



Leading company creating a path to the future



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Results for the Fiscal Year Ended March 31, 2025 IR Presentation

77 BANK

Materials were prepared for the Bank's presentation of its results for the fiscal year ended March 31, 2025 held on June 3, 2025.

June 3, 2025

01

Achieved record-high profit for the fourth consecutive fiscal year, aiming to achieve new highs in FY2025

- ✓ Interest on loans and bills discounted, fees and commissions, and other income have increased to the highest levels ever thanks to consulting sales
- ✓ Aim for record-high profit again in FY2025, mainly through improved yields of loans and bills discounted

02

Initiatives under “Vision 2030” to improve productivity

- ✓ Continue to improve income from customer services and core OHR by achieving top-line growth and controlling expenses
- ✓ Dramatically improve productivity while maintaining human capital investment and investment in systems

03

Execute a simulation of FY2030 reflecting changes in financial policy and other factors

- ✓ Both profit and ROE are expected to rise, mainly due to net interest income, after reflecting changes in financial policy and other factors
- ✓ We plan to revise our financial targets under “Vision 2030” in FY2025 together with the mid-term review, including strategies for the future

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01



Financial Summary

Non-consolidated	(Unit: JPY bn, %)	FY2023	FY2024	YoY change	
				Amount	%
Gross operating profit		80.1	85.6	5.5	6.8
Net interest income		93.4	103.9	10.5	11.2
Net fees and commissions income		13.0	14.5	1.5	11.9
Net other operating income		(26.3)	(32.8)	(6.5)	
Expenses		49.0	48.4	(0.6)	(1.2)
Substantial net operating income		31.1	37.2	6.1	19.5
[Core net operating income]		[44.9]	[58.3]	[13.4]	[29.9]
[Core net operating income (excl. gains (losses) on cancellation of investment trusts)]		[35.2]	[47.2]	[12.0]	[34.2]
Provision of general reserve for loan losses		3.9	-	(3.9)	
Net operating income		27.2	37.2	10.0	36.7
Special income and losses		15.3	17.7	2.4	
Ordinary profits		42.5	54.8	12.3	29.0
Extraordinary gains/losses		(0.0)	(0.0)	0.0	
Profit		28.8	38.6	9.8	33.8
Credit-related expenses		3.7	(0.1)	(3.8)	
Total gains (losses) from securities		45.6	44.1	(1.5)	
After excluding procurement costs		34.3	31.6	(2.7)	
Income from customer services		13.8	22.5	8.7	
After excluding foreign currency-denominated procurement costs		9.8	18.7	8.9	
Consolidated					
Ordinary profits		44.2	56.3	12.1	27.2
Profit attributable to owners of the parent		29.8	39.3	9.5	31.7

Both interest income and interest expenses increased due to higher interest rates in the market
Net interest income increased as we captured financing needs and invested in securities to appropriately harness market conditions

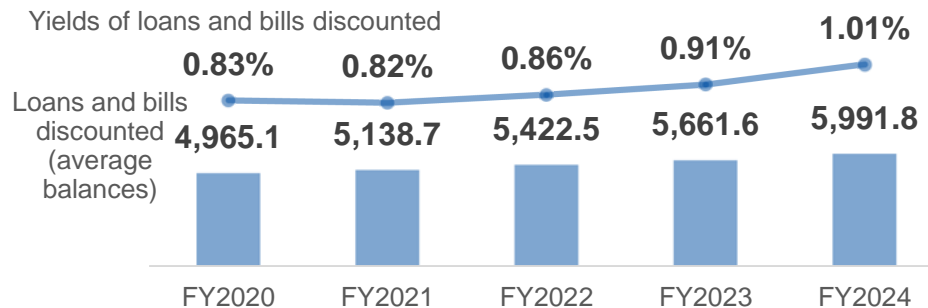
Net interest income

(Unit: JPY bn, %)

	FY2023	FY2024	YoY change	
			Amount	%
Net interest income	93.4	103.9	10.5	11.2
Interest income	95.6	111.4	15.8	16.4
(Interest on loans and bills discounted)	52.0	60.5	8.5	16.5
(Interest and dividends on investment securities)	42.8	47.8	5.0	11.5
Interest expenses	2.2	7.5	5.3	243.7
(Interest on deposits)	0.7	5.8	5.1	793.7

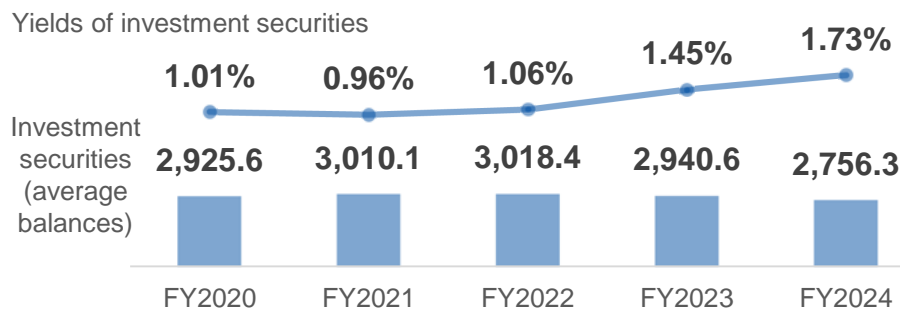
Average balances and yields of loans and bills discounted

(Unit: JPY bn)



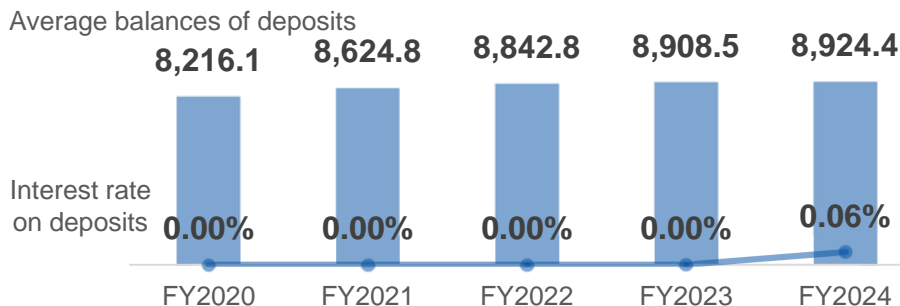
Average balances and yields of investment securities (excluding products and corporate investment funds)

(Unit: JPY bn)



Average balances and yields of deposits (including negotiable certificates of deposits)

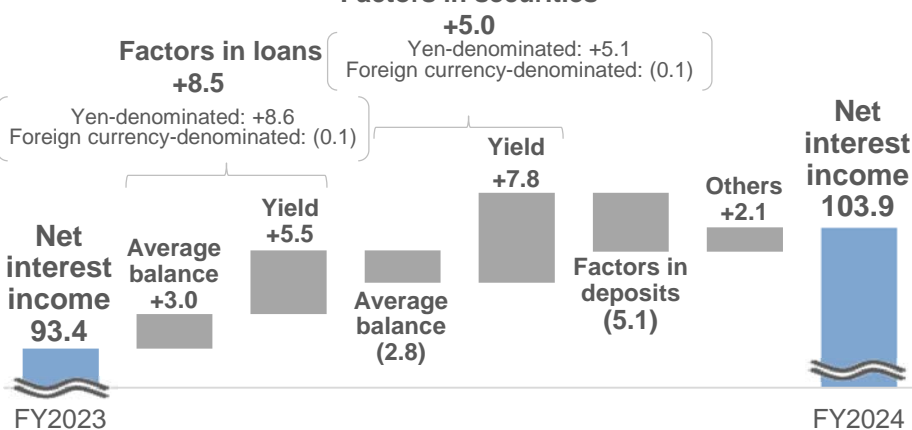
(Unit: JPY bn)



(Reference) Change factors in net interest income

Factors in securities

(Unit: JPY bn)

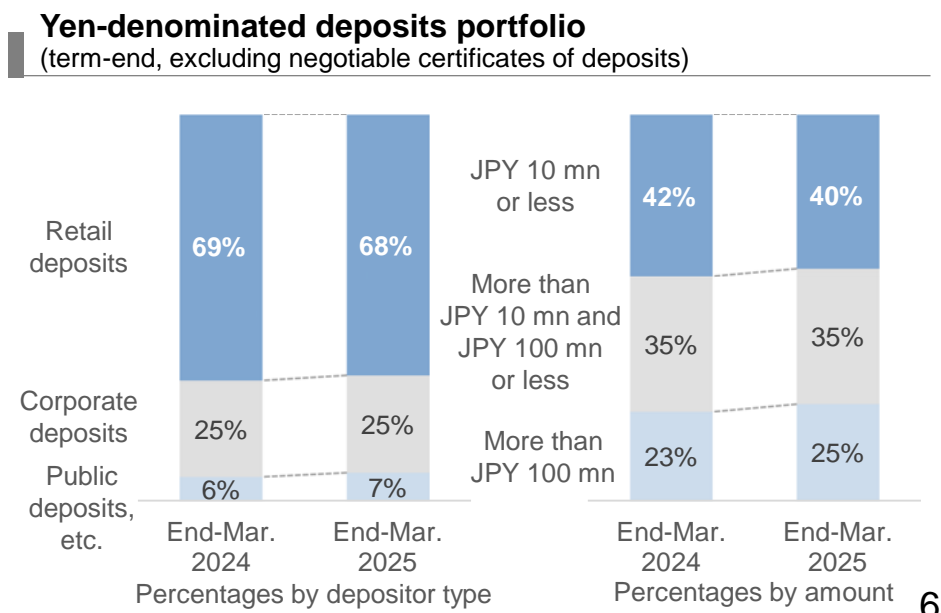
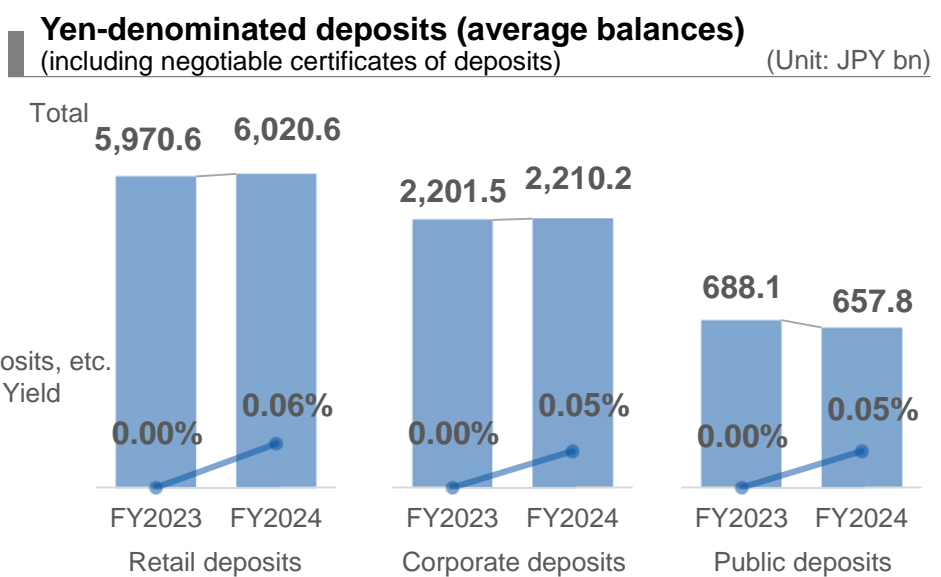
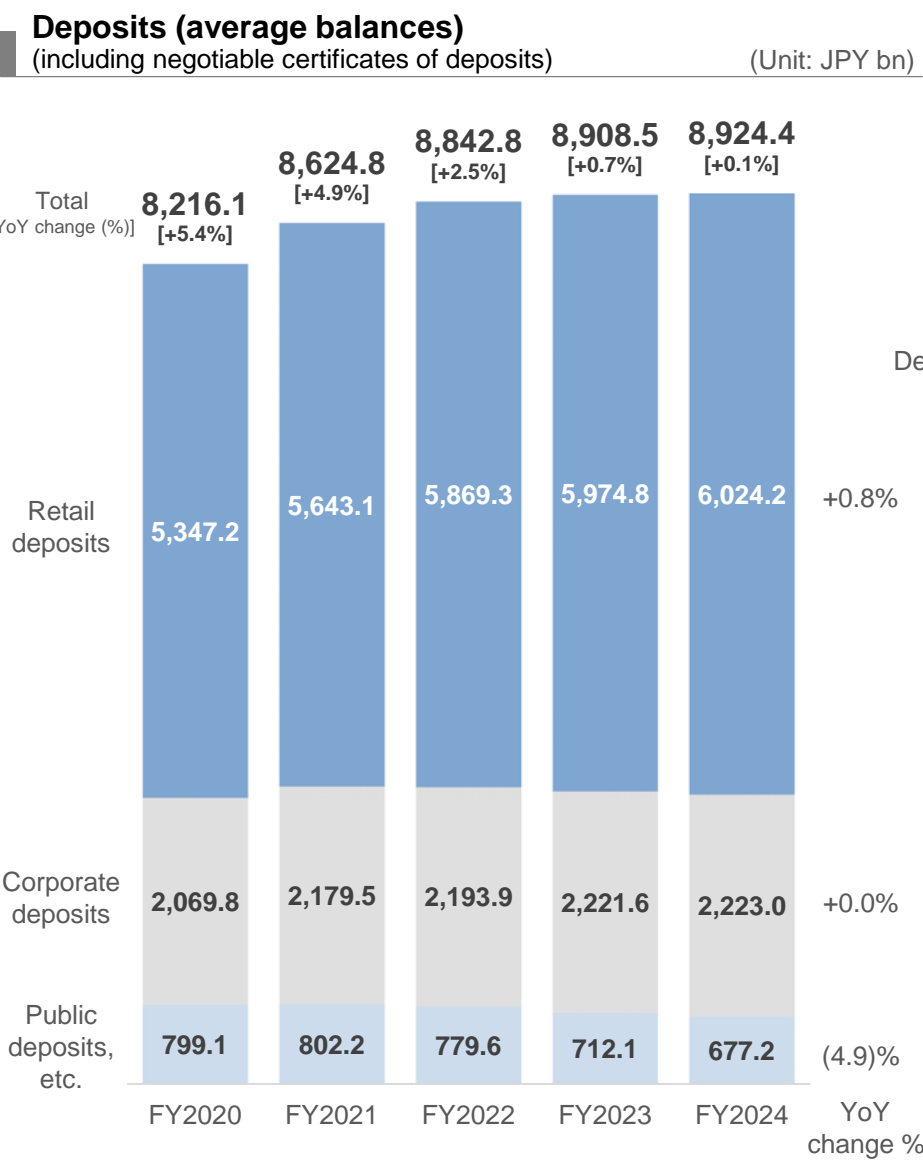


*Interest rates of ordinary yen-denominated deposits

Raised to 0.02% (Apr. 2024), 0.10% (Sep. 2024), 0.20% (Mar. 2025)

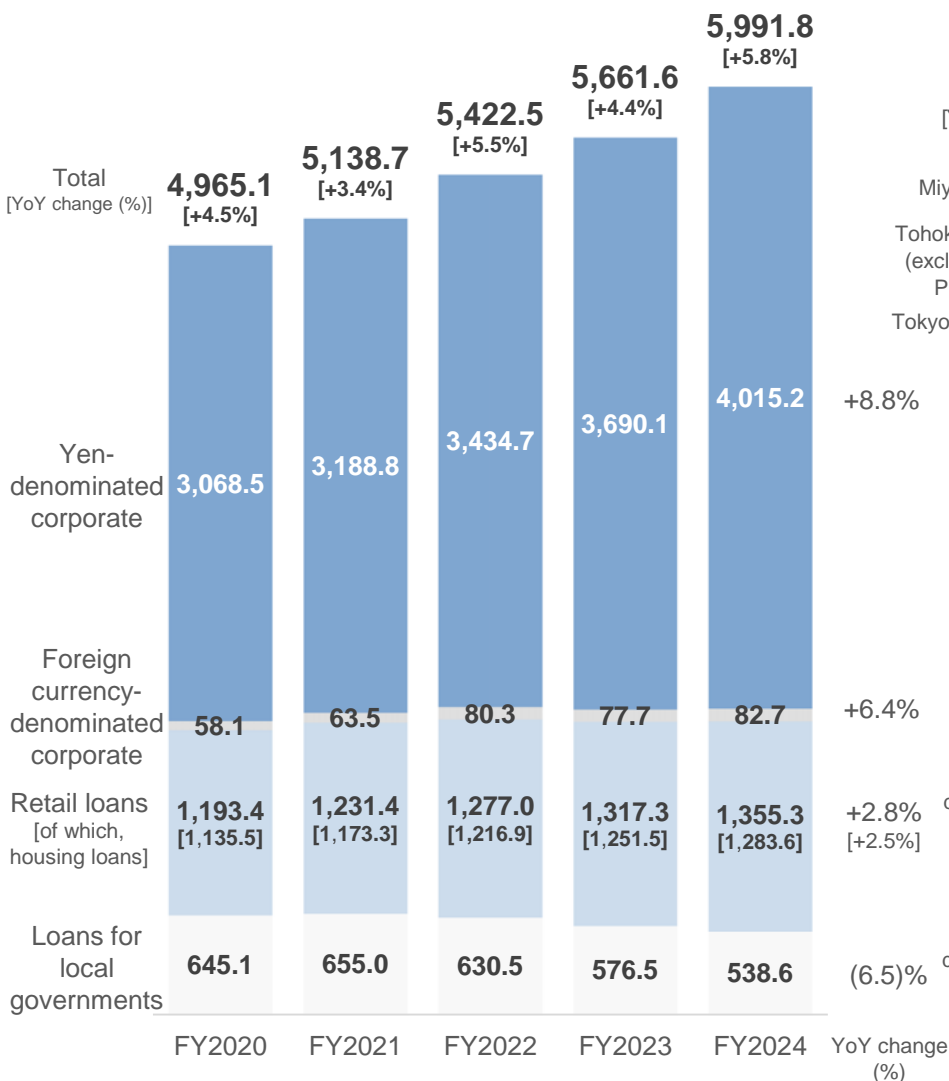
Public deposits, etc. decreased, but retail deposits and corporate deposits increased

Ratio of sticky retail deposits to total deposits remained high at around 70%

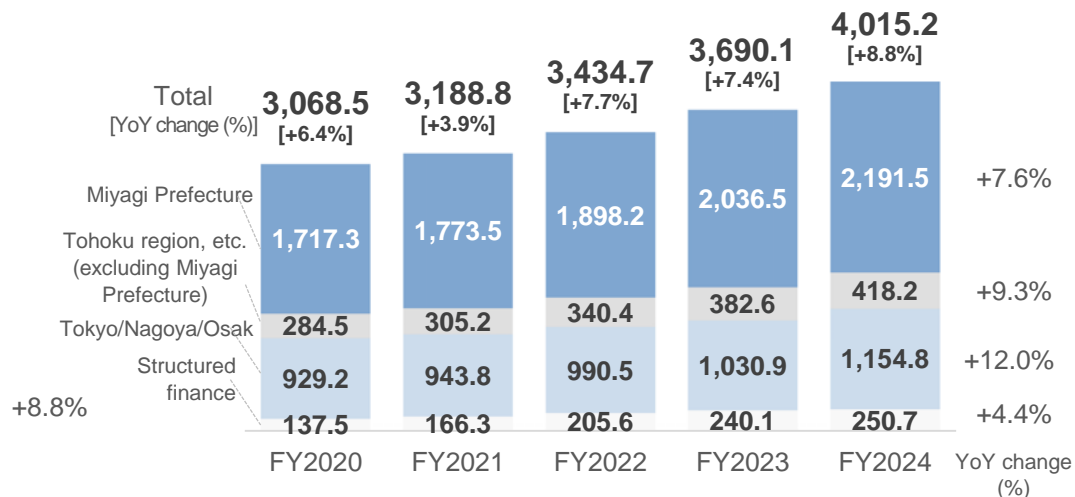


Captured customers' needs and maintained a high growth rate, primarily for corporate loans
Yields of loans and bills discounted as a whole improved due to a rise in yields of yen-denominated loans and bills discounted

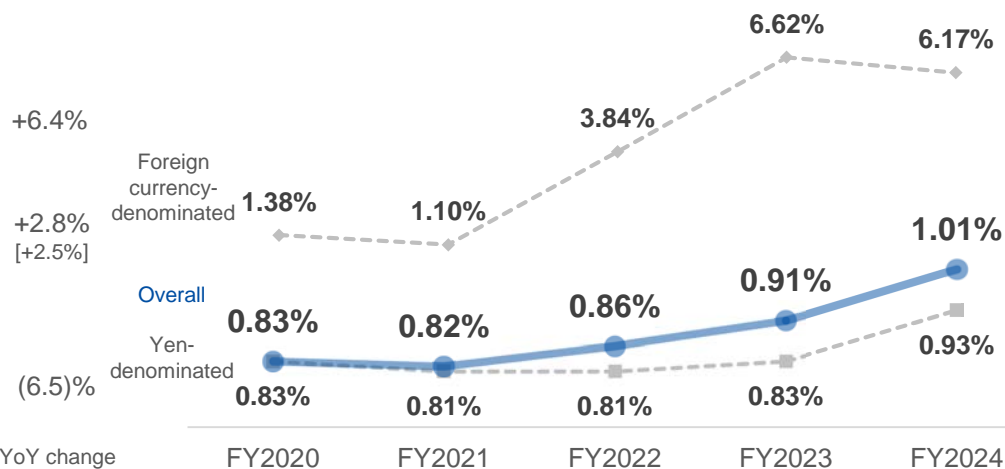
Loans and bills discounted (average balances) (Unit: JPY bn)



Corporate loans (average balances)
 (yen-denominated) (Unit: JPY bn)

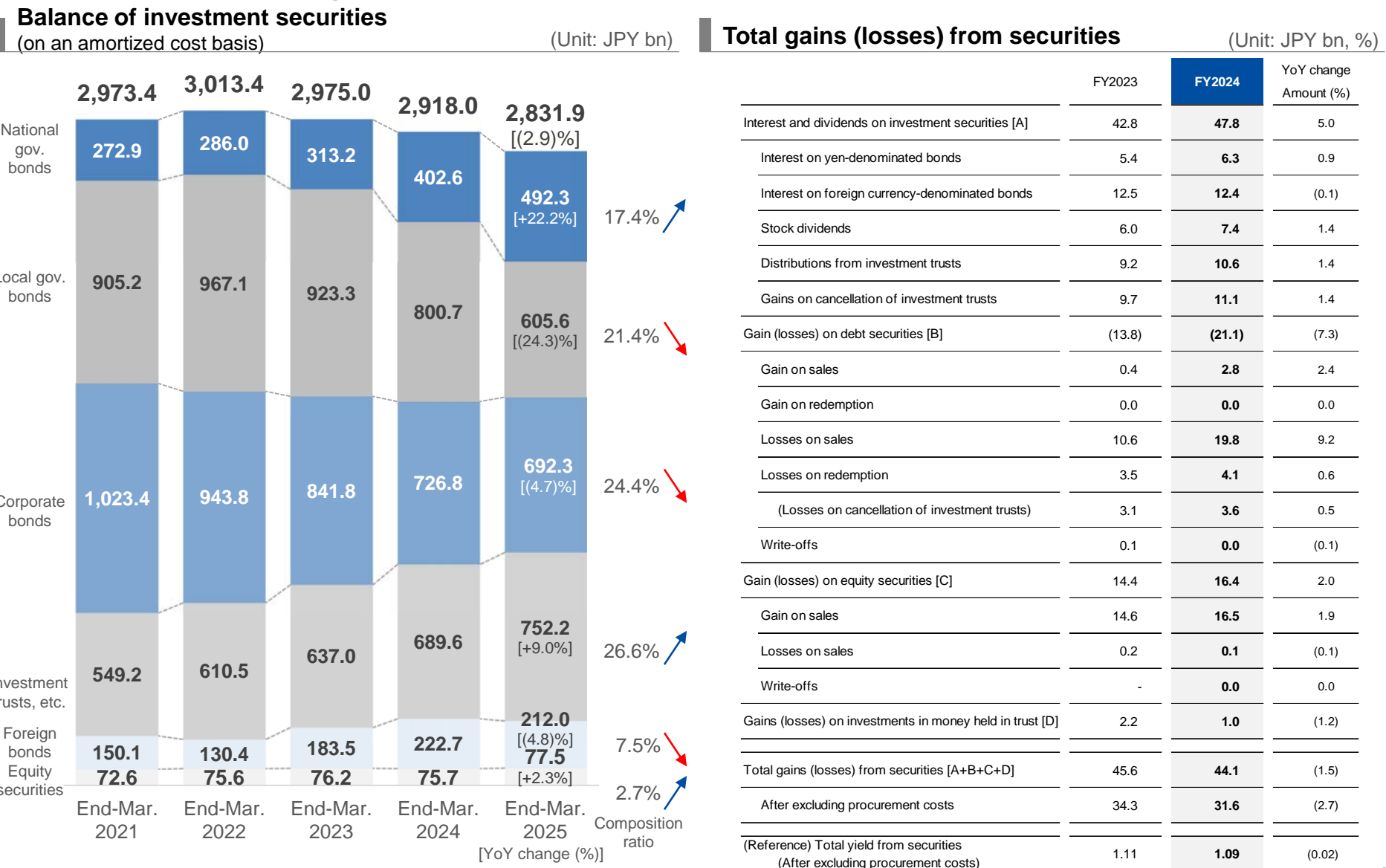


Yields of loans and bills discounted



Executed sales of yen-denominated bonds in anticipation of rising interest rates

Recognized losses on sales of bonds, but realized the unrealized gains on equity, ensuring that total gains (losses) from securities remained at a stable level



Reduced negative spread risk and interest rate risk by selling low-yield bonds and ultra-long-term government bonds

Purchased bonds with short remaining period, considering interest rate risk

Gains (losses) from evaluation of securities

(Unit: JPY bn)

	End-Mar. 2023	End-Mar. 2024	End-Mar. 2025
Debt securities	(27.5)	(34.9)	(63.7)
National gov. bonds	(12.9)	(16.8)	(27.3)
Local gov. bonds	(8.0)	(9.6)	(18.8)
Corporate bonds	(6.6)	(8.5)	(17.6)
Others	30.0	60.0	32.7
Investment trusts, etc.	31.7	61.3	33.7
Foreign bonds	(1.7)	(1.3)	(1.0)
Equity securities	78.7	143.3	124.3
Investment securities total	81.2	168.4	93.3
Money held in trusts	3.2	7.8	5.8
Total	84.4	176.2	99.1

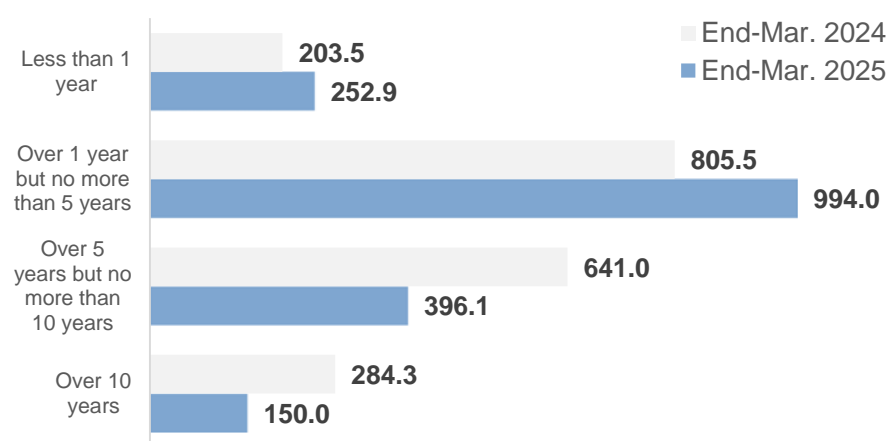
(Reference) Changes in Nikkei Average, etc.

(Unit: JPY, %)

Nikkei Average	28,041	40,369	35,617
10-year JGBs	0.32	0.72	1.48
10-year US treasury bonds	3.47	4.20	4.20

Yen-denominated bonds balance by remaining period

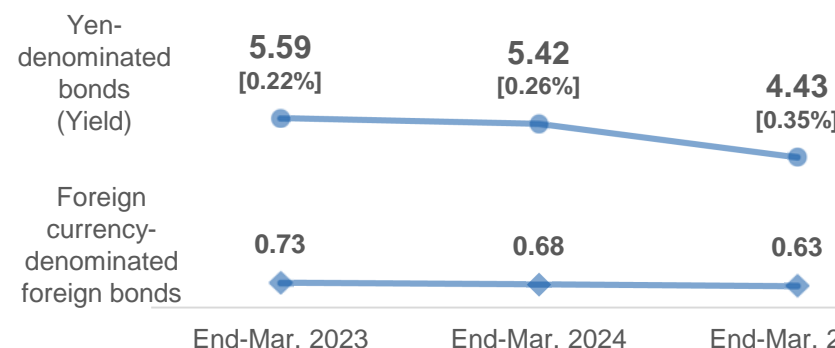
(Unit: JPY bn)



(Reference) Sales and redemptions of yen-denominated bonds

	Sales [Average remaining period]	Redemptions
FY2023	JPY 245.4 bn [8.2 years]	JPY 223.3 bn
FY2024	JPY 321.3 bn [7.7 years]	JPY 215.3 bn

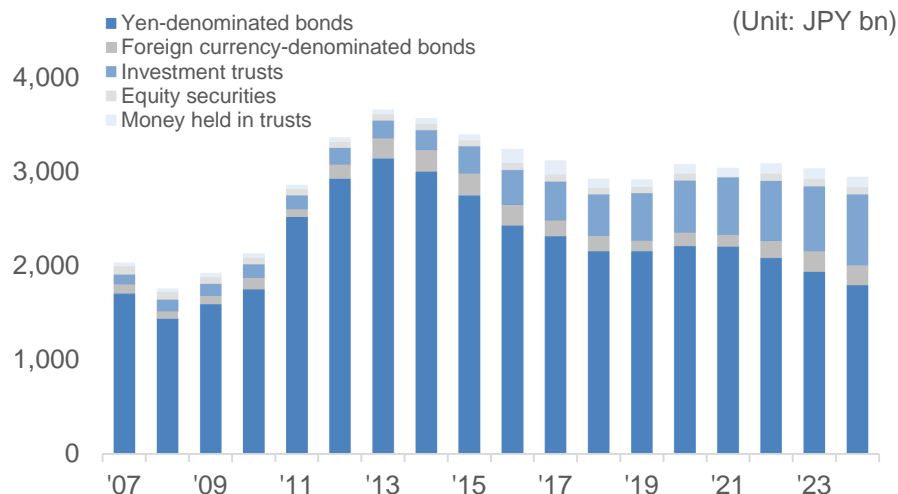
Modified duration of yen-denominated bonds and foreign currency-denominated foreign bonds



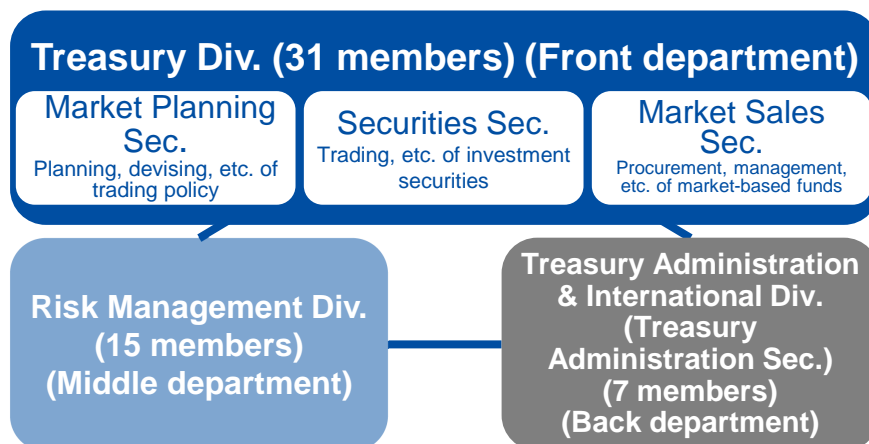
We appropriately managed securities, including related structures, as our second pillar of revenue

Achievements in marketable securities trading

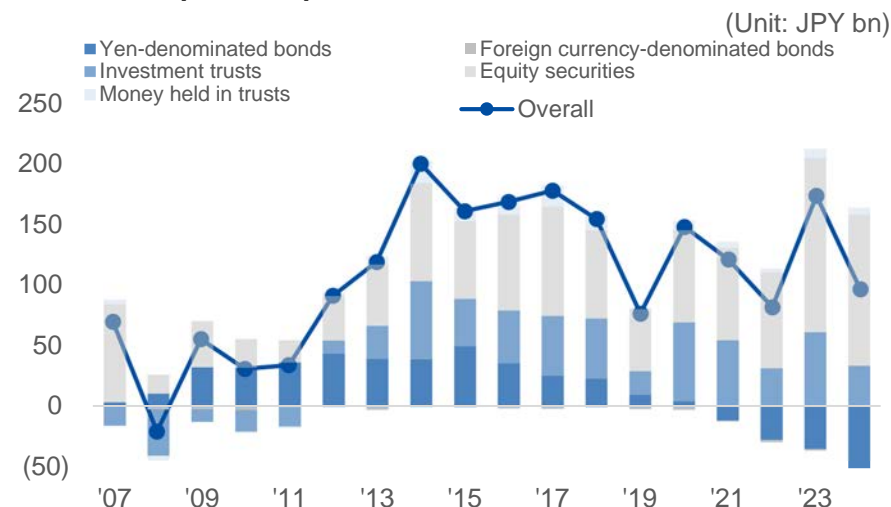
➤ Balance of investment securities (book value)



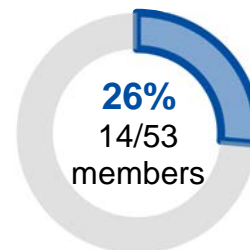
➤ Structure for marketable securities trading



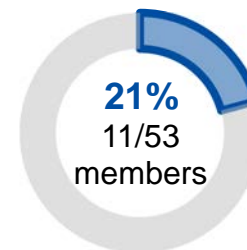
➤ Gains (losses) from evaluation of securities



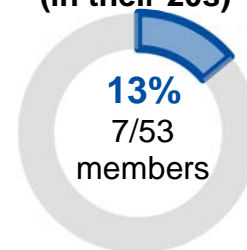
Percentage of employees with experience as external trainees



Percentage of female employees



Percentage of young employees (in their 20s)



Fees and commissions from corporate clients increased thanks to consulting sales

Fees and commissions

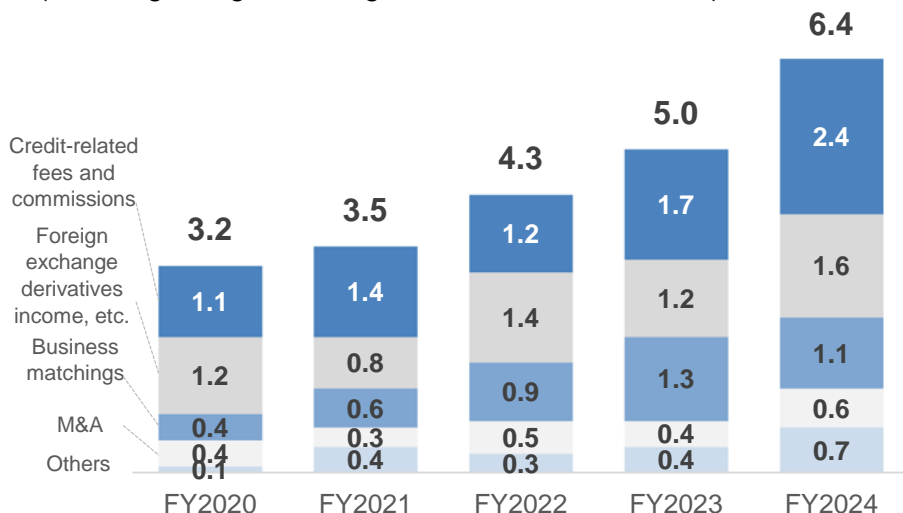
(Unit: JPY bn)

	FY2023	FY2024	YoY change Amount
Fees and commissions income	19.7	21.8	2.1
Fees and commissions from payments	8.3	8.6	0.3
Fees and commissions from corporate clients	3.8	4.8	1.0
Sales commissions of assets in custody	2.5	2.7	0.2
Fees and commissions payments	6.7	7.3	0.6
Fees and commissions from payments	0.4	0.5	0.1
Loan repayment guarantee fees and insurance premiums	4.8	5.2	0.4
Fees and commissions	13.0	14.5	1.5
Corporate non-interest income (including foreign exchange derivatives income, etc.)	5.0	6.4	1.4

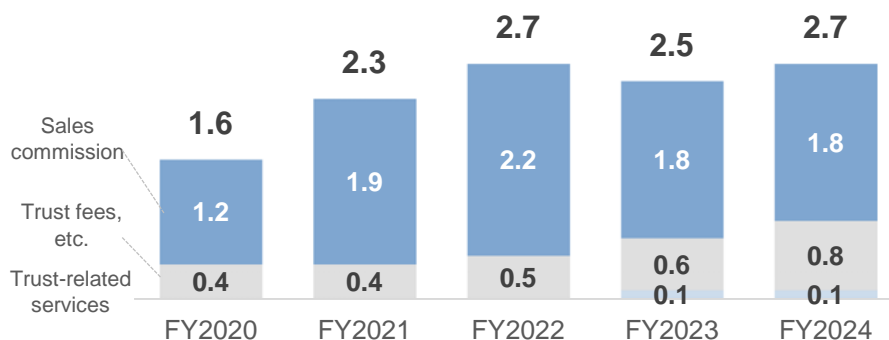
* Corporate non-interest income: Fees and commissions from corporate clients + foreign exchange derivatives income, etc.

Corporate non-interest income

(including foreign exchange derivatives income, etc.) (Unit: JPY bn)



Sales commissions of assets in custody (Unit: JPY bn)



(Reference) Balance of assets in custody

513.4	539.8	556.8	567.5	633.5
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Expenses decreased as the number of employees decreased with natural attrition due to retirements, etc. and system-related expenses declined after large expenses incurred in the previous fiscal year

Core OHR improved due to an increase in top-line revenue

Expenses

(Unit: JPY bn)

	FY2023	FY2024	YoY change Amount
Expenses	49.0	48.4	(0.6)
Personnel expenses	26.0	25.4	(0.6)
Non-personnel expenses	19.7	19.5	(0.2)
(of which, system-related expenses)	8.4	8.3	(0.1)
Tax	3.3	3.5	0.2

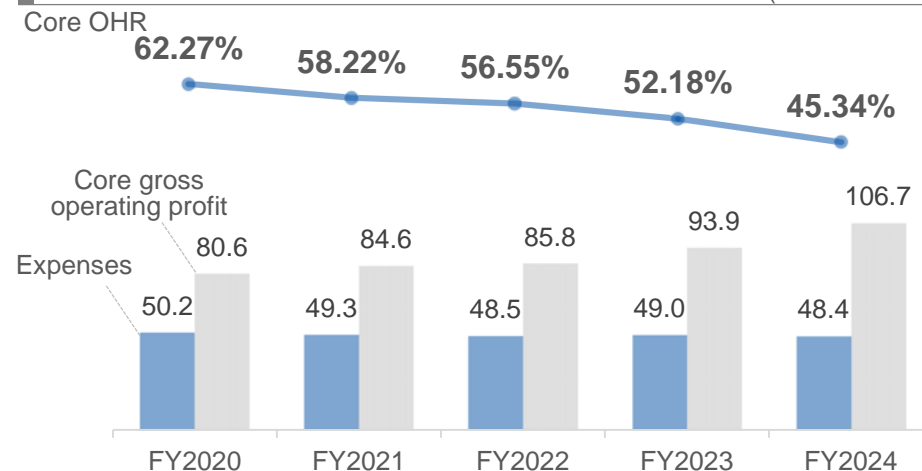
(Reference) Key change factors in expenses

(Unit: JPY bn)

	Change factor	Amount
Personnel expenses	Payment of a special incentive	0.2
	Natural attrition of employees, etc.	(0.8)
Non-personnel expenses	Renewal of internal information network system	0.8
	Decrease in system-related expenses after large expenses in the previous fiscal year, etc.	(1.0)

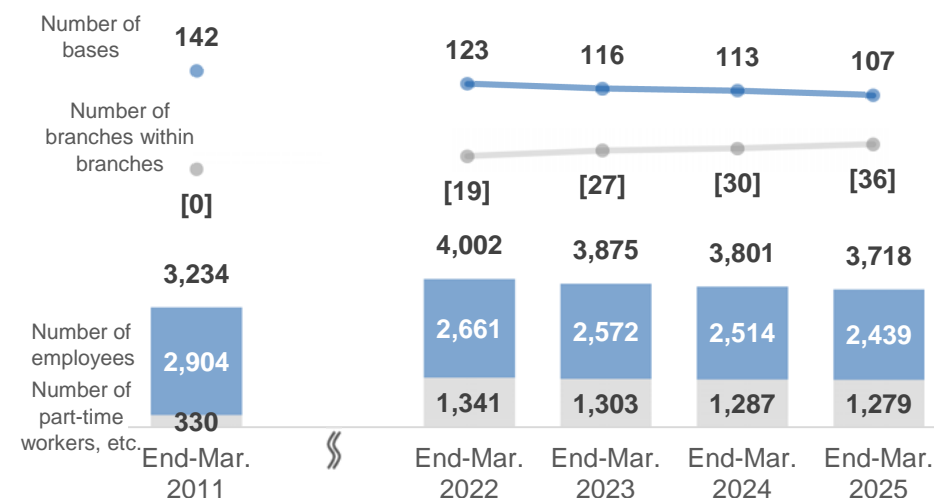
Core OHR

(Unit: JPY bn)



Number of employees and bases, etc.

(Unit: bases, branches, people)



* The number of part-time workers, etc. as of end-Mar. 2011 excludes 520 staff accepted from 77 Staff Services.

General reserve for loan losses decreased due to reduced risks in project finance claims recorded in the previous fiscal year, and credit-related expenses were reversed

Credit-related expenses

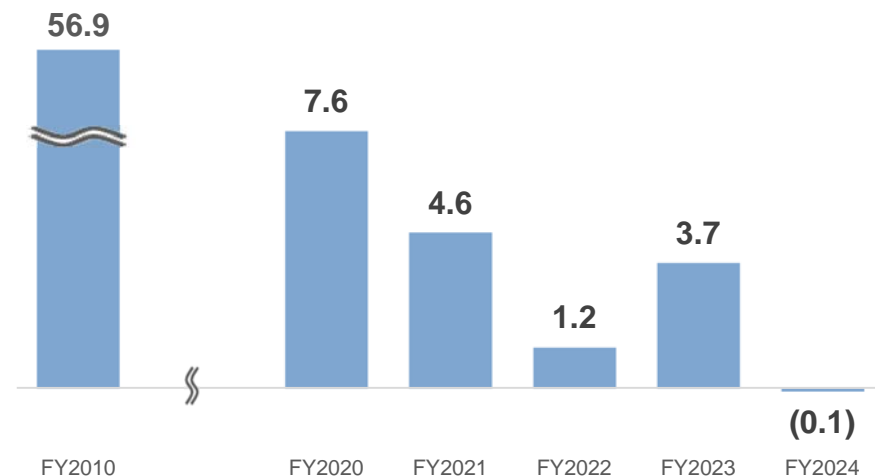
Numbers in square brackets indicate figures before factoring in gains on reversal of reserve for loan loss

(Unit: JPY bn)

	FY2023	FY2024	YoY change Amount
Credit-related expenses	3.7	(0.1)	(3.8)
Provision of general reserve for loan losses	3.9	- [(5.2)]	(3.9) [(9.1)]
Bad debt disposals	(0.2)	1.1 [5.1]	1.3 [5.3]
of which provision of specific reserve for loan losses	(0.6)	- [4.0]	0.6 [4.6]
Reversal of reserve for loan losses	0.0	1.2 [0.0]	1.2 [0.0]

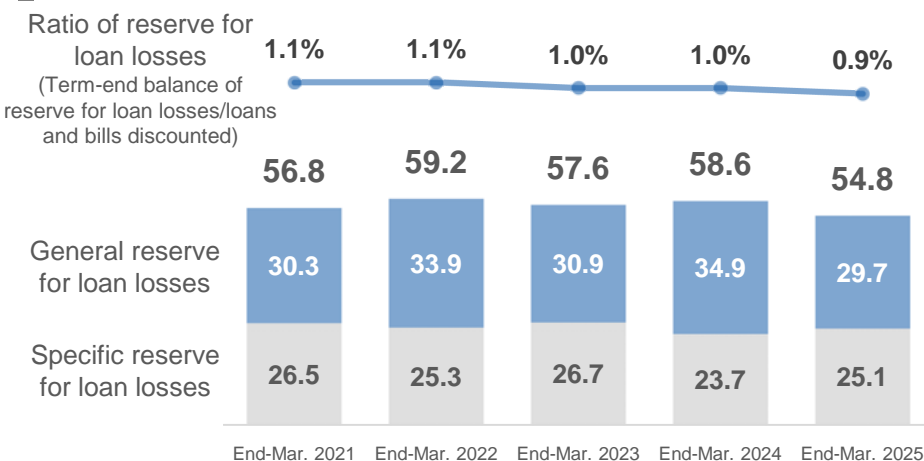
Credit-related expenses

(Unit: JPY bn)



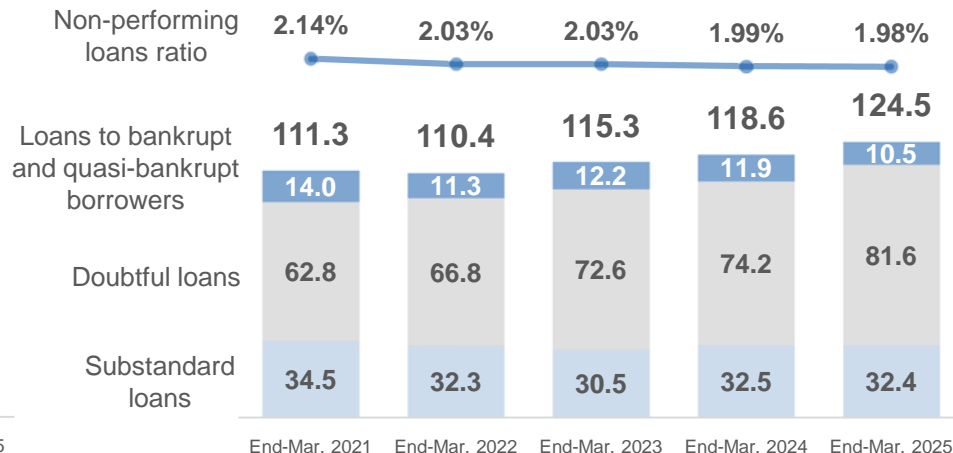
Reserve for loan losses

(Unit: JPY bn)



Disclosed claims under the Financial Reconstruction Law

(Unit: JPY bn)



02



Projected Performance

Non-consolidated	(Unit: JPY bn, %)	FY2024	FY2025 Forecast	YoY change		FY2026 Simulation
				Amount	%	
Gross operating profit		85.6	106.2	20.6	24.0	115.6
Net interest income		103.9	104.3	0.4	0.3	109.6
Net fees and commissions income		14.5	15.2	0.7	4.7	15.6
Net other operating income		(32.8)	(13.3)	19.5		(9.6)
Expenses		48.4	49.9	1.5	3.0	49.5
Substantial net operating income		37.2	56.3	19.1	51.3	66.1
[Core net operating income]		[58.3]	[62.2]	[3.9]	[6.6]	[71.0]
[Core net operating income (excl. gains (losses) on cancellation of investment trusts)]		[47.2]	[54.7]	[7.5]	[15.8]	[64.9]
Provision of general reserve for loan losses		-	(1.1)	(1.1)		(3.1)
Net operating income		37.2	57.4	20.2	54.2	69.2
Special income and losses		17.7	3.8	(13.9)		2.5
Ordinary profits		54.8	61.0	6.2	11.3	71.5
Extraordinary gains/losses		(0.0)	(0.1)	(0.1)		(0.1)
Profit		38.6	43.0	4.4	11.4	50.0
Credit-related expenses		(0.1)	30.0	3.1		3.0
Total gains (losses) from securities		44.1	48.4	4.3		50.2
After excluding procurement costs		31.6	34.9	3.3		37.7
Income from customer services		22.5	28.5	6.0		38.3
After excluding foreign currency-denominated procurement costs		18.7	25.5	6.8		35.7
Consolidated						
Ordinary profits		56.3	62.5	6.2	11.0	73.5
Profit attributable to owners of the parent		39.3	44.0	4.7	12.0	51.0

Net interest income

(Unit: JPY bn, %)

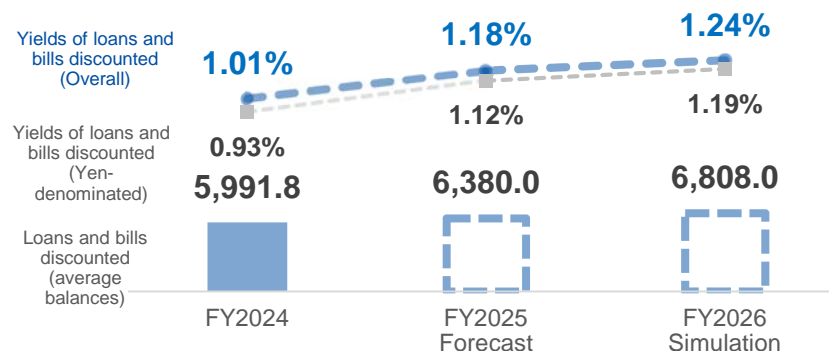
	FY2024	FY2025 Forecast	YoY change		FY2026 Simulation
			Amount	%	
Net interest income	103.9	104.3	0.4	0.3	109.6
Interest income	111.4	123.8	12.4	11.1	131.4
(Interest on loans and bills discounted)	60.5	75.3	14.8	24.3	85.0
(Interest and dividends on investment securities)	47.8	44.9	(2.9)	(6.0)	45.7
Interest expenses	7.5	19.7	12.2	162.2	22.0
(Interest on deposits)	5.8	16.3	10.5	179.8	17.6

* Interest expenses include expenses associated with corporate investment funds

(Interest rate terms)					
Unsecured call rate O/N	0.47	0.48	0.01		0.48
Ordinary deposits	0.200	0.200	0.000		0.200
5-year time deposits	0.375	0.375	0.000		0.375
Short-term prime rate	2.375	2.375	0.000		2.375
3-month TIBOR	0.82	0.75	(0.07)		0.75
10-year JGB	1.48	1.30	(0.18)		1.30
3-month SOFR	4.28	4.01	(0.27)		3.38
10-year US Treasury	4.20	4.35	0.15		4.10

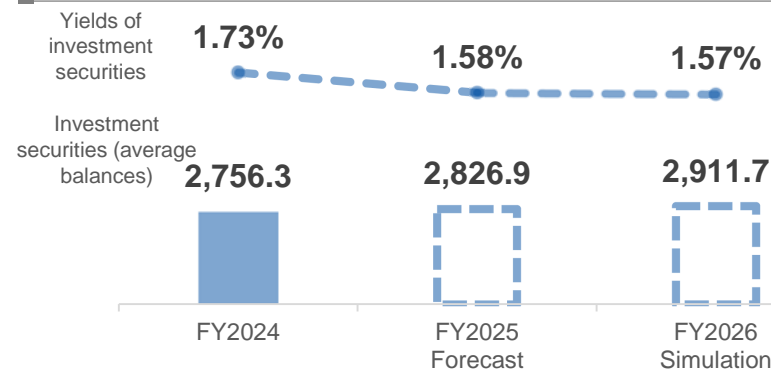
Average balances and yields of loans and bills discounted

(Unit: JPY bn)



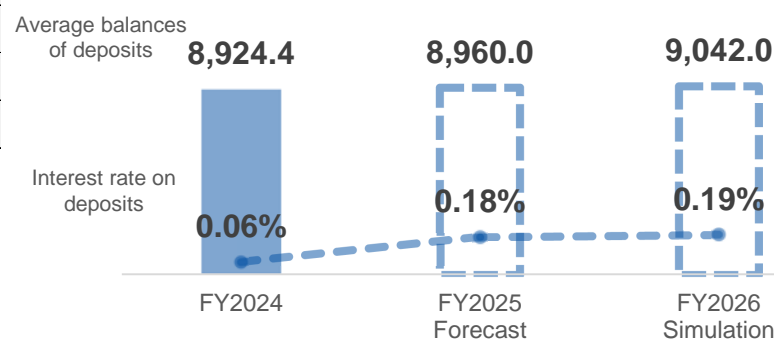
Average balances and yields of investment securities (excluding products and corporate investment funds)

(Unit: JPY bn)



Average balances and yields of deposits (including negotiable certificates of deposits)

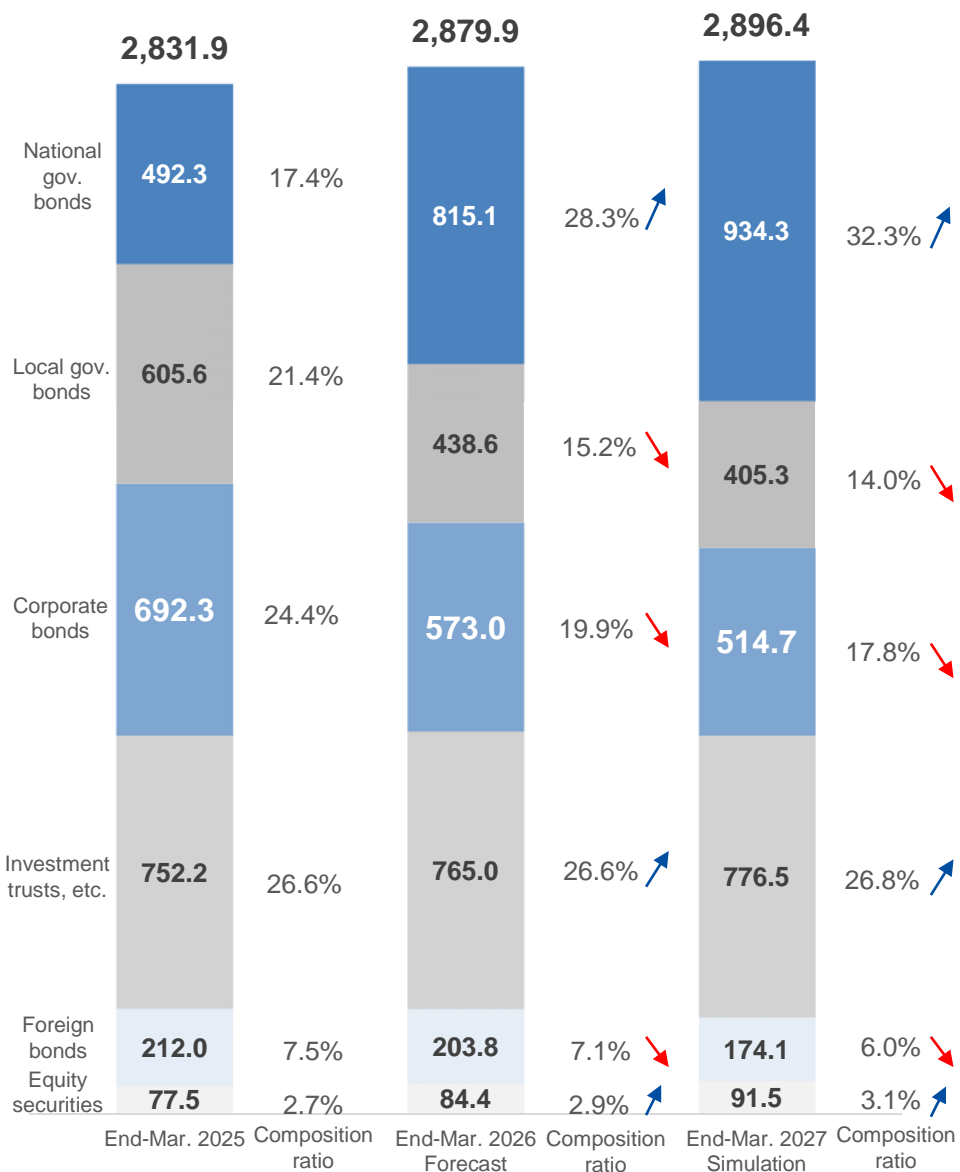
(Unit: JPY bn)



Balance of investment securities

(on an amortized cost basis)

(Unit: JPY bn)



Total gains (losses) from securities

(Unit: JPY bn, %)

	FY2024	FY2025 Forecast	YoY change Amount (%)	FY2026 Simulation
Interest and dividends on investment securities	47.8	44.9	(2.9)	45.7
Interest on yen-denominated bonds	6.3	9.2	2.9	12.5
Interest on foreign currency-denominated bonds	12.4	10.2	(2.2)	8.7
Stock dividends	7.4	7.5	0.1	7.6
Distributions from investment trusts	10.6	10.5	(0.1)	10.8
Gains on cancellation of investment trusts	11.1	7.5	(3.6)	6.1
Gain (losses) on debt securities	(21.1)	(5.9)	15.2	(4.9)
Gain on sales	2.8	0.5	(2.3)	0.5
Gain on redemption	0.0	-	(0.0)	-
Losses on sales	19.8	4.0	(15.8)	3.0
Losses on redemption	4.1	2.4	(1.7)	2.4
(Losses on cancellation of investment trusts)	3.6	2.0	(1.6)	2.0
Write-offs	0.0	-	(0.0)	-
Gain (losses) on equity securities	16.4	7.0	(9.4)	7.0
Gain on sales	16.5	9.0	(7.5)	9.0
Losses on sales	0.1	2.0	1.9	2.0
Write-offs	0.0	-	(0.0)	-
Gains (losses) on investments in money held in trust	1.0	2.4	1.4	2.4
Total gains (losses) from securities	44.1	48.4	4.3	50.2
After excluding procurement costs	31.6	34.9	3.3	37.7
(Reference) Total yield from securities (After excluding procurement costs)	1.09	1.18	0.09	1.24

Expenses

(Unit: JPY bn)

	FY2024	FY2025 Forecast	YoY change Amount	FY2026 Simulation
Expenses	48.4	49.9	1.5	49.5
Personnel expenses	25.4	25.4	0.0	25.4
Non-personnel expenses	19.5	20.7	1.2	20.3
(of which, system-related expenses)	8.3	9.1	0.8	8.3
Tax	3.5	3.8	0.3	3.8

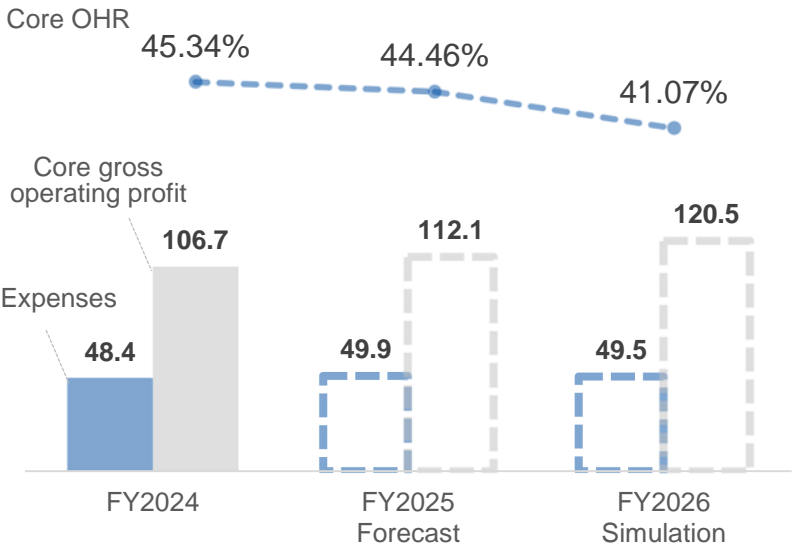
(Reference) Key change factors in expenses (FY2025 forecast)

(Unit: JPY bn)

	Change factor	Amount
Non-personnel expenses	System-related expenses (establishment of support system for sales and lending, etc.)	0.8
	Depreciation	0.2
	Training expenses	0.1
	Others	0.1

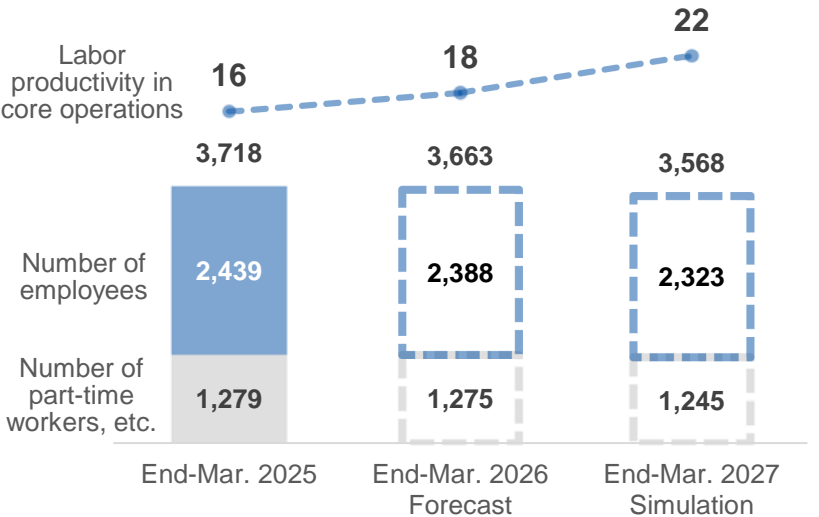
Core OHR

(Unit: JPY bn)



Labor productivity and the number of employees, etc.

(Unit: JPY mn, people)



03



The 77 Bank Group's Value Enhancement

Despite some improvement in PBR, it is still remains below 1
We will continue to implement an approach based primarily on our initiatives
under “Vision 2030”

Indicators relating to returns on capital

		FY2020 Results	FY2024 Results	“Vision 2030” Financial targets, etc.
<div> <div>Improve PBR</div> <div> <div>Improve ROE</div> <div> <div>Improve RORA</div> <div> <div>Improve profitability</div> <div>Control costs</div> <div>Optimally distribute capital</div> </div> <div>Control financial leverage</div> <div> <div>Reduce cross-shareholdin</div> <div>Enhance shareholder returns</div> </div> </div> <div>Improve PER</div> </div> </div>	PBR	0.22x	0.61x	Greater than 1.0x
	ROE (consolidated)	3.42%	6.68%	7% or more
	Profit (consolidated)	JPY 16.5 bn	JPY 39.3 bn	JPY 45.0 bn
	Core OHR	62.27%	45.34%	No more than 40%
	Capital adequacy ratio (consolidated)	10.39%	10.60%	Roughly 10% [10.0%–10.5%]
	Cross-shareholdings Ratio to net assets (consolidated)	14.0%	9.4%	Continue to reduce (Below 10%)
	Dividend ratio (consolidated)	22.4%	33.0%	35% or more (End-Mar. 2026)
	PER	7.00x	8.97x	14.3x or more (Theoretical value)

To be revised in FY2025

As a result of simulation reflecting changes in financial policy and other factors,
we expect both profit and ROE to rise

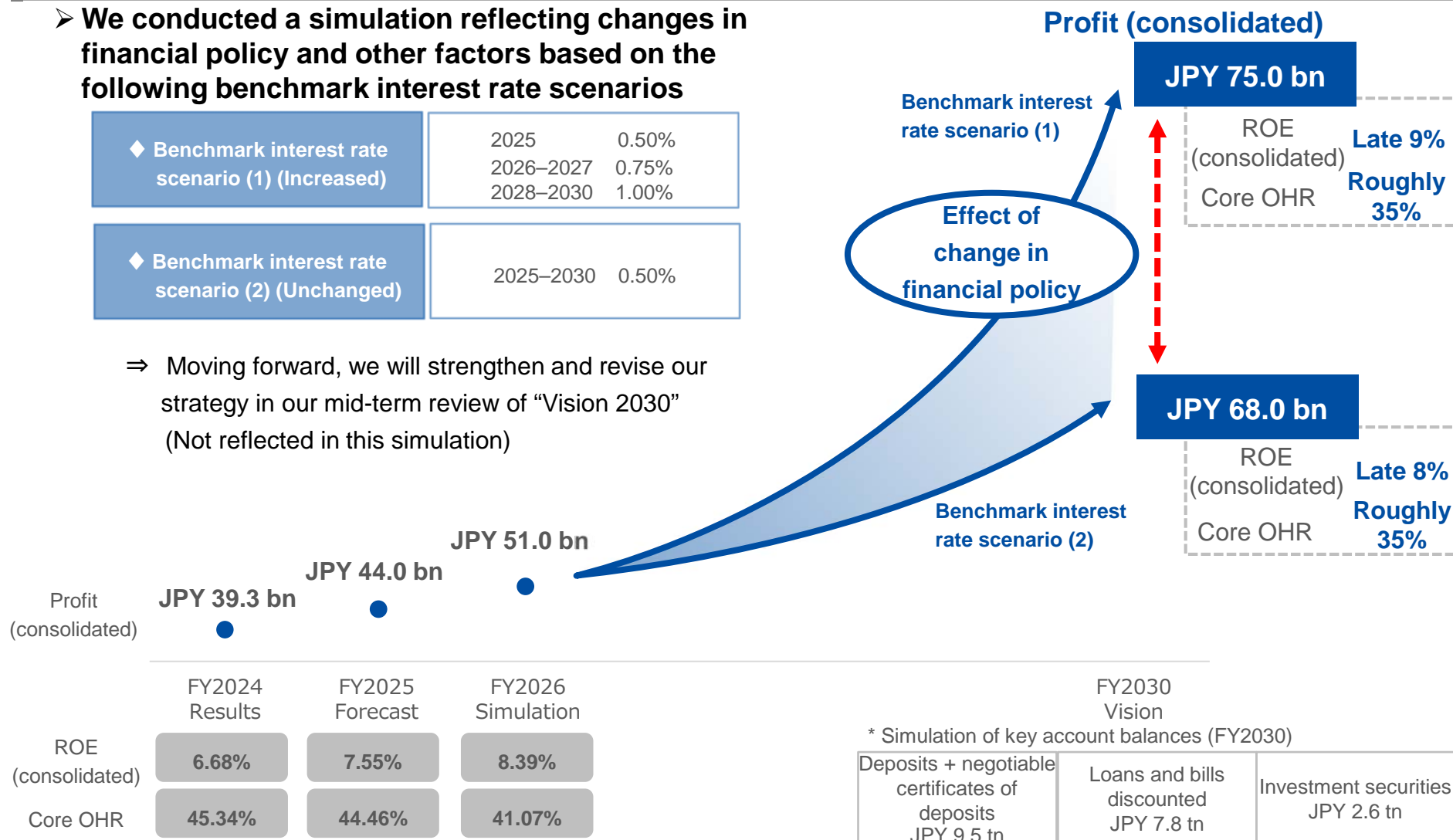
Monitoring trends in the external environment, we will consider raising our financial targets
in our mid-term review of “Vision 2030”

Details of simulation

- We conducted a simulation reflecting changes in financial policy and other factors based on the following benchmark interest rate scenarios

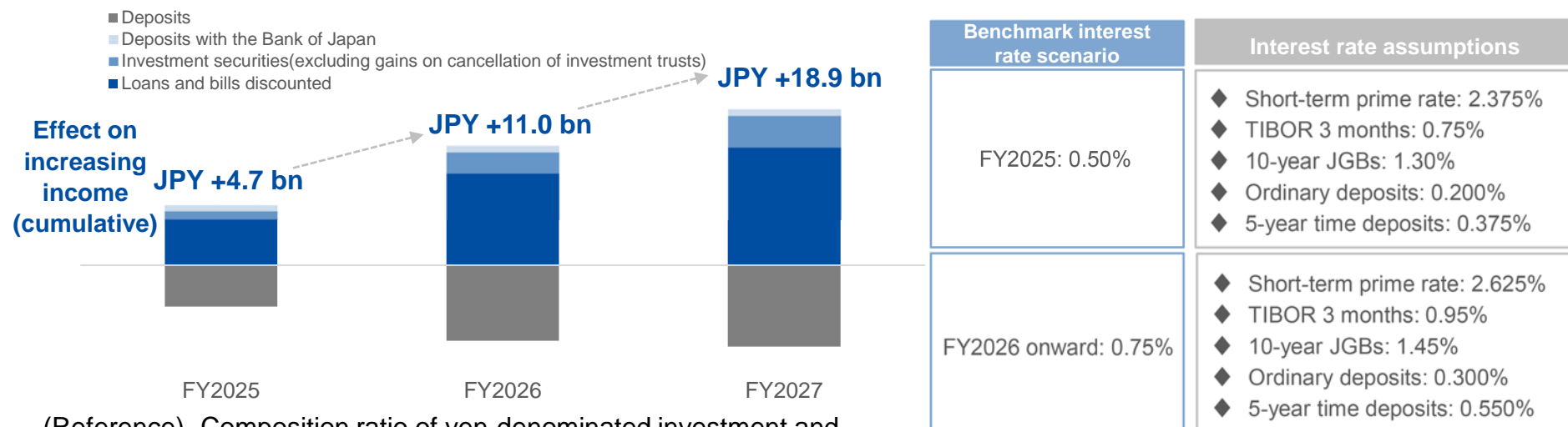
◆ Benchmark interest rate scenario (1) (Increased)	2025	0.50%
	2026–2027	0.75%
	2028–2030	1.00%
◆ Benchmark interest rate scenario (2) (Unchanged)	2025–2030	0.50%

⇒ Moving forward, we will strengthen and revise our strategy in our mid-term review of “Vision 2030”
(Not reflected in this simulation)

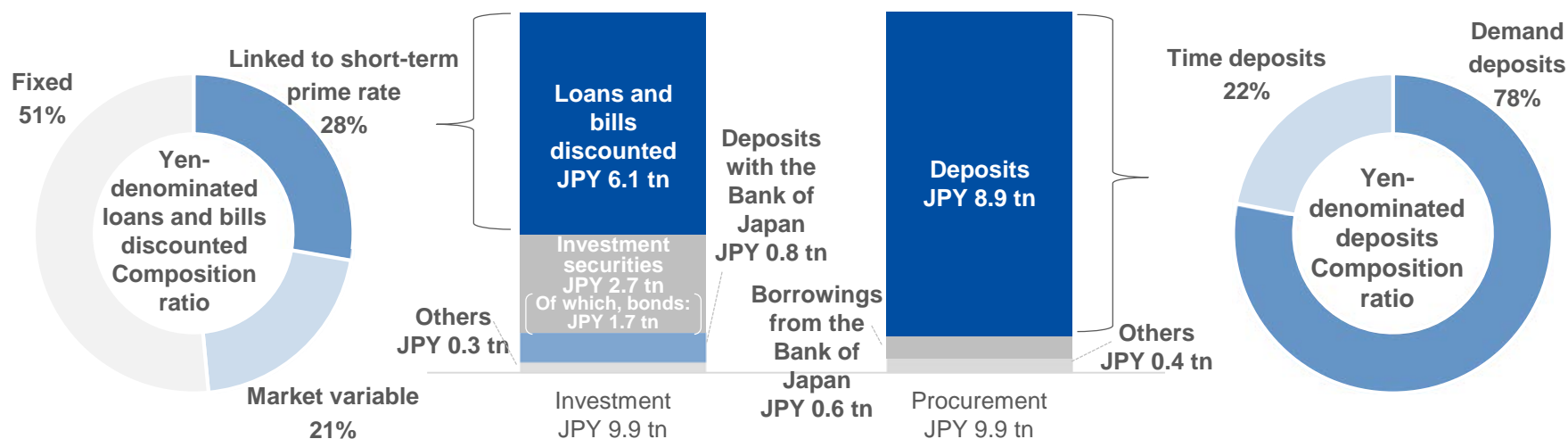


Effect of changes in financial policy and other factors in increasing yen-denominated net interest income (vs. FY2024)

- Effect of an increase in the main yield factors on yen-denominated net interest income vs. FY2024, premised on our benchmark interest rate scenario (excluding the effect of balances)



(Reference) Composition ratio of yen-denominated investment and procurement (as of end-March 2025)

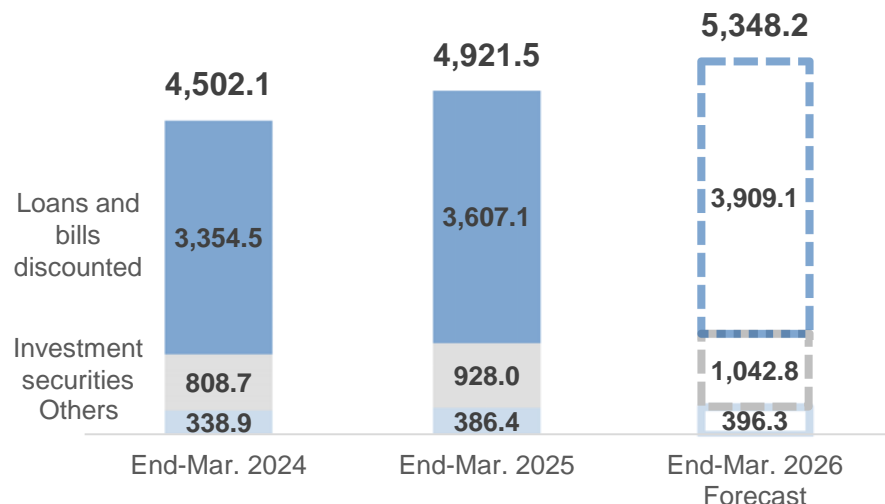


Risk assets are forecast to increase against the backdrop of strong growth in corporate loans

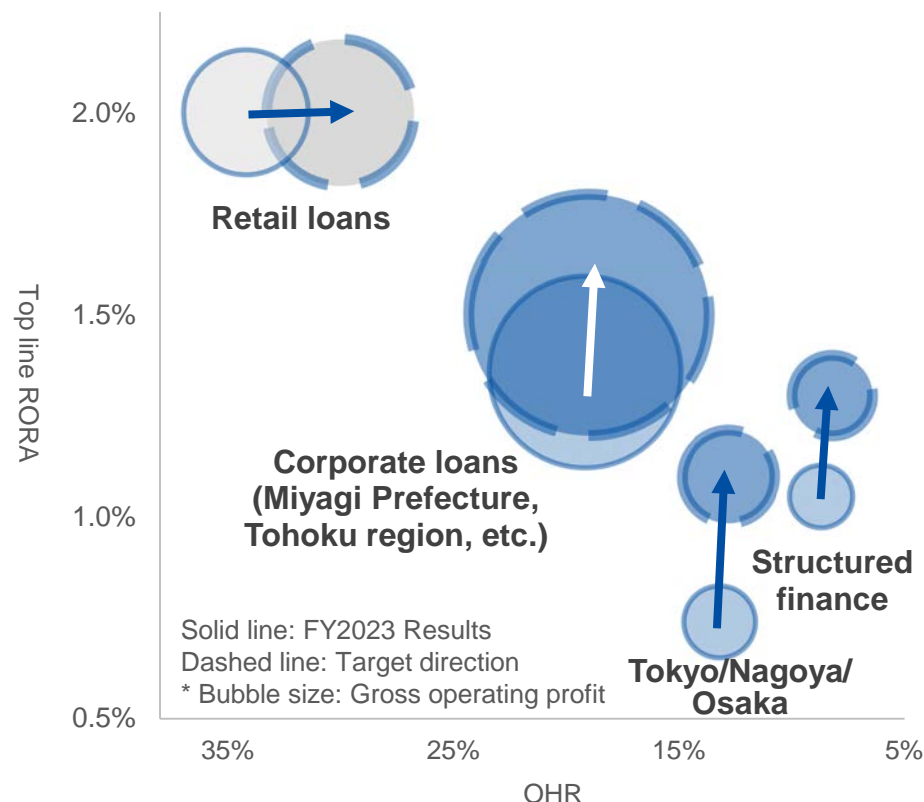
We aim to improve profitability through pricing-conscious initiatives

Risk assets (non-consolidated)

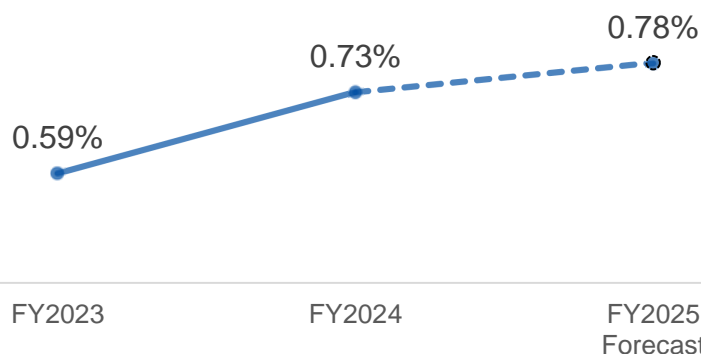
(Unit: JPY bn)



Direction of top line RORA



Bottom line RORA (consolidated)



*1. Bottom line RORA (consolidated) = Profit (consolidated) / Risk assets (consolidated)

*2. Figures are based on complete implementation of Basel III finalization

*1. Top line RORA = Income and expenditures / Risk assets

*2. Income and expenditures = Interest on loans and bills discounted + Income from fees and commissions (credit-related fees and commissions) - financing costs

*3. Risk assets: Risk assets for loans and bills discounted (including unused limits)

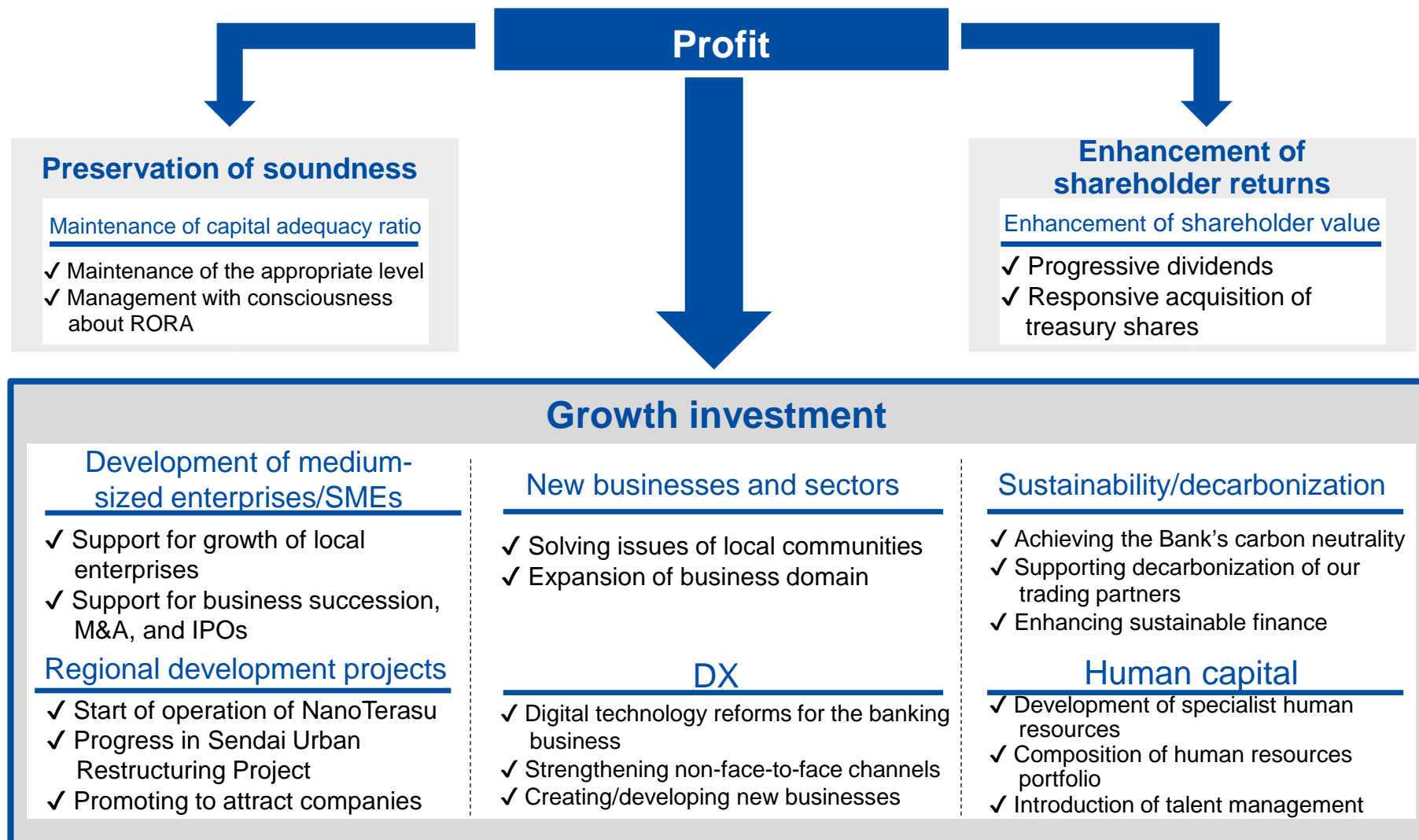
*4. OHR = Expenses / Gross operating profit

*5. Expenses: Allocated based on cost calculation by task (without considering the headquarters' administrative expenses and others, such as the ratio of branches/headquarters' staff engaging in each task)

*6. Gross operating profit = Income and expenditures(*2) + other fees and commissions (loan expenses, etc.)

Implementing appropriate redistribution of profit to stakeholders in order to achieve sustainable growth

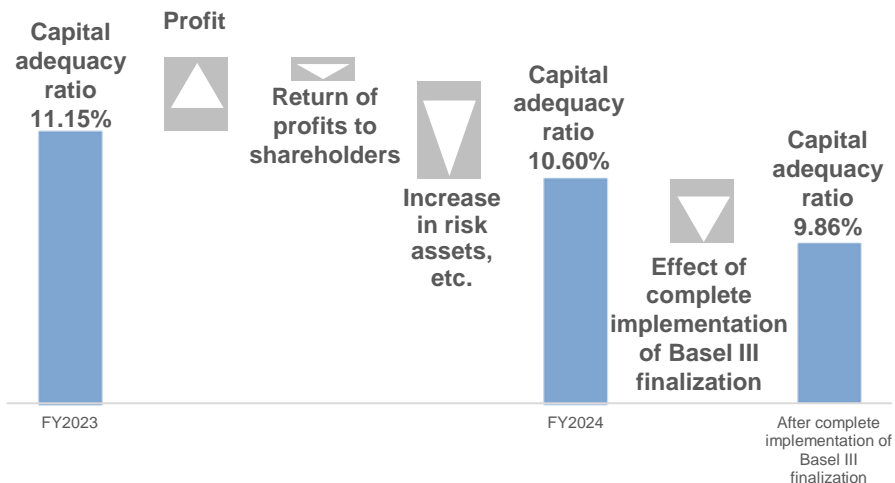
Approach to capital allocation



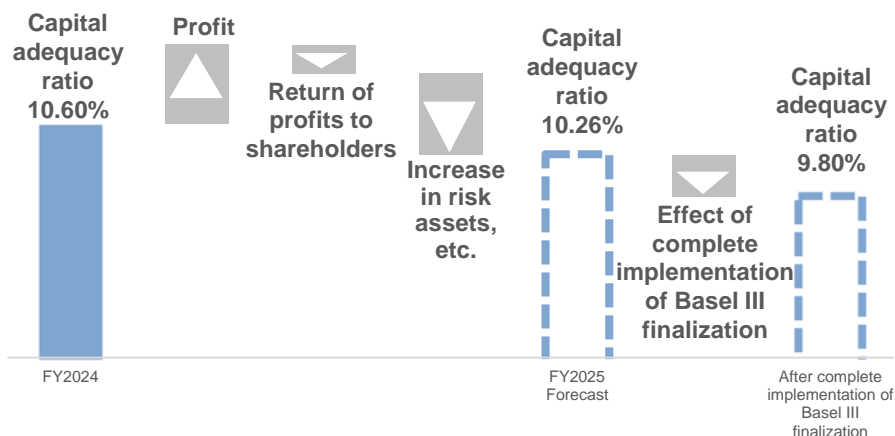
Implementing capital control for shareholder returns and risk assets based on our earnings position, with an awareness of the management range during the plan

Capital adequacy ratio (consolidated)

➤ FY2024 results



➤ FY2025 Forecast



Capital adequacy ratio (consolidated) concept

➤ Background to the setting of capital adequacy ratio target

Capital adequacy ratio must be sufficient for supporting the region during emergencies in light of the impact of the Great East Japan Earthquake (capital adequacy ratio decreased by roughly 1.6%). Accordingly, the target for FY2030 has been set to be around 10% (10.0 to 10.5%).

➤ Management range during the plan

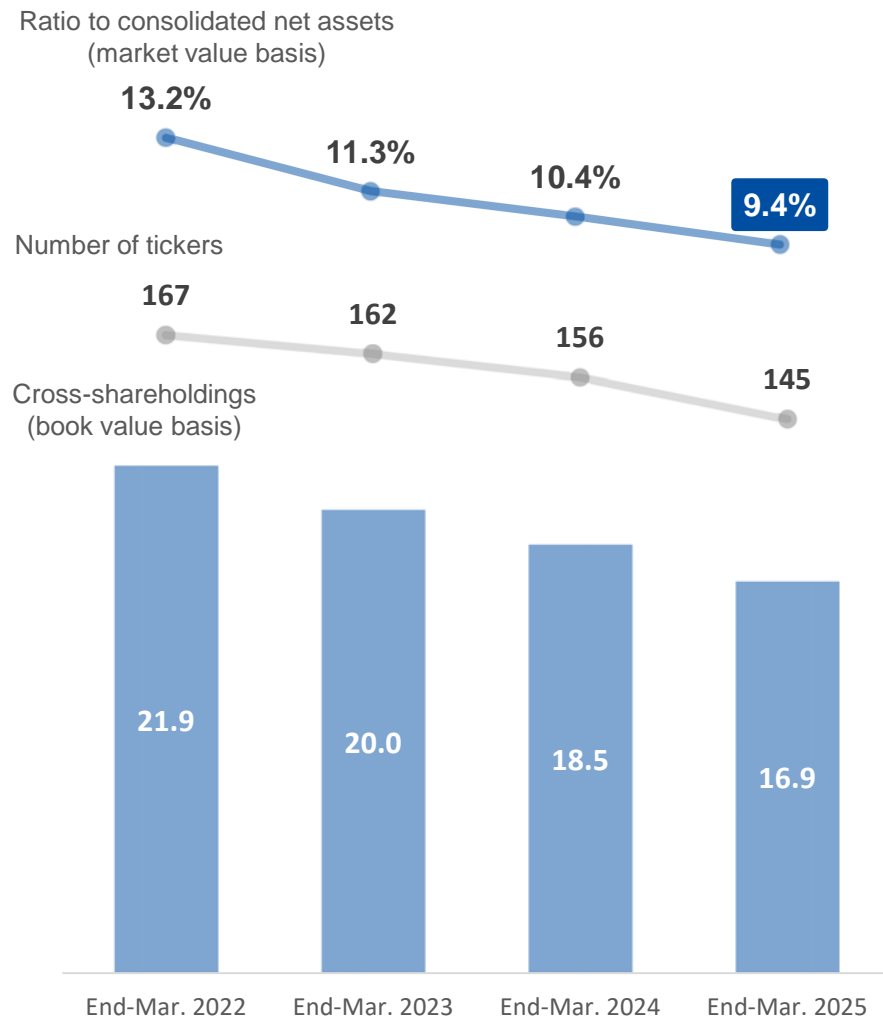


Reducing Cross-Shareholdings

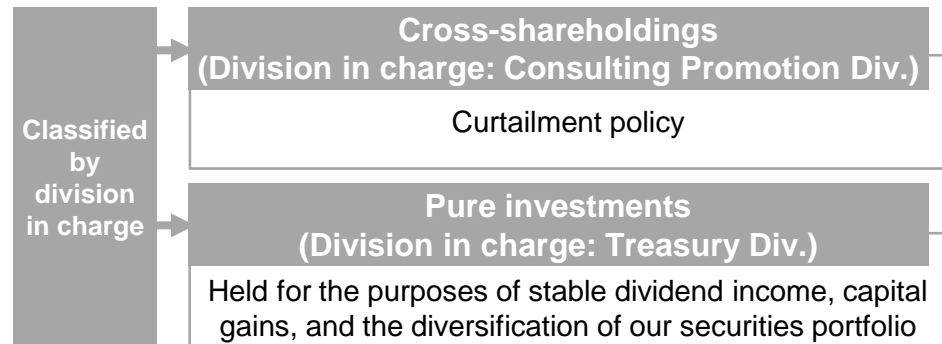
Continuing to reduce cross-shareholdings, achieving our target ratio to consolidated net assets of less than 10%
We have established voting rights exercise criteria for cross-shareholdings and will continue to manage these shareholdings appropriately

Cross-shareholdings trend

(Unit: clients, JPY bn)



Stance on cross-shareholdings/pure investments



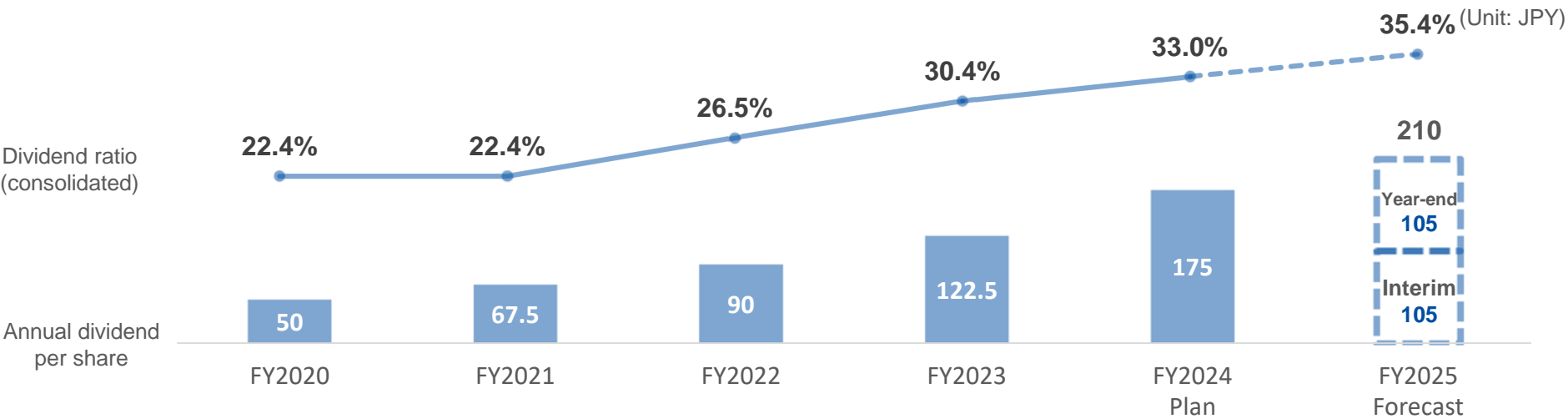
[TOPICS] Establishing basic criteria for determining how we exercise voting rights in our cross-shareholdings/pure investments

- ▷ The Bank has established and clarified the criteria for voting on each main kind of resolution item, including proposals for the appointment of Directors (setting performance standards, etc.), based on the significance of the cross-shareholdings and pure investment shares held, from the perspectives of ensuring the sustainable growth of investees and enhancing their corporate value.
 - ▷ The results of the exercise of voting rights are reported to the Board of Directors in the same way as the verification of the significance of maintaining cross-shareholdings.
- ⇒ **From next fiscal year onward, we will consider disclosing voting results based on the exercise of voting rights**

We expect to achieve the target dividend ratio based on our Policy of Return of Profits to Shareholders

Policy of Return of Profits to Shareholders

While taking factors such as its public character as a bank business and the preservation of the soundness of its management into consideration, and based on the premise of strengthening its financial foundation, the Bank will use progressive dividends to elevate its dividend payout ratio relative to profit attributable to owners of the parent to at least 35% by FY2025 and consider responsive acquisition of treasury shares with the aim of improving shareholder returns and returns on capital.



Total dividends	JPY 3.7 bn	JPY 5.0 bn	JPY 6.7 bn	JPY 9.2 bn	JPY 13.1 bn	JPY 15.7 bn
Profit (consolidated)	JPY 16.5 bn	JPY 22.2 bn	JPY 25.1 bn	JPY 29.8 bn	JPY 39.3 bn	JPY 44.0 bn

4.2 times the FY2020 level

2.6 times the FY2020 level

We will embark on a review of “Vision 2030” as originally planned to brush up our strategies and tactics

Direction of the review of “Vision 2030”

Achievements to date

Strengthened finance & consulting

Expanded the 77 economic zone

Dramatically improved productivity

Thoroughly instilled an ambitious corporate culture

Provided stakeholder returns through growth



Leading company creating a path to the future

FY2021

Direction of the review



04 | Business Strategy

What is our vision for the 77 Bank Group? We set forth our ideas in a new management plan



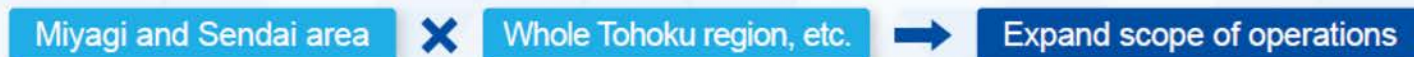
“Our target form”
to aim for over
the long-term

The 77 Bank Group aims to be a leading company that works to achieve prosperity in the local community, by continuing to offer the optimal solutions, which inspire and build trust, and at the same time working with our stakeholders to tap new areas of opportunity in Miyagi and Tohoku.

- ◆ Create the highest level of financial functions and consulting, while also expanding the scope of our businesses in the non-financial sector



- ◆ Create networks that combine the potential of Miyagi and the Sendai area with influential customers in the Tohoku region as a whole and elsewhere



- ◆ Deepen capabilities as a leading company (a collection of people with the same aspiration, and a group of companies that act as leaders for local communities)



The 77 Bank Group will take steps to move beyond our existing trajectory, by establishing a “Our target form,” enhancing our strengths, improving our weaknesses, and revitalizing our organization

Stimulate demand among customers and local communities
Expand the scope of operations

Dramatic improvements in productivity

Establish an ambitious corporate culture

Enhance!



77 Bank Group strengths

Customer base
Consulting system
Trust from customers and local community

Improve!



77 Bank Group weaknesses

Profitability (low-profitability structure)
Cost consciousness (high-cost structure)
Competitiveness with other companies

Establish!



Revitalization points

Appetite for new challenges
Speed and flexibility
Cross-organization (vertical, horizontal, diagonal)

Key factors

An engine (key factors) will be necessary to go beyond our existing trajectory, and unlock a new future

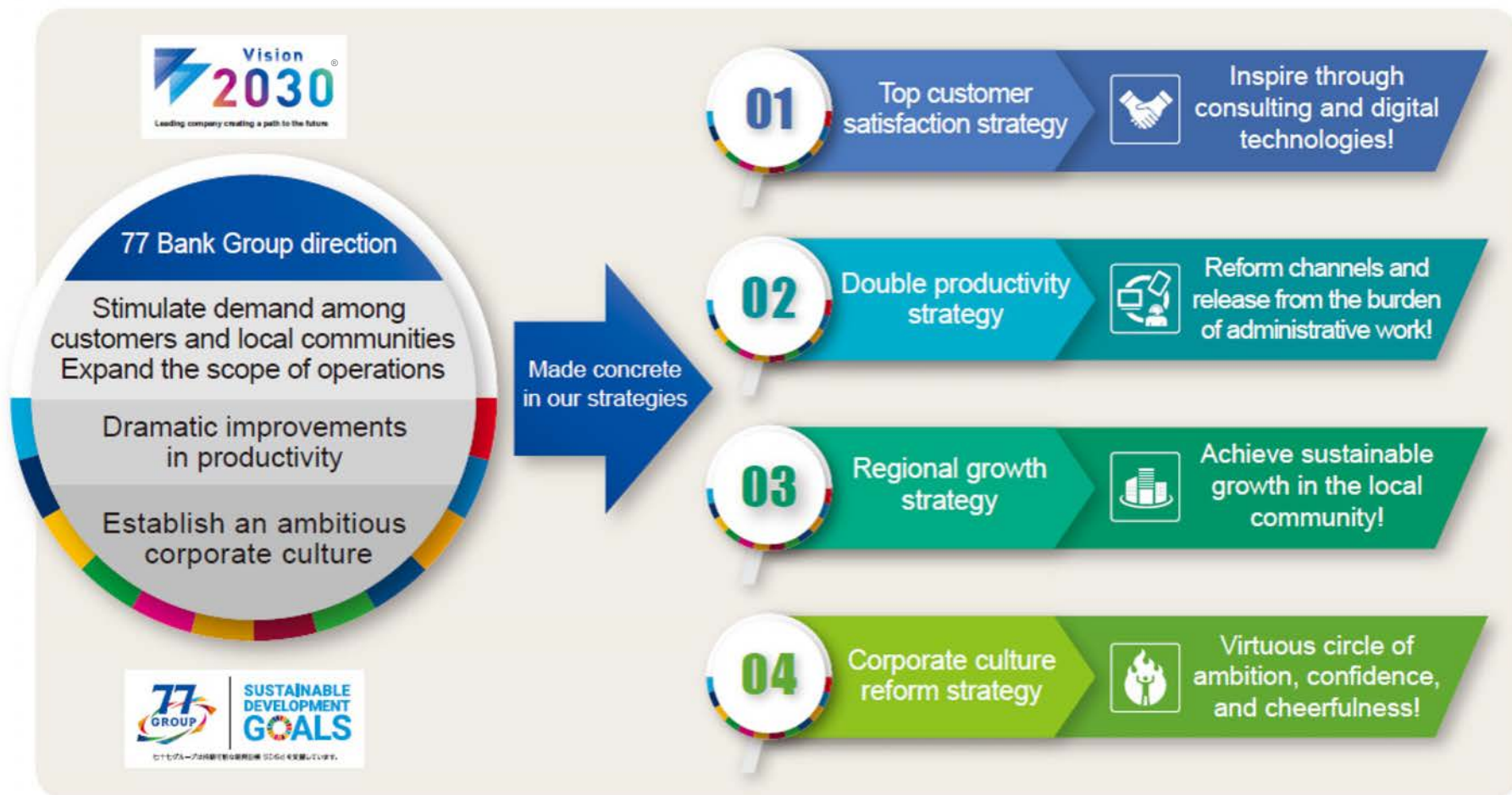
Digital transformation

New businesses and sectors

Human resources

Financial foundations

In “Vision 2030,” we set forth the direction the 77 Bank Group should take to grow sustainably together with local communities, based on our SDG Declaration, i.e., stimulating the regional economy and promoting active participation by a diverse range of personnel



We have improved the high-cost, low-profitability structure that has been an issue since the start of “Vision 2030” and achieved a positive income from customer services

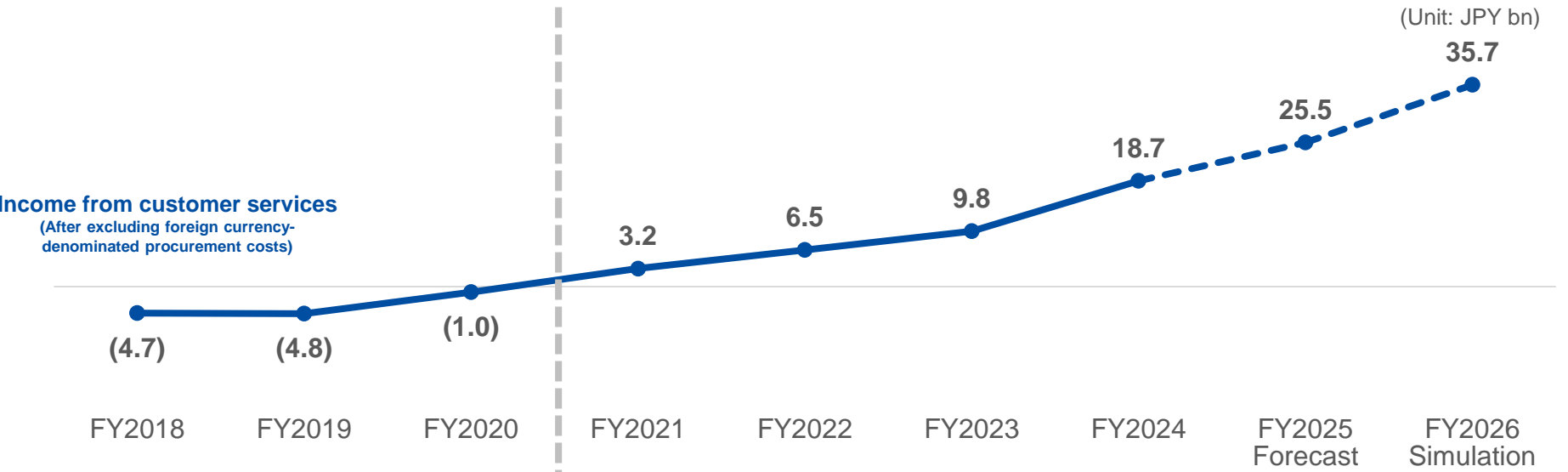
Improving income from customer services

Previous Medium-term Management Plan
‘For The Customer & For The Future’
– Best Consulting Bank Project –

“Vision 2030”
– Leading company creating a path to the future –

Negative interest rates

Positive interest rates



◆ Average balance of loans and bills discounted × Loan to deposit spread	40.0	39.9	41.0	42.0	44.2	47.5	52.8	60.7	69.1
◆ Fees and commissions	9.6	9.7	9.8	11.8	12.2	13.0	14.5	15.2	15.6
◆ Expenses (including retirement benefit expenses)	54.3	54.4	51.8	50.6	49.9	50.7	48.6	50.4	49.0

Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Deployed and developed specialized human resources to provide finance & consulting services

Deployment and development of specialized human resources

Assignment of various specialist personnel to headquarters

End-Mar. 2021
72 members → End-Mar. 2025
135 members

Regional Support Team	36 members
Business Succession and M&A Team	13 members
Healthcare Team	4 members
Business Consulting Team	6 members
Sustainability Promotion Team	2 members
Structured Finance Section	17 members
Management Improvement Advisors	5 members
Regional Vitalization Promotion Desk	3 members
Start-up Support Desk	2 members
Information Development Section	4 members
Asia Business Support Office	16 members
Wealth Management Office	27 members

Sales structure of Group companies for expanding business domain

End-Mar. 2021
76 members → End-Mar. 2025
115 members

77 Lease	19 members
77 Card	11 members
77 Securities	31 members
77 Research and Consulting	10 members
77 Partners	4 members
77 Human Design	8 members
77 Digital Solutions	5 members
77 Insurance Service	19 members
77 Business With	1 member
77 NEXT CONSULTING	2 members
77 Capital	5 members

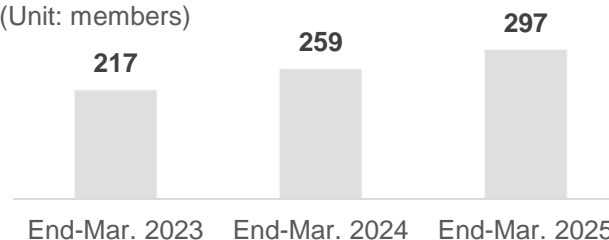
External dispatchment for the development of specialist human resources

End-Mar. 2021
(cumulative)
155 members → End-Mar. 2025
(cumulative)
297 members

Digital	2 members
International business and markets	11 members
Solutions	16 members
Regional vitalization	9 members

(Reference) Cumulative number of persons
dispatched externally (since Apr. 2012)

(Unit: members)



**Expanded the dispatch of personnel
to other industries from April 2025**

*1. As of end-Mar. 2025

*2. Number of people in sales departments are listed
for Group companies

*3. Number of members as of April 1 is shown for 77
NEXT CONSULTING

Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Expanding our scope of business to provide a wide range of consulting services, aiming to capture customer needs

Implementation of consulting sales

➤ Number of cases of syndicate loan formation

FY2022	FY2023	FY2024
10	16	11

➤ Number of paid business matching contracts

FY2022	FY2023	FY2024
1,181	1,491	1,382

➤ Number of M&A contracts

FY2022	FY2023	FY2024
17	11	20

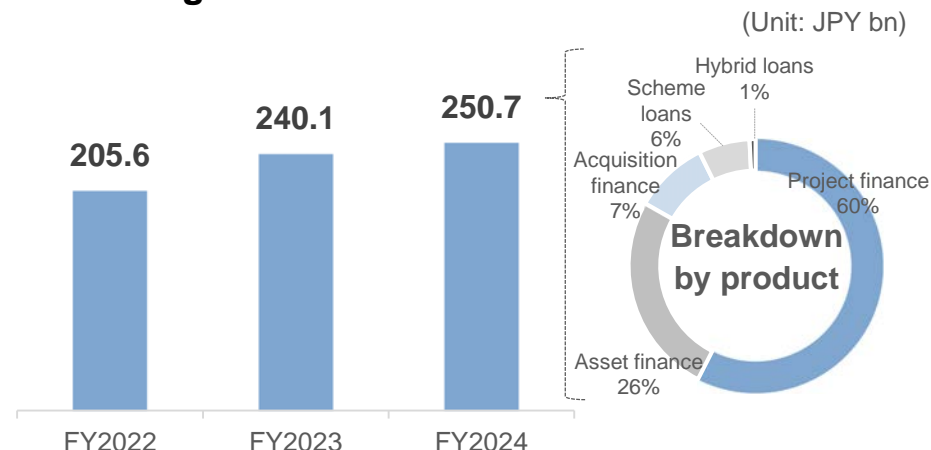
➤ Number of business succession support clients

FY2022	FY2023	FY2024
804	927	860

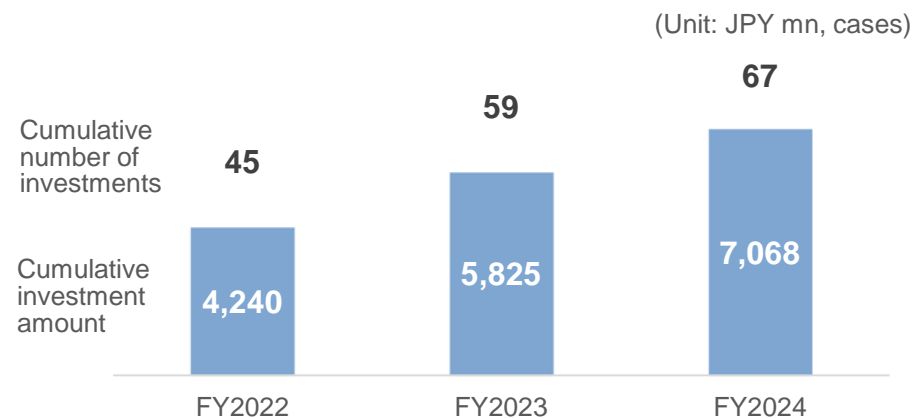
➤ Number of foreign exchange derivative contracts

FY2022	FY2023	FY2024
106	65	99

➤ Average balances for structured finance



➤ Cumulative fund investments



* Only the funds (6 cases) managed by a GP in which the Bank is a shareholder are counted

Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Strengthened activities focusing on the ASEAN region to capture overseas growth

Overseas network

➤ Launch of a local subsidiary in Singapore (Opened April 2025)

- Established 77 NEXT CONSULTING PTE. LTD. to provide consulting services for overseas development in order to expand our network and provide more advanced solutions in the dramatically growing regions of ASEAN and India
- An Executive Officer of the Bank serves concurrently as President of the local subsidiary
Recruited 3 local staff members (including 2 foreign nationals)
An employee in his 30s was appointed General Manager (the youngest General Manager in the Group)

Sales areas

ASEAN



India



● Bases
● Expatriates



Our target form

MISSION

NEXT

— **New Era X TOHOKU**— From Tohoku to a new era

MISSION STATEMENT

We will co-create a new era from Tohoku by supporting our clients' overseas expansion and incorporating overseas growth into the region!

VISION

Global Hub connecting business partners, regions, the 77 Bank Group, and overseas markets



Opening ceremony (April 8, 2025)



77 NEXT CONSULTING employees

Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Expanded the customer network for the revitalization of Miyagi Prefecture and the surrounding region

Expansion of customer base

➤ Opening of Aomori Branch (September 2022)

- Aomori Corporate Office upgraded to Aomori Branch
- Established branches in all six prefectures in Tohoku
- Increased current number of clients to over 220

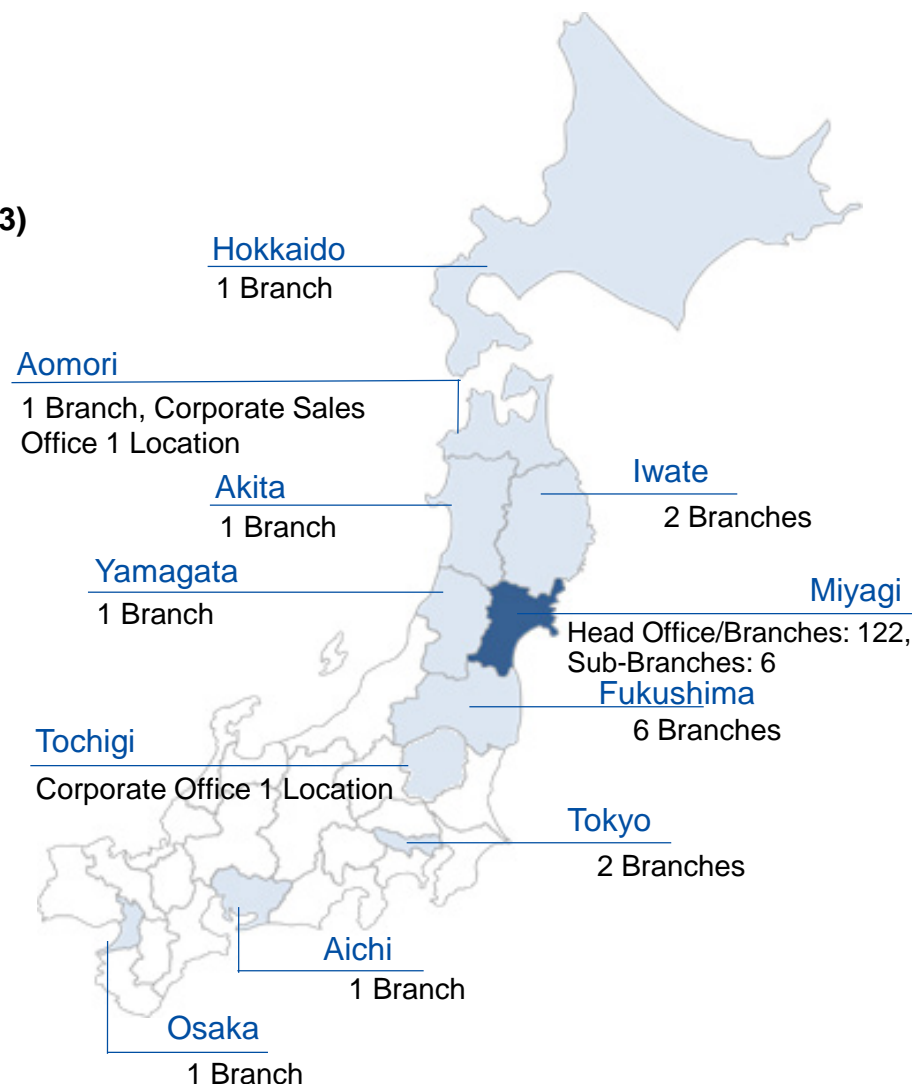
➤ Opening of Utsunomiya Corporate Office (August 2023)

- Established to serve as a bridge between the Tohoku economic zone and the neighboring North Kanto economic zone
- Increased current number of clients to over 50

➤ Established the Tokyo Satellite Desk (April 2025)

- We already engage in sales activities, mainly targeting listed companies, through our Tokyo Branch, Nihonbashi Branch
- Through business connections with companies that have established sales and manufacturing bases in the Tohoku region, we have increasing opportunities for credit transactions with corporate headquarters in the Tokyo metropolitan area (currently just over 500 companies). We have established the Tokyo Satellite Desk to create and revitalize business exchanges between the Tohoku region and the Tokyo metropolitan area through the stationing of specialist personnel from HQ

New!



Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Achieving our “Target form” to aim for in FY2030 by expanding the revenue base

Group companies profit

(Unit: JPY mn)

Company name	“Target form” to aim for in FY2030	FY2024	FY2025 Forecast	FY2030 Target
77 Lease	A leading company in the region that is in charge of leasing business of the 77 Bank Group	274	220	800
77 Shin-Yo Hosyo	Realizing “SSS (Share up/Streamline/Social responsibility)” that empowers the region	868	779	820
77 Card	A company that promotes cashless in the region	194	180	320
77 Securities	A securities company that is rooted in the region and leads asset management of clients in the region	86	150	1,010
77 Research and Consulting	A group of professionals who contribute to the growth/development of companies in the region and the activation of the economy, as a self-reliant think tank/consulting firm	130	109	210
77 Capital	High-value equity solution provider	8	3	5
77 Partners (Established December 2021)	Region’s No. 1 buyout fund	3	33	40
77 Human Design (Established August 2022)	Human resources strategy partner who sets forth the region’s future	22	15	235
77 Digital Solutions (Established May 2023)	A digital solutions company in the region	(9)	20	135
77 Insurance Service (Established March 2024)	An insurance agency that offers No. 1 insurance services in the region	(99)	(21)	150
77 Business With (Established September 2024)	A BPO consulting company that designs the future of business “with” customers	(21)	5	30
77 NEXT CONSULTING (Established January 2025)	Global Hub connecting business partners, regions, the 77 Bank Group, and overseas markets	-	14	145
Total		1,459	1,508	3,900

Financial Non-financial

Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Developing consulting services through support for customer asset formation

Achievements through consulting

➤ Balance of assets in custody

FY2022	FY2023	FY2024
JPY 556.8 bn	JPY 567.5 bn	JPY 633.5 bn

➤ Number of periodic investment trust contracts (cumulative)

FY2022	FY2023	FY2024
65,037	82,868	102,615

➤ Number of NISA accounts (cumulative)

FY2022	FY2023	FY2024
40,554	53,649	66,886

➤ Number of fund wrap service contracts (cumulative) (started in January 2023)

FY2022	FY2023	FY2024
160	2,809	3,609

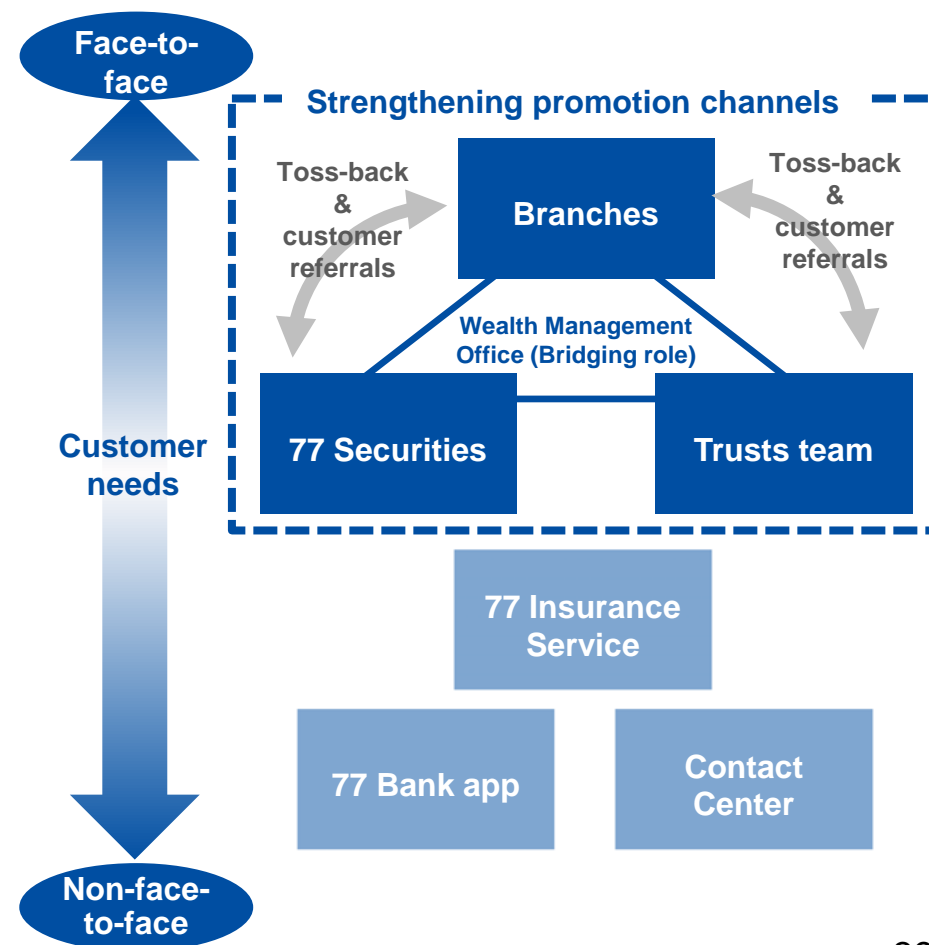
➤ Number of trust products/services handled (launched in April 2023)

FY2022	FY2023	FY2024
-	156	258

Strengthening our approach to customers

➤ Initiatives tailored to customer needs

- Strengthen expertise and structure, including that of Group companies, to meet customer needs



Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

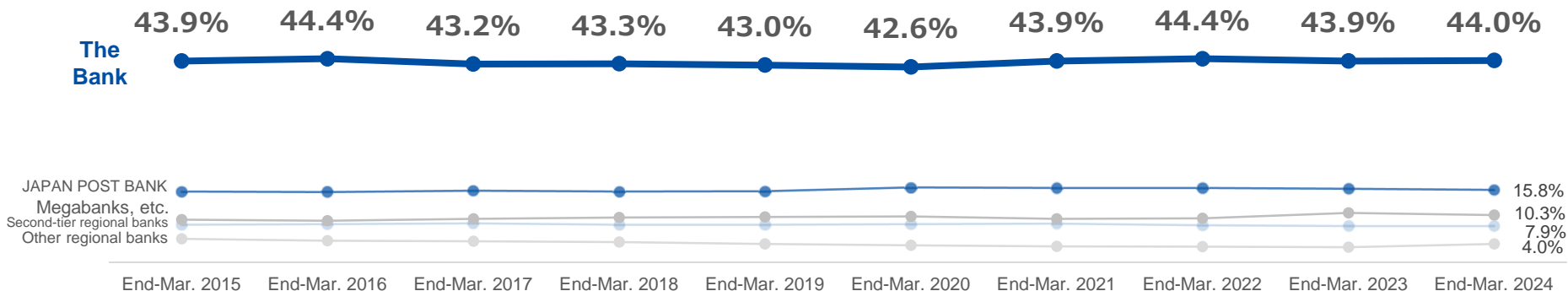
Corporate
culture reform
strategy

Focusing on the acquisition of deposits, primarily corporate and retail

Initiatives to acquire deposits

➤ Deposit share within Miyagi Prefecture

— We maintain a high share within Miyagi Prefecture



Source: Financial Journal

➤ Status of initiatives aimed at acquiring deposits

Corporate

Approaches based on settlement accounts

Expand the number of
corporate loan borrowers

Increase the number of companies
using us for salary transfers

End-Mar. 2024
14,122

End-Mar. 2025
14,824
[+5.0%]

End-Mar. 2024
11,803

End-Mar. 2025
11,931
[+1.0%]

Increase the number of companies
with e-banking service contracts

End-Mar. 2024
30,694

End-Mar. 2025
33,733
[+9.9%]

Retail

Approaches through comprehensive
transactions and enhanced convenience

Increase the number of
pension recipients

Increase the number of active
e-banking service accounts

End-Mar. 2024
303 thousand

End-Mar. 2025
304 thousand
[+0.3%]

End-Mar. 2024
495 thousand

End-Mar. 2025
569 thousand
[+14.8%]

Increase the balance of
housing loans

Increase the Group balance of
assets in custody

End-Mar. 2024
JPY 1,270.3 bn

End-Mar. 2025
JPY 1,302.0 bn
[+2.5%]

End-Mar. 2024
JPY 724.3 bn

End-Mar. 2025
JPY 810.3 bn
[+11.8%]

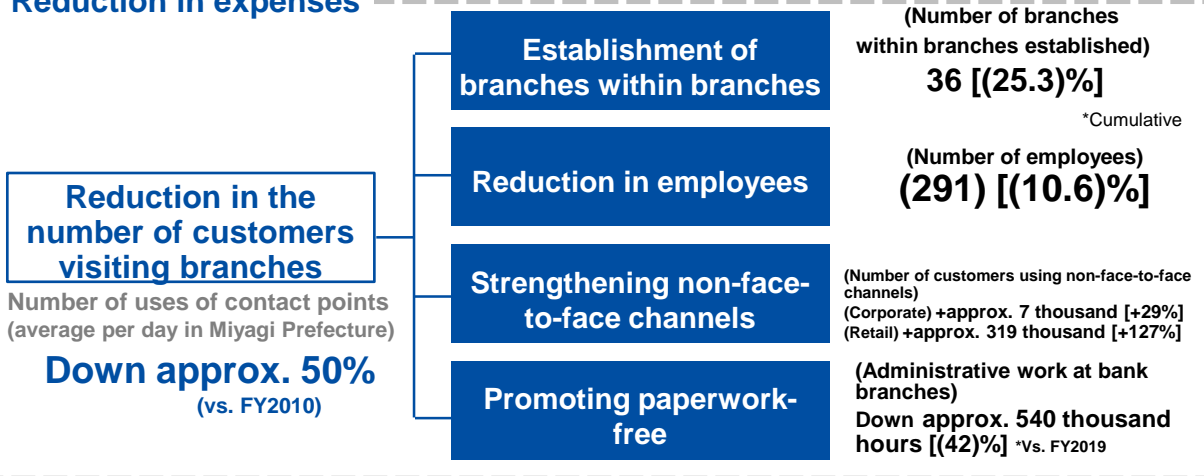
Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Strengthening profitability by capturing changes in the external environment and rebalancing management resources

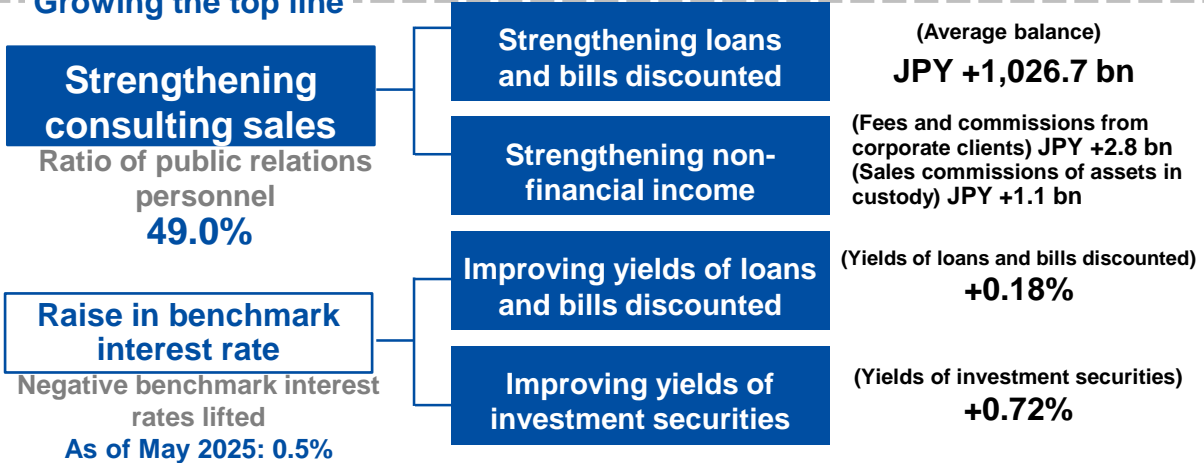
Effect of initiatives (results for FY2024) (vs. FY2020, except where otherwise noted)

External factor Internal factor

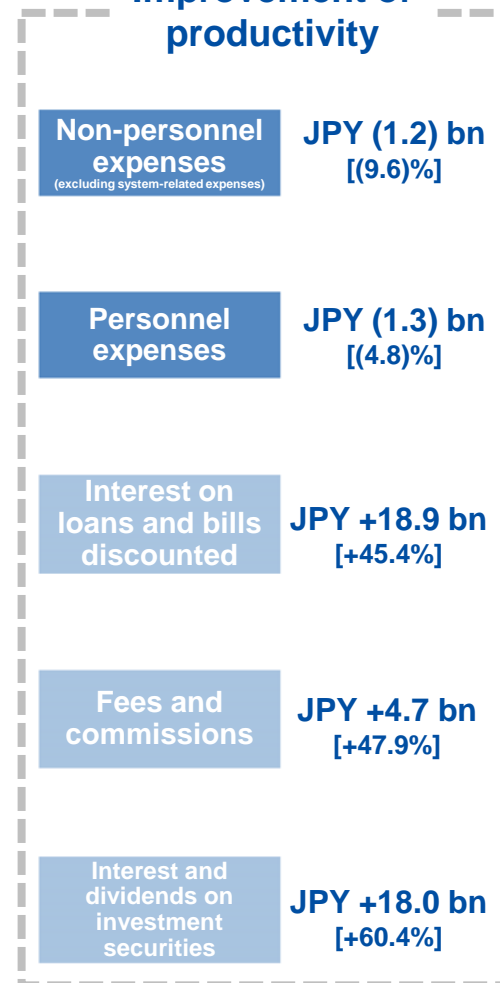
Reduction in expenses



Growing the top line



Improvement of productivity



Top customer
satisfaction
strategy

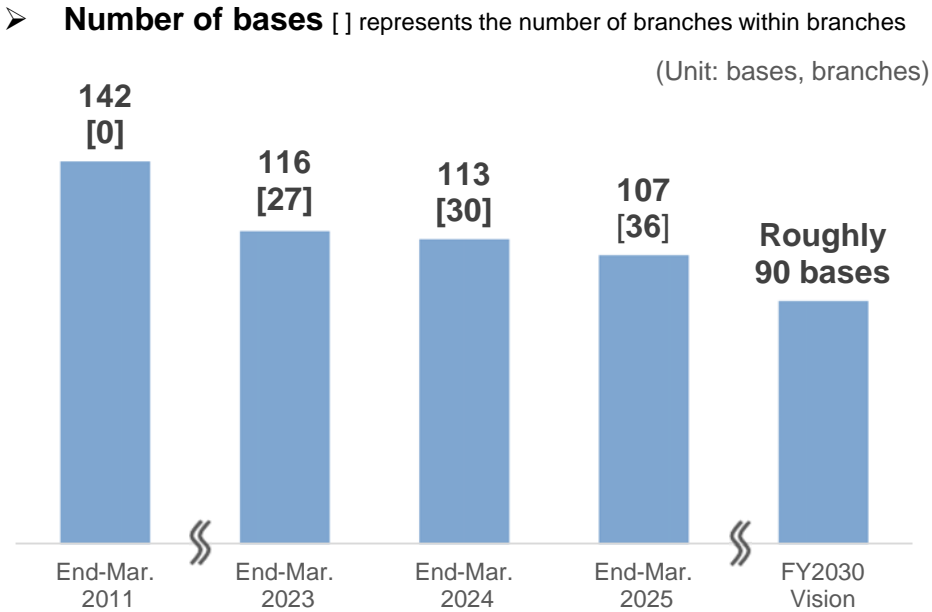
Double
productivity
strategy

Regional
growth
strategy

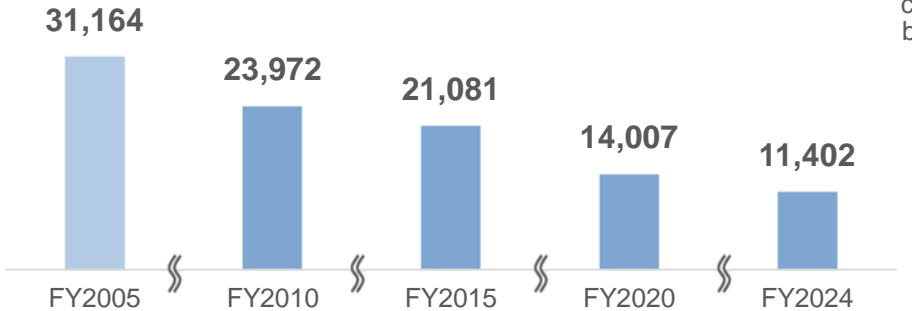
Corporate
culture reform
strategy

Strengthening the consulting system through the optimization of the store network
and the redeployment of employees, and other means

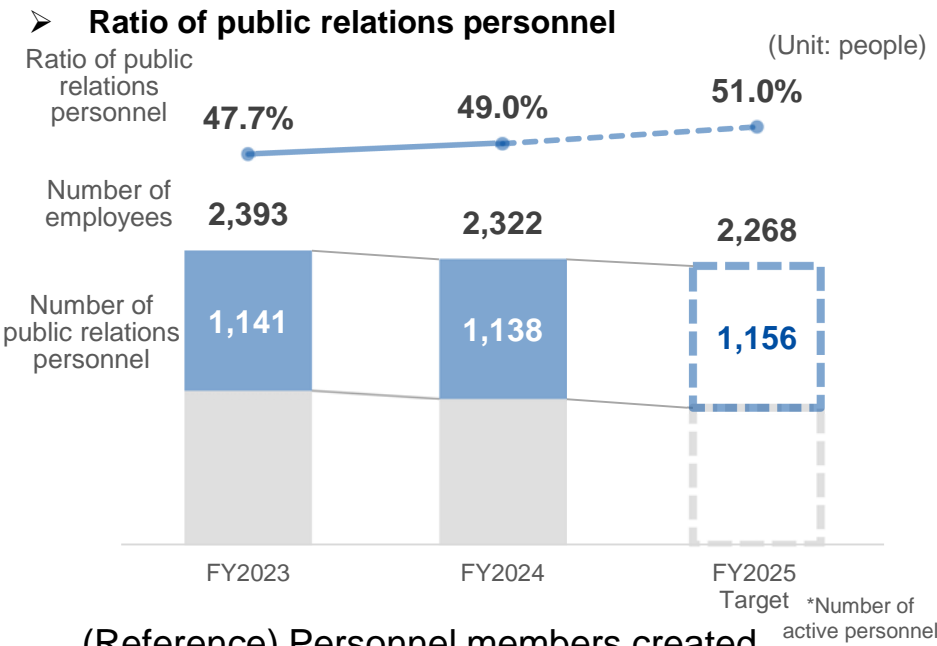
Transitioning to branches within branches



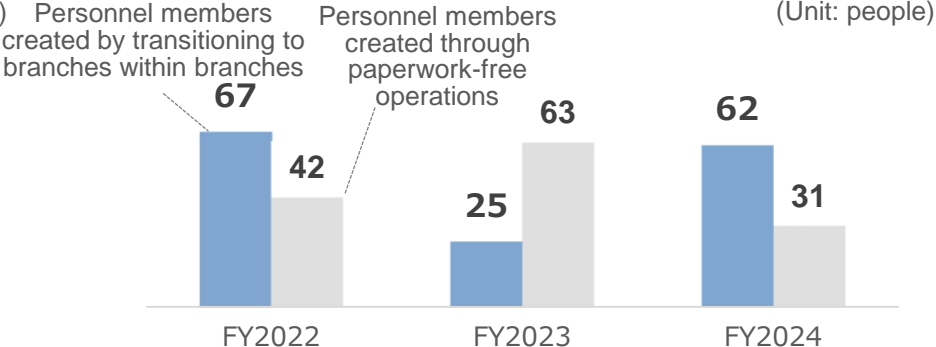
(Reference) Number of uses of contact points
(in Miyagi Prefecture/daily average)



Creation of sales personnel



(Reference) Personnel members created
(through branches within branches, paperwork-free)



Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Promoting operational DX through digital technology reforms for the banking business

Digital technology reforms for the banking business

Strategic investment
Approx. JPY 8.5 bn
(cumulative since FY2021)Non-face-to-face
channel reformDescription of key measures
(planned)

- ▶ App renewal
- ▶ Establishment of corporate portal site
- ▶ Introduction of web-based housing loan system
- ▶ Introduction of AI screening for housing loan operations

Results

App downloads
414,000 downloads
861,000 downloads

Companies with e-banking
service contracts
23,000 clients
34,000 clients
(End-Mar. 2022) (End-Mar. 2025)

Bank branch
reform

- ▶ Introduction of an online investment trust account opening service
- ▶ Introduction and increase of branch tablets
- ▶ Establishment of support system for sales and lending

Number of investment trust accounts opened online: 9/day
(introduced in Mar. 2025)
Personnel members created (operations group)
(cumulative since FY2021)

28 members
(End-Mar. 2022) **139 members**
(End-Mar. 2025)

Paperwork-free
reform

- ▶ Introduction of data linkage platform (branch tablets)
- ▶ Automation of non-face-to-face account opening operations
- ▶ Introduction of generative AI
- ▶ Digitalization of tax payment slips

Reduction rate of administrative work at bank branches
(vs. FY2019)
(15)%
(End-Mar. 2022) **(42)%**
(End-Mar. 2025)

Data utilization
reform

- ▶ Dispatch of employees to Tohoku University
- ▶ Introduction of AMATERAS RAY (AI-based data analysis)
- ▶ Establishment of Data Analysis Team

Cases of data analysis support
Improvement of work efficiency
Reinforcement of risk management
Strengthening of sales promotion
28 cases
(End-Mar. 2025)

Digital reforms
for employees

- ▶ Development of digital technology human resources
- ▶ Formulation of Digital Skills Standards for 77 DX Promotion

Number of certified digital technology human resources
(certification started in April 2021)
260 employees
(End-Sept. 2022) **1,612 employees**
(End-Mar. 2025)

Number of people with an "IT Passport"
1,619 employees

FY2030: All employees

Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Accelerating efforts to achieve DX for the banking business through the introduction and utilization of AI

Introduction of an AI screening service

➤ Introduced an AI screening service for housing loan screening operations

(launched in January 2025)

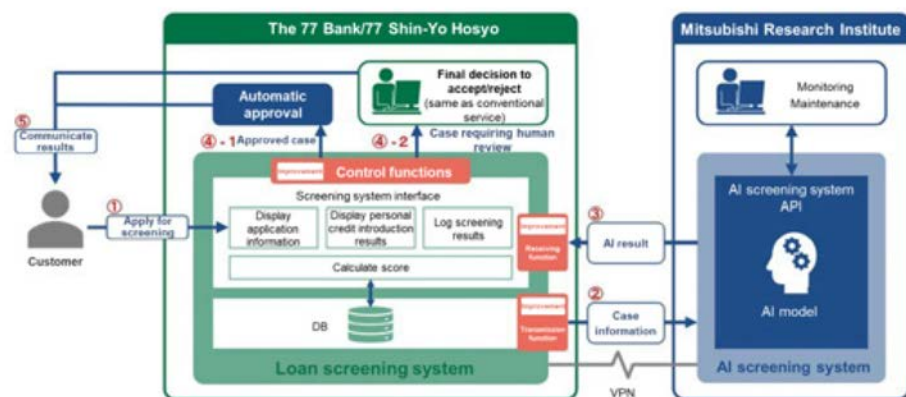
- Introduced an AI screening service provided by Mitsubishi Research Institute, Inc. for the preliminary screening of housing loans guaranteed by 77 Shin-Yo Hosyo Co., Ltd.
- By training AI to make decisions on housing loans at the screening stage, we have been able to use AI to substitute for part of the assessments that were previously conducted by humans

Introduction of generative AI

➤ Selection of Nippon Telegraph and Telephone East Corporation as partner company

(launched in March 2025)

- Began utilizing AI for document creation and information collection, as well as data aggregation and analysis tasks, primarily at headquarters divisions
- Expected to improve work efficiency by around 32,000 hours/year (equivalent to 15 employees) across 55 operations or more at headquarters



* A VPN (Virtual Private Network) is a communication technology that connects locations through a virtual dedicated line, enabling the secure exchange of information

Source: Mitsubishi Research Institute

Phase 1

Basic functions of generative AI + Data analysis

- Generate responses based on specific work instructions

Planning/
paperworkData
analysis

Phase 2

Linking internal and external information

- Generate answer based on linking internal and external information

Inquiries

Phase 3

AI agents

- Complete tasks autonomously based on the objectives provided

Bank branch operations

Top customer
satisfaction
strategy

Double
productivity
strategy

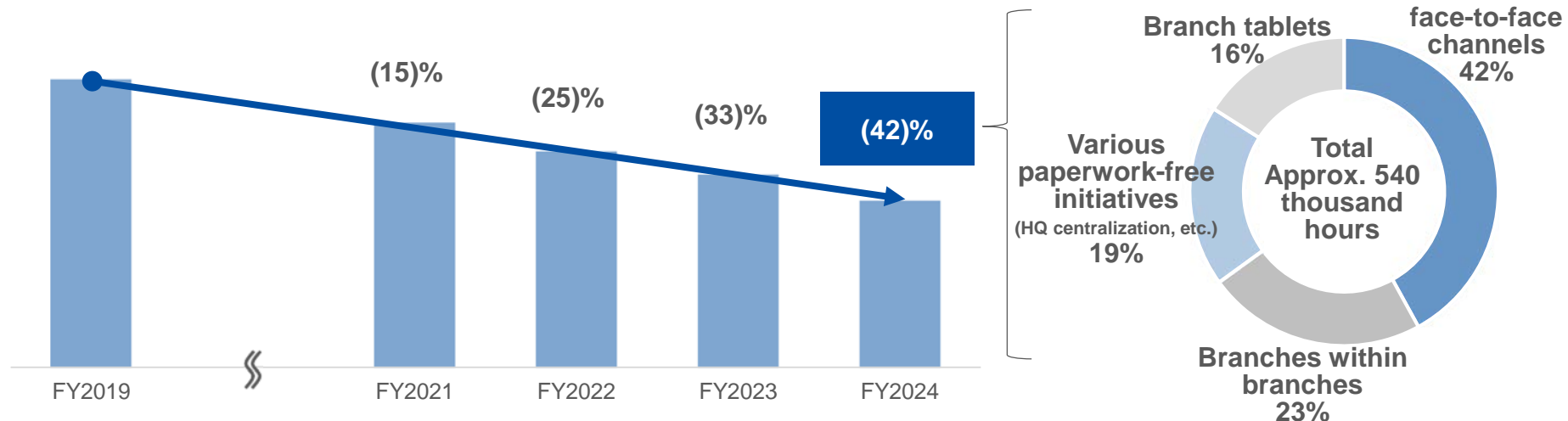
Regional
growth
strategy

Corporate
culture reform
strategy

Streamlining the operations of sales branches and headquarters and enhancing productivity

Reduce administrative work at branches

➤ Reduction rate of administrative work at bank branches (indexed to FY2019)



Improvement of HQ work efficiency

➤ Establishment of the D3 Working Group

* D3: Digitally Driven Direction

- Established with the aim of building a robust operational system by promoting cross-departmental digitalization and headquarters BPR
- One member appointed from each headquarters division
- Selected the business processes subject to BPR in each department and calculated the target time to be created as approximately 90 thousand hours

Change of
personnel
responsible for
operations
Approx. 26
thousand hours



Digitalization
of operations
Approx. 44
thousand
hours

Revision and abolition of inefficient operations

Approx. 20 thousand hours

Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Defining four key items of implementation in order to strengthen regional vitalization efforts

Regional vitalization mission

I Support for founding and new businesses

- ▶ Support for founding and new businesses
- ▶ Support for various funding by venture capital funds, etc.
- ▶ 77 New Business Subsidies
- ▶ Cooperation for various events

II Support for and development of regional core businesses

- ▶ Support for growth of local enterprises
- ▶ Support for cultivating/expanding sales channels
- ▶ Support for industry-academia cooperation
- ▶ Support for overseas businesses
- ▶ Support for business succession, M&A, and IPOs

III Promotion of urban development projects

- ▶ Participation in regional development projects
- ▶ Promotion of public-private partnership projects
- ▶ Collaboration with external institutions

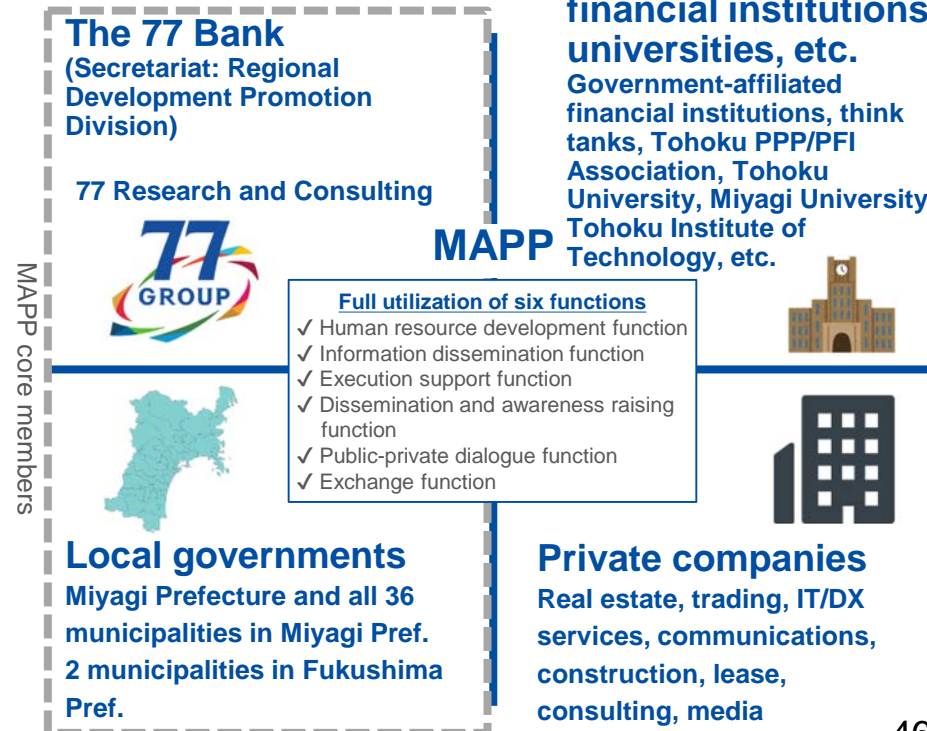
IV Assistance with promotion of tourism, etc.

- ▶ Support for feasibility and growth of the tourism-related industry
- ▶ Assistance with promotion of inbound travel
- ▶ Assistance with preparation of tourist intake framework

Formation of the Miyagi Wide-area PPP Platform

- As a part of our efforts based on the “Agreement on Comprehensive Cooperation Aimed at Regional Revitalization” with local governments and other agreements, we have formed the Miyagi Wide-area PPP Platform (nickname “MAPP”), a space for continual information sharing and encouraging dialogue between the public and private sectors for the utilization of private-sector funds and know-how.

Cooperation partner financial institutions, universities, etc.
Government-affiliated financial institutions, think tanks, Tohoku PPP/PFI Association, Tohoku University, Miyagi University, Tohoku Institute of Technology, etc.



Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Contributing to the development of the local community through initiatives addressing regional issues

The 77 Bank Group's response to the issues of local communities

Potential of Miyagi Prefecture

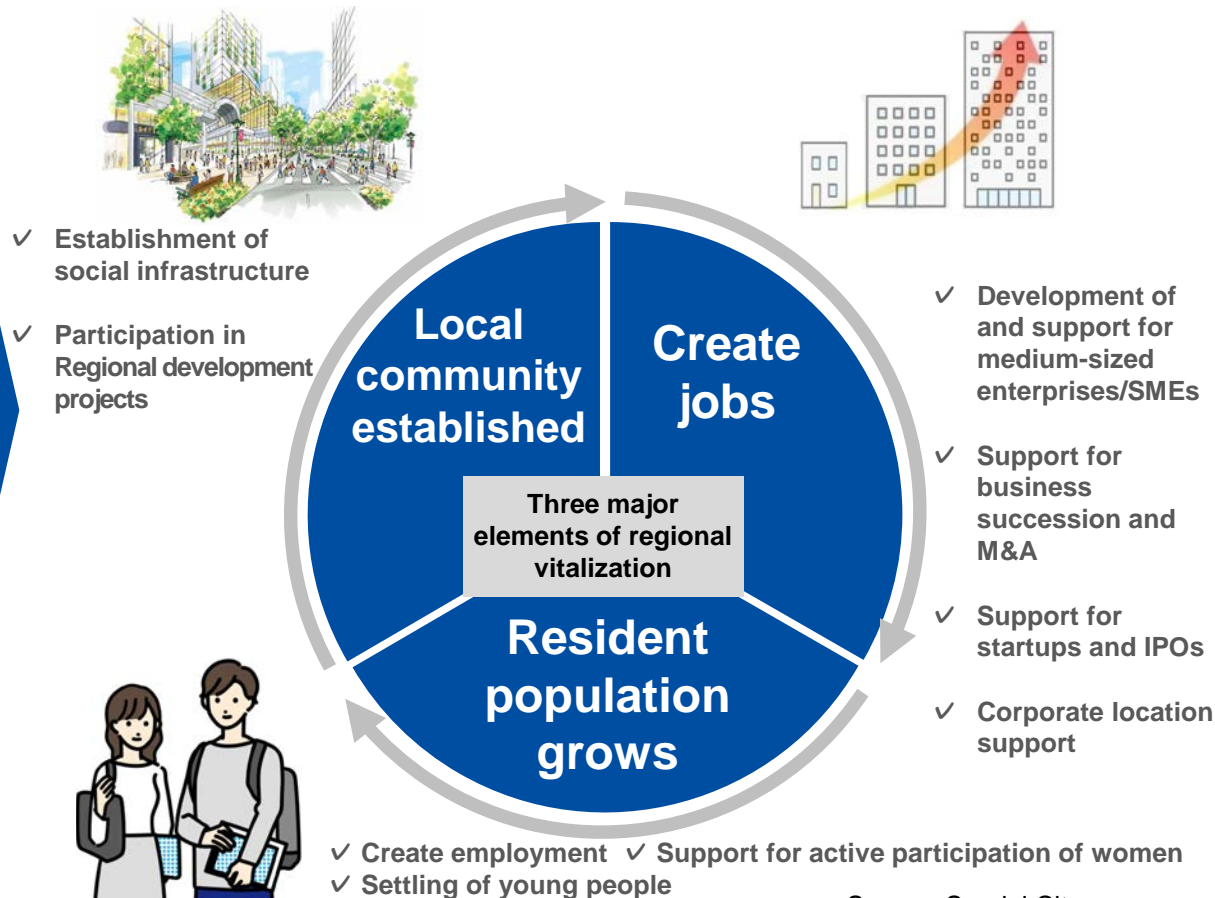
- Number of universities (20 universities in Miyagi Prefecture)
- Research base facilities (Tohoku University, NanoTerasu)
- Attracting companies (Automotive, semiconductor-related)
- Central city of the Tohoku region (The government-designated city of Sendai)

2050
Forecast population
of Miyagi Prefecture
(Vs. FY2020)
1.83 million people (20)%

Local issues arising mainly from the falling population

- Aging society with low birthrate
- Decrease in the number of companies
- Decrease in the number of employers
- Concentration in Greater Tokyo Area

The 77 Bank Group's response



Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

**By adding depth to our various initiatives,
we will fulfill our role as a regional financial institution**

Case study (1)

➤ “EMPOWER MIYAGI 2024 powered by TGC”

- In collaboration with W TOKYO Inc. (listed on the Tokyo Stock Exchange Growth Market), which plans and produces the TOKYO GIRLS COLLECTION, we are implementing a human resource development program where young people can promote the charms of their own local area
- We held the city promotion “EMPOWER MIYAGI FES. produced by TGC” for young people (August 2024, attracting a total of around 1,300 visitors)



This project was selected as one of approximately 860 notable initiatives from financial institutions and others contributing to regional vitalization, and received an award from the Minister of State for Special Missions in the Cabinet Office (responsible for regional vitalization and other matters)



The award ceremony



“EMPOWER MIYAGI FES.produced by TGC”

Case study (2)

➤ Development of and support for medium-sized enterprises/SMEs

- We are strengthening our approach to support the growth of medium-sized enterprises/SMEs with the 77 Bank Group working together
- For the selected key approach targets, branches, the regional support team, and others collaborate to conduct meetings at least once per quarter
- By engaging in dialogue with decision-makers, we delve deeper into the management challenges of companies and work on supporting medium- and long-term growth



Anticipated management issues, etc.

- ✓ Expansion of sales routes
- ✓ Sustainability
- ✓ Capital investment
- ✓ Improvement of productivity
- ✓ Securing human resources
- ✓ Management improvement and business revitalization
- ✓ Implementation of GX and DX
- ✓ Business succession and M&A
- ✓ Startups and IPOs
- ✓ Exports, overseas development, etc.

Top customer
satisfaction
strategy

Double
productivity
strategy

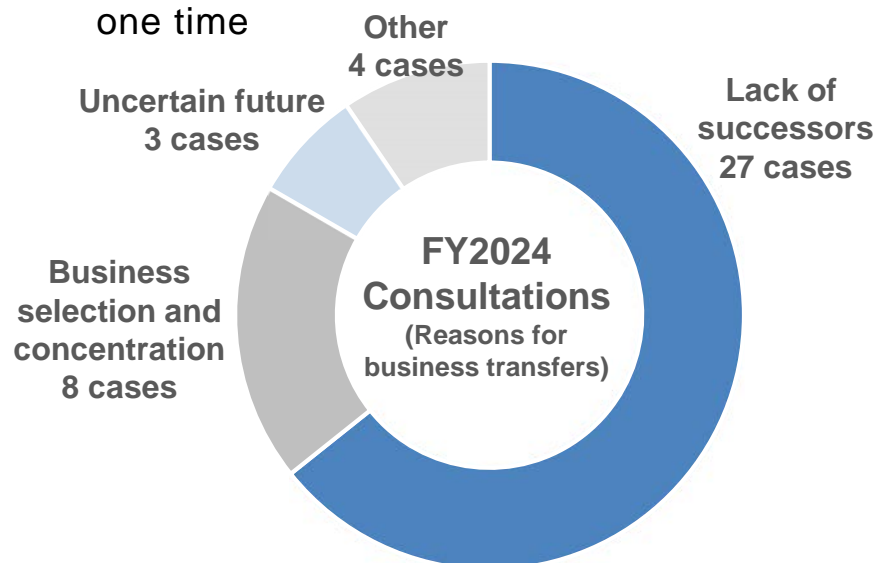
Regional
growth
strategy

Corporate
culture reform
strategy

Case study (3)

➤ Initiatives from the Business Succession and M&A Team

- We have established the Business Succession and M&A Team within the Consulting Promotion Division in 2022 to strengthen the promotion system for business succession and M&A
- With employees who are well-versed in practical operations such as M&A, we provide consultations to 40 to 50 companies at any one time



Case study (4)

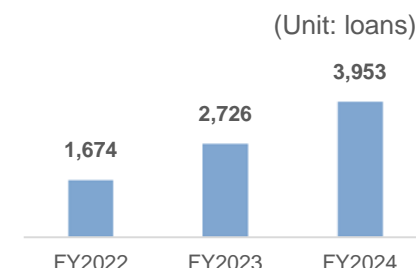
➤ Supporting start-ups

- In collaboration with Tokyo Stock Exchange, Inc., Japan Exchange Group, Inc., Tohoku University, Miyagi Prefecture, and Sendai City, we held the “IPO Management Human Resource Development Program TOHOKU” (Phase 3) to provide corporate management teams with the knowledge and information necessary to take their companies public (a total of 11 companies participated)
- We implement funding support through venture funds and other means to support start-ups



The IPO Management Human Resource Development Program

Number of loans provided to businesses less than five years old (cumulative since FY2021)



Top customer
satisfaction
strategy

Double
productivity
strategy

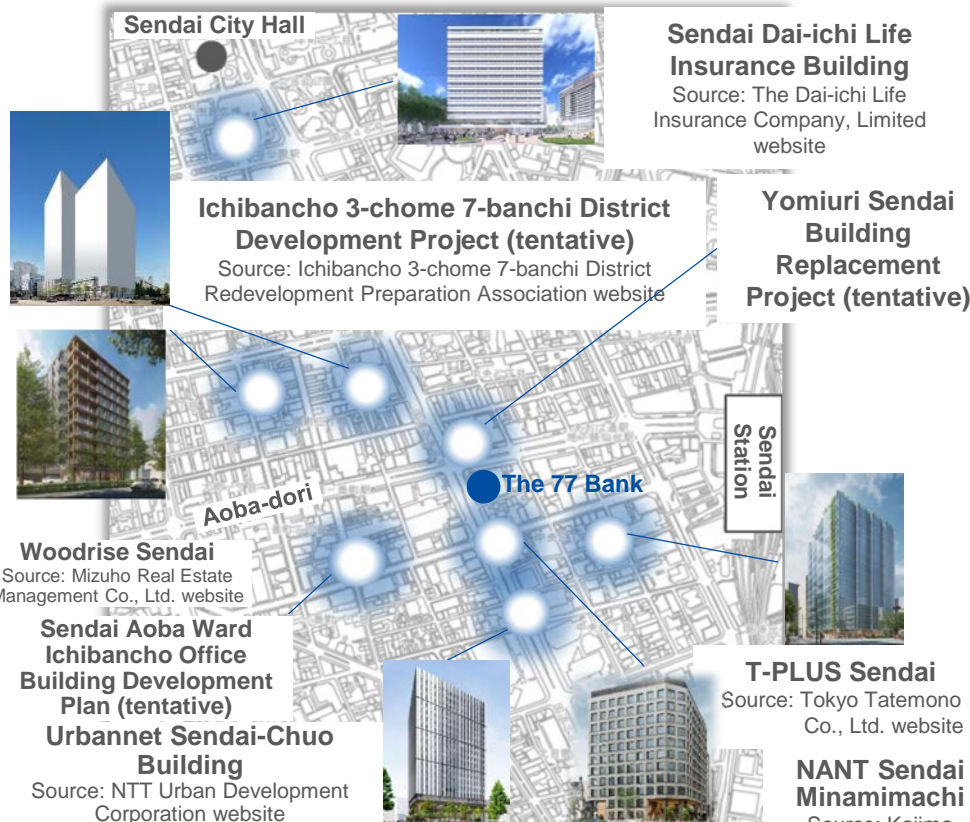
Regional
growth
strategy

Corporate
culture reform
strategy

Case study (5)

➤ Sendai Urban Restructuring Project

- The redevelopment and functional enhancement of the Sendai city center and surroundings are progressing
- At present, eight buildings are utilizing this project



Case study (6)

➤ Initiatives for healthcare

- We established the Healthcare Team within the Consulting Promotion Division in 2019 to engage in support for business-opening, medical succession, and business plan formulation
- We started managing a community-focused healthcare fund in April 2023, and we plan to establish a system to support succession at medical businesses through our alliances with local companies by May 2025, thereby contributing to the maintenance and improvement of the regional healthcare and caregiving system



Concluded a partnership agreement to support the succession of medical businesses (May 2025)



Top customer
satisfaction
strategyDouble
productivity
strategyRegional
growth
strategyCorporate
culture reform
strategy

Aiming to strengthen our business foundation and increase sustainable corporate value through initiatives based on our human resource strategy

Initiatives based on our human resource strategy

“Vision 2030”

– Leading company creating a path to the future –

Top customer
satisfaction
strategyDouble productivity
strategy

Regional growth strategy

Corporate culture reform
strategy

Links with management strategies

For human resources

Our target form

For the organization

Human resources that serve
a purpose for customers and
local communitiesHuman resources that
contribute to corporate
reformEmployee-friendly
work environmentRewarding work
environment

Human resource strategy

I. Human resource portfolio strategy

- ✓ Establishment of our human resources portfolio
- ✓ Recruiting in anticipation of the expansion of business domain, etc.
- ✓ Implementation of talent management
- ✓ Establish a challenging corporate culture and improve engagement
- ✓ Measurement of the effects of human capital investments

II. Human resource development strategy

- ✓ Instill career ownership
- ✓ Development of diverse specialist human resources
- ✓ Maximization of rich human capabilities and teamwork
- ✓ Stronger reskilling

III. Diversity promotion strategy

- ✓ Working environments to make maximum use of individualities and capabilities
- ✓ Further promotion of the active participation of women
- ✓ Promotion of activity by diverse human resources to enhance corporate value
- ✓ Understanding of diversity (disability, difference, LGBTQ+, etc.) and respect for human rights

IV. Wellbeing promotion strategy

- ✓ Promotion of health and productivity management
- ✓ Active support for health maintenance and enhancement
- ✓ Achieving employee-friendly work environments
- ✓ Stronger initiatives for financial well-being

Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

Strengthening our human capital initiatives through a PDCA cycle for human resource strategy

Human resource portfolio strategy

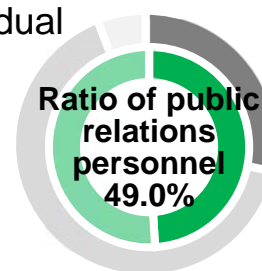
➤ Approach to human resources portfolio

- Create public relations personnel through visualizing individual growth and clarifying roles, as well as productivity improvements
- Ensure Group-wide specialization and flexibility in anticipation of our entry into new businesses and sectors and the expansion of business domains

➤ Measurement and management of the effects of human capital investments

- Measure the effects of human capital investments in terms of skills, endeavor, and returns

▪ Headquarters



FY2024



Our target form
(2,000 members + α)

Measurement/management targets	Matters for judgment	FY2024	FY2025 Target
Skill	Average corporate public relations skill level (max. 5.0)	2.69	3.00
	Average retail public relations skill level (max. 5.0)	1.95	2.20
	No. of individuals with higher qualifications (1st Grade Financial Planner, Certified Financial Planner, Small and Medium-sized Enterprise Management Consultant)	274 employees	330 employees
	No. of certified digital technology human resources	1,612 employees	1,700 employees
Endeavor	Engagement score (indicator of ambition) (max. 5.0)*	3.6	3.6
	No. of participants in job trial system	194 employees	250 employees
	No. of applicants for job entry system	7 employees	21 employees
Returns	Ratio of public relations personnel	49.0%	51.0%
	Labor productivity in core operations	JPY 16 mn	JPY 18 mn
	Consulting income	JPY 8.4 bn	JPY 9.5 bn

Top customer satisfaction strategy

Double productivity strategy

Regional growth strategy

Corporate culture reform strategy

Nurturing human resources that serve a purpose for customers and local communities and human resources that contribute to corporate reform through career development

Human resource development strategy

➤ Establishment of the new “SEVEN PACK” independent learning support package

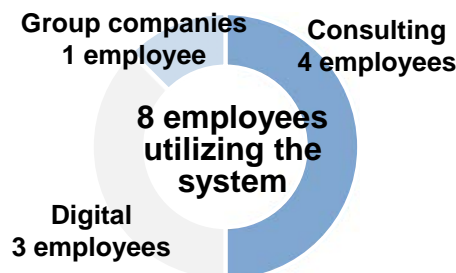
- We have introduced a package centered on a career mileage system, combined with the provision of self-development tools and a cost subsidy system

[Overview of “SEVEN PACK”]

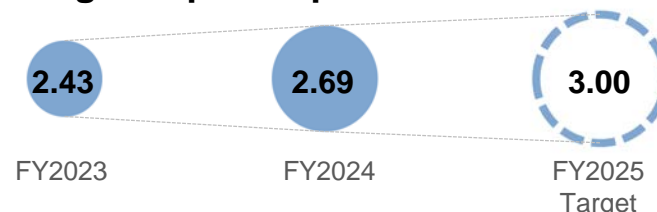


➤ Status of use of professional system

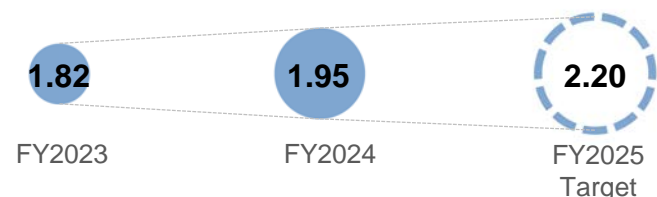
- We introduced a professional system in April 2023 in anticipation of concentrated engagement in specialized fields where we expect to demonstrate advanced expertise
- Eight employees used the system as of end-March 2025



➤ Average corporate public relations skill level

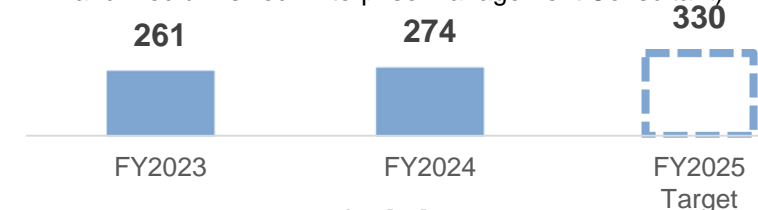


➤ Average retail public relations skill level

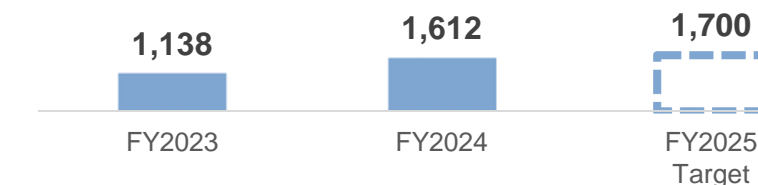


➤ No. of individuals with higher qualifications

(1st Grade Financial Planner, Certified Financial Planner, Small and Medium-sized Enterprise Management Consultant)



➤ Total number of digital technology human resources (specialist/core/base)



Top customer
satisfaction
strategy

Double
productivity
strategy

Regional
growth
strategy

Corporate
culture reform
strategy

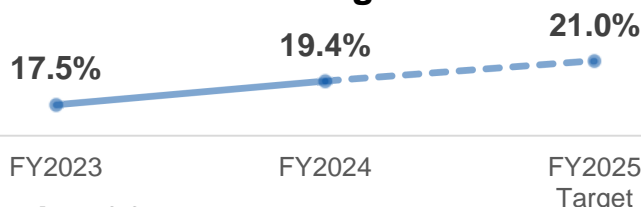
Providing an employee-friendly environment for each and every employee to build a foundation for human capital

Diversity promotion strategy

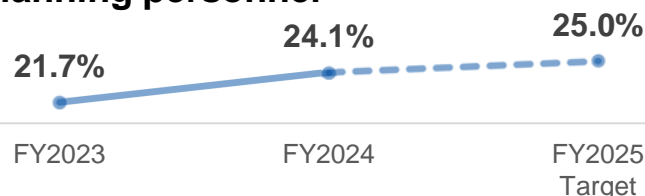
- **Further promotion of the active participation of women
(Developing female officer and management candidates)**

- Held training sessions to promote women's capability development and autonomous career formation
- Created opportunities for interaction with internal and external role models and management
- In addition to eight female employees who are division and branch general managers, four female employees serve as outside directors of the 77 Bank Group (as of end-March 2025)

- **Ratio of female managers**



- **Ratio of female employees among corporate public relations personnel, full-time loan employees, and headquarters corporate planning personnel**



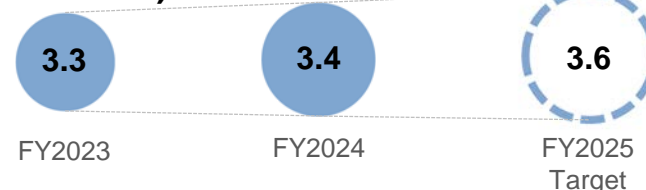
Wellbeing promotion strategy

- **Certified as a “Health and Productivity Management Organization 2025 –White 500–”**

- Recognized as among the top 500 companies practicing outstanding health and productivity management



- **Engagement score (indicator of working environment)**

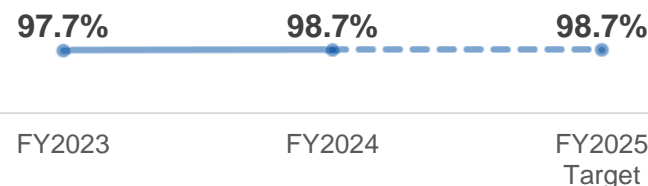


* Benchmark for good conditions: 3.5 or higher (extracted items relating to the working environment)

- **Payment of a special incentive**

- We provided shares of the Bank to employees to enhance their awareness of participation in management (equivalent to a wage increase of approximately 1.9%)

- **Stock Ownership Association participation ratio**



Promoting sustainability through initiatives to combat climate change

Addressing climate change

➤ Start of operation of 77 Solar Park Tomiya

(October 2024)

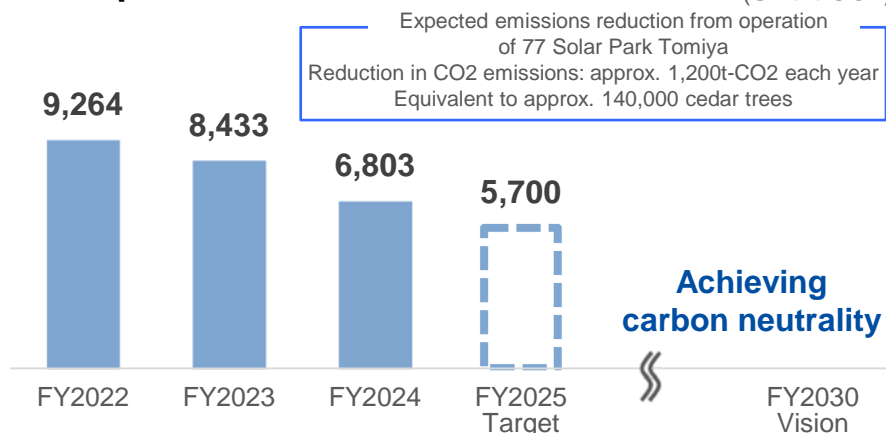
- Installed solar power station in unused lands owned by the Bank
- Supplying electric power derived from the generated renewable energy to the head office building and individual branches



Aerial photos of 77 Solar Park Tomiya

➤ Scope 1 and 2 emissions

(Unit: t-CO₂)



➤ Biodiversity initiatives

- Participated in the “Green Earth Project” implemented by the MS&AD Group, beginning with SDGs Action at branches

* SDGs Action: Activities to promote autonomous initiatives by branches aimed at achieving the SDGs

- In addition to implementing conservation activities to help the seaweed beds off Minamisanriku, Miyagi Prefecture, which have declined due to the “sea desertification” happening all around Japan, we also carried out activities to wrap rice straw around the grapevines that are used to produce Minamisanriku wine, as a conservation measure for land that affects the marine ecosystem



Wrapping grapevines with rice straw

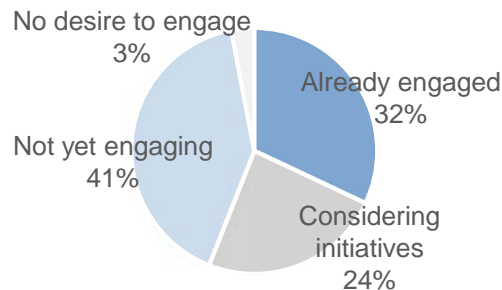
Contributing to local communities by providing sustainability support to our clients and others

Support for sustainability at clients

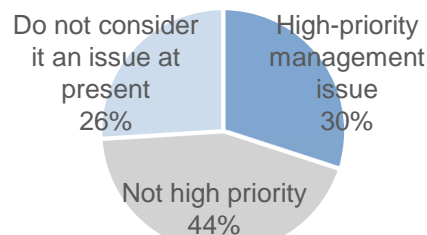
➤ Engagement results with major FE (financed emissions: Scope 3 Category 15) emitters in Miyagi Prefecture

- Engaged with major FE emitters in Miyagi Prefecture using a hearing sheet on the status of decarbonization efforts
- Continuously monitored changes in awareness and initiatives regarding decarbonization and promoted efforts towards regional decarbonization

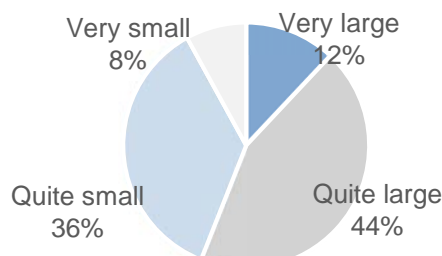
[Status of decarbonization initiatives]



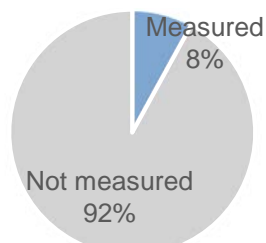
[Priority as a management issue]



[Impact of decarbonization on own company]



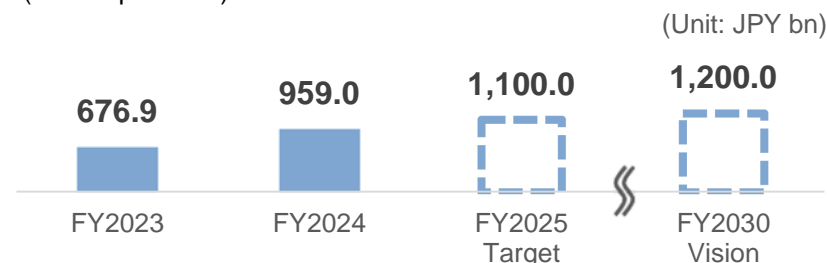
[Measuring own company's GHG emissions]



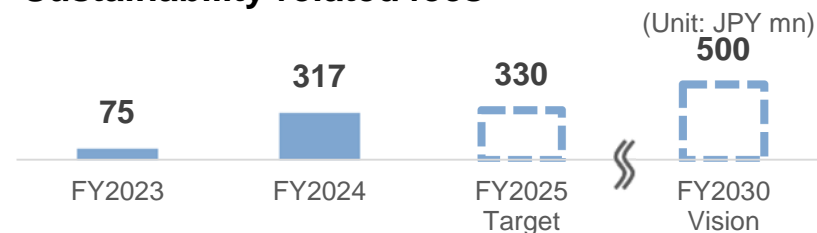
➤ Setting of various KPIs

- Recognizing the risks and opportunities of climate change, we will lead the decarbonization of our clients and the local region

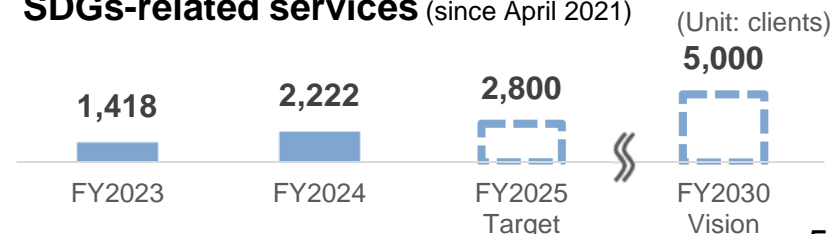
➤ Total sustainable finance executed (cumulative) (since April 2021)



➤ Sustainability-related fees



➤ Number of clients receiving support for SDGs-related services (since April 2021)



Implementing initiatives to enhance the effectiveness of the Board of Directors

Composition of the Board of Directors

➤ Skills matrix

		In-house	Outside	Management strategy / Corporate management	Compliance / Risk management	Sales / Regional vitalization	International / Market operation	DX / Productivity improvement	Human capital / Diversity
Directors not serving as Audit & Supervisory Committee Members	Hidefumi Kobayashi	○		◎	●	●	●	●	◎
	Hiroshi Kobayashi	○		◎	●	●	◎	◎	●
	Shuichi Ibuka	○		●	●	◎	●	●	
	Takashi Kuroda	○		●		◎	●	●	◎
	Yoshiyuki Odajima	○			◎	●		◎	
	Kazuhiro Aoki	○			◎	●	◎		
	Emiko Okuyama		○			◎			●
	Seiichi Ohtaki		○	◎		●			
Directors serving as Audit & Supervisory Committee Members	Shigenori Oyama		○	◎			●	●	
	Masanori Muranushi	○		●	●	●	●	●	
	Yoko Ushio		○	●					●
	Naoto Miura		○	●				●	
	Shinya Endo		○	●		●			
	Kazuo Fukuda		○	●	●		●		

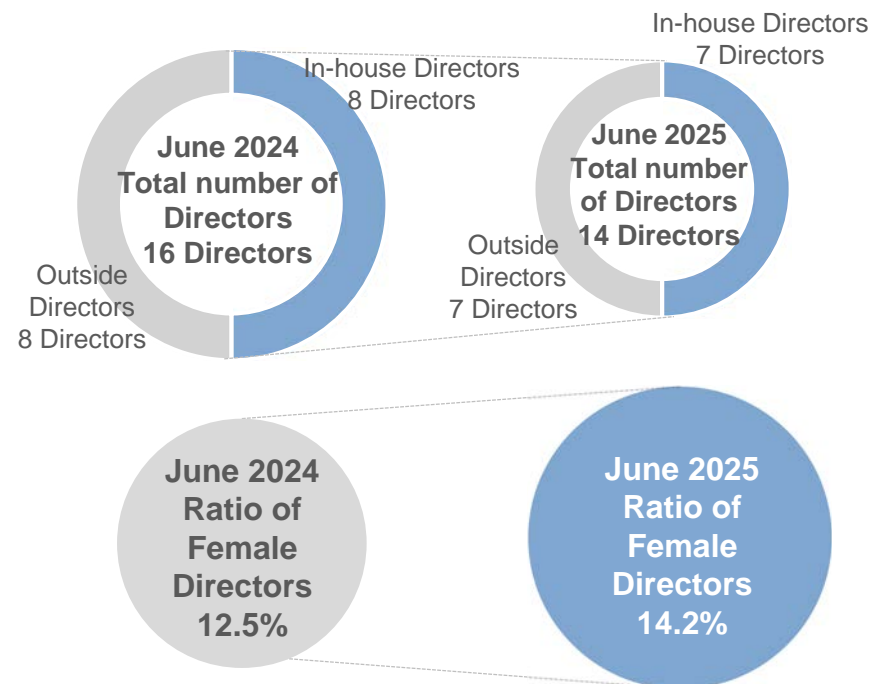
* “◎” is marked for the skills and other qualities especially expected from Directors not Serving as Audit & Supervisory Committee Members.

[Details of skills]

Management strategy / Corporate management	Knowledge, experience, and abilities related to management strategy, corporate and group management, and sustainability
Compliance / Risk management	Knowledge, experience, and abilities related to compliance, risk management, corporate credit supervision, and financial accounting
Sales / Regional vitalization	Knowledge, experience, and abilities related to sales strategy, consulting, regional vitalization, and industry academia-government collaboration
International / Market operation	Knowledge, experience, and abilities related to international expansion, markets, and securities operations
DX / Productivity improvement	Knowledge, experience, and abilities related to systems planning and management, digital areas, and business efficiency
Human capital / Diversity	Knowledge, experience, and abilities related to human resources strategy, human resources development, organizational culture reform, and diversity promotion

➤ Initiatives aimed at enhancing the effectiveness of the Board of Directors

- Plan to propose a reduction in the number of Directors to the General Meeting of Stockholders in June 2025 to optimize the operation of the Board of Directors
- In addition to ensuring sufficient time for preparation through the early distribution of materials for meetings of the Board of Directors, we also implemented initiatives aimed at revitalizing discussions by reviewing the rules for creating meeting documents



	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Target	FY2030 Vision
Proportion of companies in Miyagi Prefecture whose main bank is the 77 Bank	56%	56%	56%	57%	62%
Number of corporate lending clients outside Miyagi Prefecture (Vs. FY2020)	1.21x	1.33x	1.45x	1.47x	1.5x
Proportion of households in Miyagi Prefecture holding assets *1	-	-	-	-	35% or more
Number of clients for which the Group holds assets in custody	84,445	91,373	101,399	111,000	180,000
Proportion of individuals in Miyagi Prefecture using loans from the 77 Bank	14.9%	15.1%	15.3%	17.0%	20.0%
Group companies profit	JPY 1.4 bn	JPY 1.7 bn	JPY 1.5 bn	JPY 1.5 bn	JPY 3.0 bn
Labor productivity in core operations *2	JPY 12 mn	JPY 14 mn	JPY 16 mn	JPY 18 mn	JPY 24 mn
Administrative work at bank branches (Vs. FY2019)	(25)%	(33)%	(42)%	(50)%	(50)%
Usage of non-face-to-face channels	(Corporate) 15% (Retail) 20%	(Corporate) 32% (Retail) 27%	(Corporate) 35% (Retail) 32%	(Corporate) 38% (Retail) 35%	(Corporate) 50% (Retail) 50%
Cases of growth support for business founders	1,761 cases	2,061 cases	2,264 cases	2,500 cases	3,000 cases
CO2 emissions	9,264t-CO2	8,433t-CO2	6,803t-CO2	5,700t-CO2	0t-CO2
Proportion of female managers	16.0%	17.5%	19.4%	21.0%	30.0%

Other items

◆ Establish 10 projects in new businesses or sectors (by FY2023)

10 projects established. Continue development of new businesses and sectors with promise for future commercialization.

◆ Support increased rate of economic growth in Miyagi Prefecture

◆ Aim for 100% participation in regional development projects in Miyagi Prefecture

◆ Implement various initiatives to “foster an ambitious spirit”

◆ Increase the number of “specialist personnel” that serve a purpose for customers and local communities

*1. National Survey of Family Income, Consumption and Wealth

*2. (Interest on loans and bills discounted + fees and commissions - interest on deposits - expenses + personnel expenses + depreciation) / number of employees
(part-time employees counted as 0.4)

Please note that the projections described in this document do not guarantee future performance. Future performance projections may differ from actual results due to uncertainty caused by factors such as changes in the business environment.

