for EVs. In taking on that challenge, we received tremendous support from Hiroshima Bank as a certified support institution. This made it possible for us to take our first step into that new business field. Going forward, we will continue striving to achieve sustainable growth while flexibly responding to changes in our external environment.



Q3 In the course of expanding your business domains to include parts for EVs, what would you say your turning point was?

In the course of pursuing the expansion of our business domains to include parts for EVs, we had the good fortune to learn about Iwaseya Works, which is headquartered in Ibaraki Prefecture, through the introduction of an M&A deal by Hiroshima Bank.

Iwaseya Works was trying to engineer a transition of its business to the manufacture of EV-related products. At the same time, however, it was facing the management challenge of having no successor. Around the same time, we were also working on rebuilding our product portfolio with a view to progress in electrification. Seeing this as a favorable opportunity to realize the incorporation of technologies and products with future potential in the EV field, we arrived at the decision to welcome Iwaseya Works as a group company. Given

that the business domains and technologies of Benda Kogyo and Iwaseya Works are highly complementary, and can be counted on to produce synergy, we believe this M&A was a meaningful one.

Behind this initiative is the ongoing partnership we have with Hiroshima Bank, which has continued since Benda Kogyo first formulated its group medium-term management plan in 2014. From the sharing of management challenges to the establishment of our future vision, Hiroshima Bank has consistently been in close alignment with us, providing us with precise advice at critical junctures. The same goes for this M&A, which we view as having been made possible precisely due to that relationship of trust and repeated dialogue that we regularly have.

Q4 Are there any areas of Hiroshima Bank that separate it from other financial institutions?

Hiroshima Bank goes beyond the simple provision of financing support with its one-stop system that also handles human resources, labor consulting, and IT-related operations through Hirogin Group companies. This makes the bank an extremely reliable partner of Benda Kogyo.

Moreover, the bank's headquarters hosts a dedicated automotive sector department that provides us with high-level insight based on years of research and analysis of the local automotive industry. This information serves as an extremely useful resource in making management decisions and formulating strategy at Benda Kogyo.

Furthermore, Hiroshima Bank has given us both practical and precise assistance across a wide range of areas, starting with side-by-side support upon the recent formulation of our medium-term management plan and extending to the likes of help with addressing carbon neutrality and advice on various subsidy applications.

In this way, we see the bank as a one-of-a-kind partner given the continuous and comprehensive support it gives us in dealing with the multifaceted challenges of management. In fact, Hiroshima Bank has had constant, deep involvement in a large number of the important measures Benda Kogyo has engaged in thus far.

Q5 Lastly, what is your future outlook and vision?

With "contributing to the realization of a sustainable society through the creation of products and services that are friendly to both people and the environment" as our espoused mission, we at Benda Kogyo have committed ourselves to the sustainable growth of our company and value creation from a medium- to long-term perspective without being swayed by changes in the immediate term.

In the future, we will complement the *monozukuri* capability that we have cultivated thus far with the

reinforcement of new domains such as engineering operations. Through these, we will aim to create value that meets the expectations of our customers and society. Further, through this challenge of ours, we also intend to do our part for the development of the regional economy and supply chain, starting with those in Hiroshima Prefecture.

Our business relationship with Hiroshima Bank is a long one that goes back over half a century. We hope to continue benefiting from the bank's support as a partner who walks alongside us in these times of change.

*All company and organization names are mentioned without honorifics.



Growth/Regeneration of Manufacturing Businesses Serving as Key Industries ②

— Shipbuilding Industry — Materiality ④

■ Our Goals 10 Years from Now

Sustainable growth of the Setouchi maritime cluster

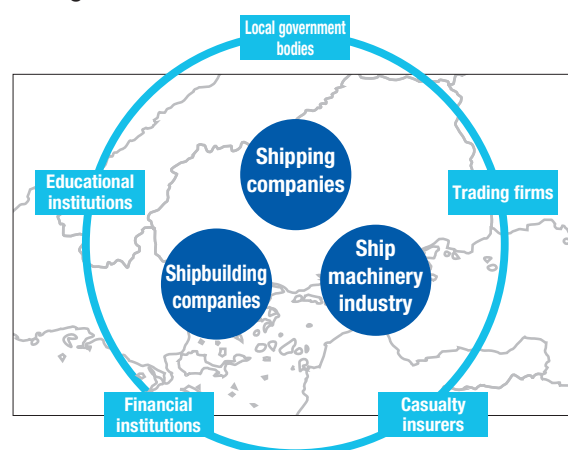
Maritime cluster and the shipbuilding industry in the Setouchi area

In the Setouchi area, besides the fact that the shipping industry has long been thriving, the shipbuilding industry has also developed backed by favorable geographical and climate conditions that are suitable for shipbuilding, which has led to the formation of a maritime cluster where related companies concentrate.

At present, the shipbuilding and related industries in the four local prefectures (Hiroshima, Okayama, Yamaguchi, and Ehime) account for approximately 40% of these industries nationwide in terms of both the value of products shipped (¥1.2 trillion; actual results in fiscal 2022) and the number of employees (23,000), thus, underpinning the local economies.

For over 50 years, Hiroshima Bank has supported the development of the maritime cluster, including the shipbuilding industry, through shipping finance to ship owners who order new ships from local shipyards. The balance of our loans to the shipbuilding and shipping industries as of March 31, 2025 was ¥967.8 billion.

► Image of a maritime cluster



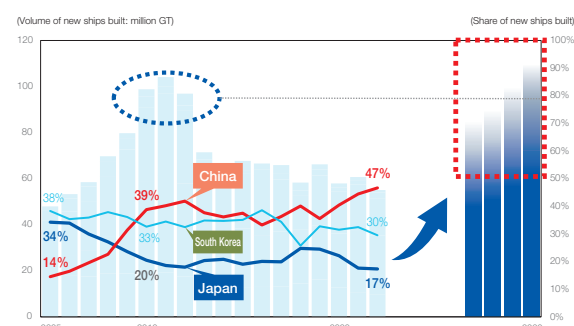
Growth potential and issues for the shipbuilding industry

The world's demand for new ships is expected to expand to nearly 100 million gross tons by around 2030 due mainly to replacement demand for a large number of ships built around 2010. Additionally, in July 2023, the International Maritime Organization (IMO) adopted the revised target of bringing greenhouse gas emissions (GHG) in international maritime transport down to net zero by around 2050. In April 2025, agreement was reached over medium-term measures that contained new requirements on GHG fuel intensity and the establishment of a Net-Zero Fund through which costs paid under that regulation would be refunded as an incentive for zero-emission fuel vessels. This is expected to drive a transition to ships powered by next-generation fuels, such as LNG, methanol, and ammonia. As such, demand for new ships may remain high also in and after 2030.

In the meantime, although the Japanese shipbuilding industry once accounted for about 50% of new shipbuilding volume worldwide, the percentage now falls below 20% as a result of intensified competition with China and South Korea since mid-2000s. The industry is

faced with the challenge of securing and training human resources against the backdrop of the declining population in Japan as well as building a system to supply internationally competitive ships powered by next-generation fuels.

► Trend of the volume of new ships built



Prepared by the Company based on materials published by Ministry of Land, Infrastructure, Transport and Tourism

Key strategies

① Supporting the growth of a maritime cluster through shipping finance

Through shipping finance, which is one of Hiroshima Bank's traditional strengths, we provide stable funding to local shipbuilding and shipping industries, irrespective of market conditions, so we can contribute to the sustainable growth of these industries.

② Supporting growth through collaboration among industry, government, academia, and finance

We support the growth of the shipping industry by securing and training human resources who will work for the industry in the future, as well as by responding adequately to climate change, through collaboration with government agencies, educational institutions, local companies, etc.

KPIs

Outstanding loans to the shipbuilding and shipping industries as of March 31, 2029

1.1 trillion

Result as of March 31, 2025: ¥967.8 billion

Our actions

Held a special lecture at West Japan's largest international maritime exhibition "Bari-Ship 2025"

In May 2025, Kazuo Kiyomune, President of Hiroshima Bank, conducted a special lecture titled "Expanding the horizons of the future together with the shipbuilding and marine transportation industry" at Bari-Ship 2025, the largest international maritime exhibition in West Japan that was held in the maritime city of Imabari.

In this lecture, the President recapped initiatives by Hiroshima Bank for the shipbuilding and marine transportation industry over the years as well as shared initiatives for "expanding the horizons of the future" that were outlined through dialogue with customers and industry parties.

The President set forth "support for securing the highest market share of orders received for next-generation vessels by 2030" for the shipbuilding industry and "support for new initiatives by customers aimed at diversifying business" for the marine transportation industry, and declared our support for the sustainable growth of the Setouchi maritime cluster.



Initiatives for shipbuilding industry

Supported the sustainable growth of the Setouchi maritime cluster

- Handled equipment funding for next-generation vessel construction, etc.
- Introduced start-up companies in order to enhance efficiency
- Assisted with supply of human resources from Group companies

Initiatives for marine transportation industry

Supported increasingly diversifying businesses

- Expanded loan mediation functions, including equity
- Accommodated funding needs to the fullest by elevating expertise in appraising vessel value
- Assisted with forays into overseas markets and business succession

Improvement of global tonnage share

(Initiatives for marine transportation industry)

×

Highest market share of orders received for next-generation vessels

(Initiatives for shipbuilding industry)

Our people

Helping local companies that are taking on the challenge of transforming the maritime industry

With its concentration of a great many shipbuilding and marine transportation industries as Japan's largest maritime city, Imabari City in Ehime Prefecture is unparalleled in the world. The Imabari Branch of Hiroshima Bank is slated to mark the 110th anniversary of its opening in July 2026. Having built strong relations with our customers in the shipbuilding and marine transportation industries over the years, we have consistently demonstrated our loan mediation functions as a regional financial institution without being affected by fluctuations in maritime market conditions.

At Bari-Ship 2025, I was deeply impressed at how the Setouchi maritime cluster united as one to boldly take on the challenge of transformation in the areas of SX and DX with a view to the region's future. In the future, we intend to go beyond traditional



Takashi Shimatani

Deputy Branch Manager,
Imabari Branch
Hiroshima Bank

shipping finance to tackle the reinforcement of new side-by-side support, including alliances between the Group and external parties such as startup companies and do our part for the sustainable development of the Setouchi maritime cluster.

Industrial Innovation

Materiality 5

Ideal state 10 years from now

Transforming industrial structure and developing start-ups and ventures

Helping to create a vibrant region. We believe, to this end, it is important that the companies and types of businesses attractive to young people will grow and they can secure employment and income in the region. The Group has been working to support local start-ups and ventures that other financial institutions have not been

able to adequately support. The Mid-Term Management Plan 2024 aims to realize a vibrant region by further strengthening the collaborations among industry, government, academia, and finance based on past initiatives, thereby continuously supporting the development of the regional economy.

Past initiatives

The Group has a solid track record of bringing up industries that contribute to the revitalization and development of the region for more than 20 years, which includes the Hiroshima Venture Subsidy program offering subsidy to ventures through the Hiroshima Venture Development Fund. In April 2019, Hiroshima Bank, Hiroshima Prefecture, Hiroshima University, Hiroshima Industrial Promotion Organization, and Hiroshima Venture Development Fund jointly formed the Hiroshima Next Innovation Council, a consortium of industry, government, academia, and finance. While the consortium regularly exchanges information regarding the development of startups and ventures, the Group has incorporated such information into its measures.

As a specific initiative, the Hiroshima Open Accelerator (from 2019), an acceleration program that supports

the creation of new businesses by companies in Hiroshima Prefecture, has been participated in by 24 companies to date, and has made accomplishments such as implementing 50 collaborative projects with startups. Hiroshima Tech Planter (from 2020), which supports the discovery and commercialization of research seeds at universities and other institutions, has discovered 45 promising research seeds and provided support for their commercialization, working to transform the region's industrial structure.

We will continue to work to realize a vibrant region by organically linking the Group's past initiatives and organizations that are striving to develop startups and ventures, including government bodies and universities within the region.



Hiroshima Tech Grand Prix 5th Award Ceremony



31st Hiroshima Venture Grant Presentation Ceremony

Key strategies

① Creating new businesses

We will work to assist local businesses in transforming their businesses in line with changes in the external environment and the times. We also support people who aim to start a new business.

② Accelerating the growth of newly created businesses

We will make the most of our network as a regional financial group to put newly created businesses on a growth trajectory through efforts such as support for expanding sales channels and providing solutions of the Group.

③ Providing financial support necessary for growth

We will provide financial support necessary for growth, such as limited partnership investments in external funds, equity support through Hirogin Capital Partners, and providing new fundraising measures such as ventures debt, depending on the growth stage of the businesses.

KPIs

Number of start-ups and ventures supported (FY2024 to FY2028)

800

FY2024 result: 131

Our actions

To “connect” regional industries to the next generation, it is essential that each business operator develops its business sustainably through the innovation of its technologies and services. In the era of volatility, uncertainty, complexity, and ambiguity (VUCA) where predicting the future is difficult, we believe it is extremely challenging to adapt to changing external environments and achieve growth on one’s own.

On the other hand, it is also true that there are many startups with innovative technologies and services throughout Japan. We believe that by promoting open innovation that “connects” businesses in the region with startups across the country, we can realize the transformation of the industrial structure of the entire region.

Held TSUNAGU Hiroshima

In November 2024, we held for the first time a matching event that connects companies in Hiroshima Prefecture with promising startups across Japan and encourages open innovation (business co-creation). This event, among the largest of its kind in the Chugoku and Shikoku regions, was attended by about 3,400 people, who exchanged in business talks with the 126 startups with a booth presence at the event. Examples of co-creation also arose alongside this.

To further promote this initiative going forward, we are planning to hold a second event in November 2025. Our goal is to tie it into regional revitalization through open innovation and the sustainable growth and forward development of companies in Hiroshima Prefecture.



Operation of Hiromalab

In December 2022, we opened and started operating the co-working space Hiromalab in central Hiroshima City with the aim of creating and supporting the growth of predominantly locally-based startups and supporting the creation of new businesses by location companies.

By holding a variety of events from seminars on entrepreneurship and new businesses to pitches by startups, we promote exchange among fellow attendees and community-forming and, in doing so, provide support for entrepreneurs and the creation of new businesses by local companies.



Our people

Carving a path to the future through co-creation with startups

In order to link Hiroshima’s multitude of world-class industries to the next generation, new innovations in technologies and services are essential. With that in mind, in November 2024, we conducted the first holding of “TSUNAGU Hiroshima 2024,” a large-scale event that matches business operators predominantly based in Hiroshima Prefecture with startup companies. Around 3,400 attendees were on hand at the event, greatly exceeding our expected number. We received the following feedback from local companies that participated: “We experienced cutting-edge technology offered by startups, and strongly felt that we want to utilize it in our own organization as well.” “We had the opportunity to encounter startups with whom we would like to consider working together.” Going forward, alongside boosting recognition of this event, we hope to



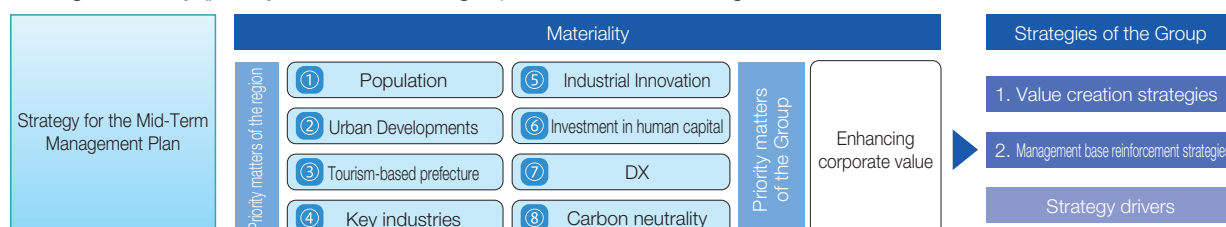
Kotaro Hara
Deputy Manager of the
Corporate Solutions Office,
Solutions Sales
Department
Hiroshima Bank

advance the creation of opportunities to “tsunagu,” or “connect,” others while also taking new experimental efforts into consideration, such as the participation of overseas startup companies.

Initiatives for Corporate Business Areas

Positioning of the initiatives

Solving Materiality (priority matters of the region) to create a vibrant region



Key points of value creation strategies: Initiatives targeting growth and development of our customers (corporate)

- As a complete partner who takes care of every stage of customers from establishment to closure of business, we will expand solutions according to business stage, leading to business creation and industrial innovation.
- We will also strengthen our digital response in the corporate business area with a view to exploring customer contact points that combine the best of digital and human aspects.

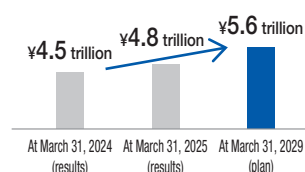
Overview of the Mid-Term Management Plan 2024



Key indicators

① Strengthening recurring revenue business

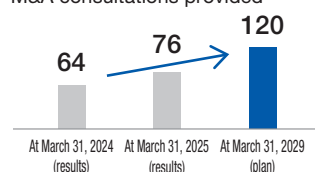
Balance of business loans



While taking risks without being bound by conventional thinking,
 ① Branch offices respond proactively according to individual customer policy, and
 ② Head Office seeks to win more profitable projects.

② Deepening consulting business

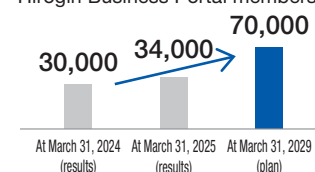
Number of business succession and M&A consultations provided



While working to accumulate a wide range of information, we are strengthening our efforts in areas such as equity and revitalization projects, in addition to conventional business succession projects.

③ Promoting digital channels in the market

Number of Hirogin Business Portal members



We take initiatives to turn our business portal into a platform by enhancing service functions such as web-based acceptance of overdraft.

The background and current situation of the initiatives

In order to meet the diverse needs of our corporate customers, the Group has been working to provide support tailored to the characteristics of local industries by practicing customer-oriented consulting sales based on feasibility studies.

Under such circumstances, the environment surrounding financial institutions is changing dramatically due to factors such as the shrinkage of the regional economy, intensifying competition due to the entry of companies from different industries, efforts to meet social demands such as decarbonization, and the development of a digital society through DX. In order for the Group to become a company that is needed by customers in the future, it is necessary to strengthen our efforts to revitalize the region, as well as to respond to environmental changes such as the increasingly sophisticated customer needs, decarbonization, and DX.

Going forward, we will contribute to the realization of a vibrant region through the growth and development of our customers by promoting initiatives such as fostering industry through support for startups and ventures, creating new businesses through various alliances, demonstrating our loan mediation functions based on feasibility studies, expanding non-financial solutions, and strengthening our digital response through the best mix of “digital x human” customer contact points.

Creating new businesses and developing industries

Offering subsidies to local entrepreneurs

The Group has been operating the Hiroshima Venture Subsidy program since FY2002 which aims to discover and foster promising ventures and entrepreneurs that are eager to start new businesses or commercialize their ideas. To date, the program has provided subsidies totaling 398 million yen to 432 parties.

In FY2024, we increased the grant ceiling to 10 million yen for general applicants and to 500 thousand yen for student applicants. During the year, a total of 18 million yen was awarded to three general applicants and four student applicants to help them commercialize their ideas and encourage further growth.



Strengthening initiatives toward industrial innovation through collaboration among industry, government, academia and finance

In April 2019, five organizations, Hiroshima Bank, Hiroshima Prefectural Government, Hiroshima University, Hiroshima Industrial Promotion Organization, and Hiroshima Venture Development Fund formed a consortium (Hiroshima Next Innovation Council) with the aim of creating new industries and businesses through innovation.

The consortium regularly exchanges information with the aim of building the Innovation Ecosystem within the region, and also focuses on collaboration between the measures of each organization.

Creating new businesses by companies in the region

Since FY2019, in collaboration with Creww, Inc., we have been implementing an acceleration program called Hiroshima Open Accelerator with the aim of creating new businesses through open innovation, linking the management resources of companies in Hiroshima Prefecture with the distinctive services of startups nationwide.

In fiscal 2024, which marked the sixth round of the program, two companies from Hiroshima Prefecture participated. A total of six collaboration proposals with startups were selected, aiming to explore new business fields, enter different industries, and address challenges within their respective sectors, and efforts are now underway toward commercialization.

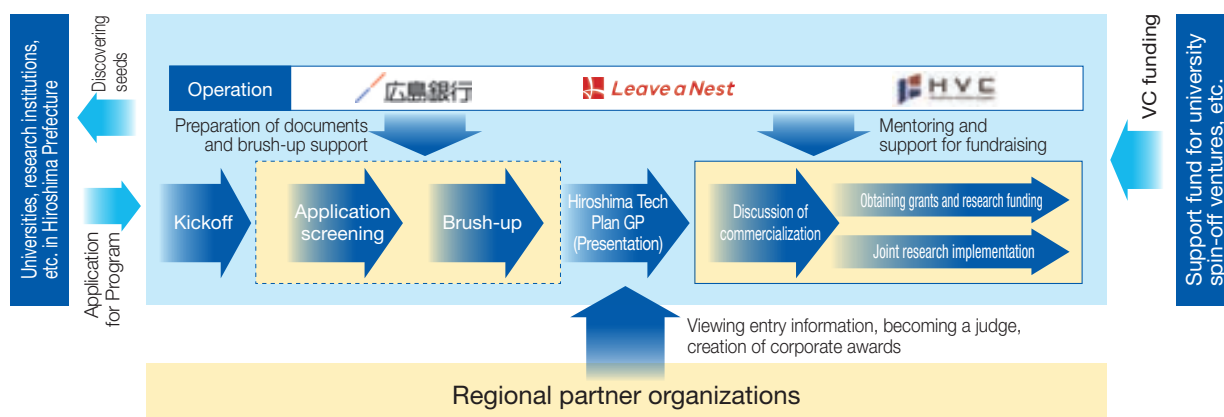


Initiatives for Corporate Business Areas

Discovery of research seeds from universities and other institutions

Since FY2020, in partnership with Leave a Nest Co., Ltd., we have been co-hosting HIROSHIMA TECH PLANTER, an acceleration program aimed at discovering the seeds of research from universities and other institutions and providing consistent support starting from commercialization to growth.

To date, the program has enabled five new companies to be incorporated, thereby advancing the commercialization of research seeds.



Support for university spin-off ventures in Hiroshima Prefecture

In April 2020, we invested in the Investment Limited Partnership for Supporting Spin-Off Ventures of Hiroshima University and Other Universities in Hiroshima Prefecture, which was established with the aim of regional revitalization through sustainable regional economic development and job creation by investing in ventures that originate from research seeds held by universities and research institutions in Hiroshima Prefecture, including Hiroshima University, and from researchers, students and other related parties, and by improving corporate value.

To date, we have provided a total of 229 million yen in funding support to 13 parties through this limited partnership, helping high-potential university spin-off ventures to grow.



Supporting the overseas expansion of startups and other companies

As part of the Hiroshima Prefectural Government's Hiroshima Unicorn 10 project, we were commissioned by the government to implement the Hiroshima Unicorn 10 ASIA CO-CREATION PROGRAM, which provides support for startups and SMEs that seek to develop business in the Southeast Asian market.

In fiscal 2024, for the six selected companies, we provided hands-on support for business model development and introduced potential partner companies and investors necessary for developing their business locally.

We will continue to serve as the program office in FY2025, with the aim of enhancing hands-on support and market research assistance.



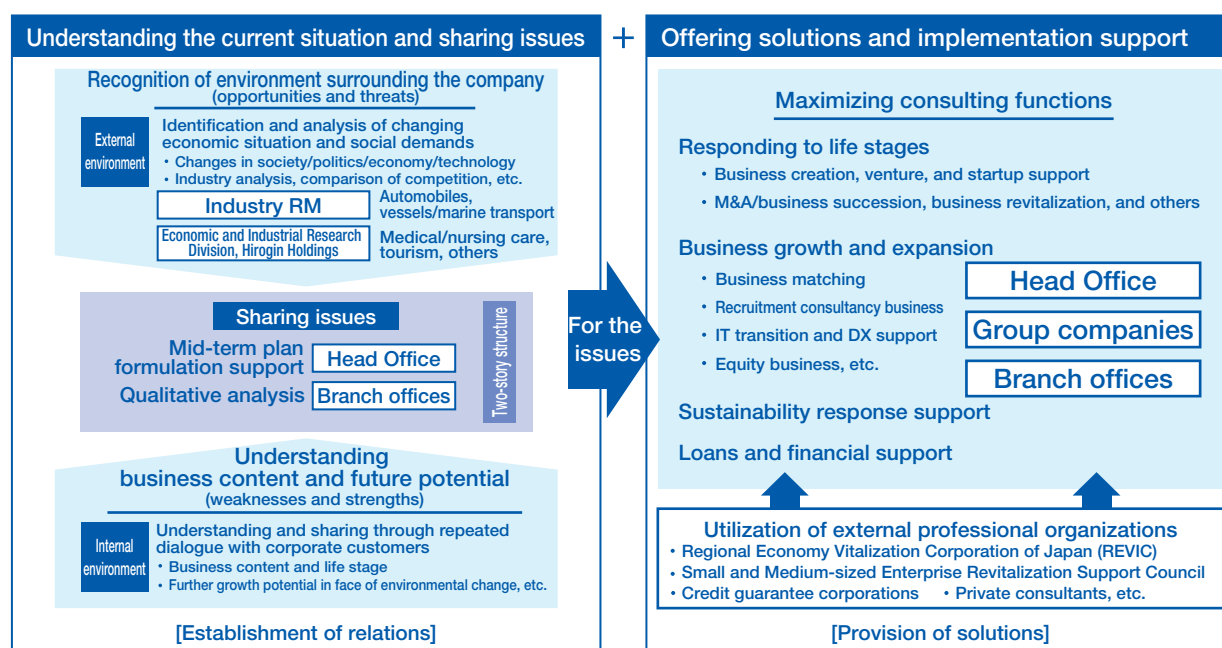
Taking risks strategically

Strengthening loan mediation solutions leveraging feasibility studies

Since the establishment of the Automobile-Related Measures Office in January 2001, we have been working on feasibility studies that enable understanding of customers' businesses from both quantitative (financial) and qualitative perspectives to respond to the funding needs of companies in the region.

To realize the visions of the management based on a correct understanding of the current situation of the company through feasibility studies, we will actively work to provide the necessary loan mediation solutions by sharing the issues that need to be addressed with corporate customers.

Hiroshima Bank's feasibility studies



Strengthening financial support in line with the life stages of companies

With Hirogin Capital Partners at the center, we provide equity investment for customers who work to solve regional issues and grow their business.

Going forward, we will also consider taking initiatives for venture debt to meet the needs of startups and venture companies.

Examples of initiative

Example ①

Support for the development of a mid-term plan for a local restaurant chain that struggled due to the COVID-19 pandemic



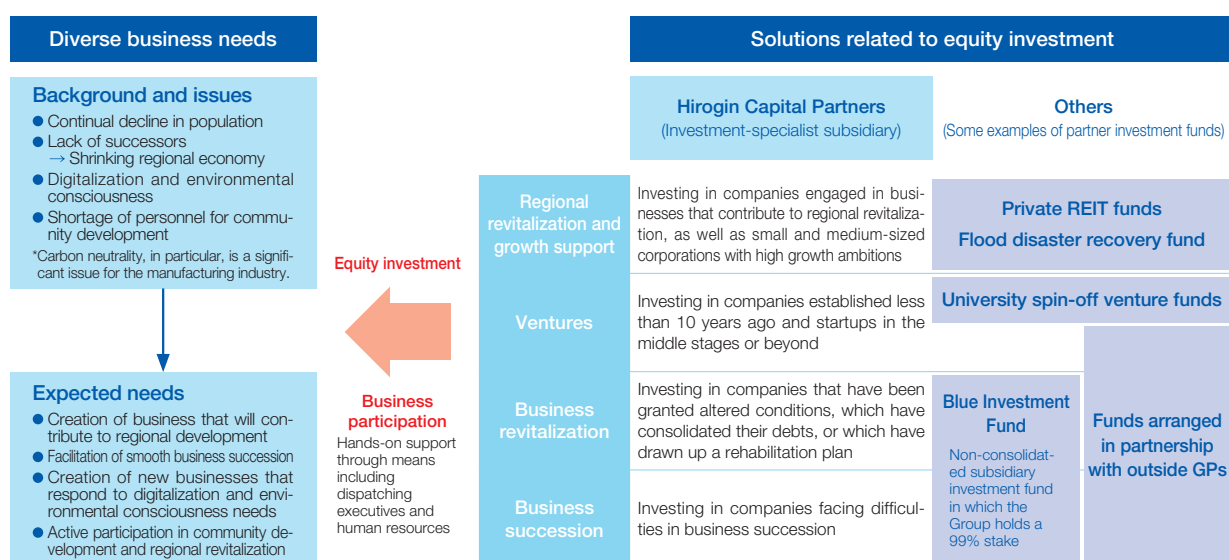
- A restaurant chain that mainly operates in the prefecture
- The company's performance deteriorated significantly due to the COVID-19 pandemic, and its financial position was also damaged.
- As the main bank, we provided escort-runner-style support for the following initiatives through the formulation and implementation of a mid-term plan, including analysis of the current situation.
 - ✓ Financial support to help stabilize cash flows
 - ✓ Consideration for closure of unprofitable restaurants
 - ✓ Financial support for opening new restaurants in business categories with strong performance
 - ✓ Monthly profit and loss management support
 - ✓ Support in preparing materials needed to explain the contents and progress of the mid-term plan to financial institutions they do business with
- Sales recovered due to a rebound in demand for eating out following the end of the COVID-19 pandemic, and the company returned to profitability due in part to its efficiency improvement effort during the pandemic.

Initiatives for Corporate Business Areas

Strengthening initiatives for equity business

In order to contribute to the growth of regional companies, the Group has established investment funds at Hirogin Capital Partners, targeting four areas: Business Revitalization Fund, Business Succession Fund, Venture Fund, and Regional Revitalization Fund. With these funds in place, we are actively making equity investment in our business partners who are working to solve local issues and grow their businesses.

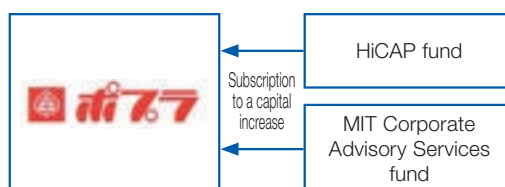
Going forward, leveraging Hiroshima Bank's feasibility studies, we will provide funds through equity investment and support our regional corporate customers' growth by strengthening our hands-on support initiatives, such as formulating a business plan or using our resources including the dispatch of personnel.



Examples of initiative

Example ①

Joint investment with other funds

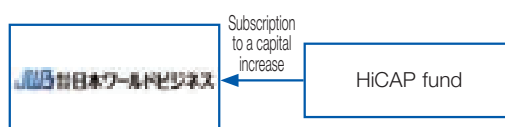


POINT

- We subscribed shares of convenience store chain POPLAR through a third-party allotment, jointly with a fund operated by our alliance partner MIT Corporate Advisory Services, Co., Ltd.
- Through this investment, POPLAR will resolve balance-sheet insolvency and achieve financial soundness, and we support the company to improve performance and grow business by investing the fund in growth areas and implementing restructuring.
- In addition, we support further enhancement of its corporate value by using our group network and consulting function.

Example ②

Establishment of a joint venture with an investee



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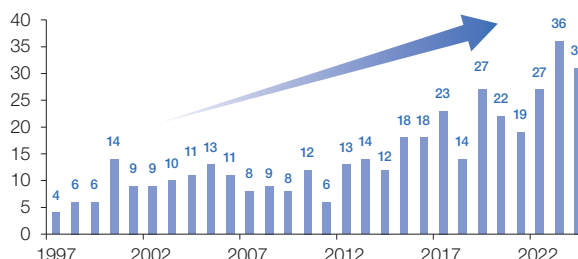
- We subscribed capital increase through a third-party allotment to Japan World Business, which is engaged in worker dispatching business.
- Taking this investment as an opportunity, we have established a joint venture that will combine the support business for accepting foreign workers of Japan World Business with the solutions and customer base of the Hirogin Group.

Strengthening efforts to support corporate customers for business succession and business expansion

The Group, mainly through Hiroshima Bank, provides support through M&A operations and others for the solution of issues relating to business succession and expansion in order to support sustainable growth of our corporate customers.

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 expansion, business succession, from succession to family members or employees to third-party succession (M&A), to support our corporate customers' business.

▶ Number of M&A contracts successfully executed



Examples of initiatives for business succession

We support customers as an advisor from the phase of considering the direction of business succession. For customers who have decided the direction, we provide tailored solutions.

We work to support customers to solve the issue of business succession. We provide solutions to their needs under a one-stop service platform, from succession to family members or employees to M&A, which may change according to the situation of the company or family.

■ Example of Company A (support for family succession and M&A)

Month and year	Details of support
~2015	● Discussion continued on the future direction of business succession, whether to succeed the business to the son or transfer it to a third person.
2016~2020	● After a series of discussions, it was decided to transfer the business to a third party. ● We negotiated with several business succession candidates, but we were unable to reach an agreement on the terms.
January 2021	● The president suddenly passed away. The spouse who was a director has been appointed as the new president.
March 2021	● Although the company received a proposal from another M&A intermediary and decided to go ahead with a third-party succession, the decision was temporarily suspended due to the opposition of the employees.
February 2022	● We acted as an intermediary between the employees and began providing support for the third-party succession.
March 2023	● We introduced a candidate by which synergy is expected, and supported the M&A process until the completion of share transfer.

Examples of initiatives for business expansion

We are involved in the phase of building business strategies for companies aiming to expand their business, and we also focus on making optimal M&A proposals that contribute to growth support.

In order to respond to the ever-changing business environment, we are working to solve various issues faced by our corporate customers.

■ Example of Company B (growth support)

Month and year	Details of support
2013~2021	● We were involved in supporting the overseas expansion of the company and the formulation of its mid-term management plan. We identified the current situation and organized the issues, and then decided on an action plan for the future (acquiring companies in the same industry outside the area in a bid to acquire new business partners and technologies).
April 2022~ April 2023	● In addition to making full use of Hiroshima Bank's information network, we also worked with our alliance partners (M&A brokerage firms, consulting firms, external funds, etc.) to search for transfer deals that match the needs for information outside our business area.
February 2024	● We introduced a candidate that matched the needs and supported the M&A process until the completion of share transfer.

Initiatives for Corporate Business Areas

Promoting DX

Initiatives for DX promotion support

In recent years, mid-tier companies and SMEs in local cities have faced tough challenges such as shrinking workforces and markets, forcing them to urgently improve operational efficiency and productivity. Furthermore, the rapid advancement of digital technologies such as AI, data, and the cloud makes it difficult to drive digital transformation on their own, especially given the shortage of skilled personnel. For this reason, METI's DX Support Guidance expects regional financial institutions to support their DX journey and lead sustainable economic development in the region.

Against this backdrop, the Group has conducted feasibility studies through dialogue with customers, and provided relevant consulting support or solutions based on the understanding of the actual state. In April 2025, we established a new DX consulting organization staffed with dedicated consultants within the Corporate Solutions Office of the Solutions Sales Department at Hiroshima

Bank in order to further enhance our capabilities and contribute to corporate growth by supporting customers in solving management issues and improving productivity.

Specifically, we offer the following suite of solutions through this Office, with more to come:

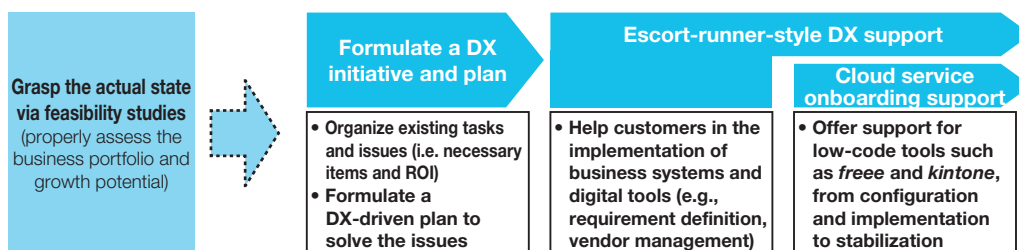
① Formulation of a DX initiative and plan that links customers' management targets with management/field level issues, and selection of the optimal solution,

② End-to-end, escort-runner-style DX support from the implementation to the stable operation of digital tools, and

③ Cloud service onboarding support that includes configuration, implementation and stabilization of cloud services such as *freee* and *kintone*.

We also remain committed to helping our customers solve their management issues through collaboration with Hirogin IT Solutions, other group companies and external alliance partners.

Flow of DX consulting support



We accompany our customers throughout their transformation journey, from consulting phase (i.e., organize the current issues and plan solutions) to deployment phase (development, implementation and stabilization of digital tools) with an understanding of the actual state via feasibility studies.

Meanwhile, the threat of cyber-attacks is increasing every year, heightening the risk of business disruption and information leaks. To help our customers promote DX with peace of mind, Hirogin IT Solutions has opened a cybersecurity training facility called the CYBERGYM Hiroshima Arena to support cybersecurity measures for the corporate customers in the region. It aims to enhance their risk management, provide employee education and refine management structures.

We also utilize our own IDC (Internet Data Center) to help ensure business continuity for our customers in the event of a cyber-attack by protecting their IT assets and providing immutable backup services to safeguard their data against ransomware attacks (preventing data from being encrypted or deleted).



[CYBERGYM Hiroshima Arena]

Strengthening digitalization efforts




Expansion of corporate solutions using digital technologies

Hiroshima Bank launched the 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. Meanwhile, in response to the full digitization of bills and checks by the end of fiscal 2026, the Hirogin Business Web Service introduced a new service called Hirogin Business Web Service Inquiry and Transfer Service (Light Plan) in April 2024, which has a monthly free basic fee plan with a limited number of transfers.

In February 2025, the Bank launched the Hirogin Quick Pay Access Service (Quick Paycheck for short), an advanced salary payment service to help local companies overcome the challenges of consistently securing talent and maintaining employment, while also meeting the needs of employees and job seekers looking for diversity

in how they work and receive their salary. By offering people the freedom to receive their wages through the service, we will contribute to resolving issues in the region while creating new value by transforming the traditional monthly payday system.

Furthermore, amid challenges in improving back-office operational efficiency, Hiroshima Bank launched the Hirogin Smart Fine in June 2025 to help our corporate customers improve productivity and promote DX. We will support our customers' DX efforts by centrally managing and streamlining the entire process, from invoice receipt to payment, on the Hirogin Smart Fine's dedicated platform. We also plan to add functions such as personalized financial advice based on the information obtained from payment data, and intend to gradually enhance the service.

<p>Hirogin Business Portal Hirogin Business Web Service</p> 	<p>Hirogin Quick Pay Access Service</p> 	<p>Hirogin Smart Fine</p> 
<ul style="list-style-type: none"> • The Hirogin Business Portal offers services including balance/transaction history inquiries and loan applications. • The Hirogin Business Web Service enables users to transfer money, pay taxes/fees and other bills. 	<ul style="list-style-type: none"> • Employees can receive their earned wages via smartphone without waiting for payday. • Employers can enhance employee benefits through monetary support while also accommodating increasingly diverse salary payment options. 	<ul style="list-style-type: none"> • Seamlessly integrates invoice data generated by digital invoicing services, such as Bill One provided by Sansan, Inc., into our dedicated platform. • Customers can intuitively create payment data on the platform, integrate the data to the Hirogin Business Web Service, and make payments.

Offering wide-ranging services to meet our customers' needs

In addition to offering our own solutions, the Group is expanding the range of services we provide through agency and business-matching contracts so that our customers can swiftly resolve the management issues and improve

operational efficiency. Amidst IT talent shortages and slow progress in digitalization, we provide optimal solutions swiftly and flexibly to the diverse challenges faced by businesses.

Support for corporate customers (examples)

Support for corporate customers (examples)	SaaS name	Cooperating Group companies
Service for back-office efficiency improvement (including digitization of expense reimbursement and invoicing)	Raku Raku Seisan/Raku Raku Meisai/Raku Raku Seikyu, Bugyo Cloud series, Bill One, Bakuraku, etc.	Hirogin IT Solutions
DX service for sales force: business card management for corporate customers	Business card management solutions (Sansan, SKYPCE, etc.)	Hirogin IT Solutions
Sales management service for wholesalers and retailers	Orion ONE Saiphis, etc.	Hirogin IT Solutions
Service for medical and nursing care professionals	Dr.HELPER (pathology information system), e-medical record system (HOPE), etc.	Hirogin IT Solutions

Initiatives for Corporate Business Areas

Promoting SX

Initiatives to enhance sustainability at business partners

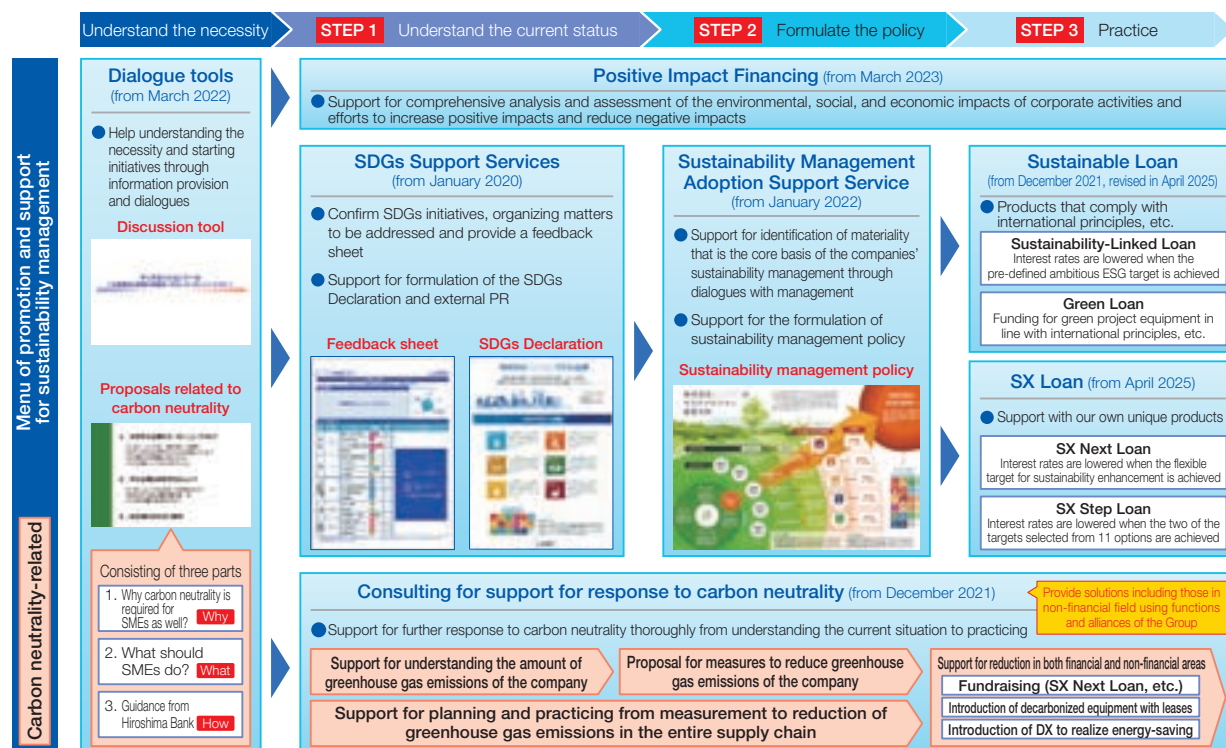
The Group aims to contribute to the growth and development of local companies by leveraging all the Group's functions and alliances to solve the environmental and social issues faced by the region and customers.

In particular, since Hiroshima Bank became the first regional financial institution to establish the SDGs Support Services in January 2020, it has consistently viewed the support of local companies' efforts to improve their sustainability as the responsibility of a regional financial

institution, and has developed and expanded solutions that support the introduction and implementation of sustainability management for corporate customers from both financial and non-financial perspectives.

In addition, regarding carbon neutrality, we provide solutions in collaboration with Group companies and alliance partners, mainly in response to the needs and initiatives identified through dialogue with our business partners.

Overview of consulting related to the sustainability of business partners



SDGs Support Services

Features
<ul style="list-style-type: none"> Confirm SDGs initiatives, organizing matters to be addressed and provide a feedback sheet Support for the formulation of SDGs Declaration
Number of cases
768 (from the start of service in January 2020 to March 31, 2025)

Sustainability Management Adoption Support Services

Features
<ul style="list-style-type: none"> Support for identification of materiality that is the core basis of the companies' sustainability management through dialogues with management Support for the formulation of sustainability management policy
Number of cases
44 (from the start of service in January 2022 to March 31, 2025)

Sustainable Loan

Features
<ul style="list-style-type: none"> Provide two types of loans of Sustainability-Linked Loan and Green Loan under a finance framework that is consistent with the guidelines stipulated by the Ministry of the Environment and other organizations
Number of cases
76/¥24.2 billion (from the start of service in December 2021 to March 31, 2025)

Positive Impact Finance

Features
<ul style="list-style-type: none"> Support for comprehensive analysis and assessment of the environmental, social, and economic impacts of corporate activities and efforts to increase positive impacts and reduce negative impacts
Number of cases
8/¥1.6 billion (from the start of service in March 2023 to March 31, 2025)

Strengthening initiatives to support human resources for sustainable management

Hirogin Human Resources

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

In addition to its recruitment consultancy business, training business, and human resources consulting business, which it has operated since it was established in 2021, it has been pursuing the expansion of its operations, including a worker dispatching business, through M&As, since April 2022.

Top 10 challenges facing company owners in Hiroshima Prefecture

Price trends	59.4%
Labor shortages	49.9%
Wage trends	39.0%
Trends in the US economy	34.1%
Exchange rate fluctuations	22.9%
Interest rate trends	21.6%
The rise of protectionist and exclusionary policies	12.2%
Trends in the Chinese economy	10.0%
Occurrence of natural disasters	8.8%
Escalating geopolitical risks (e.g., international situations)	6.5%

Source: Hirogin Holdings Survey of Company Owners, first half of FY2025 (conducted in April 2025)

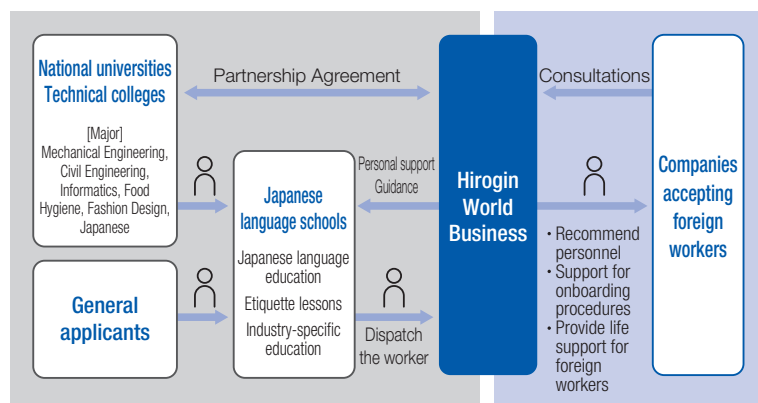
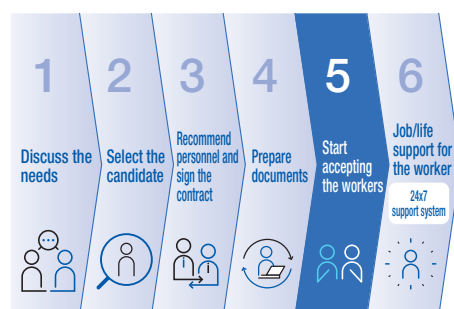
Outline of Hirogin Human Resources businesses and services

Businesses and services	Details	Results (FY ended March 31, 2025)
Recruitment consultancy business	<ul style="list-style-type: none"> Introduces management and specialist human resources Provides support for strengthening human resource recruitment 	Number of contracts executed: 151 (Up 30 year-on-year)
Training business	<ul style="list-style-type: none"> 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: 2,584 (Up 397 year-on-year)
Human resources consulting business	<ul style="list-style-type: none"> Consulting related to HR and labor (e.g., responding to workstyle reforms, various consulting related to labor management) HR system construction consulting (e.g., review of evaluation system and compensation system, HR system design support) 	Number of consulting contracts signed: 142 (Up 32 year-on-year)
Worker dispatching business	<ul style="list-style-type: none"> Primarily dispatch of clerical personnel (e.g., office staff for sales, accounting, general administration) 	Number of contracts executed: 31 (Down 8 year-on-year)
Employee benefits and welfare support	<ul style="list-style-type: none"> Provision of "Benefits and Welfare Support," which bundles health management, self-development, asset formation/loans, and discounts and special offers in a single package 	Number of companies applied: 5

Hirogin World Business

Hirogin World Business, a joint venture we established with a local partner in September 2024, provides comprehensive support for corporate customers in various industries who intend to hire workers from abroad. This includes recommending the most suitable residence status, staffing, providing pre-arrival training/post-arrival life support, and offering long-term employment assistance when hiring foreign workers.

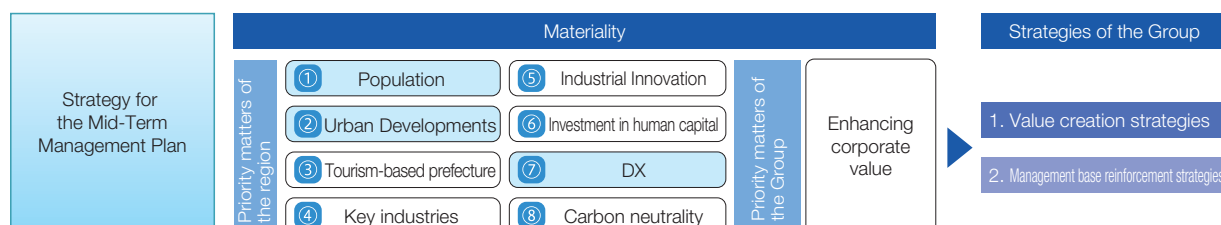
We identify outstanding foreign talent to support our corporate customers in securing human resources and ensuring stable employment, based on partnership agreements with relevant parties such as prestigious national universities in Indonesia.



Initiatives for Retail Business Areas

Positioning of the initiatives

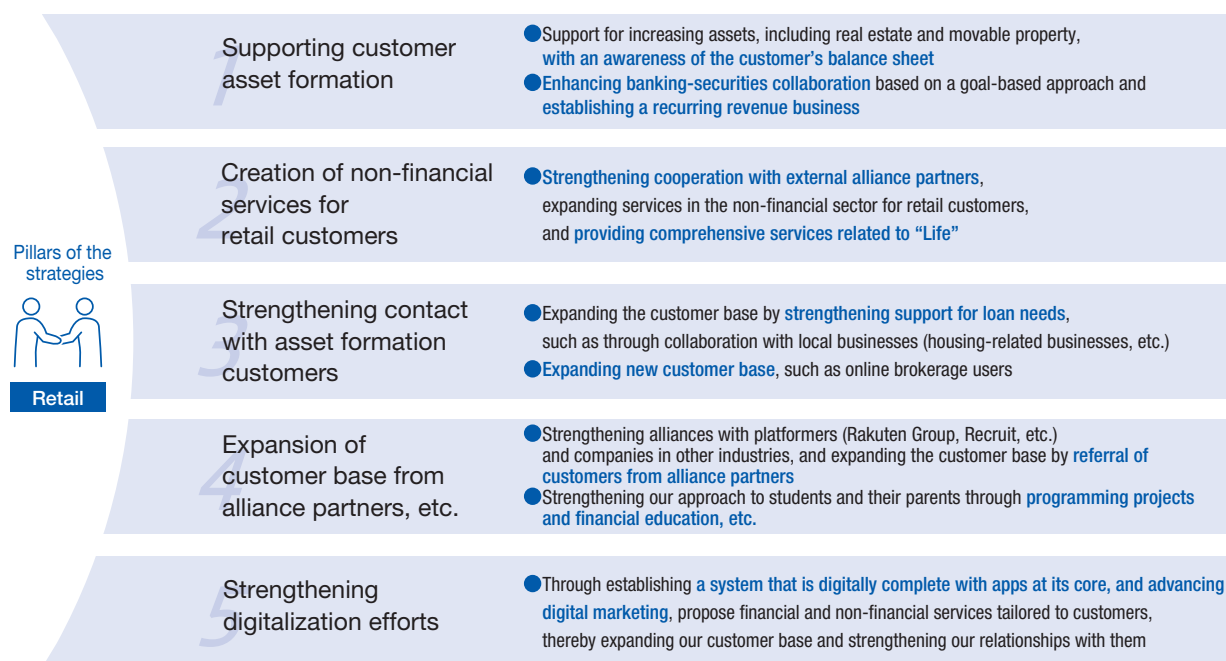
Solving Materiality (priority matters of the region) to create a vibrant region



Key points of value creation strategies: Initiatives targeting growth and development of our customers (retail)

- In the era of the 100-year life, we contribute to the realization of our customers' affluent lifestyles through the provision of financial and non-financial services.
- We uncover the latent needs of our customers in response to their life events, and provide solutions as a Group to resolve any issues.

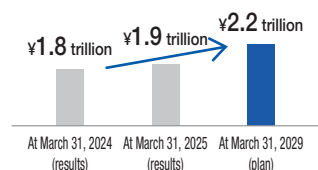
Overview of the Mid-Term Management Plan 2024



Key indicators

① Strengthening recurring revenue business

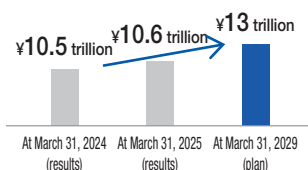
Outstanding personal loan balance



Strengthening customer retention through the development of structure (including digital) that responds to market conditions, with a focus on housing loans, and the provision of products that are tailored to customers

② Deepening consulting business

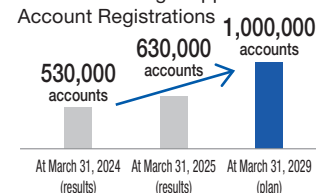
Total assets under management



Strengthening proposals for fund wrap services based on a goal-based approach, etc., and steadily acquire settlement deposits, etc.

③ Promoting digital channels in the market

Number of Hirogin App Account Registrations



The number of users is currently on the increase, especially among young people and working people. Furthermore, we have enhanced the functions and PR to make it more accessible to a wide range of age groups.

The background and current situation of the initiatives

In order to meet all sort of needs of retail customers in line with their life plans, the Group has been working to strengthen our systems, including strengthening cooperation between banks and securities companies, expanding our inheritance and trust services, improving our Head Office and branch offices, and penetration of customer-oriented sales activities. In such an environment, facing changes in the investment mindset towards the recent era of the 100-year life and new competitors including those from different industries, in order to further enhance our support for asset formation and make it a

sustainable business, by establishing a sales system tailored to customer attributes and anticipated needs (expansion of wealth management, remote interviews, and app based transactions), strengthening our recurring revenue business through goal-based approaches and escort-runner style support, and creating services that include non-financial services through collaboration with external alliance partners, we will contribute to the realization of affluent lifestyles for our customers in the region.

Supporting customer asset formation

Support for increasing assets, including real estate and movable property, with an awareness of the customer's balance sheet

The Group is working to provide total support for life plans based on the future dreams of our customers and their families, with the Hiroshima Bank's Life Design Service at the core.

At Life Design Service, we ask about our customers' life plans, household income and expenditure, balance sheets (asset status) including non-financial assets such as real estate, etc., and together we create a life design that will serve as a blueprint for the future.

At the same time, we listen carefully to our customers' thoughts and concerns, which have become apparent through the creation of their life designs, and provide a wide range of information and services, including

non-financial fields, at the optimal time, going beyond just financial support.

In May 2023, we introduced a fund wrap service to provide escort-runner style support for the realization of customers' dreams through mid- and long-term asset management. In November 2024, we opened the Hirogin Life Consulting Plaza by combining the loan and asset management services at our Head Office and branch offices to offer personalized asset management services to customers.

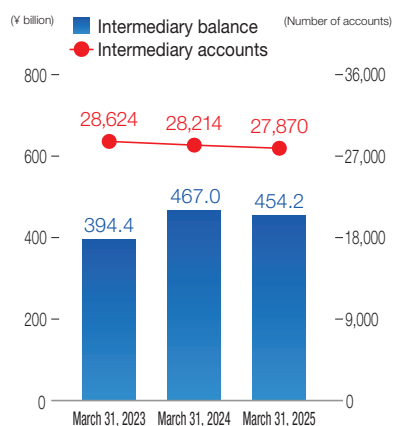
Going forward, we will continue to serve as a concierge for our customers to help enrich their lives, through total support for their individual life plans.

Enhancing banking-securities collaboration

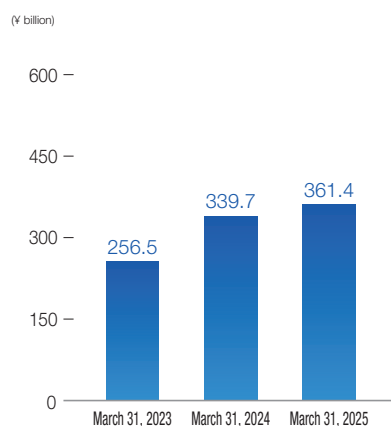
At Hirogin Group, Hiroshima Bank and Hirogin Securities have established a system for addressing customers' consultation needs and requests related to advanced, specialized asset management and inheritance issues, at a one-stop platform, primarily through their 17 joint

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.

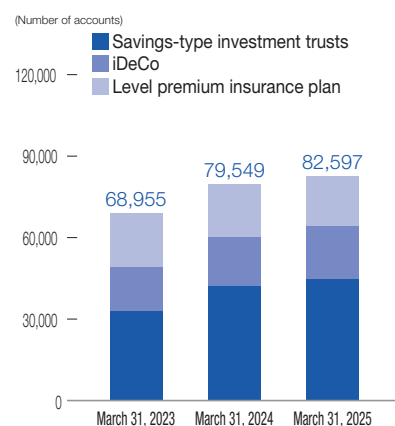
► Trends in the number of intermediary accounts and balance (Hirogin Securities)



► Trends in investment trusts balance (Group)



► Number of customers of products or services conducive to asset formation (Group)



Initiatives for Retail Business Areas

Creation of non-financial services for retail customers

Life Partner Service

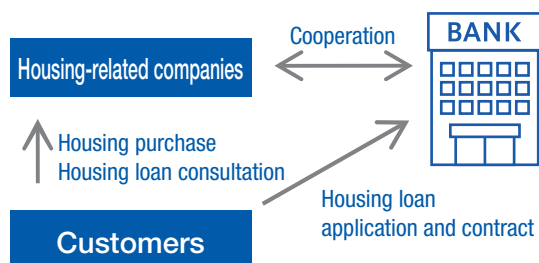
The Hirogin Life Partner service, started in September 2017, provides an optimum solution for customers' various everyday concerns and problems.



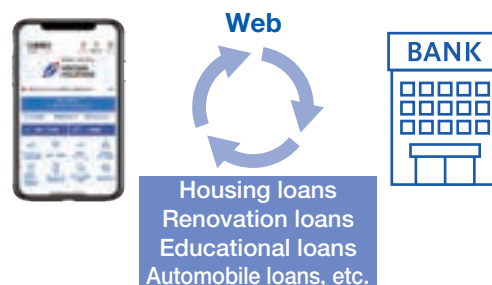
Strengthening contact with asset formation customers

Strengthening response to loan needs

Hiroshima Bank is working to expand its customer base through collaboration with regional businesses such as housing-related companies, and will continue to accommodate customers' financial needs by enhancing its relationships with local construction companies.



In addition, in order to strengthen our response to loan needs utilizing DX, we have also started accepting preliminary housing loan applications online from April 2024. We are also promoting the shift to online services for other loans, with the aim of improving customer convenience.

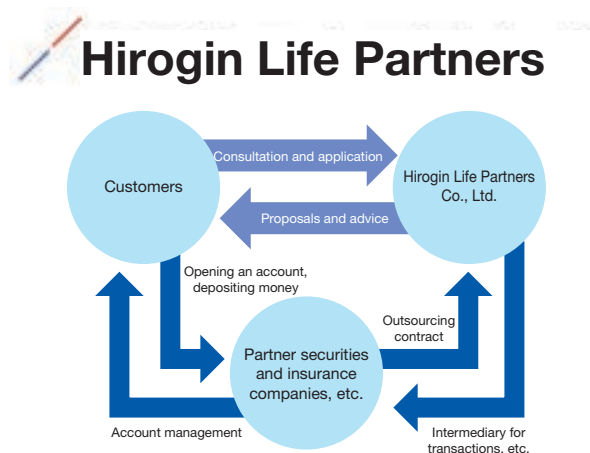


Strengthening collaboration with online brokers

Since April 2020, Hiroshima Bank has been providing financial product intermediary services for online transactions with Rakuten Securities and SBI Securities, and transactions, particularly among young people, are increasing.

In July 2024, in order to strengthen our approach to the rapidly expanding number of online brokerage users, we started providing asset formation advice through seminars and online consultations at the financial product intermediary company Hirogin Life Partners.

By combining the highly convenient systems and wide range of products/services offered by online brokers with the consulting capabilities of our Group, we will provide high-quality financial services and expand the asset management base in the region.



■ Expansion of customer base from alliance partners, etc.

Expanding alliance partners

In addition to expanding our customer base by enhancing the Group's own unique products/services, we will also expand our business base with local customers by mutually complementing each other's strengths through collaboration with major platformers and companies in different industries.

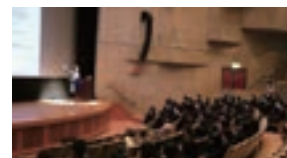
We have been working to enhance customer convenience through cross-functional collaborations with broad services under the Rakuten Group, including alliances with Rakuten Securities and Rakuten Life Insurance in July 2024, Rakuten Point in October 2024, and Rakuten Card in November 2024.

Strengthening our approach to students and their parents

In light of the growing importance of financial education, Hirogin Group has assigned financial education advisors at the Hiroshima Bank Head Office, and provides seminars on financial literacy and asset formation to students and their parents in the region.

We also aim to nurture future innovators through the operation of our kids' programming school and help

regional elementary school pupils develop their ability to turn ideas into reality and communicate their thoughts.



■ Strengthening digitalization efforts

Supporting our customers' asset formation and enhancing their experience with the Hirogin app

Hiroshima Bank is working to improve the convenience and peace of mind offered by its financial services with the Hirogin app, which serves as a primary contact point for users aged 20 to 50, who account for around 70% of total users. In FY2024, we added functions to allow them grow their assets for the future and prepare for risks, all within a digital environment:

The Life Plan Simulation function enables users to visualize their asset plans and create financial plans that align with their life designs, with the aim of providing escort-runner-style support for people in the asset formation phase, thereby helping to expand the assets of our retail customers in the medium to long term.

The Insurance Policy Management function enables users to centrally manage their insurance policies within the app. This provides customers with peace of mind and an easy-to-use experience, enabling them to review their policies at any time as well as quickly and easily confirm details in an emergency.

We will remain focused to be a digital concierge by

providing functions that enable everything from financial transactions to preparation for the future through the Hirogin app, along with tailored information and proposals for each customer.



Cashless payment services that attract young people

■ HIROGIN Debit

No annual fee for life for primary members of Standard Card!

It's simple—Payments are made directly from your bank account.

Accepted at many stores
Works overseas too!

Available to customers aged 15 and older, meeting the cashless needs of young people.



■ Hirogin Rakuten Card

Get Rakuten Points worth 7,000 yen when you sign up, use it three times, and designate a Hiroshima Bank account!

*The benefits (including limited-time points) are subject to conditions. Usage limits, point amounts, etc., may change by campaign period. For details, please check the Hirogin Rakuten Card website.



The product features of our card, such as the point redemption rate and annual fee (permanently free), are the same as the standard Rakuten Card, and it is also eligible for the Hirogin Point Service.

We aim to increase future transactions by encouraging first-time credit card applicants to choose the Hirogin Rakuten Card.