

# Awa Bank Integrated Report 2025

Annual Disclosure Report—Corporate Information



## Bank Creed

# Sound management

- (1) We manage our business based on principles and fundamentals, with respect for trust.
- (2) We manage our business by preserving good traditions and taking on the challenges of the future.

## Management Policy

1. Valuing customer trust
2. Contributing to the community
3. Customers first
4. Human resource development
5. Enterprising spirit

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Scope of the report

Period: April 1, 2024 to March 31, 2025  
(Includes some information from April 2025 onward.)  
Scope: The Awa Bank, Ltd. and its subsidiaries and affiliates

For details, please see our website: <https://www.awabank.co.jp>



# Message from the President



## Becoming an indispensable presence needed by all stakeholders

Thank you for your continued support of Awa Bank.

June 2025 marks the 129th anniversary of the Bank's founding, thanks to your support.

I would like to express my deepest gratitude to our customers, shareholders, and local communities for their warm support over the years.

Based on our purpose of *creating customer impressive satisfaction and realizing prosperous local communities through sustainable business relationships*, we have been implementing our Business Plan "Growing beyond 130th" since April 2023. Sustainable business relationships is our traditional business policy of continuing transactions with our customers that transcend generations and contribute to their lasting development, rather than pursuing immediate short-term profits.

I am now in my third year as President and Representative Director of Awa Bank. I am even more committed to strengthening the Bank's earnings base by focusing on customers and the front lines and steadily implementing our Business Plan, as I said when I took office, and to continuing to fully meet the expectations of our customers, shareholders, and local communities.

Looking back on the progress of the Business Plan, especially over the past year, as we have begun to return to a world with interest rates, the environment surrounding us has changed dramatically compared to when the plan was first formulated. Under these circumstances, with respect to financial results for FY2024, net income set a new record for the first time in nine fiscal years, driven by an increase in revenue from interest on loans and discounts and fees and commissions. The balance of loans and bills discounted increased 4.9% year on year to ¥2,456.8 billion as a result of our proactive response to various funding needs, mainly SME loans.

Through the practice of sustainable business relationships as partnerships that transcend generations, the Bank aims to enhance the corporate value of its business partners, revitalize local communities, and achieve a sustainable local society. As a regional financial institution in Tokushima Prefecture, we leverage our

strong local customer base together with our long-built branch network spanning Kansai, Kanto, and Chugoku-Shikoku to pursue initiatives such as business matching with companies in our prefecture. Going forward, we will continue to deepen dialogue with management teams and provide high value-added services, such as ongoing cash management support and problem-solving support based on business feasibility assessments, in order to increase transactions with SMEs, which is one of our core businesses.

It has been five years since we entered into a comprehensive business alliance with Nomura Securities Co., Ltd. for financial instruments intermediary services. We provide optimal asset-management proposals in line with each customer's life stage and offer a wide range of specialized consultations and proposals. After achieving our initial target of ¥1 trillion in assets under custody in the financial instruments intermediary business ahead of schedule, the balance of financial instruments intermediary accounts, the number of NISA accounts, and the balance of stock assets have continued to increase steadily. We will maintain thorough customer-first operations to support customers' financial asset formation, and aim to make Tokushima a leading prefecture in finance together with the local community.

Finally, Awa Bank will celebrate the 130th anniversary of its founding next year. We are grateful to our shareholders and customers, and as stated in our Bank Creed and Management Policy, we will do our utmost to preserve our good traditions and take on the challenges of the future, so that we can become an indispensable presence needed by the local community. All executives and employees will unite and press forward as one to strive for growth and development beyond our 130th anniversary.

I would like to sincerely ask for your continued, outstanding support.

President and Representative Director  
**Takehisa Fukunaga**



## Purpose

### Creating customer impressive satisfaction and realizing prosperous local communities through sustainable business relationships

**Sustainable business relationships:** Our traditional business policy of continuing transactions with our customers that transcend generations and contribute to their lasting development

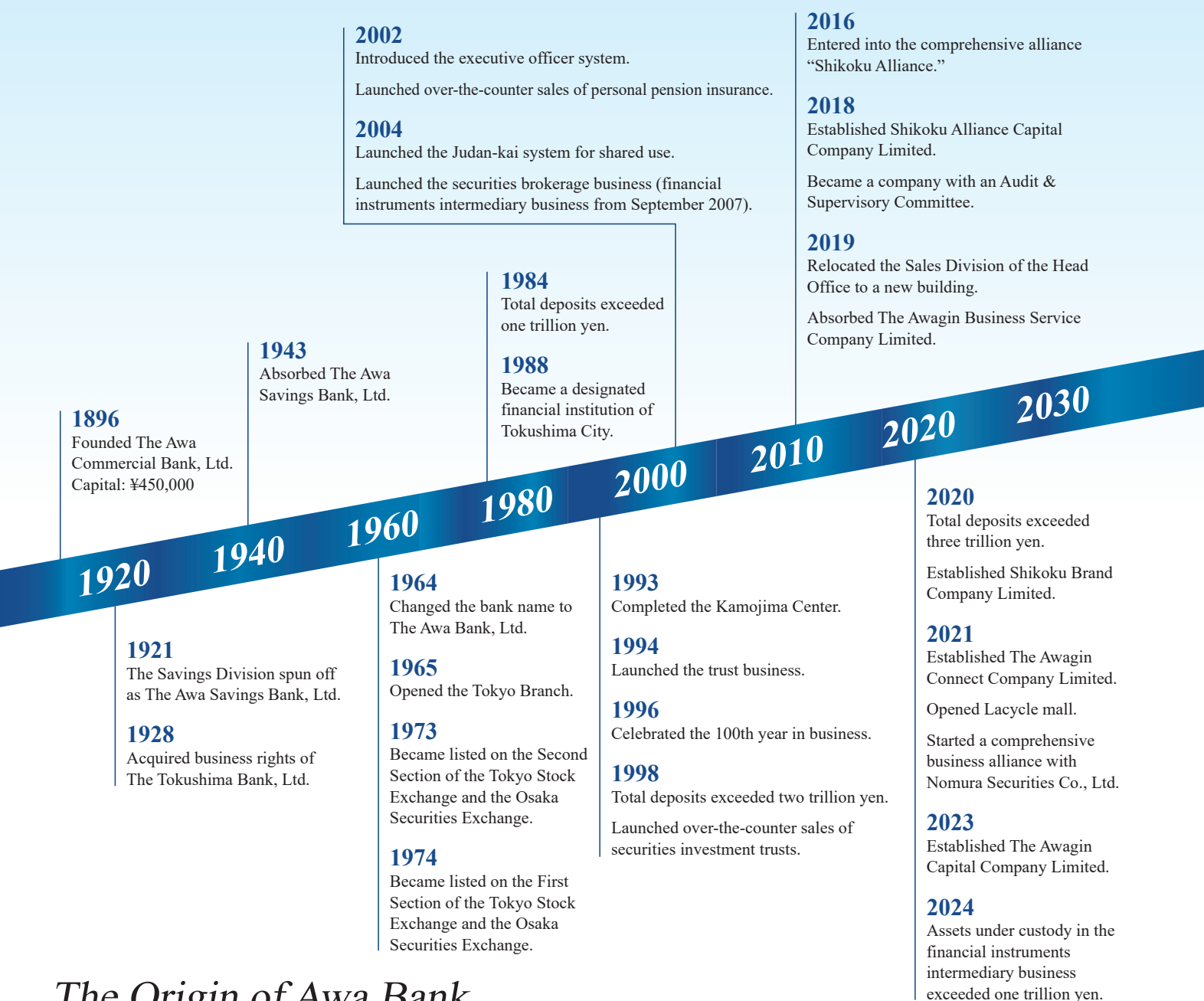
**Customer impressive satisfaction:** Our unique approach to creating delight and satisfaction that exceeds customer expectations

In 1879, in Tokushima, which has long prospered as a producer of Awa Indigo dye, a wealthy indigo merchant, Hyojiro Kujime, established the Kujime Bank as the fifth private bank in Japan.

The Bank was established in June 1896 as The Awa Commercial Bank, Ltd. in Nishisemba-cho, Tokushima City, based on the predecessor bank, Awa Bank Gomei Kaisha (a general partnership), which succeeded the Kansai operations of Kujime Bank and was founded in 1892.

As the predecessor Awa Bank Gomei Kaisha approached the end of its business term end on June 27, 1896, the Bank (The Awa Bank, Ltd.) was established in response to calls from the local business community and investors that it would be a shame to dissolve the bank just because its mission had ended. These calls reflected our founder's efforts to avoid inconveniencing depositors, even at the cost of his personal fortune, and the need for a permanent bank to foster local industry.

As a bank born from the voices of our customers, the Bank aims to continue to closely support its customers as an indispensable presence in the community in the future, and to practice and further evolve sustainable business relationships.



## The Origin of Awa Bank

## Business Plan for April 2023–March 2028

### Overview of Growing beyond 130<sup>th</sup>

—Creating Customer Impressive Satisfaction and Realizing Prosperous Local Communities through Sustainable Business Relationships—

Our business plan "Growing beyond 130<sup>th</sup>" has been formulated to continue transactions with our customers that transcend generations and contribute to their lasting development to fulfill our corporate purpose of *creating customer impressive satisfaction and realizing prosperous local communities through sustainable business relationships*. The business plan is a three-year plan updated annually using a rolling approach to quickly respond to the fast-changing business environment amid uncertainty. The core strategies of the plan are: Advance sustainable business relationships, Create sustainable local communities, Realize a vibrant organization and diverse work styles, and Strengthen the management base. Under these four strategies, the business plan is set for five years to expand the customer base and experience growth to achieve our vision for the future.



Current business plan: Growing beyond 130 <sup>th</sup>	FY2023	FY2024	FY2025 forecast	FY2027 target	Long-term target
Adjusted OHR (non-consolidated)	64.60%	62.19%	58.48%	Under 57%	-
Core business net profit ROA (non-consolidated)	0.40%	0.44%	0.53%	0.55% or higher	-
Profit (non-consolidated)	¥11.2 bln.	¥13.1 bln.	¥14.5 bln.	¥18.0 bln. or more	¥28.0 bln.
Profit ROE (non-consolidated)	3.78%	4.07%	4.31%	5.0% or higher	7.0% or higher
Shareholder return ratio (consolidated)	40.38%	40.16%	40% or higher	40% or higher	40% or higher

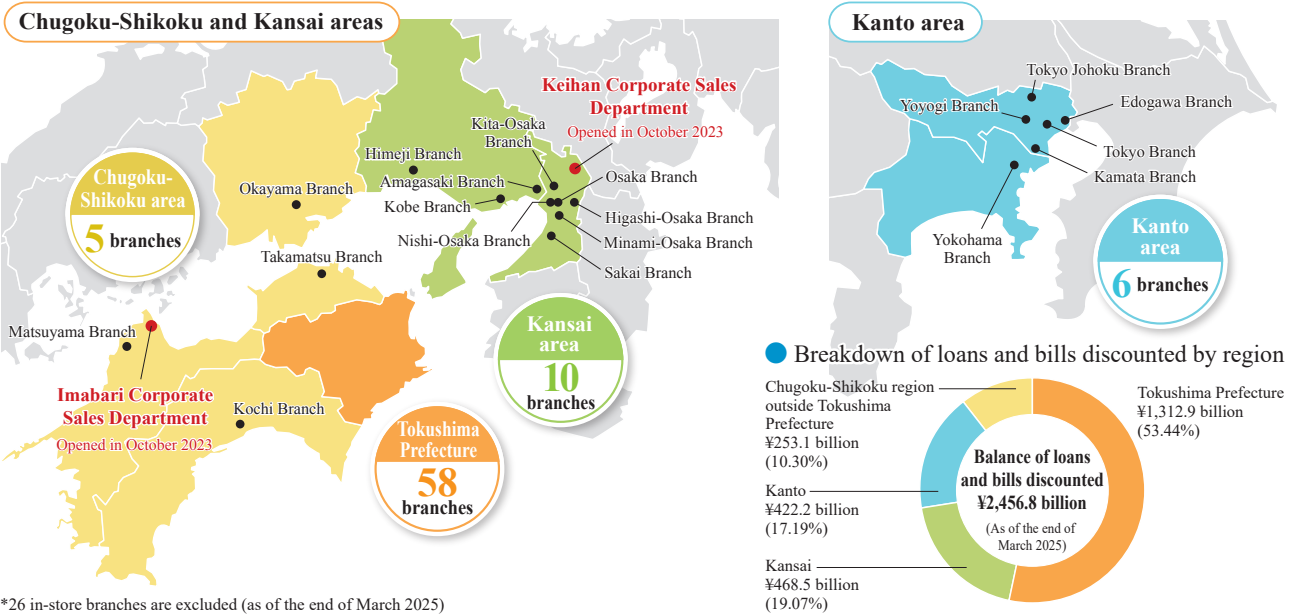
		FY2020	FY2021	FY2022	FY2023	FY2024
Core business net profit	(Billions of yen)	16.0	17.7	19.3	15.6	17.7
Ordinary profit	(Billions of yen)	12.0	15.6	14.8	16.2	17.4
Profit	(Billions of yen)	8.2	11.0	10.1	11.2	13.1
Loans and bills discounted	(Billions of yen)	2,084.2	2,114.3	2,169.6	2,339.8	2,456.8
Deposits and negotiable certificates of deposit	(Billions of yen)	3,227.3	3,309.5	3,391.1	3,340.9	3,403.7

Awa Bank’s Management Capital

Social capital

Solid customer base and network

We, The Awa Bank, have 58 branches in Tokushima Prefecture and 21 in the Kansai, Kanto, and Chugoku-Shikoku regions combined. We have a long history of expanding our business outside our home prefecture. We opened branches early on in the Kanto and Kansai regions with concentrated population and industries, such as the Osaka Branch in 1896 (founding year) and then the Tokyo Branch in 1965, and have been implementing sustainable business relationships. In October 2023, we opened the Imabari Corporate Sales Department in Imabari City, Ehime Prefecture, and the Keihan Corporate Sales Department in Hirakata City, Osaka Prefecture, to further increase maritime financing for ocean-going vessels in the shipping business as well as business with SMEs. The high market share in Tokushima Prefecture and the long-standing branch network covering the Kansai, Kanto, and Chugoku-Shikoku regions are among our strengths. We will further strengthen our support structures for customers including a business matchmaking service utilizing these branches.

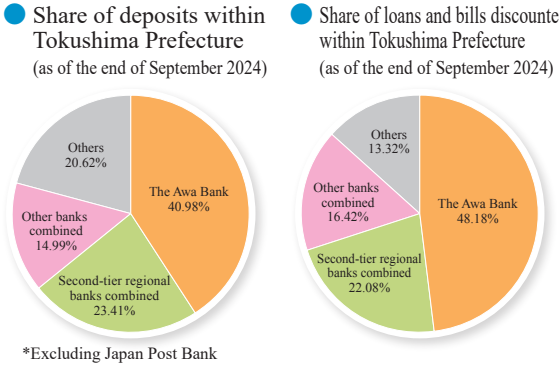


Characteristics of Tokushima Prefecture and a leading share within the prefecture

Being located on the east side of the Shikoku region, Tokushima Prefecture has many industries that grew by leveraging the mild climate and abundant water resources. Woodworking and wooden products that the prefecture once boasted leading national shares in originated from processing of wood such as Kito Cedar that grows in the Naka River basin in the prefecture. The chemical industry including the pharmaceutical business that has grown to be the prefecture’s signature business originated from processing and commercialization of byproducts from salt production as main ingredients. The prefecture has been receiving attention for clustering the LED industry, which contributes to saving energy with low power consumption, and for hosting satellite offices of IT companies, taking advantage of one of Japan’s best environments for broadband connection.

In Tokushima Prefecture, the bank deposit balance per household is ¥10.9 million\*, which is the second highest in Japan, making the people of Tokushima known for their prudent nature. With the support of many customers, our bank maintains high-level market shares within the prefecture with 40.98% of deposits and 48.18% of loans and bills discounted.

\*Based on data from the Bank of Japan and the Ministry of Internal Affairs and Communications (January 1, 2025)



Prudent management

Strong soundness and credibility

Rating (as of the end of June 2025)

Japan Credit Rating Agency, Ltd.	Rating and Investment Information, Inc.
AA- for 19 consecutive years	A+ for 24 consecutive years

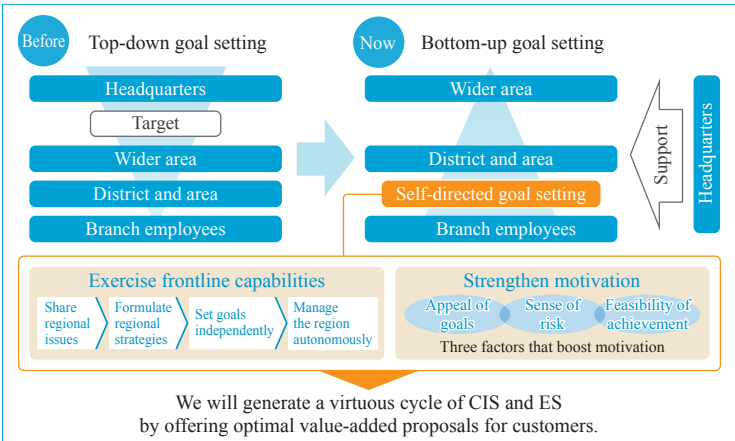
Our bank has received an AA- rating from the Japan Credit Rating Agency, Ltd. (JCR) and an A+ rating from Rating and Investment Information, Inc. (R&I) for the bank’s safety and creditworthiness. This shows that the soundness of our bank management has been highly evaluated.

Human capital

Talent that supports sustainable business relationships

- Independent and self-disciplined talent to create customer impressive satisfaction (CIS)

Self-directed goal setting: We promote self-directed goal setting in which each branch independently sets its performance goals while taking into consideration the regional characteristics instead of having them assigned top-down by the Headquarters. The objective of this initiative is to realize customer-centered sales. Instead of simply pursuing numerical targets, we focus on delivering services that match the regional and customer needs and building long-term trusting relationships with these customers.



- Diverse talent to carry forward sustainable business relationships

The number of Qualified Client Cultivators (cumulative total): 490 (as of the end of March 2025)

The Client Cultivator Qualification Program is our unique program created in 1992 to promote cultivation of new SME accounts. Qualified Client Cultivators are those who acquire a certain number of new corporate accounts. We have many employees who have implemented sustainable business relationships and cultivated corporate accounts not only in Tokushima Prefecture but also in the Kansai, Kanto, and Chugoku-Shikoku areas.

The number of employees with professional qualifications: 559 (as of the end of March 2025)

We encourage our employees to improve their skills and obtain professional qualifications to provide personalized and attentive counseling to customers.

Professional qualifications: 1st-grade certified FP, Small and Medium Enterprise Management Consultant, securities analyst, tax accountant, etc.

Financial capital

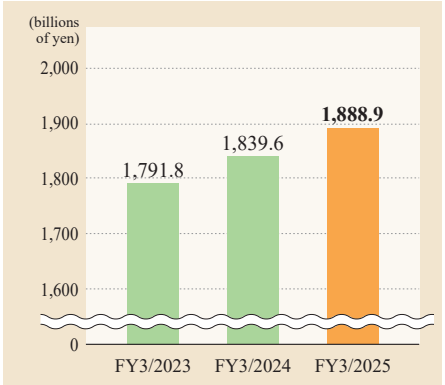
Business model based on sustainable business relationships

Based on the concept of our traditional business policy “sustainable business relationships,” which is to continue transactions with our customers that transcend generations and contribute to their lasting development, we promote business with SMEs and the family-support banking service for retail customers.

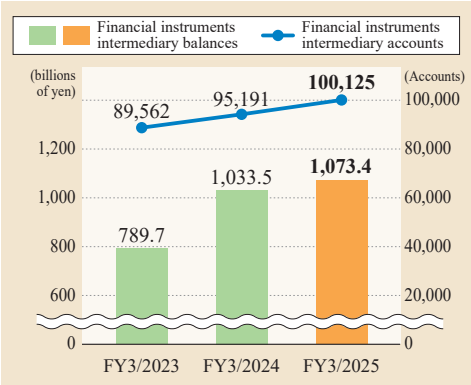
We are increasing the balance of loans and bills discounted to SMEs, etc. by implementing sustainable business relationships, which we developed in Tokushima Prefecture, outside the prefecture as well.

In addition, both the balances and the number of accounts in the financial instruments intermediary business are steadily growing since the start of the comprehensive business alliance with Nomura Securities Co., Ltd. in April 2021.

- Balance of loans and bills discounted to SMEs, etc.



- Financial instruments intermediary accounts and balances



Intellectual capital

- Philosophy and practice of sustainable business relationships

We have organized our approaches, knowledge, and know-how on business with SMEs, the business model we have developed over many years, and the family-support banking service for retail customers and compiled them into the booklet “The Philosophy and Practice of Sustainable Business Relationships.” The booklet is used by employees for self-improvement, in group training sessions, and in study sessions held in each area and branch to enhance the level of operations through sustainable business relationships.





# Corporate Governance

## Basic approach

We recognize establishment of good corporate governance as one of the key management tasks to become an efficient, sound, and trusted bank by enhancing corporate value through continuous growth under the bank creed, Prudent Management.

We have chosen to be a company with an Audit & Supervisory Committee for the purposes of securing effective supervision by the Board of Directors including multiple outside directors and realizing agile and strategic decision-making and business execution through delegation of authority.

Corporate governance guidelines

Our bank has formulated the Corporate Governance Guidelines to stipulate the basic approach and framework of corporate governance as action principles.

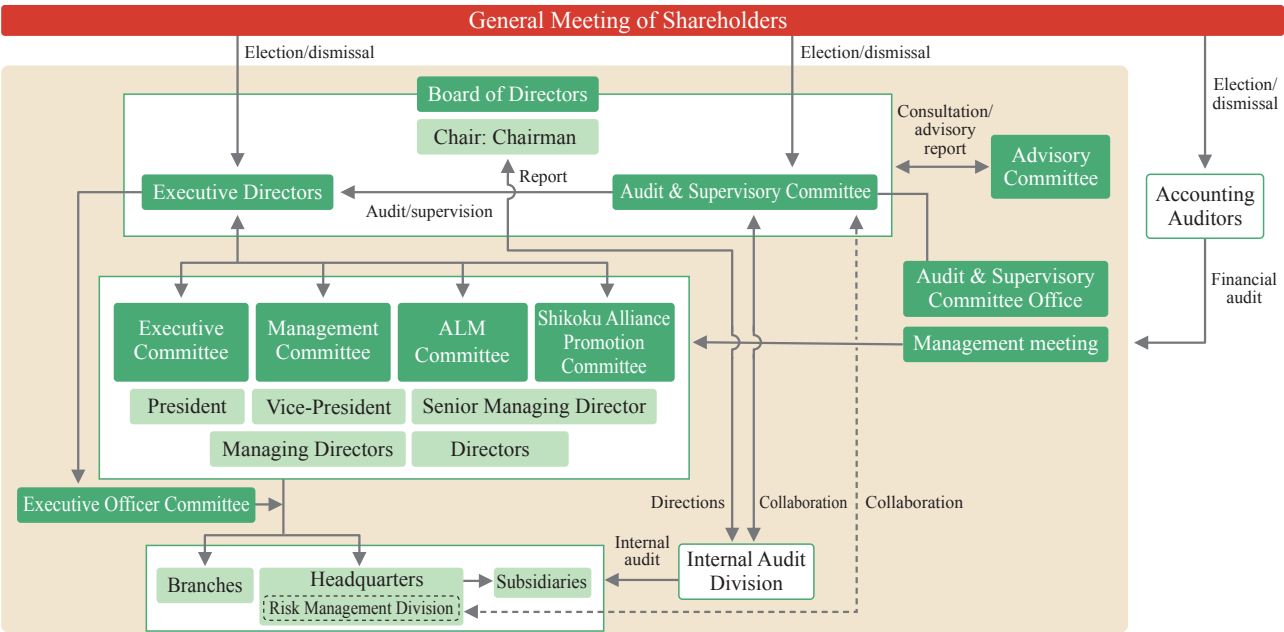
<https://www.awabank.co.jp/policy/governance/>



Board of Director meeting 12 times a year	Audit & Supervisory Committee meeting 14 times a year	Advisory Committee meeting Twice a year
The Board of Directors consists of eight Inside Directors with operational expertise (not including Directors who are Audit & Supervisory Committee Members) and seven Directors who are Audit & Supervisory Committee Members (including five Independent Outside Directors). Being chaired by the Chairman, the Board makes important decisions on the management policy and execution of other important operations and also supervises execution of duties by Directors and execution of operations by Executive Officers.	Seven Directors who are Audit & Supervisory Committee members hold voting rights on the Board of Directors. They strengthen their audit and supervisory functions by being involved in resolution of proposals on Director elections/dismissals and decision-making in general on execution of operations (except for decision-making delegated to Directors).	Our bank has the Advisory Committee, more than half of which is made up of Outside Directors. Being formed as an advisory body for the Board of Directors, it enhances the functions of the Board of Directors in appointing and deciding compensation for Representative Directors, Directors, and Executive Officers.

## Corporate governance structure

### Corporate governance structure diagram



# Risk Management

## Basic approach

Gaining trust from and meeting expectations of various stakeholders including customers and shareholders in the fast-changing environment requires accurate understanding and management of individual risks and a good balance between sound management and securing of appropriate profitability based on the strategy. We strive to develop and establish a system to comprehensively manage the bank's risks and create a framework for risk-return optimization under RAF.

## Comprehensive risk management system

While each risk management department implements appropriate risk management in line with its operation and the size and nature of the risks it holds, the Risk Management Division supervises risk management for the whole bank.

The risk management system is strengthened by each risk management department reporting the state of risk management on a regular basis and as needed to the Risk Management Division, and the Risk Management Division giving them appropriate direction on risk management.

Management Committee	The Management Committee consists of the President, Vice-President, Senior Managing Director, Managing Directors, and Directors in charge of a Headquarters function. The Committee is chaired by the President, and members discuss and make decisions on key internal governance issues in general such as compliance, enterprise risk management (excluding integrated risk management), and internal audit. As a general rule, the Committee meets at least once a month.
ALM Committee	The ALM Committee consists of the President, Vice-President, Senior Managing Director, and Directors in charge of a Headquarters function. The Committee is chaired by the President and discusses and decides key issues regarding ALM and integrated risk management. As a general rule, the Committee holds a meeting at least once a month.

# Compliance

## Basic approach

Banks have a public and social mission to contribute to development of the economy and society through their financial functions. Fulfillment of this mission requires sound and appropriate business operation and trust from society. Ensuring strict compliance is essential for banks to live up to customers' trust. While the term compliance is generally explained as adherence to laws and regulations, our bank recognizes it in a broader sense covering not only laws and regulations but also social norms and internal rules to enhance and strengthen compliance.

## Compliance system

The Risk Management Division supervises overall compliance, and at the same time, we have established the Management Committee as a bank-wide body to discuss and decide on key compliance matters. We also strengthen our compliance system by appointing general managers of divisions and branches as compliance managers and second-ranking managers as compliance leads, and deploy them at all branches.

# Corporate Data

## List of Directors and Officers

Directors		
Chairman and Director <b>Susumu Nagaoka</b>	President and Director <b>Takehisa Fukunaga</b>	Senior Managing Director <b>Masahiro Yamashita</b>
Managing Director <b>Hirokazu Nishi</b>	Managing Director <b>Hiroaki Mikawa</b>	Managing Director <b>Teruaki Ito</b>
Director (General Manager, Tokushima City Area Branch; General Manager, Head Office Sales Division; General Manager, Ryogokubashi Branch; General Manager, Kachidokibashi Branch)		
<b>Katsuhiro Bando</b>		
Director (General Manager, Tokushima City Area Branch; General Manager, Head Office Sales Division; General Manager, Ryogokubashi Branch; General Manager, Kachidokibashi Branch)		
<b>Akira Toyota</b>		
Directors who are Audit & Supervisory Committee Members		
Director who is an Audit & Supervisory Committee Member <b>Shiro Yamato</b>	Director who is an Audit & Supervisory Committee Member <b>Katsuya Hamao</b>	Outside Director who is an Audit & Supervisory Committee Member <b>Seiko Noda</b>
Outside Director who is an Audit & Supervisory Committee Member <b>Masaki Hashizume</b>	Outside Director who is an Audit & Supervisory Committee Member <b>Kuniyuki Takegawa</b>	Outside Director who is an Audit & Supervisory Committee Member <b>Noriko Taki</b>
Outside Director who is an Audit & Supervisory Committee Member <b>Kazuya Kishibuchi</b>		

# Consolidated Financial Statements

## Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars (Note)
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
<b>Assets</b>			
Cash and due from banks	402,273	427,652	2,860,165
Monetary claims bought	720	-	-
Securities	1,050,522	1,035,528	6,925,682
Loans and bills discounted	2,342,731	2,458,031	16,439,479
Foreign exchanges	7,247	6,622	44,288
Lease receivables and investments in leases	32,469	34,362	229,815
Other assets	54,057	30,737	205,571
Tangible fixed assets	38,346	38,515	257,590
Buildings	15,334	15,516	103,772
Land	20,537	20,242	135,379
Construction in progress	419	566	3,785
Other tangible fixed assets	2,055	2,189	14,640
Intangible fixed assets	3,992	3,919	26,210
Software	3,879	3,805	25,448
Other intangible fixed assets	112	113	755
Deferred tax assets	293	285	1,906
Customers' liabilities for acceptances and guarantees	9,302	8,613	57,604
Allowance for loan losses	(19,397)	(19,367)	(129,527)
Total assets	3,922,560	4,024,901	26,918,813
<b>Liabilities</b>			
Deposits	3,197,431	3,268,192	21,857,891
Negotiable certificates of deposit	134,458	127,504	852,755
Call money and bills sold	4,996	8,223	54,995
Cash collateral received for securities lent	4,315	8,671	57,992
Borrowed money	158,036	190,854	1,276,444
Foreign exchanges	11	55	367
Bonds payable	487	437	2,922
Other liabilities	46,800	45,003	300,983
Provision for bonuses	25	24	160
Provision for bonuses for directors (and other officers)	52	61	407
Provision for retirement benefits for directors (and other officers)	12	5	33
Provision for share-based compensation	313	452	3,023
Provision for reimbursement of deposits	141	90	601
Provision for contingent loss	1,398	1,379	9,222
Deferred tax liabilities	29,638	28,550	190,944
Deferred tax liabilities for land revaluation	2,514	2,562	17,134
Acceptances and guarantees	9,302	8,613	57,604
Total liabilities	3,589,938	3,690,684	24,683,547
<b>Net assets</b>			
Share capital	23,452	23,452	156,848
Capital surplus	20,106	20,106	134,470
Retained earnings	197,890	204,879	1,370,244
Treasury shares	(2,541)	(1,183)	(7,911)
Total shareholders' equity	238,908	247,254	1,653,651
Valuation difference on available-for-sale securities	86,523	76,171	509,436
Deferred gains or losses on hedges	2,430	6,162	41,211
Revaluation reserve for land	4,759	4,628	30,952
Total accumulated other comprehensive income	93,713	86,962	581,607
Total net assets	332,622	334,216	2,235,259
Total liabilities and net assets	3,922,560	4,024,901	26,918,813

(Note) Exchange rate: ¥149.52 to U.S.\$1.00 (as of March 31, 2025)

# Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note)
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2025
<b>Ordinary income</b>	76,107	78,964	528,116
Interest income	44,688	46,127	308,500
Interest on loans and discounts	25,806	27,584	184,483
Interest and dividends on securities	16,032	17,672	118,191
Interest on call loans and bills bought	2,419	32	214
Interest on deposits with banks	426	821	5,490
Other interest income	3	16	107
Trust fees	2	2	13
Fees and commissions	10,001	10,663	71,314
Other ordinary income	17,513	16,852	112,707
Other income	3,901	5,317	35,560
Recoveries of written off receivables	941	1,241	8,299
Other	2,960	4,075	27,253
<b>Ordinary expenses</b>	59,482	61,102	408,654
Interest expenses	8,547	7,223	48,307
Interest on deposits	925	2,233	14,934
Interest on negotiable certificates of deposit	10	166	1,110
Interest on call money and bills sold	453	321	2,146
Interest expenses on cash collateral received for securities lent	262	302	2,019
Interest on borrowings and rediscounts	45	134	896
Interest on bonds	2	4	26
Other interest expenses	6,848	4,060	27,153
Fees and commissions payments	1,298	1,265	8,460
Other ordinary expenses	15,353	17,782	118,927
General and administrative expenses	30,478	31,199	208,661
Other expenses	3,805	3,631	24,284
Provision of allowance for loan losses	2,647	2,086	13,951
Other	1,157	1,544	10,326
<b>Ordinary profit</b>	16,624	17,861	119,455
Extraordinary income	12	11	73
Gain on disposal of non-current assets	12	11	73
Extraordinary losses	663	281	1,879
Loss on disposal of non-current assets	109	69	461
Impairment losses	553	212	1,417
Profit before income taxes	15,973	17,590	117,643
Income taxes - current	4,956	4,206	28,130
Income taxes - deferred	(246)	180	1,203
Total income taxes	4,710	4,387	29,340
Profit	11,263	13,202	88,295
Profit attributable to owners of parent	11,263	13,202	88,295

## Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note)
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2025
<b>Profit</b>	11,263	13,202	88,295
Other comprehensive income	46,849	(6,693)	(44,763)
Valuation difference on available-for-sale securities	44,121	(10,352)	(69,234)
Deferred gains or losses on hedges	2,727	3,732	24,959
Revaluation reserve for land	-	(73)	(488)
Comprehensive income	58,113	6,509	43,532
Comprehensive income attributable to owners of parent	58,113	6,509	43,532

(Note) Exchange rate: ¥149.52 to U.S.\$1.00 (as of March 31, 2025)

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

	Millions of yen									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total accumulated other comprehensive income	Total net assets
Balance at beginning of period	23,452	20,106	189,153	(846)	231,866	42,401	(297)	4,792	46,896	278,763
Changes during period										
Dividends of surplus			(2,559)		(2,559)					(2,559)
Profit attributable to owners of parent			11,263		11,263					11,263
Purchase of treasury shares				(1,747)	(1,747)					(1,747)
Disposal of treasury shares				51	51					51
Cancellation of treasury shares					-					-
Reversal of revaluation reserve for land			33		33					33
Net changes in items other than shareholders' equity						44,121	2,727	(33)	46,816	46,816
Total changes during period	-	-	8,736	(1,695)	7,041	44,121	2,727	(33)	46,816	53,858
Balance at end of period	23,452	20,106	197,890	(2,541)	238,908	86,523	2,430	4,759	93,713	332,622

For the fiscal year ended March 31, 2025

	Millions of yen									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total accumulated other comprehensive income	Total net assets
Balance at beginning of period	23,452	20,106	197,890	(2,541)	238,908	86,523	2,430	4,759	93,713	332,622
Changes during period										
Dividends of surplus			(3,425)		(3,425)					(3,425)
Profit attributable to owners of parent			13,202		13,202					13,202
Purchase of treasury shares				(1,501)	(1,501)					(1,501)
Disposal of treasury shares			(0)	12	12					12
Cancellation of treasury shares			(2,846)	2,846	-					-
Reversal of revaluation reserve for land			57		57					57
Net changes in items other than shareholders' equity						(10,352)	3,732	(131)	(6,751)	(6,751)
Total changes during period	-	-	6,988	1,357	8,346	(10,352)	3,732	(131)	(6,751)	1,594
Balance at end of period	23,452	20,106	204,879	(1,183)	247,254	76,171	6,162	4,628	86,962	334,216

	Thousands of U.S. dollars (Note)									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total accumulated other comprehensive income	Total net assets
Balance at beginning of period	156,848	134,470	1,323,501	(16,994)	1,597,833	578,671	16,252	31,828	626,758	2,224,598
Changes during period										
Dividends of surplus			(22,906)		(22,906)					(22,906)
Profit attributable to owners of parent			88,295		88,295					88,295
Purchase of treasury shares				(10,038)	(10,038)					(10,038)
Disposal of treasury shares			(0)	80	80					80
Cancellation of treasury shares			(19,034)	19,034	-					-
Reversal of revaluation reserve for land			381		381					381
Net changes in items other than shareholders' equity						(69,234)	24,959	(876)	(45,151)	(45,151)
Total changes during period	-	-	46,736	9,075	55,818	(69,234)	24,959	(876)	(45,151)	10,660
Balance at end of period	156,848	134,470	1,370,244	(7,911)	1,653,651	509,436	41,211	30,952	581,607	2,235,259

(Note) Exchange rate: ¥149.52 to U.S.\$1.00 (as of March 31, 2025)

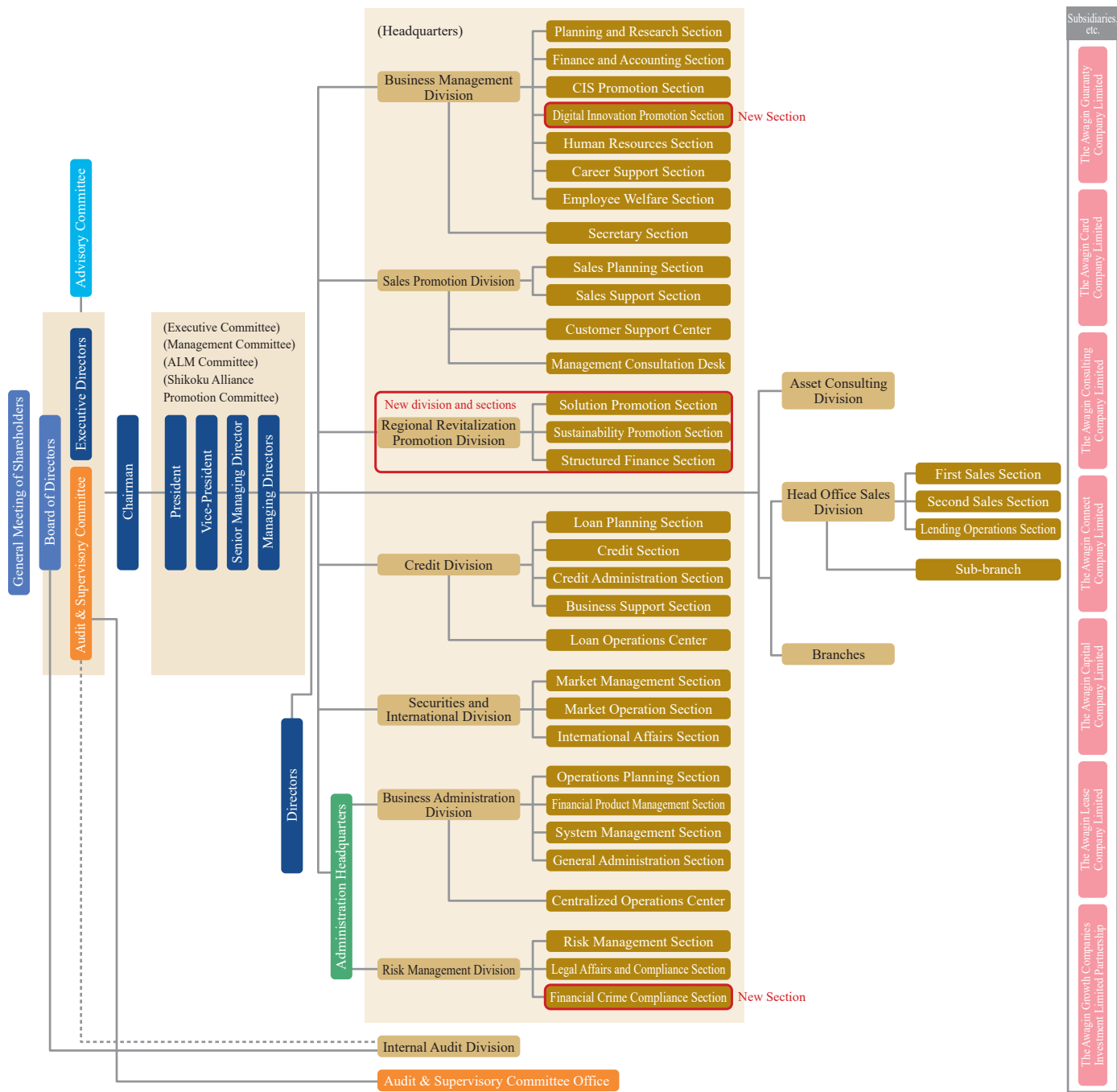
Consolidated Statements of Cash Flows

	Thousands of U.S. dollars (Note)		
	Millions of yen		
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>			
Profit before income taxes	15,973	17,590	117,643
Depreciation	3,294	2,956	19,769
Impairment losses	553	212	1,417
Increase (decrease) in allowance for loan losses	415	(29)	(193)
Increase (decrease) in provision for contingent loss	84	(18)	(120)
Increase (decrease) in provision for bonuses	2	(1)	(6)
Increase (decrease) in provision for bonuses for directors (and other officers)	1	8	53
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	(6)	(40)
Increase (decrease) in provision for share-based payments	23	139	929
Increase (decrease) in provision for reimbursement of deposits	(51)	(51)	(341)
Interest income	(44,688)	(46,127)	(308,500)
Interest expenses	8,547	7,223	48,307
Loss (gain) related to securities	(2,283)	(670)	(4,481)
Loss (gain) on money held in trust	(0)	(0)	(0)
Foreign exchange losses (gains)	(10,147)	1,336	8,935
Loss (gain) on disposal of non-current assets	97	58	387
Net decrease (increase) in loans and bills discounted	(170,419)	(115,299)	(771,127)
Net increase (decrease) in deposits	(53,187)	70,761	473,254
Net increase (decrease) in negotiable certificates of deposit	4,451	(6,954)	(46,508)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	29,926	32,817	219,482
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	232	(88)	(588)
Net decrease (increase) in call loans	140,991	720	4,815
Net increase (decrease) in call money	4,996	3,227	21,582
Net increase (decrease) in cash collateral received for securities lent	4,315	4,355	29,126
Net decrease (increase) in foreign exchanges - assets	1,540	123	822
Net increase (decrease) in foreign exchanges - liabilities	8	44	294
Increase (decrease) in straight bonds - issuance and redemption	487	(50)	(334)
Interest received	43,087	45,103	301,651
Interest paid	(8,517)	(6,481)	(43,345)
Other, net	1,727	22,901	153,163
Subtotal	(28,536)	33,802	226,070
Income taxes paid	(2,927)	(5,589)	(37,379)
Net cash provided by (used in) operating activities	(31,464)	28,212	188,683
<b>Cash flows from investing activities</b>			
Purchase of securities	(299,041)	(239,048)	(1,598,769)
Proceeds from sale of securities	156,481	151,987	1,016,499
Proceeds from redemption of securities	101,091	92,053	615,656
Increase in money held in trust	(1,507)	(1,509)	(10,092)
Decrease in money held in trust	1,507	1,509	10,092
Purchase of tangible fixed assets	(1,906)	(1,776)	(11,878)
Payments for retirement of tangible fixed assets	(103)	(31)	(207)
Proceeds from sale of tangible fixed assets	29	125	836
Purchase of intangible fixed assets	(1,196)	(1,320)	(8,828)
Net cash provided by (used in) investing activities	(44,644)	1,991	13,315
<b>Cash flows from financing activities</b>			
Dividends paid	(2,559)	(3,425)	(22,906)
Purchase of treasury shares	(1,747)	(1,501)	(10,038)
Proceeds from sale of treasury shares	51	12	80
Net cash provided by (used in) financing activities	(4,254)	(4,914)	(32,865)
Effect of exchange rate change on cash and cash equivalents	0	1	6
Net increase (decrease) in cash and cash equivalents	(80,362)	25,291	169,147
Cash and cash equivalents at beginning of period	456,494	376,132	2,515,596
Cash and cash equivalents at end of period	376,132	401,423	2,684,744
(Note) Exchange rate: ¥149.52 to U.S.\$1.00 (as of March 31, 2025)			



# Organizational Chart

(As of June 30, 2025)



# Corporate Profile

## Overview of the Awa Bank

(as of March 31, 2025)

Trade name	The Awa Bank, Ltd.
Head Office	24-1, Nishisemba-cho 2-chome, Tokushima, 770-8601, Japan
Foundation	June 21, 1896
Establishment	June 19, 1896
Capital	¥23,452 million
Number of branches	105 (83 inside Tokushima Prefecture and 22 outside) <small>*Of which, 26 (including a sub-branch) are in-store branches.</small>
Number of CDs and ATMs	180 locations
Number of employees	1,361
Deposit balance (including negotiable certificates of deposit)	¥3,403,754 million
Balance of loans and bills discounted	¥2,456,820 million
Capital adequacy ratio (Japanese standard)	(Consolidated) 10.68% (Non-consolidated) 10.43%
Rating	AA- (JCR), A+ (R&I)



## State of the Awagin Group

(as of March 31, 2025)

### The Awagin Guaranty Company Limited

Location	25, Shinmachibashi 2-chome, Tokushima, 770-0904, Japan
Tel.	+81-(0)88-623-3617
Establishment	June 2, 1975
Capital	¥110 million

### The Awagin Card Company Limited

Location	12, Nishisemba-cho 2-chome, Tokushima, 770-0901, Japan
Tel.	+81-(0)88-653-8100
Establishment	February 6, 1990
Capital	¥150 million

### The Awagin Consulting Company Limited

Location	25, Shinmachibashi 2-chome, Tokushima, 770-0904, Japan
Tel.	+81-(0)88-654-0321
Establishment	July 31, 2014
Capital	¥100 million

### The Awagin Connect Company Limited

Location	24-1, Nishisemba-cho 2-chome, Tokushima, 770-8601, Japan (in the Awa Bank Headquarters building)
Tel.	+81-(0)88-656-7936
Establishment	January 15, 2021
Capital	¥100 million

### The Awagin Capital Company Limited

Location	3rd Floor, Awagin Sumitomo Life Building, 21-2, Higashisemba-cho 2-chome, Tokushima, 770-0911, Japan
Tel.	+81-(0)88-602-8840
Establishment	July 12, 2023
Capital	¥100 million

### The Awagin Lease Company Limited

Location	7, Kachidokibashi 1-chome, Tokushima, 770-0939, Japan
Tel.	+81-(0)88-622-2424
Establishment	January 23, 1974
Capital	¥180 million





**The Awa Bank, Ltd.**