

Message from Director Responsible for Finance

Record-high profits for the fourth consecutive term —We will enhance corporate value through profitability improvements and the creation of robust financial foundations

Deputy President
Hiroshi Kobayashi



Financial Performance Summary

						(Billions of yen, %)
	FY2023	FY2024	YoY change		FY2025 (Forecast)	FY2026 Simulation
			Increase/decrease	Rate of change (%)		
(Non-consolidated)						
Gross operating income	80.1	85.6	5.5	6.8	106.2	115.6
Interest income	93.4	103.9	10.5	11.2	104.3	109.6
Fees and commissions	13.0	14.5	1.5	11.9	15.2	15.6
Other operating income	(26.3)	(32.8)	(6.5)		(13.3)	(9.6)
Expenses	49.0	48.4	(0.6)	(1.2)	49.9	49.5
Core operating income	44.9	58.3	13.4	29.9	62.2	71.0
Operating income	27.2	37.2	10.0	36.7	57.4	69.2
Ordinary income	42.5	54.8	12.3	29.0	61.0	71.5
Net income	28.8	38.6	9.8	33.8	43.0	50.0
Credit-related expenses	3.7	(0.1)	(3.8)		3.0	3.0
Total gains (losses) from securities	45.6	44.1	(1.5)		48.4	50.2
After excluding procurement costs	34.3	31.6	(2.7)		34.9	37.7
Income from customer services	13.8	22.5	8.7		28.5	38.3
After excluding foreign currency-denominated procurement costs	9.8	18.7	8.9		25.5	35.7
(Consolidated)						
Ordinary income	44.2	56.3	12.1	27.2	62.5	73.5
Net income	29.8	39.3	9.5	31.7	44.0	51.0

FY2024 results

In FY2024, our non-consolidated ordinary income increased ¥12.3 billion from the previous year to ¥54.8 billion, and non-consolidated net income rose ¥9.8 billion to ¥38.6 billion. Consolidated net income was also up by ¥9.5 billion to ¥39.3 billion, marking a record high for the fourth consecutive term. This rise can be attributed to various factors. Despite an increase in interest on deposits, etc. stemming from a rise in deposit interest rates, in addition to an increase in the balance of loans and bills discounted thanks to our steady response to funding needs from customers within and outside the prefecture, interest on loans and bills discounted also increased thanks to improving market interest rates, and as a result interest income increased. Moreover, as a result of our focus on Finance & Consulting, we were able to broaden our range of solutions to customer challenges,

FY2025 projected performance

In FY2025, on a non-consolidated basis we expect ordinary income to increase ¥6.2 billion year on year to ¥61.0 billion and net income to increase ¥4.4 billion to ¥43.0 billion. On a consolidated basis, we anticipate a ¥6.2 billion year-on-year increase in ordinary income to ¥62.5 billion, and a ¥4.7 billion increase in net income attributable to owners of the parent to ¥44.0 billion.

Although we expect an increase in expenses from major system investments and a rise in credit-related

and with a rise in fees and commissions from corporate clients, fees and commissions also increased. In terms of expenses, alongside a reduction in personnel expenses caused by the natural reduction in number of employees due to mandatory retirement, there was also a reactionary decline in non-personnel expenses due to the major system-related expenses recorded in the previous year. Credit-related expenses were reversed due to the decrease in risks associated with some project finance claims recorded in the previous year. In the marketable securities department, although we recorded a loss from the sale of bonds due to our replacement of bonds in line with rising interest rates, the realization of unrealized gains on stock-related assets ensured that total gains from securities were on par with the previous fiscal year.

expenses, while maintaining our steady increase in balance of loans and bills discounted, through an increase in fees and commissions from consulting sales we will aim to achieve record-high profits for the fifth consecutive year.

In addition to strengthening profitability through the continued execution of the top customer satisfaction strategy in "Vision 2030," we will work as a Group to improve productivity through the double-productivity strategy and in turn enhance our corporate value.

The 77 Bank Group's Value Enhancement Initiatives

Review of financial targets in "Vision 2030"

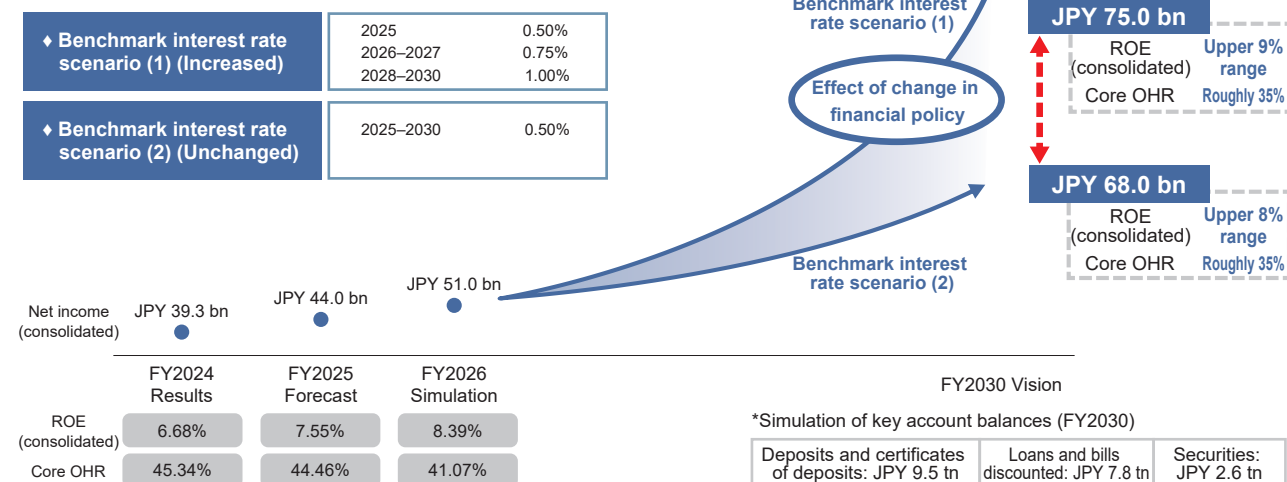
As part of "Vision 2030," we set forth financial targets for FY2030 to strengthen our financial foundations. In line with changes in the economic environment, including changes to the Bank of Japan's monetary policies, in November 2023 we revised our financial targets, including an upward revision to our consolidated net income target, and set a new ROE target. While our initial consolidated net income target for FY2030 was ¥45.0 billion, in our performance forecast for FY2025, we expect to approach this target and achieve ¥44.0 billion in consolidated net income. One of the biggest factors is the start of a "world of interest rates." Despite rising deposit and funding costs, the increase in interest on loans and bills discounted due to rising interest rates is expected to boost profit. This would usually mean revising and setting new financial targets, but due to reciprocal tariff policies stemming from the Trump administration and other factors, there is growing uncertainty surrounding stock markets and exchange rates, which could in turn impact the Bank of Japan's monetary policies. In response, at a company briefing held in June 2025, we outlined various consolidated net income and ROE

targets for FY2030 based on simulations of various policy interest rate scenarios. In the scenario (1), the policy interest rate rises to 0.75% from FY2026 and then to 1.00% in FY2028. In this scenario, we anticipate consolidated net income of approximately ¥75.0 billion and ROE in the upper 9% range. The scenario (2) sees the current policy interest rate of 0.50% remain the same, and consolidated net income of ¥68.0 billion and ROE in the upper 8% range. In both cases, we expect significant improvements over our current levels of profit and ROE. Of course, performance depends not only on interest rates—company strategies and the mindset and action of every officer and employee will also play a major part. While enhancing top-line growth, we will work to strengthen profitability by improving productivity through thorough expense control.

In FY2025, we will conduct an interim review of "Vision 2030." We will announce new financial targets while enhancing our various strategies and further improving our Finance & Consulting business model.

Message from Director Responsible for Finance

Details of simulation



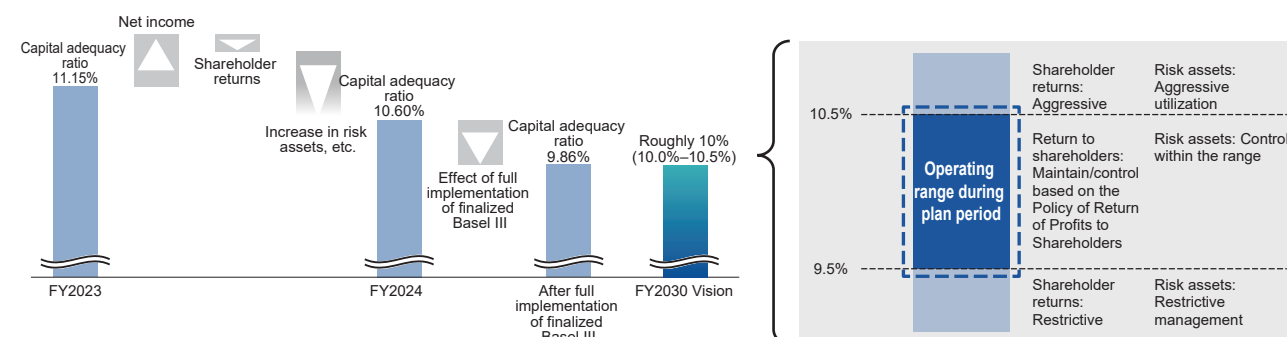
Preservation of soundness

To support local communities in emergencies, as a regional financial institution it is important to provide risk money for recovery, and as such it is essential that we maintain a sufficient capital adequacy ratio in normal times. On the other hand, to enhance our capital efficiency, it will also be important to consider getting rid of any excess capital. As such, considering that we had provisioned sufficient reserves for bad debts at the time of the Great East Japan Earthquake in March 2011 (our capital adequacy ratio decreased by approximately 1.6%), we have set our capital adequacy ratio target for FY2030 as above 8% at

around 10% (10.0%–10.5%), which is the level to be achieved for banks operating under the uniform international standard. Moreover, we have set an operating range of between 9.5% and 10.5% during the plan period up until FY2030, and will strive for appropriate capital control. Our capital adequacy ratio (consolidated) as of the end of March 2025 was 10.60%, but falls to 9.86% after full implementation of finalized Basel III. As such, we understand that our capital adequacy ratio is not sufficient and will continue to ensure thorough capital control while focusing on capital soundness.

Capital adequacy ratio (consolidated)

FY2024 results



Enhancing shareholder returns

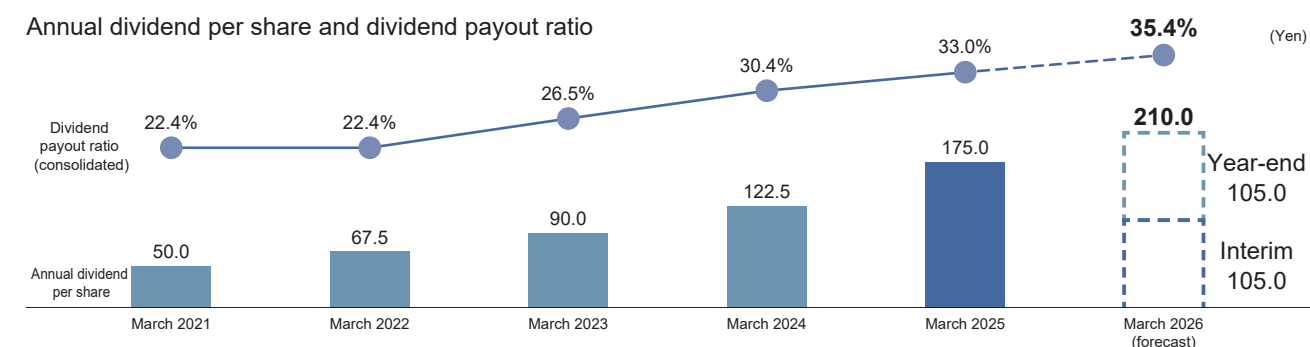
In “Vision 2030,” we have defined our duty to shareholders as the growth of the 77 Bank Group and the provision of returns. To quickly fulfill this duty, we set out the Policy of Return of Profits to Shareholders, and in FY2024 we paid dividends of 175 yen per share

with a payout ratio of 33.0%. Moving ahead, we will continue to provide appropriate returns based on the Policy of Return of Profits to Shareholders, and aim to improve shareholder profits and return on capital.

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.

Annual dividend per share and dividend payout ratio

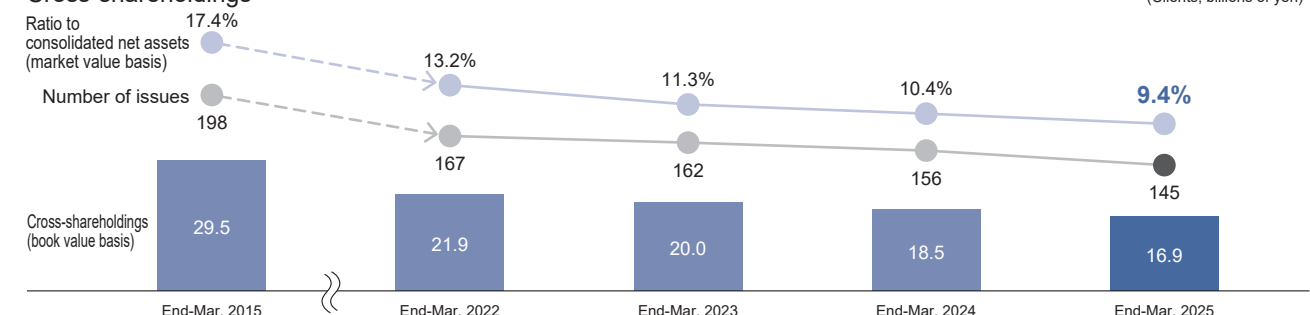


Reducing cross-shareholdings

As a general rule, the Bank's policy is to reduce cross-shareholdings. As a regional financial institution, the Bank will hold cross-shareholdings only when it is judged that maintaining and strengthening business and cooperative relationships with the client will contribute to enhanced corporate value of both the client and the Bank. When the Bank arranges cross-shareholdings, the Management Committee regularly conducts a strict verification of their profitability based on the cost of

capital, etc., as well as the medium- to long-term economic rationale for such holdings, future outlook, the purpose of holding, and other relevant factors for each issue. In FY2024, we reduced 11 issues of cross-shareholdings, achieving our target of less than 10% of consolidated net assets. In the future, we will exercise voting rights in accordance with our criteria for same and examine disclosing the status of our activities.

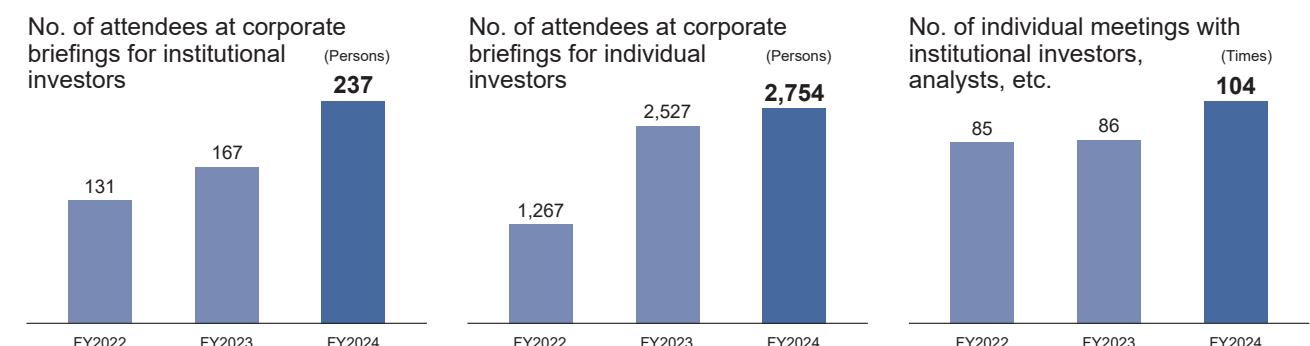
Cross-shareholdings



Enhancement of IR activities

In our IR activities, we arrange opportunities to explain our performance and sales strategies to shareholders and investors, and listen to their opinions, through corporate briefings for institutional investors led by the President, corporate briefings for individual investors, regular arrangement of overseas IR events and

individual meetings by a responsible Director. We will continue striving for sustainable growth and the improvement of our corporate value through constructive conversations with shareholders, etc. to deepen their understanding of our initiatives, performance, etc.



Policy on constructive dialogue with shareholders



Approach to disclosures



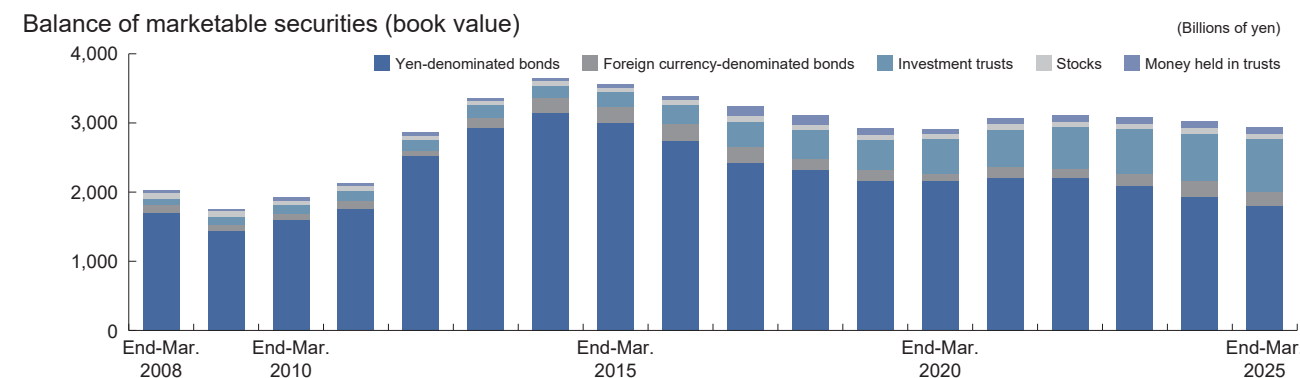
Message from Director Responsible for Finance

Securities

Trading of marketable securities

The Bank's balance of marketable securities is around 3 trillion yen, which is one of the highest among regional financial institutions. We have positioned the trading of marketable securities as our second income pillar, mainly investing in yen-denominated bonds to ensure safety and liquidity. To diversify our investments and improve profitability, however, we also invest in investment trusts and stocks while ensuring thorough risk management. To date, there have been significant fluctuations in the market due to the collapse of Lehman Brothers, the Great East Japan Earthquake, and the COVID-19 pandemic, for example, however the experience we

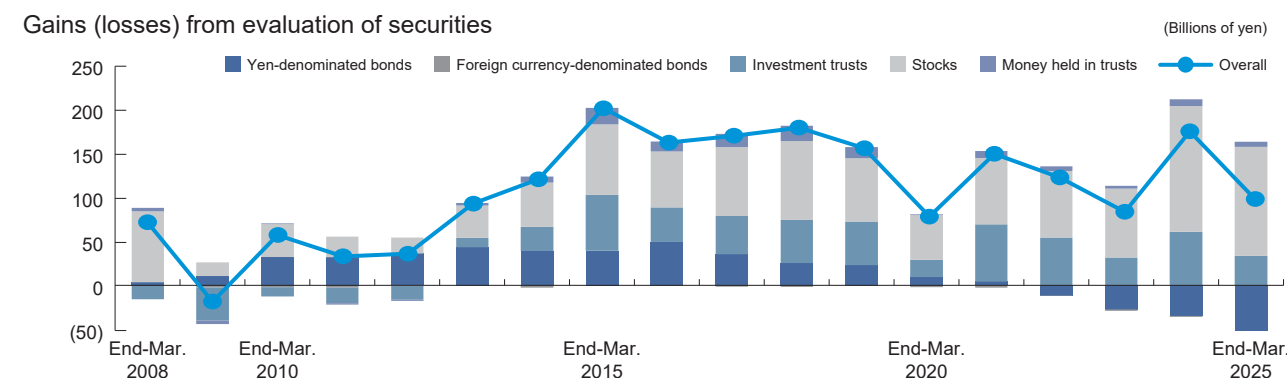
gained through our response to each situation has provided us with the our current expertise. Our policy for the trading of marketable securities is determined every six months following deliberations by the ALM and Profit Management Committee. However, to enable flexible response to changing market trends, we ensure agile asset management by regularly discussing and reporting progress and revisions to management. This year, as well, we expect increasing uncertainty caused by changes in domestic and international political and economic environments, and will therefore confront the market in a flexible and agile manner.



A world of interest rates

To date, the Bank has worked to build a medium- to long-term portfolio in line with market changes and forecasts. For example, when interest income declined due to impacts from the Bank of Japan's negative interest rate policy, we increased our investment trust balance to secure capital gains and dividends, and these investment trusts have now grown into an asset that makes significant contributions to the profit of the marketable securities department. Moreover, by switching the majority of our foreign bonds to floating bonds with low interest-related risk, we have sought to maintain a profit margin while limiting any impacts from valuation gains and losses, even as interest rates in

the US continue to rise. Changes to the Bank of Japan's monetary policies have brought back a world of interest rates. In terms of yen-denominated bonds, which make up the majority of our securities portfolio, in addition to carefully examining the timing of our investments in line with interest rate trends, we must also address fluctuations in valuation gains and losses. In anticipation of rising interest rates, in recent years we have sought to minimize the increase in valuation losses by selling off low-yield and ultra-long-term bonds. In addition, by purchasing when interest rates are high, we expect to increase the overall yield of our securities.



Securities management policy

Our basic approach to the trading of marketable securities is to conduct long-term and diversified investments. However, we are also focusing on investment in stock-related assets through stocks and investment trusts, and we ensure flexible trading through an accurate understanding of individual assets and issues. Stock-related assets contribute to improved profitability through stable dividend income and the steady realization of valuation gains. In addition, as negative correlation assets to yen-denominated bonds, which make up the majority of our portfolio, stock-related assets are also effective in diversifying our investments. We are aiming to accumulate valuation gains as a result of our diverse investment timing and selections over the long term, and will continue to

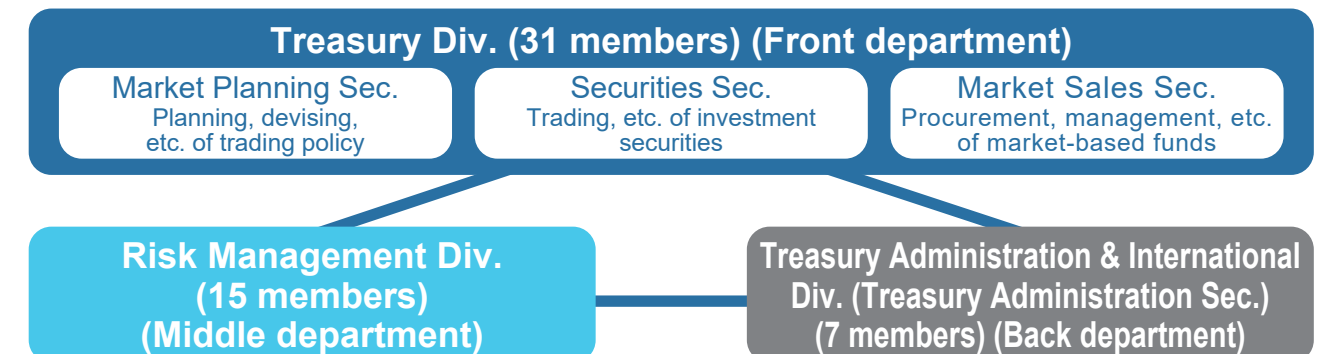
reinforce our resistance to market fluctuations. The continued creation and realization of valuation gains has helped us build a high-quality portfolio. Outside of profit, investing in stock-related assets is also helping to develop our human resources through analyses of industry trends and individual companies, which in turn is enhancing their investing expertise. When exercising voting rights at companies in which we hold shares, we have established criteria to improve the Bank's medium- to long-term investment returns and promote the sustainable growth and improved corporate value of investees. We make decisions on whether to approve proposals after comprehensive judgment. Moving forward, we will examine the disclosure of our exercise of voting rights.

Human resources and training structure

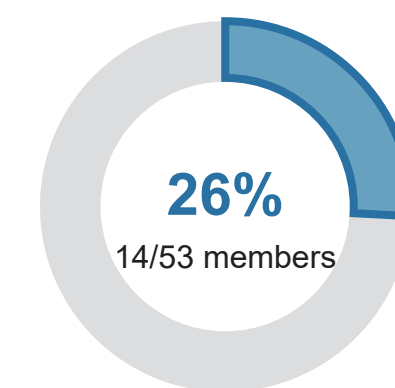
Due to the specialized nature of marketable securities trading, it is essential that we enhance our organizational capabilities through the acquisition and development of human resources. The Bank's trading of marketable securities is led by three departments: the front department (Treasury Division), the middle department (Risk Management Division), and the back department (Treasury Administration & International Division). Through the rotation of human resources among these departments, we are working to reinforce collaboration and share expertise, in turn building a sustainable organizational structure. Moreover, through the job trial

system that enables employees to voluntarily try out headquarters operations, we are working to discover human resources with an interest in and an aptitude for the trading of marketable securities. Elsewhere, through the dispatch of employees to asset management companies and other external institutions, we are providing employees with opportunities to acquire expertise and experience directly linked to actual roles. Also, by encouraging employees to acquire securities analyst certifications and other credentials, we are driving human resource development with a focus on both utilizing external expertise and promoting self-improvement.

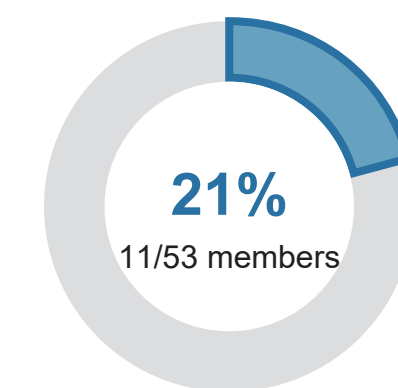
Structure for marketable securities trading (end-Mar. 2025)



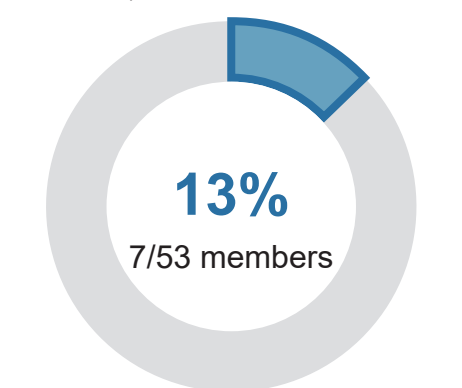
Percentage of employees with experience as external trainees



Percentage of female employees



Percentage of young employees (in their 20s)



Our Path of Continuous Growth

Since its founding in 1878, The 77 Bank has overcome many difficulties and grown steadily while devoting itself to sound management under the management philosophy of “desiring communal prosperity and serving local communities.” Aiming to be a leading company creating a path to the future, we will continue to move forward together with our region.

A deep connection with Eiichi Shibusawa

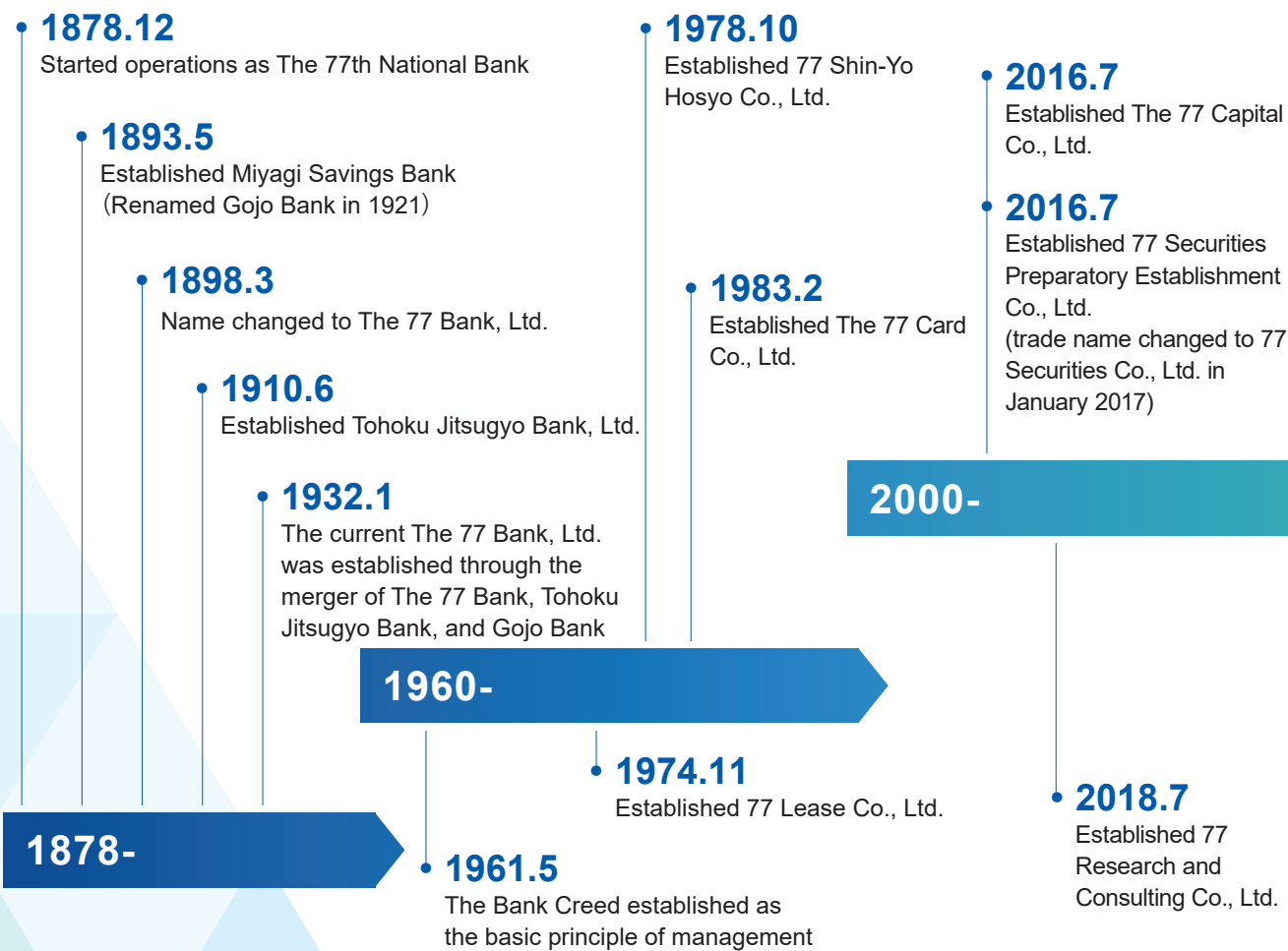
Eiichi Shibusawa, a businessman who was known as “the father of Japanese capitalism,” had a strong interest in the Tohoku region through Munenari Date, who provided him with the opportunity to enter the Ministry of Finance. At the time, there was no bank based in Miyagi Prefecture and partially for this reason, prior to the opening of The 77th National Bank, Shibusawa provided advice on various matters, such as the nature of the banking business and basic management concepts, and guided the establishment of the Bank. Subsequently, he continued to provide investment as a shareholder, and seconded exceptional talent, including Keishi Endo (the second and fourth President) and Seikei Ono (the fifth President) from The Dai-ichi Bank Limited. Furthermore, Shibusawa provided both material and moral support to the Bank over many years, including through his transfer of The Dai-ichi Bank Limited's banking business in Miyagi Prefecture to The 77th National Bank and his appointment as Advisor in 1909.

Eiichi Shibusawa's spirit of “harmony of morality and the economy” lives on today in the line from the Bank Creed, which describes the Bank's management philosophy, that states “the Bank's progress goes hand in hand with prosperity in the local community.”



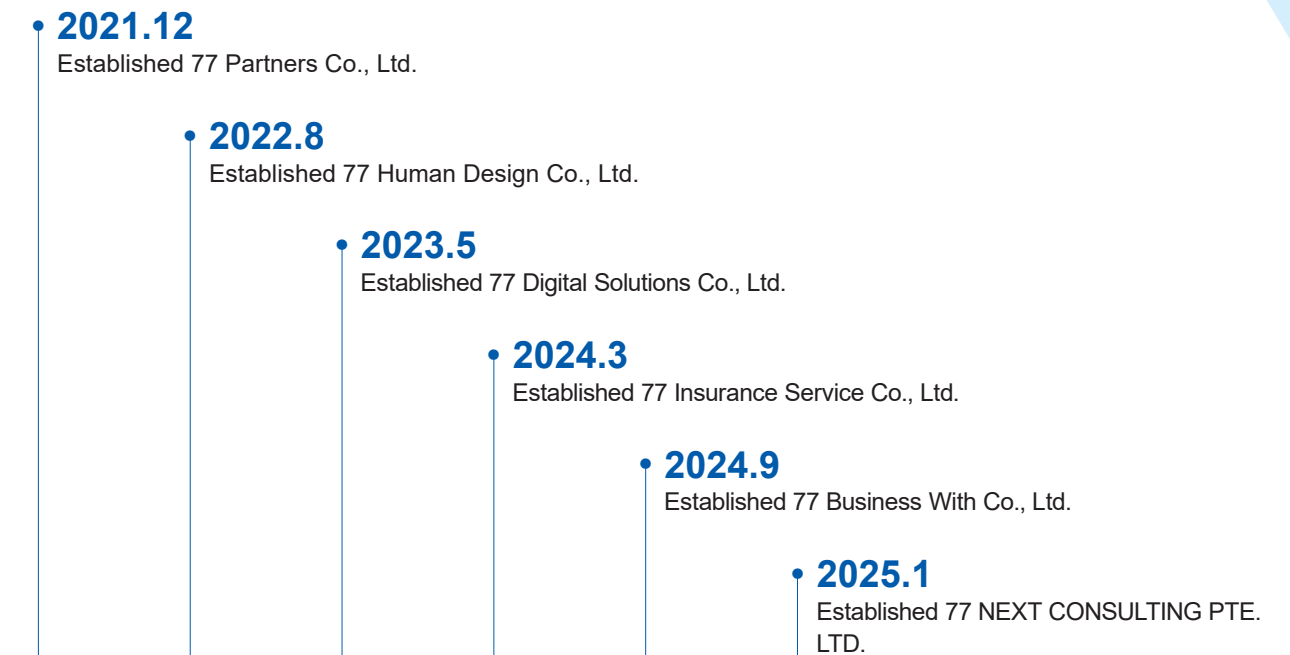
Eiichi Shibusawa
1840–1931

Photograph: Fukaya City



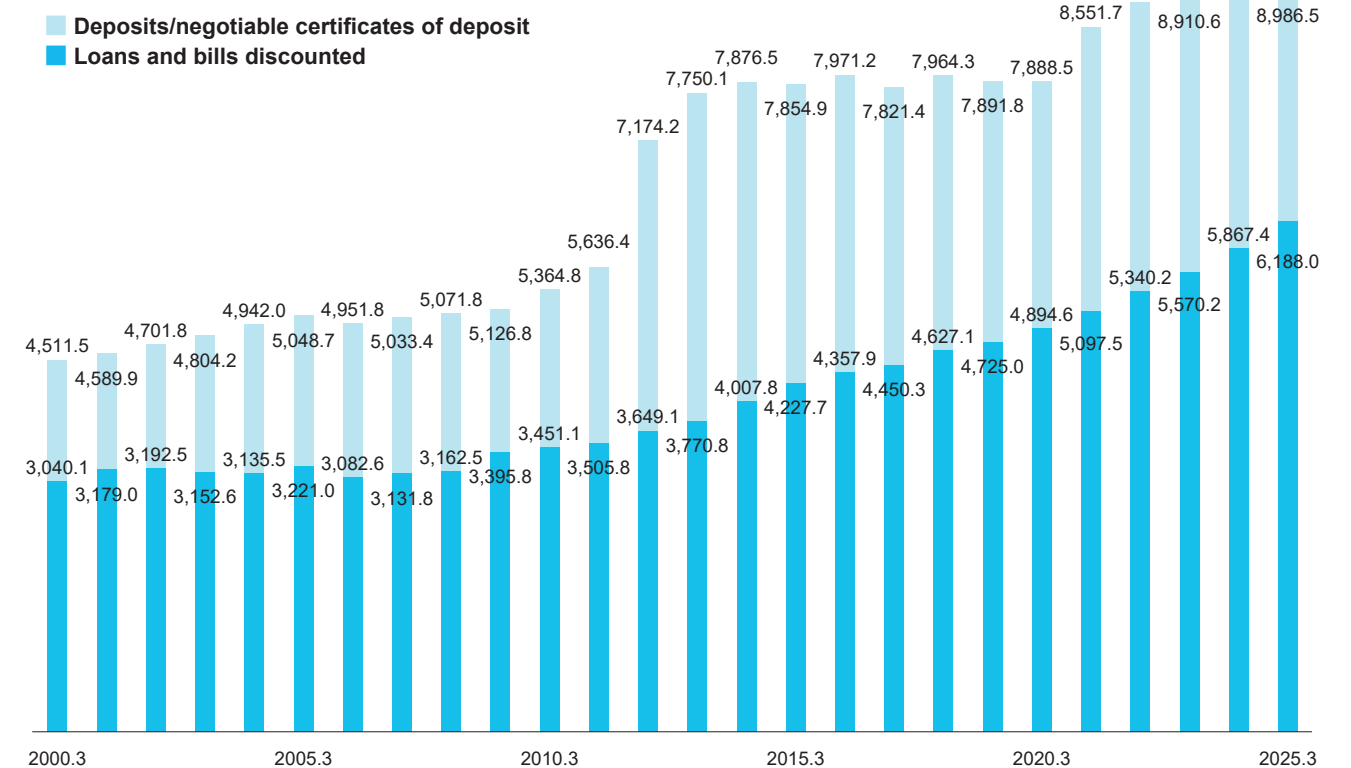
2021.4 Vision 2030 Began

Leading company creating a path to the future



2021-

Term-end balance of deposits, negotiable certificates of deposit, and loans and bills discounted (Billions of yen)



The Economy and Potential of Miyagi

Miyagi Prefecture, which is our main business base, is located in the southeast area of the Tohoku region, and is a key transport hub connecting the Greater Tokyo Area with the Tohoku region.

The prefectural capital, Sendai City, which became the 11th city designated by government ordinance in Japan in 1989, is home to the branches of many major companies from across Japan, and functions as a core city in the Tohoku region.

In addition to Tohoku University's designation as a University for International Research Excellence in November 2024, with ongoing developments in various projects, we expect further economic growth and development.

The Potential of Miyagi Prefecture in Numbers



Source: 2025 Shape of Miyagi (Miyagi Prefectural Handbook)

Connection to Main City

Tokyo–Sendai

▶ As little as 90 min. on the shinkansen

The Charms of Miyagi



Food



Culture

History



Research



Academia

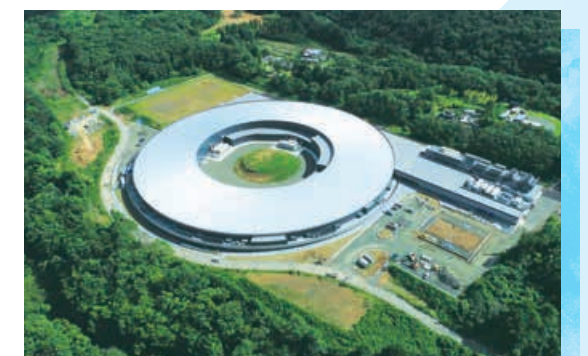
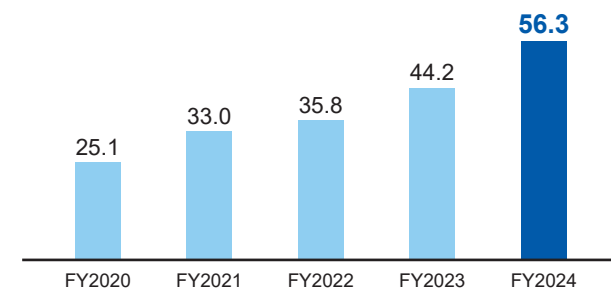


Photo provided by: Miyagi Tourism Strategy Department, Photon Science Innovation Center

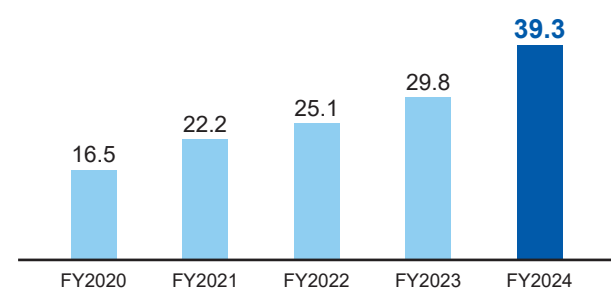
Financial and Non-financial Highlights

Financial highlights (FY2024)

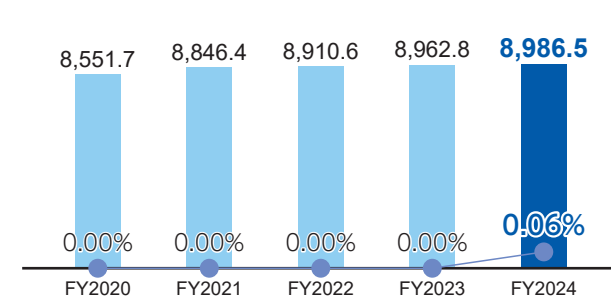
Ordinary income (consolidated) 56.3 billion yen
(Billions of yen)



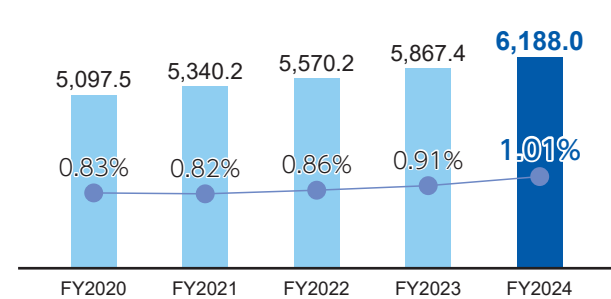
Net income attributable to owners of the parent (consolidated) 39.3 billion yen
(Billions of yen)



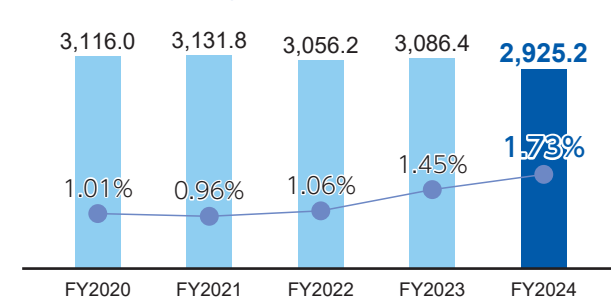
Balance of deposits and certificates of deposit 8,986.5 billion yen
(Billions of yen)



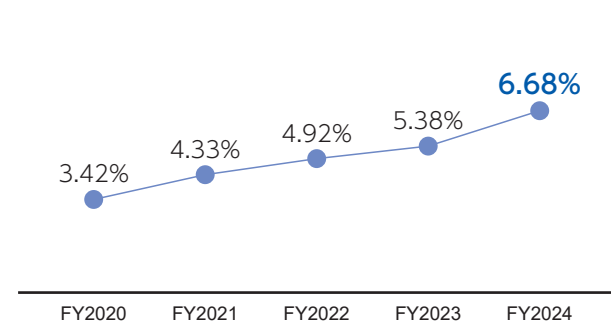
Balance of loans and bills discounted 6,188.0 billion yen
(Billions of yen)



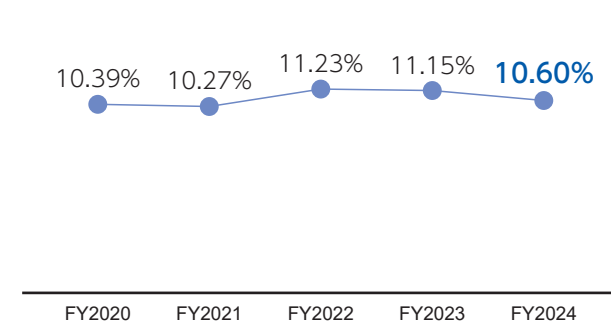
Securities balance 2,925.2 billion yen
(Billions of yen)



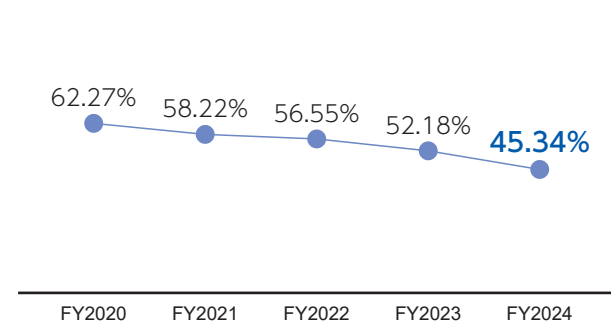
ROE (consolidated) 6.68%



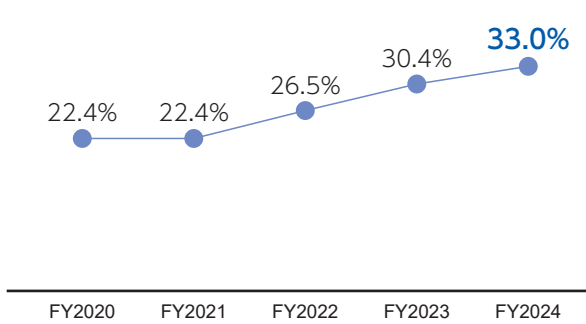
Capital adequacy ratio (consolidated) 10.60%



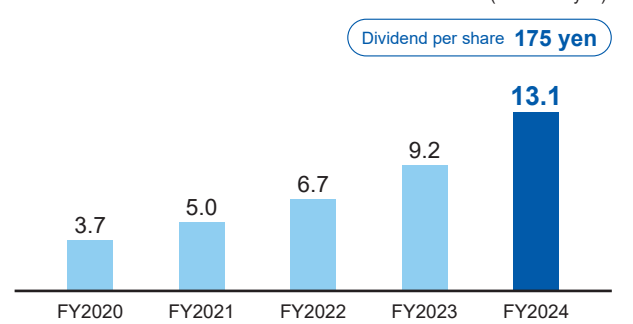
Core OHR (core gross operating income expense ratio) 45.34%



Dividend payout ratio (consolidated) 33.0%



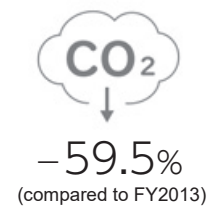
Total dividends 13.1 billion yen
(Billions of yen)



Non-financial highlights (FY2024)

Environment

CO₂ emissions



Sustainable finance



959.0 billion yen
(cumulative from FY2021)

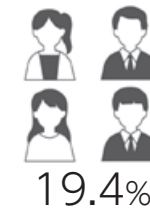
Scope 3



8,220,881 t-CO₂

Society

Proportion of female managers



Ratio of employees taking paternity leave



Wage differences between men and women



*Acquisition rate is below 100% as it includes those taking childcare leave across different years from the child's date of birth (childcare leave taken by all eligible individuals)

Governance (as of end-June 2025)

Ratio of Outside Directors



Ratio of female Directors

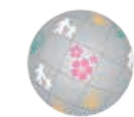


Inclusion in ESG indices

2025 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

*Notes on MSCI indexes and logos, etc. THE INCLUSION OF The 77 Bank, Ltd., IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF The 77 Bank, Ltd., BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Major Financial Data for 11 Years^{*1}

◆Summary of the financial results

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017
Gross operating income	80.1	75.1	69.2	67.7
Interest income	70.2	70.8	67.6	69.6
Fees and commissions	10.3	10.0	9.4	9.3
Other operating income	(0.4)	(5.7)	(7.8)	(11.2)
Gain (losses) on bonds	(0.2)	(4.5)	(4.5)	(8.2)
Expenses	57.1	60.9	53.2	52.8
Core operating income	23.2	18.7	20.5	23.1
Ordinary income	30.5	24.3	21.6	23.3
Net income	16.9	15.7	16.6	16.7
Credit-related expenses	(3.8)	(6.2)	(1.6)	(2.3)
Net income attributable to owners of the parent (consolidated)	17.0	15.9	16.1	18.3

◆Summary of the Balance Sheet

(Billions of yen)

	FY2014	FY2015	FY2016	FY2017
Total assets	8,559.7	8,570.1	8,633.6	8,701.5
Loans and bills discounted	4,227.7	4,357.9	4,450.3	4,627.1
To SMEs	1,412.1	1,519.5	1,645.2	1,751.5
To retail customers	886.0	931.6	1,012.5	1,096.5
Securities	3,683.6	3,478.9	3,242.6	3,126.0
Total liabilities	8,101.8	8,127.0	8,170.6	8,218.9
Deposits and certificates of deposits	7,854.9	7,971.2	7,821.4	7,964.3
Total net assets	457.9	443.1	463.0	482.6
Total shareholders' equity	318.3	330.6	343.4	357.0
Total valuation and translation adjustments	139.0	111.7	118.9	125.6

◆Management indicators, etc.

	FY2014	FY2015	FY2016	FY2017
Core OHR (core gross operating income expense ratio) ^{*2}	71.07%	76.48%	72.17%	69.52%
ROE (consolidated) ^{*3}	4.05%	3.54%	3.56%	3.82%
Capital adequacy ratio (consolidated) ^{*4}	12.51%	11.21%	10.73%	10.43%
Net assets per share (yen) (consolidated) ^{*5}	1,223.49	1,165.83	6,306.73	6,613.28
Net income per share (yen) (consolidated) ^{*5}	45.56	42.37	215.73	246.87
Dividend per share (yen) ^{*6}	8.50	9.00	9.00	27.00
Dividend payout ratio (consolidated)	18.65%	21.24%	20.86%	18.22%

*1 For items without "(consolidated)," the figures are shown on a non-consolidated basis.

*2 Expenses ÷ (Gross operating income – Gain (losses) on bonds)

*3 Net income ÷ Average net assets during the period (simple average of the net assets at the beginning and end of the period)

*4 In FY2022, we started early application of finalized Basel III to calculate capital adequacy ratio.

*5 The Bank conducted a 1-for-5 consolidation of shares on October 1, 2017. Net assets per share and net income per share were calculated assuming that the share consolidation was conducted at the beginning of FY2016.

*6 The Bank conducted a 1-for-5 consolidation of shares on October 1, 2017. The dividend per share of ¥27.00 for FY2017 is the total of the interim dividend of ¥4.50 and the term-end dividend of ¥22.50. The interim dividend of ¥4.50 is the dividend before the share consolidation and the term-end dividend of ¥22.50 is the dividend after the share consolidation.

(Billions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	69.2	72.1	67.8	75.8	78.9	80.1	85.6
	65.9	68.5	70.5	72.3	78.6	93.4	103.9
	9.6	9.7	9.8	11.8	12.2	13.0	14.5
	(6.3)	(6.1)	(12.5)	(8.3)	(11.9)	(26.3)	(32.8)
	(2.8)	(2.5)	(12.8)	(8.8)	(6.9)	(13.8)	(21.1)
	52.8	53.2	50.2	49.3	48.5	49.0	48.4
	19.2	21.4	30.4	35.3	37.3	44.9	58.3
	22.0	24.6	22.7	30.5	34.4	42.5	54.8
	17.9	17.3	14.9	20.8	24.4	28.8	38.6
	2.3	7.3	7.6	4.6	1.2	3.7	(0.1)
	17.6	18.2	16.5	22.2	25.1	29.8	39.3

(Billions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	8,610.3	8,751.9	9,817.9	10,666.0	10,179.5	10,471.2	10,391.2
	4,725.0	4,894.6	5,097.5	5,340.2	5,570.2	5,867.4	6,188.0
	1,825.4	1,915.2	2,009.5	2,173.9	2,335.3	2,534.8	2,755.1
	1,134.2	1,176.3	1,211.8	1,249.2	1,291.0	1,327.8	1,363.7
	2,964.9	2,913.4	3,116.0	3,131.8	3,056.2	3,086.4	2,952.2
	8,129.1	8,312.0	9,316.1	10,166.2	9,688.8	9,894.5	9,841.6
	7,891.8	7,888.5	8,551.7	8,846.4	8,910.6	8,962.8	8,986.5
	481.2	439.9	501.8	499.8	490.8	576.7	549.7
	371.9	384.8	396.1	413.0	431.6	452.7	480.7
	109.4	55.1	105.7	86.7	59.2	124.0	69.0

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	73.28%	71.35%	62.27%	58.22%	56.55%	52.18%	45.34%
	3.60%	3.89%	3.42%	4.33%	4.92%	5.38%	6.68%
	10.38%	10.31%	10.39%	10.27%	11.23%	11.15%	10.60%
	6,582.31	6,057.30	6,947.19	6,944.03	6,818.61	8,121.61	7,735.86
	237.90	246.97	222.89	300.81	338.74	402.40	529.50
	47.50	50.00	50.00	67.50	90.00	122.50	175.00
	19.96%	20.24%	22.43%	22.43%	26.56%	30.44%	33.05%

Sources of Value Creation and the 77 Bank Group's Strengths

1

Market centered in Miyagi Prefecture and Sendai City

Social capital



Miyagi Prefecture, the Bank's main sales area, accounts for approximately 30% of the total GDP of the Tohoku region and is the central market in the region. With quality infrastructure such as the Tohoku shinkansen and highways, one advantage of the Tohoku region is its excellent connections with the Tokyo metropolitan area. In recent years, in addition to the start of operations at NanoTerasu (a huge nano-level microscope), Tohoku University was the first university in Japan to be designated as a University for International Research Excellence. In this way, the region is also expected to achieve further developments in the area of research. Moreover, mainly in Sendai City progress is being made with construction projects that aim to promote the provision of highly functional offices, which are expected to make further contributions to the creation of virtuous economic cycles. The Bank boasts a network of 128 branches in Miyagi Prefecture, and while maintaining these customer touchpoints, it will aim to utilize its network to contribute to the development of the regional economy.

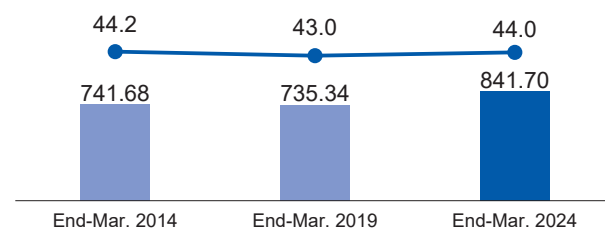
2

Robust customer base

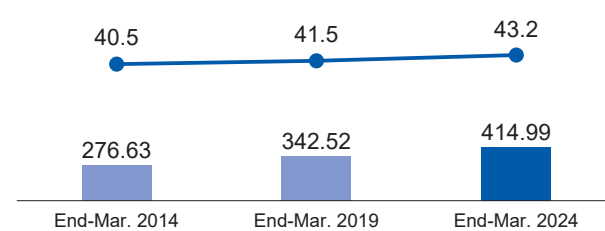
Social capital

Underpinned by long-held relationships of trust with our customers, our balance of deposits and loans and bills discounted continues to be among the highest in Miyagi Prefecture. Moreover, we have the second-highest share of deposits among all regional banks in Japan, demonstrating our well-established position in the market.

Share of deposits in Miyagi Prefecture (Billions of yen, %)



Share of loans and bills discounted in Miyagi Prefecture (Billions of yen, %)



Source: Financial Journal

3

Stable financial foundations

Financial capital

In addition to supplying funds to promote the growth of regional companies, our second core business is the trading of marketable securities, which contributes significantly to overall performance. In terms of financial soundness, we boast a stable capital adequacy ratio and have sufficient reserves in case of worsening credit risk. Our creation of stable management foundations has earned us high-level ratings from external ratings agencies.

Ordinary income (consolidated)	Net income (consolidated)	Loans and bills discounted (term-end balance)	Rating	
JPY 56.3 bn	JPY 39.3 bn	JPY 6,188.0 bn	Japan Credit Rating Agency, Ltd. (JCR)	AA
Securities (term-end balance)	Capital adequacy ratio (consolidated)	Ratio of reserve for loan losses	Rating and Investment Information, Inc. (R&I)	A+
JPY 2,925.2 bn	10.60%	0.9%	Moody's	A3

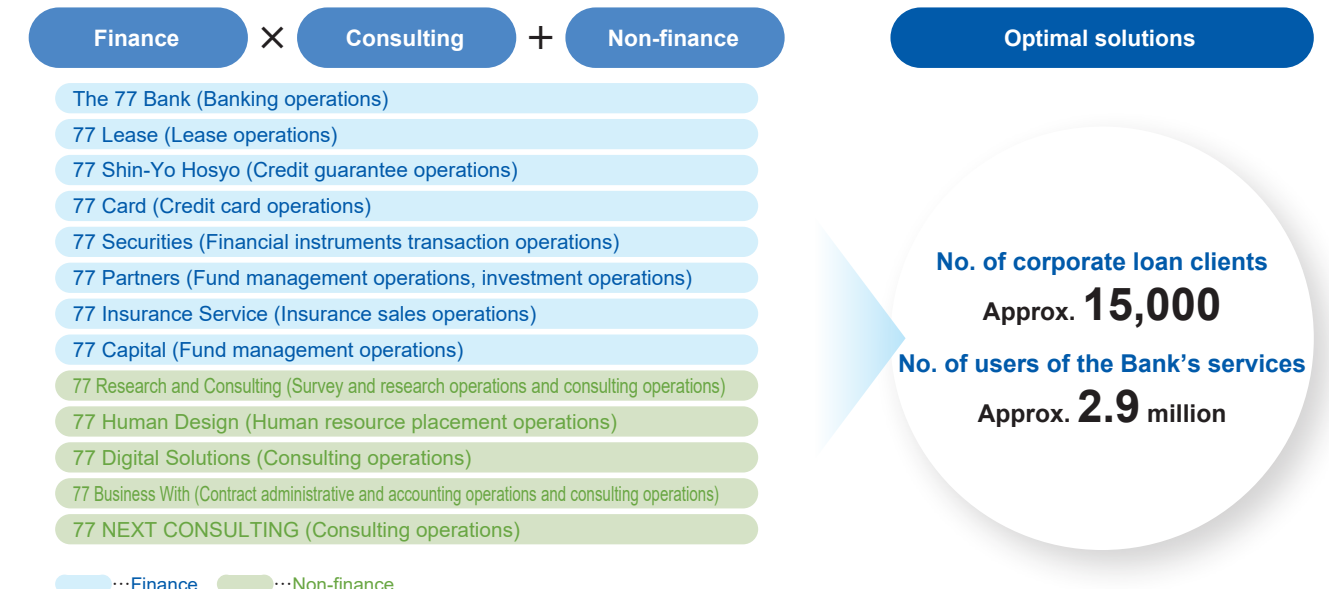
(As of July 31, 2025)

4

Consulting sales system

Intellectual capital

To respond to customers' wide-ranging needs, in addition to conventional banking operations, we also have subsidiaries that provide solutions to the various issues facing regional companies. While improving our Finance & Consulting business model, we will work to expand our range of non-financial operations to provide optimal solutions for our customers.



5

Development of diverse specialist human resources

Human capital

To ensure the provision of sophisticated solutions, we support autonomous career development and skills improvement and are developing "human resources that serve a purpose for customers and local communities" and "human resources that contribute to corporate reform."

No. of employees qualified as 1st grade Financial Planner/Certified Financial Planner	No. of employees qualified as Small and Medium-size Enterprise Management Consultants	No. of dispatched trainees, etc.	Ratio of mid-career hires
238	36	297	16.0%

(Cumulative from FY2012)

6

Know-how gained through reconstruction from the Great East Japan Earthquake

Intellectual capital

The Great East Japan Earthquake brought with it unprecedented damage. Many of the Bank's branches were affected by the disaster, while we also suffered human and material damage.

While the circumstances were incredibly challenging, as a regional financial institution in one of the affected areas, all our officers and employees worked as one to maintain our financial services and restore our branch network to ensure support for the recovery of our base of operations in Miyagi Prefecture and the wider Tohoku region.

As a result of the disaster, we recorded ¥55.0 billion in additional credit-related expenses, which led to our first post-war deficit of ¥30.6 billion. However, through petty cash payments and aggressive funding, we moved forward with various measures to promote recovery.

In addition to carrying forward the knowledge we gained from this experience, we will continue to contribute to our local communities in line with the philosophy of the Bank Creed—Desiring communal prosperity and serving local communities—which has been in place since our founding.

Value Creation Processes

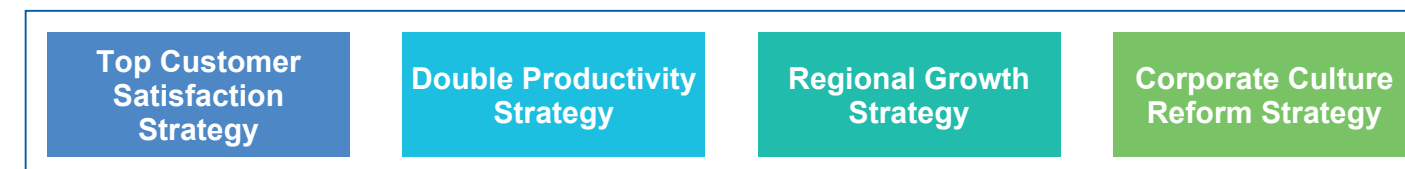
By enhancing our financial services and expanding our non-financial businesses, at the 77 Bank Group we will work with our stakeholders to help our region and communities flourish and become a leading company expanding its scope of operations from Miyagi and Tohoku to beyond.

Market contraction	<ul style="list-style-type: none"> • Aging society with low birthrate • Falling population • Concentration in Tokyo • Lack of corporate successors
Social diversification	<ul style="list-style-type: none"> • Lifestyle changes • DX • More regulatory easing
Response to disasters, etc.	<ul style="list-style-type: none"> • Disasters • Response to climate change

Address social issues



Four strategies



Human capital

- ▶ No. of employees: 3,718 (incl. part-time workers, etc.)
- ▶ No. of public relations personnel: 1,138
- ▶ No. of individuals with higher qualifications: 274 (1st Grade Financial Planner, Certified Financial Planner, Small and Medium-size Enterprise Management Consultant)
- ▶ No. of dispatched trainees, etc.: 297 (cumulative from FY2012)

Intellectual capital

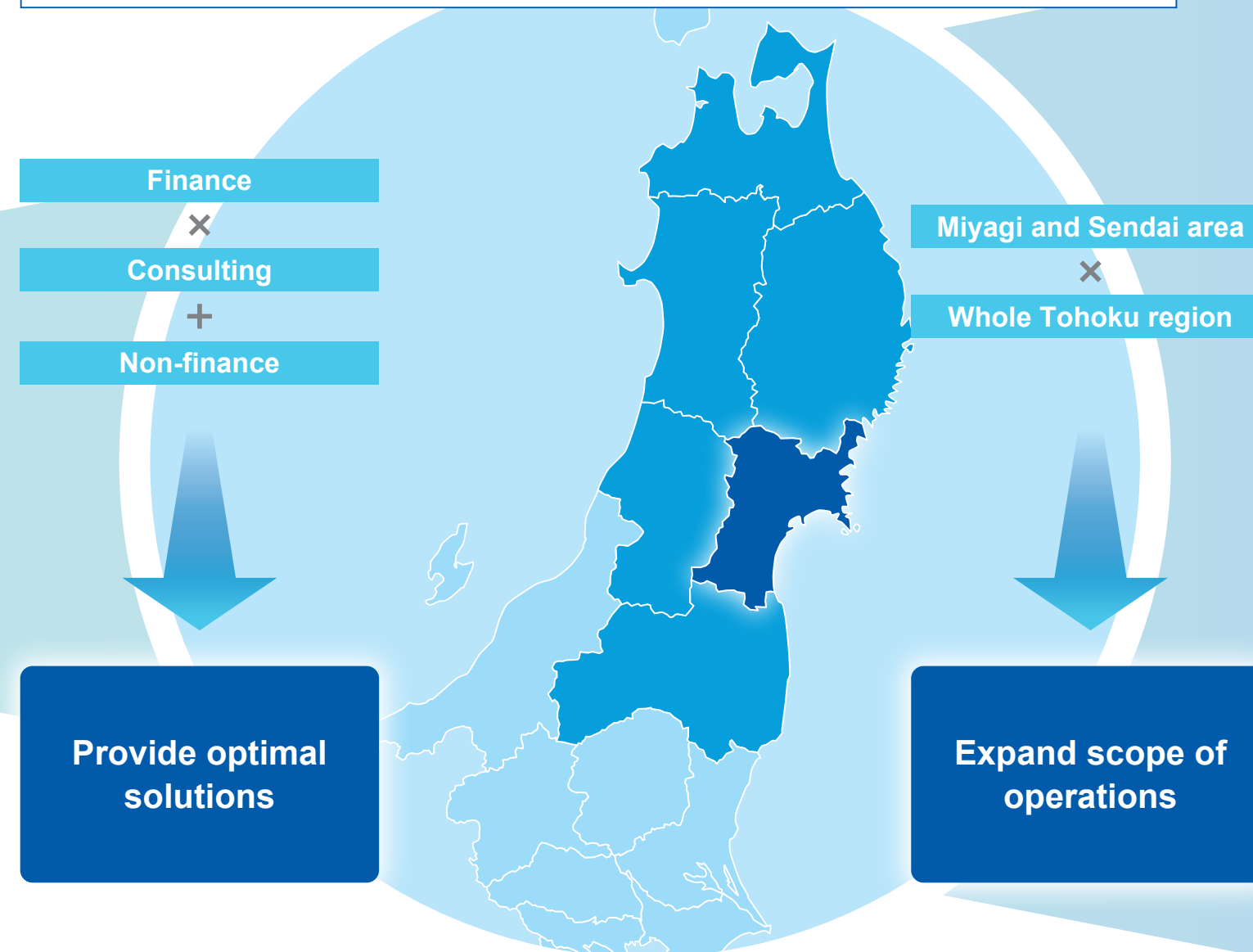
- ▶ Group companies: 12
- ▶ Use of MEJAR system (Joint use with Bank of Yokohama, Hokuriku Bank, Hokkaido Bank, and Higashi-Nippon Bank)
- ▶ Consulting sales system: 135 employees (Assignment of various specialist personnel to headquarters)
- ▶ Know-how gained through reconstruction from the Great East Japan Earthquake

Financial capital

- ▶ Deposits/negotiable certificates of deposit: 8.9865 trillion
- ▶ Loans and bills discounted: 6.1880 trillion
- ▶ Securities: 2.9252 trillion
- ▶ Capital adequacy ratio (consolidated): 10.60%

Social capital

- ▶ Customer base centered in Miyagi Prefecture
Share of deposits in Miyagi Prefecture: 44.0%
Share of loans and bills discounted in Miyagi Prefecture: 43.2%
- ▶ Regional and overseas networks
No. of branches: 144; No. of corporate offices: 2
No. of overseas representative offices: 1
No. of overseas subsidiaries: 1
- ▶ Collaboration with regional public bodies
Signed comprehensive cooperation agreements for regional revitalization with all 35 municipalities in Miyagi Prefecture



Local communities

Create abundant local communities

Corporate customers

Increase corporate value

Individual customers

Increase happiness

Shareholders

Offer growth and returns together with the 77 Bank Group













Employees




















Offer work styles based on diverse values

Solutions to Important Issues (Materiality)

The 77 Bank Group, in keeping with the philosophy of the Bank Creed of “desiring communal prosperity and serving local communities,” which has been in our DNA since our founding, aims to realize a sustainable society by solving important issues (materiality).

Major Opportunities and Risks / Initiatives/KPIs

Stakeholders			
Customers			
Companies	Individuals		
Local communities		Shareholders	
		Employees	
Materiality (concerned stakeholders)		Major opportunities and risks (● Opportunities ○ Risks)	
 Revitalization of Miyagi and Tohoku Customers Local communities		 <ul style="list-style-type: none"> ○ Increase of opportunities for investment and lending due to the rise of public investment in infrastructure, etc. ○ Increase of opportunities for investment and lending due to the rise of private investment including startups ● Decrease in profit-earning opportunities due to the decline of the regional economy (Financial difficulties of local governments, population outflow and decline, attrition of communities) 	
 Solving issues of customers in the region Customers Local communities		 <ul style="list-style-type: none"> ○ Increase in income opportunities due to the diversification of solutions and the expansion of our business domains ○ Increase in income opportunities by capturing various needs including those of the aged and households with small children ○ Nurturing the willingness to invest with improved financial literacy ● Decrease in the number of customers due to lower customer satisfaction (i.e., reduced profit-earning opportunities with the lower number of customers) ● Decreased profit-earning opportunities due to the deterioration of customers' performance, rise of credit risk ● Decline of competitiveness due to the delayed action 	
 Returns to stakeholders Customers Local communities Shareholders Employees		 <ul style="list-style-type: none"> ○ Strengthening of consulting system along with the development of human resources ○ Improvement of corporate value associated with the reinforcement of financial base (increase in the value of shares, improvement of rating by third parties) ● Lower trust in the market due to weakened financial base 	
 Response to climate change and disasters Customers Local communities		 <ul style="list-style-type: none"> ○ Increase in investment and lending opportunities due to the expansion of public investment and private capital investment for disaster prevention and mitigation ○ Rise of profit-earning opportunities related to the support of customers for the shift to a decarbonized society ○ Reduction of the Bank's business operation cost with energy and resource saving and utilization of renewable energy ● Increase in the cost of credit due to the delayed response to disaster prevention and mitigation and climate change ● Occurrence of operational risk, etc. due to the Bank's branches, etc. being affected by natural disasters 	
 Provision of reliable financial services Customers Local communities Shareholders		 <ul style="list-style-type: none"> ○ Deepening the trust from local communities with strong internal control environment ○ Higher investors' evaluation due to our timely and appropriate information disclosure ● Occurrence of business continuity risk, etc. due to fragile internal control environment ● Lower competitiveness due to fragile IT governance 	
 Creation of work environment where people can work with enthusiasm Employees		 <ul style="list-style-type: none"> ○ Sustainable growth with the acquisition and settlement of various human resources ○ Promotion of innovation based on ambitious corporate culture ● Outflow of human resources and decline in productivity due to deteriorated working environment ● Loss of employment opportunities ● Decline in corporate image 	

Top Customer Satisfaction Strategy		Double Productivity Strategy		Regional Growth Strategy		Corporate Culture Reform Strategy		Sustainability							
P34		P42		P48		P54		P64							
Initiatives/KPIs		FY2021		FY2022		FY2023		FY2024		FY2025 Target		FY2030 Vision			
 Regional Growth Strategy To support increased economic growth rate in Miyagi Prefecture															
 Regional Growth Strategy Cases of growth support for business founders		1,490 cases		1,761 cases		2,061 cases		2,264 cases		2,500 cases		3,000 cases			
 Regional Growth Strategy Aim for 100% participation in regional development projects in Miyagi Prefecture															
 Top Customer Satisfaction Strategy Number of corporate lending clients outside Miyagi Prefecture		1.07X		1.21X		1.33X		1.45X		1.47X		1.5X			
 Top Customer Satisfaction Strategy Proportion of companies in Miyagi Prefecture whose main bank is the 77 Bank		56%		56%		56%		56%		57%		62%			
 Top Customer Satisfaction Strategy Proportion of individuals in Miyagi Prefecture using loans from the 77 Bank		12.7%		14.9%		15.1%		15.3%		17.0%		20.0%			
 Top Customer Satisfaction Strategy Establish 10 projects in new businesses or sectors with promise for future commercialization															
 Corporate Culture Reform Strategy Increase the number of specialist personnel that serve a purpose for local communities and customers															
 Top Customer Satisfaction Strategy Raise proportion of households “holding assets” in Miyagi Prefecture above the national average															
 Top Customer Satisfaction Strategy Group companies net income		JPY 2.2 bn		JPY 1.4 bn		JPY 1.7 bn		JPY 1.5 bn		JPY 1.5 bn		JPY 3.0 bn			
 Double Productivity Strategy Labor productivity in core operations		JPY 11 mn		JPY 12 mn		JPY 14 mn		JPY 16 mn		JPY 18 mn		JPY 24 mn			
 Sustainability CO ₂ emissions		10,331 t-CO ₂		9,264 t-CO ₂		8,433 t-CO ₂		6,803 t-CO ₂		5,700 t-CO ₂		0 t-CO ₂			
 Sustainability Total cumulative sustainable finance executed (cumulative)		JPY 274.0 bn		JPY 425.7 bn		JPY 676.9 bn		JPY 959.0 bn		JPY 1,100.0 bn		JPY 1,200.0 bn			
 Sustainability Seminars held regarding SDGs/participants (cumulative)		5 seminars/ 484 people		30 seminars/ 1,794 people		53 seminars/ 3,711 people		72 seminars/ 4,483 people		80 seminars/ 4,800 people		120 seminars/ 10,000 people			
 Sustainability People receiving financial education (cumulative)		8,364 people		22,332 people		42,833 people		71,420 people		75,000 people		120,000 people			
 Double Productivity Strategy Usage of non-face-to-face channels		(Corporate) (Retail)		13% 15%		15% 20%		32% 27%		35% 32%		38% 35%		50% 50%	
 Corporate Culture Reform Strategy Proportion of female managers		14.2%		16.0%		17.5%		19.4%		21.0%		30.0%			
 Corporate Culture Reform Strategy To implement various initiatives to “foster an ambitious spirit”															
 Double Productivity Strategy Administrative work at bank branches (compared to FY2019)		(15)%		(25)%		(33)%		(42)%		(50)%		(50)%			