

Summary of Financial Results for the Six Months Ended September 30, 2024

November 2024

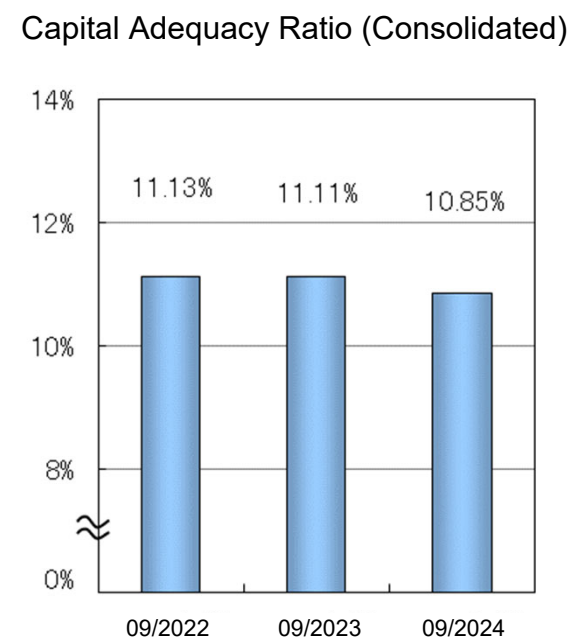
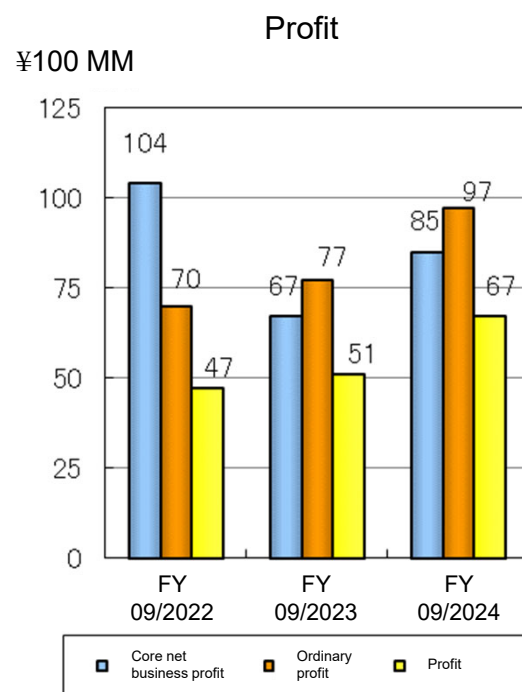
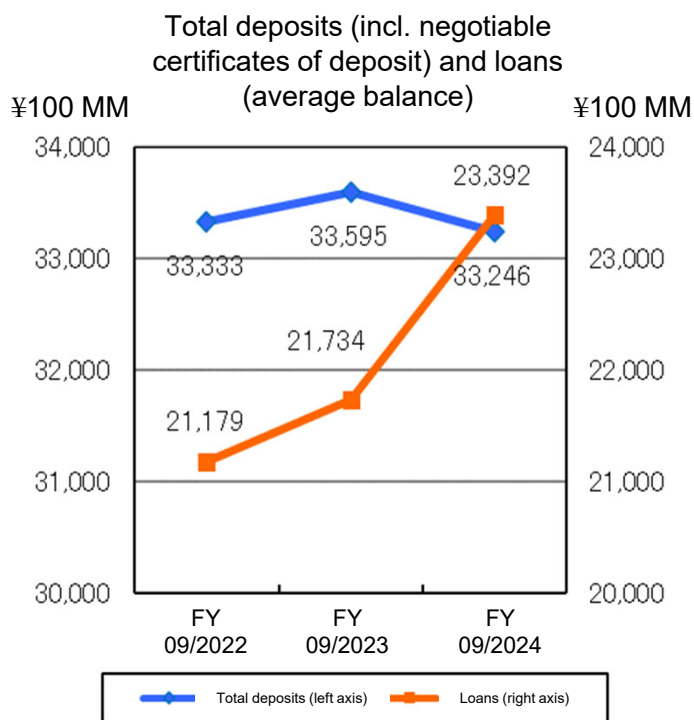
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Financial Highlights

<Overview> During the six months ended September 30, 2024, the economy continued to recover gradually as consumer spending remained strong against the backdrop of improvement in wage and employment situations amid improved corporate profitability. This was despite the Bank of Japan raising interest rates again in March and the economy being affected by economic slowdowns in other countries, with increasing uncertainty surrounding the pace of rate cuts by the European and U.S. central banks. In this environment, deposits decreased, while loans continued to increase steadily. Core business net profit, ordinary profit and profit increased from the same period of the previous year.

- Although individual money deposits performed well, total deposits (average balance), including negotiable certificates of deposit, decreased 34.8 billion yen (1.0% year-on-year) due to a decrease in corporate and public deposits. Also, the loan balance (average balance) increased by 165.8 billion yen (7.6% YoY) due to steady growth in Tokushima Prefecture and in the Kanto, Chushikoku, and Kansai regions.
- Core business net profit increased to 8.5 billion yen (up 1.7 billion yen YoY), as a result of an increase in net interest income due to increased profit from interest on loans and interest and dividends on securities, as well as an increase in net fees and commissions due to increased profit from financial instrument intermediary service fees and corporation-related fees.
- Ordinary profit and profit increased to 9.7 billion yen (up 1.9 billion yen YoY) and 6.7 billion yen (up 1.5 billion yen YoY), respectively, as a result of increased stock-related profits.
- The capital adequacy ratio (consolidated) remained high at 10.85%, reflecting the company's substantial internal reserves and sound asset holdings.



Profits and Losses

Bank Profits and Losses (Non-consolidated)			(Unit: Million yen)			
			09/2022	09/2023	09/2024	vs. 09/2023
Ordinary income	1		31,999	29,452	30,146	693
Gross business profit	2		18,032	21,438	22,965	1,527
[Core business gross profit]	3		[24,506]	[21,455]	[23,183]	[1,727]
Net interest income	4		18,432	17,845	19,300	1,454
Net fees and commissions	5		3,501	3,495	4,195	700
Other business profit	6		(3,901)	97	(529)	(627)
Gains/losses on bonds	7		(6,474)	(16)	(217)	(200)
Expenses (excl. temporary processing)	(-) 8		14,052	14,673	14,655	(17)
Personnel expenses	(-) 9		6,821	7,028	7,208	180
Non-personnel expenses	(-) 10		6,247	6,586	6,446	(140)
Taxes	(-) 11		982	1,058	1,000	(57)
Net business profit (before general provision of allowance for loan losses)	12		3,979	6,765	8,310	1,544
Core business net profit	13		10,454	6,782	8,527	1,745
Core business net profit (excluding gain/loss from cancellation of investment trusts)	14		10,018	6,330	8,397	2,066
General provision of allowance for loan losses	(-) 15		(463)	(163)	(472)	(308)
Net business profit	16		4,442	6,929	8,782	1,853
Temporary profit/loss	17		2,601	869	940	71
Processing of non-performing loans	(-) 18		979	1,262	1,285	23
Provision of allowance for individual loan losses	(-) 19		843	1,215	1,307	91
Recoveries of written-off receivables	20		155	738	281	(456)
Stock-related profits/losses	21		3,588	1,331	1,999	667
Ordinary profit	22		7,044	7,798	9,723	1,924
Extraordinary income/losses	23		(337)	(423)	(162)	261
Profit	24		4,749	5,125	6,719	1,594
Credit costs (15+18)	(-) 25		516	1,098	812	(285)
Actual credit costs (15+18-20)	(-) 26		360	360	531	171
Core business net profit ROA			0.53%	0.35%	0.43%	0.08%
Profit ROA			0.24%	0.26%	0.34%	0.08%
Profit ROE			3.46%	3.64%	4.08%	0.44%

□ Gross business profit (see No. 2 in table) up 1.5 billion yen YoY
Core business gross profit (see No. 3) up 1.7 billion yen YoY

- Net interest income: Up 1.4 billion yen YoY due to higher income from interest and dividends on securities and interest on loans amid an increase in loan balance.
- Net fees and commissions: Up 0.7 billion yen YoY due to increases in financial instruments intermediary service fees and corporate fees despite lower sales of individual annuities, etc.
- Other business profit: Down 0.6 billion yen YoY due to a decrease in profits related to bonds such as government bonds and a decrease in profits on foreign exchange transactions for procuring foreign currencies.

□ Core business net profit (see No. 13) up 1.7 billion yen YoY

- Expenses were around the same level YoY due to lower depreciation associated with system investment, despite higher personnel expenses due to basic pay increases, etc.

□ Actual credit costs (No. 26) increased by 0.1 billion yen YoY

- General provision of allowance for loan losses decreased by 0.3 billion yen YoY due to lower expected loss ratio, etc., despite additional strengthening of provisions for the land transportation industry that was likely to be affected by the 2024 Problem.
- Provision of allowance for individual loan losses was at about the same level YoY due to lower levels of bankruptcies, despite reclassification of borrowers by rigorous asset assessments.
- Recoveries of written-off receivables was down 0.4 billion yen YoY.

□ Ordinary profit (see No. 22) increased 1.9 billion yen YoY, while profit (see No. 24) was up 1.5 billion yen.

- Ordinary profit was up 1.9 billion yen YoY due to the above factors in addition to a 0.6-billion-yen increase in gains related to shares, etc.
- Profit was up 1.5 billion yen YoY.

*Core business gross profit 3=2-7 Core business net profit 13=3-8

*Net business profit 16=2-8-15 (equivalent to operating income in general corporate financial accounting).

[Ref.] Forecast and Actual Results Compared

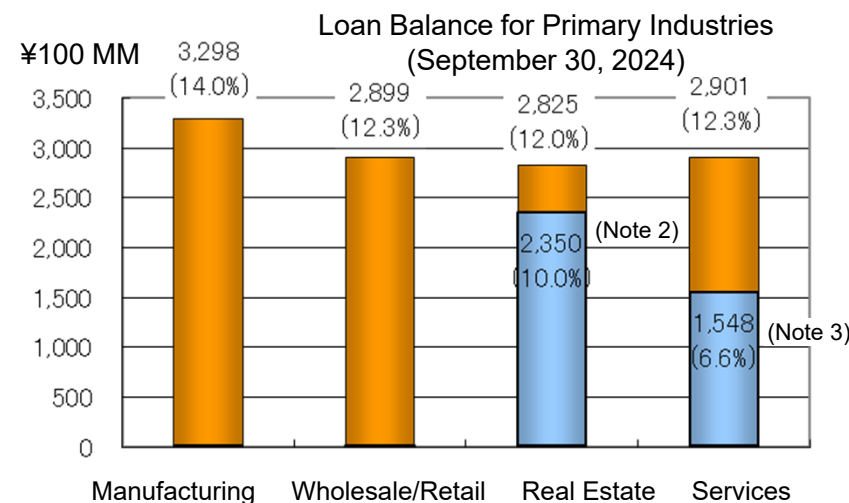
- Core business gross profit exceeded financial forecasts (released with the financial statements for the fiscal year ended March 2024) by 1.0 billion yen, mainly because net interest income exceeded the plan, especially interest and dividends on securities, and net fees and commissions consisting mainly of corporate fees exceeded the plan. The detailed breakdown is as follows.
 - Net interest income exceeded the forecast by 0.5 billion yen due to increases in interest and dividends on securities and interest on loans and discounts owing to a higher yield on lending than planned.
 - Net fees and commissions exceeded the forecast 0.4 billion yen YoY due to steady growth in corporate fees compared to the forecast.
 - Other business profits were very close to the plan.
- Core business net profit exceeded the forecast by 1.4 billion yen due not only to the above factors, but also due to lower expenses compared to the forecast.
- Actual credit costs fell below the forecast by 0.4 billion yen due to a decrease in general provision of allowance for loan losses compared to the forecast.
- Due to the factors above, ordinary profit and profit were up 1.8 billion yen and 1.4 billion yen YoY, respectively.

[Ref.] Forecast and Actual Results Compared
Non-consolidated

(Unit: 100 million yen)

	09/2024 forecast	09/2024 actual	Compared	Change (%)
Ordinary income	281	301	20	7.1%
Gross business profit	221	229	8	3.6%
[Core business gross profit]	[221]	[231]	[10]	[4.5%]
Net interest income	188	193	5	2.6%
Net fees and commissions	37	41	4	10.8%
Other business profits	(5)	(5)	0	-
Gains/losses on bonds	-	(2)	(2)	-
Expenses (excl. temporary processing) (-)	149	146	(3)	(2.0)%
Core business net profit	71	85	14	19.7%
Business net profit	73	87	14	19.1%
Ordinary profit	79	97	18	22.7%
Extraordinary income/losses	(2)	(1)	1	-
Profit	53	67	14	26.4%
Total actual credit cost	9	5	(4)	(44.4)%

- The loan balance (average balance) increased by 165.8 billion yen (7.6%) YoY to 2,339.2 billion yen.
- General loans increased by 166.5 billion yen YoY as a result of wide-ranging efforts to strengthen loans to mainstay SMEs based on business potential assessments as well as loans to large companies, etc.
- Loans to local governments were down 4.6 billion yen YoY.
- As a result of efforts to strengthen the sales force for housing loans, personal loans showed steady growth, increasing 3.8 billion yen YoY.



*1 Percentages show the proportion compared to overall loans

*2 The 235.0 billion yen (10.0%) portion of the Real Estate sector refers to real estate rentals and management.

*3 The 154.8 billion yen (6.6%) portion of the Services sector refers to health and welfare services.

Loan Balance Over Time

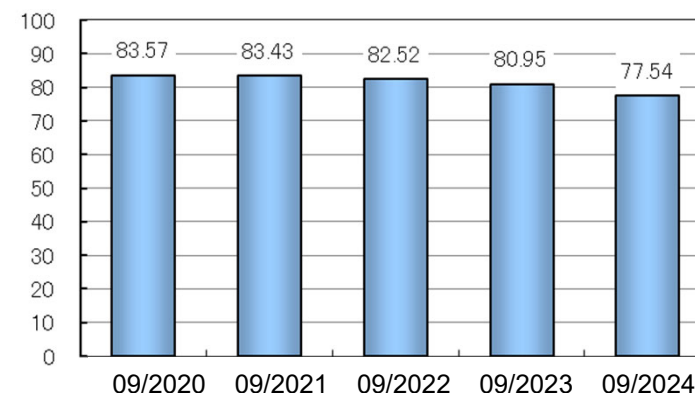
(Unit: 100 Million yen)

Average balance	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loans	20,741	21,306	22,064	21,179	21,734	23,392	1,328 (6.0%)	1,658 (7.6%)
General loans	15,715	16,132	16,855	16,019	16,503	18,168	1,313	1,665
Local governments, etc.	1,837	1,843	1,787	1,865	1,819	1,773	(13)	(46)
Personal loans	3,188	3,330	3,421	3,293	3,411	3,450	29	38
Housing loans	2,947	3,089	3,174	3,053	3,167	3,196	21	29
Ratio personal loans	15.3%	15.6%	15.5%	15.5%	15.6%	14.7%	(0.8)%	(0.9)%

Balance at end of period	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loans	21,143	21,696	23,398	21,289	21,997	23,586	187	1,589
General loans	16,019	16,447	18,167	16,128	16,798	18,377	209	1,578
Local governments, etc.	1,865	1,849	1,788	1,823	1,769	1,751	(36)	(17)
Personal loans	3,258	3,400	3,442	3,337	3,429	3,457	15	27

- ▣ As a result of efforts to strengthen the Bank's business model of lending to SMEs, the average balance of loans in Tokushima Prefecture increased by 56.5 billion yen year on year, while in the Kanto, Chushikoku, and Kansai regions it increased by 87.1 billion yen, 18.2 billion yen, and 3.8 billion yen, respectively.
- ▣ The ratio of loans receivable from SMEs and individuals to the total loan balance remained high at 77.54%.

% Ratio of loans receivable from SMEs and individuals to total loan balance



Loan Balance by Region

(Unit: 100 Million yen)

Average balance	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loans	20,741	21,306	22,064	21,179	21,734	23,392	1,328	1,658
Tokushima Prefecture	11,798	12,290	12,539	12,219	12,424	12,989	450	565
Kansai Region	4,440	4,452	4,511	4,445	4,510	4,548	36	38
Chushikoku Region	1,829	1,837	1,979	1,814	1,930	2,112	133	182
Kanto Region	2,672	2,724	3,033	2,699	2,870	3,742	709	871

Balance at end of period	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loans	21,143	21,696	23,398	21,289	21,997	23,586	187	1,589
Tokushima Prefecture	12,125	12,464	13,026	12,330	12,497	12,984	(42)	486
Kansai Region	4,491	4,493	4,592	4,449	4,529	4,606	13	77
Chushikoku Region	1,843	1,934	2,113	1,783	1,943	2,118	4	175
Kanto Region	2,682	2,804	3,665	2,724	3,027	3,877	211	850

[Reference]

Balance at end of period	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loan balance to SMEs, etc.	17,554	17,918	18,396	17,569	17,808	18,290	(105)	482
Loan balance to credit guarantee associations	2,674	2,735	2,554	2,662	2,610	2,537	(16)	(72)

Deposits and Assets Under Custody

- Although retail money deposits performed well, total deposits (average balance), including negotiable certificates of deposit, decreased 34.8 billion yen (1.0% YoY) to 3,324.6 billion yen due to decreases in corporate and public deposits.
- Through our partnership with Nomura Securities Co., Ltd., we act as a one-stop shop for high value-added comprehensive financial services, such as deposits, insurance, and Nomura Securities products. The balance in Nomura Securities financial intermediary services has been on the steady rise.
- Assets under custody from customers—comprising the sum of the end-of-period balance of individual annuities, as well as the end-of-period balance of assets under custody (market value) of stocks, bonds, etc. in the financial product intermediary business—increased by 226.9 billion yen YoY to 1,380.0 billion yen.
- The sum of total deposits, individual annuities, and financial product intermediary accounts increased by 252.3 billion yen to 4,709.7 billion yen.

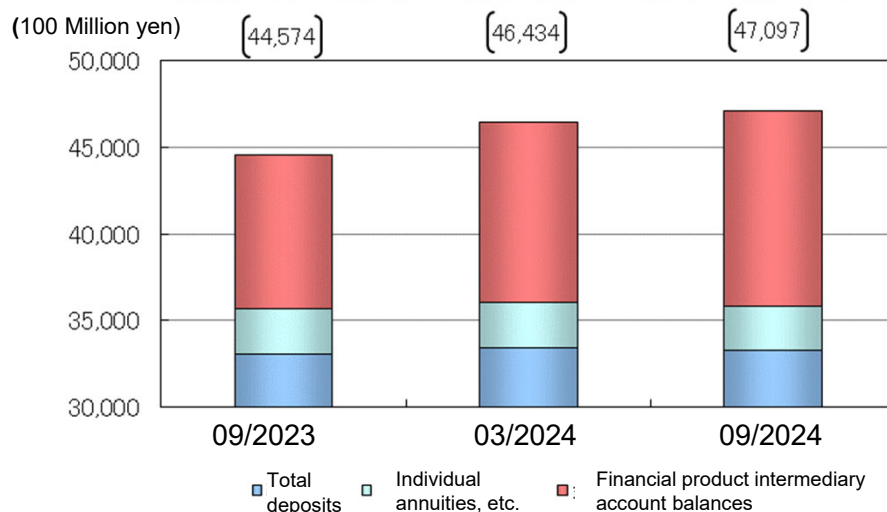
Deposit Balances Over Time

(Unit: 100 Million yen)

Average balance	03/2023	03/2024	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Deposits (A)	31,669	31,709	32,008	31,635	(73)	(372)
Negotiable certificates of deposit (B)	1,618	1,585	1,586	1,610	25	23
Total deposits (A+B)	33,287	33,294	33,595	33,246	(48)	(348)
Retail deposits	20,776	20,872	20,868	20,979	107	110
Corporate deposits	9,382	9,222	9,421	9,137	(84)	(283)
Public money deposits	2,667	2,720	2,822	2,732	11	(89)

Balance at end of period	03/2023	03/2024	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Deposits (A)	32,571	32,025	31,461	31,654	(371)	192
Negotiable certificates of deposit (B)	1,340	1,384	1,582	1,643	258	60
Total deposits (A+B)	33,911	33,409	33,044	33,297	(112)	253
Retail deposits	20,734	20,917	20,875	20,921	3	45
Corporate deposits	9,664	9,222	9,095	8,878	(344)	(217)
Public money deposits	2,807	2,707	2,586	2,902	195	316

Total deposits + individual annuities, etc. + financial product intermediary account balances over time (Note 1)



(Note 1) The sum of total deposits, individual annuities, etc., and financial product intermediary account balances.

(Note 2) "Individual annuities, etc." includes the year-end balances of lump-sum variable insurance, fixed return insurance and whole-life insurance.

Balance of assets under custody over time

(Unit: 100 Million yen)

	03/2023	03/2024	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Individual annuities, etc. (C) (Note 2)	2,439	2,671	2,620	2,557	(114)	(62)
Total financial product intermediary account balances (D)	7,897	10,353	8,910	11,243	890	2,332
Financial instruments intermediary accounts with Nomura Securities (Note 3)	7,775	10,219	8,792	11,102	882	2,309
Financial instruments intermediary accounts apart from Nomura Securities (Note 4)	121	133	118	141	7	23
Balance of accounts under custody (C+D)	10,336	13,025	11,530	13,800	775	2,269
[Ref.] Financial instruments intermediary accounts	89,562	95,191	91,667	98,041	2,850	6,374

(Note 3) In accordance with the Bank's comprehensive business partnership with Nomura Securities, the Bank's securities accounts (public bonds and investment trusts) were transferred to a financial instruments intermediary account with Nomura Securities on June 21, 2021.

(Note 4) This is a financial instruments intermediary account with Shikoku Alliance Securities Co., Ltd., Daiwa Securities Co. Ltd. and SBI SECURITIES Co., Ltd. as consignors.

- The balance of securities at the end of the period increased to 1,057.1 billion yen (up 38.7 billion yen YoY), mainly due to increases in shares and investment in government bonds resulting from rising stock prices as we secured stable profits by monitoring market trends and pursued agile management.
- Valuation gain on securities increased 9.1 billion yen from the end of the previous fiscal year (fiscal year ended March 2024) to 132.1 billion yen. (shares +16.3 billion yen, bonds -5.5 billion yen, other securities [foreign securities, investment trusts, etc.] -1.6 billion yen)

Securities Balance over Time

(Unit: 100 Million yen)

Balance at end of period	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Total securities	10,419	9,454	10,602	9,802	10,184	10,571	(30)	387
Government bonds	1,737	1,475	1,570	1,351	1,391	1,823	252	431
Regional bonds	1,677	1,706	1,585	1,619	1,650	1,444	(140)	(205)
Corporate bonds	1,731	2,638	2,712	1,988	2,875	2,493	(219)	(381)
Shares	1,439	1,247	1,794	1,414	1,526	1,967	173	440
Other	3,833	2,385	2,939	3,427	2,741	2,843	(96)	101
Foreign securities	2,301	691	941	1,866	840	902	(39)	62
Investment trusts	1,531	1,694	1,998	1,561	1,901	1,940	(57)	39

[Ref.] Average balance

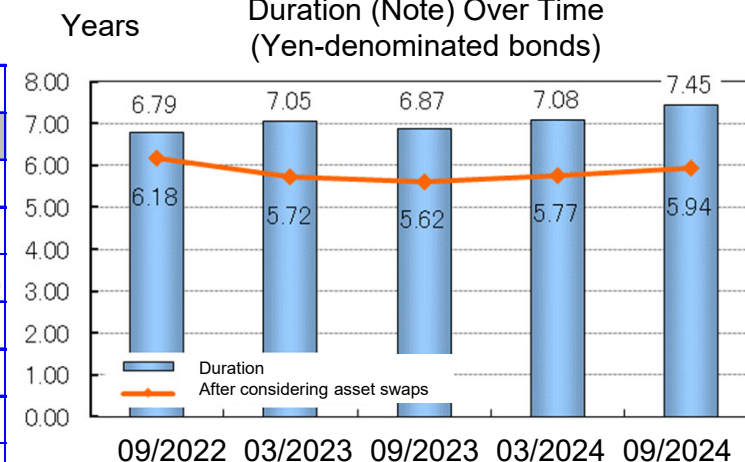
Total securities	9,366	9,023	9,338	9,419	9,234	9,581	243	347
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Valuation gains (losses) on securities

(Unit: 100 Million yen)

End of period	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Total securities	834	605	1,229	607	817	1,321	91	503
Shares	729	599	1,096	703	843	1,259	163	415
Bonds	18	(26)	(127)	(14)	(137)	(182)	(55)	(44)
Other	86	31	260	(81)	111	243	(16)	132
Foreign securities	(47)	(13)	(5)	(140)	(34)	17	22	51
Investment trusts	133	45	265	59	145	226	(39)	81

Duration (Note) Over Time (Yen-denominated bonds)

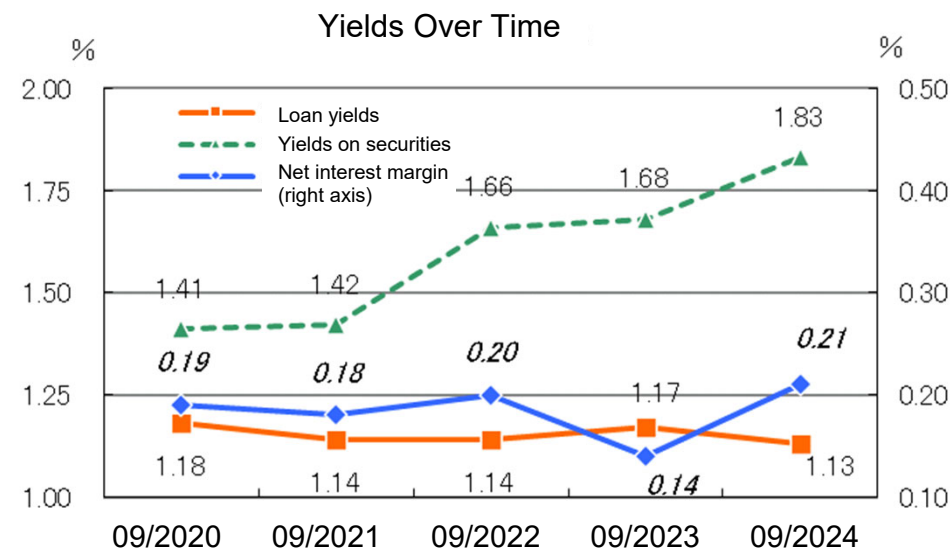


(Note)

Duration is a bond's average payback period. Asset swaps are transactions in which coupon income from government bonds and other bonds held by a company are converted to floating interest rates through interest rate swaps. The duration of foreign currency bonds is 4.58 years.

Yield Trends

- ❑ Loan yields decreased to 1.13% (down 0.04 percentage points YoY), partly due to increased competition, despite efforts to ensure appropriate pricing based on the level of risk.
- ❑ Yields on securities increased to 1.83% (up 0.15 percentage points YoY), mainly due to higher dividends from shares.
- ❑ Yields on financing decreased to 1.23% (down 0.02 percentage points YoY), mainly due to the above factors.
- ❑ Cost of financing dropped to 1.02% (down 0.09 percentage points YoY) due to lower foreign currency funding costs and expenses. As a result, the net interest margin increased to 0.21% (up 0.07 percentage points YoY).

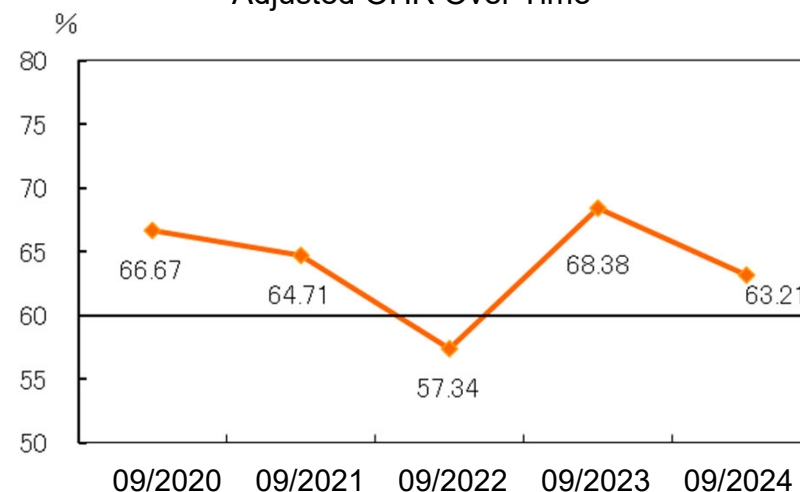


Yields (Unit: %)

	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Yields on financing (A)	1.07	1.23	1.24	1.13	1.25	1.23	(0.01)	(0.02)
Yields on loans (a)	1.14	1.16	1.17	1.14	1.17	1.13	(0.04)	(0.04)
Yields on securities	1.60	1.79	1.80	1.66	1.68	1.83	0.03	0.15
Cost of financing (B)	0.83	1.00	1.05	0.93	1.11	1.02	(0.03)	(0.09)
Yields on deposits (b)	0.01	0.02	0.02	0.02	0.02	0.03	0.01	0.01
Deposit and loan rate difference (a)–(b)	1.13	1.14	1.15	1.12	1.15	1.10	(0.05)	(0.05)
Net interest margin (A)–(B)	0.24	0.23	0.19	0.20	0.14	0.21	0.02	0.07

- Expenses were 14.6 billion yen, almost unchanged from the same period of the previous year.
 - Personnel expenses increased 0.1 billion yen YoY, mainly because salaries rose due to increases in basic wages.
 - Non-personnel expenses decreased 0.1 billion yen YoY due to lower depreciation expenses accompanying system investments.
 - Taxes are at almost the same level as the same period a year earlier.
- The expense ratio (adjusted OHR [see note]) decreased to 63.21% (down 5.17 percentage points YoY) due to a significant increase in core business gross profit.

Adjusted OHR Over Time



(Note) Adjusted OHR = Expenses ÷ Core business gross profit (gross business profit - gains/losses on bonds)

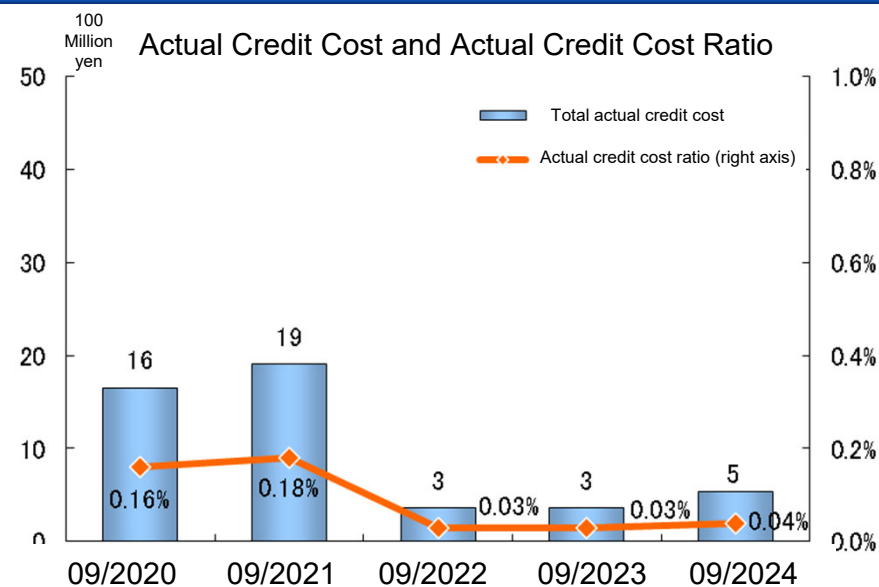
Expenses and Adjusted OHR

(Unit: 100 Million yen)

	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 09/2023
Expenses	281	277	285	140	146	146	(0)
Personnel expenses	129	135	138	68	70	72	1
Non-personnel expenses	132	125	129	62	65	64	(1)
Taxes	18	17	17	9	10	10	(0)

Adjusted OHR	61.29%	58.95%	64.60%	57.34%	68.38%	63.21%	(5.17)%
Adjusted personnel expenses OHR	28.31%	28.67%	31.30%	27.83%	32.75%	31.09%	(1.66)%
Adjusted non-personnel expenses OHR	28.91%	26.55%	29.27%	25.49%	30.69%	27.80%	(2.89)%

- Provision of allowance for individual loan losses was at about the same level year-on-year due to a low level of bankruptcies, despite reclassification of borrowers by rigorous asset assessments. In addition, general provision of allowance for loan losses decreased by 0.3 billion yen YoY partly due to a lower expected loss ratio, despite additional strengthening of provisions for the transportation of road cargo out of concerns over the impact of the 2024 Problem. As a result, credit costs decreased by 0.2 billion yen YoY to 0.8 billion yen.
- Due to a year-on-year decrease of 0.4 billion yen in recoveries of written-off receivables, actual credit costs increased 0.1 billion yen to 0.5 billion yen, and the actual credit cost ratio was 0.04%.



Disposal of non-performing loans

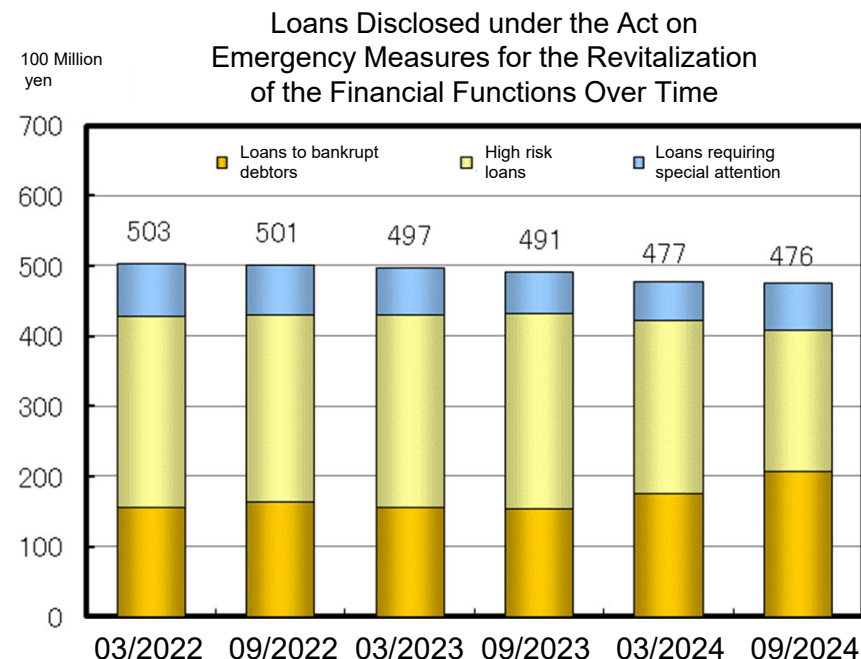
	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 09/2023
Provision of allowance for individual loan losses	2,613	1,331	2,699	843	1,215	1,307	91
Repayment of loans	18	9	7	6	3	4	1
Provision for contingent loss	102	108	84	82	1	(80)	(82)
Loss on transfer of receivables	126	70	143	46	41	54	12
Total disposal of non-performing loans (1)	2,861	1,519	2,934	979	1,262	1,285	23
General provision of allowance for loan losses (2)	577	(441)	(302)	(463)	(163)	(472)	(308)
Recoveries of written-off receivables (3)	614	307	938	155	738	281	(456)
Total credit cost (4) [(1) + (2)]	3,439	1,078	2,632	516	1,098	812	(285)
Credit cost ratio	0.16%	0.05%	0.11%	0.04%	0.10%	0.06%	(0.04%)
Actual total credit cost (5) [(1)+(2)-(3)]	2,824	771	1,693	360	360	531	171
Actual credit cost ratio	0.13%	0.03%	0.07%	0.03%	0.03%	0.04%	0.01%

(Note 1) Credit cost ratio = (4) ÷ average balance of loans during the period (annualized for each September period)

(Note 2) Actual credit cost ratio = (5) ÷ average balance of loans during the period (same as above)

Non-performing Loans

- Loans disclosed under the Act on Emergency Measures for the Revitalization of the Financial Functions fell to 47.6 billion yen, down 0.1 billion yen from the end of the previous year (fiscal year ended March 2024) as a result of ongoing efforts to facilitate SME financing, including support for business improvement.
- As a result, the ratio of disclosed loans under the Act on Emergency Measures for the Revitalization of the Financial Functions increased to 2.00% (up 0.02 percentage points YoY).



Loans Disclosed Under the Act on Emergency Measures for the Revitalization of the Financial Functions Over Time (Unit: Million yen)

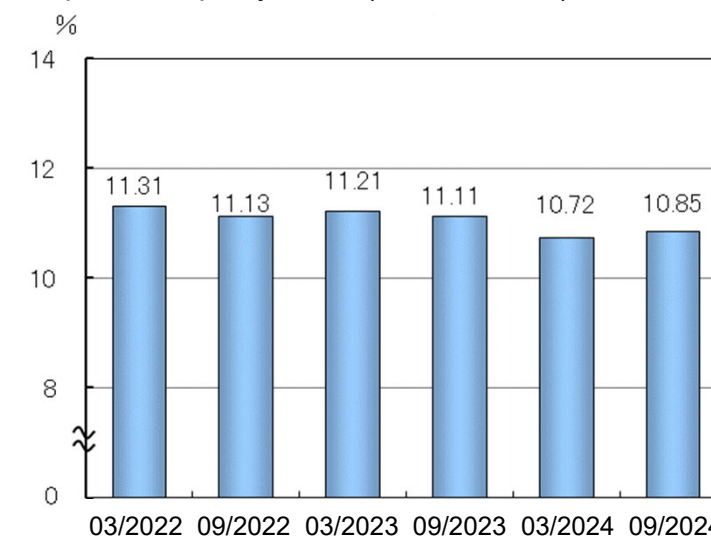
	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Loans to bankrupt debtors	15,646	15,584	17,500	16,253	15,336	20,600	3,100	5,264
High risk loans	27,159	27,384	24,756	26,662	27,922	20,294	(4,461)	(7,628)
Loans requiring special attention	7,582	6,794	5,527	7,211	5,845	6,719	1,192	874
Total disclosed loans (a)	50,388	49,763	47,784	50,127	49,103	47,614	(169)	(1,488)
Normal loans (b)	2,092,479	2,148,551	2,320,105	2,108,648	2,178,030	2,337,408	17,303	159,378
Ratio of total disclosed loans to total credit balance (a)/((a)+(b))	2.35%	2.26%	2.02%	2.32%	2.20%	2.00%	(0.02)%	(0.20)%

Total provision of allowance for loan losses (c)	11,444	11,549	11,588	11,275	11,664	11,833	245	169
Collateral, guarantees, etc. (d)	30,307	30,637	29,137	30,896	29,782	28,841	(296)	(940)
Preservation rate ((c)+(d))/(a)	82.85%	84.77%	85.22%	84.13%	84.40%	85.42%	0.20%	1.02%

Capital Adequacy Ratio

□ The capital adequacy ratio (Japanese standard) rose to 10.85% on a consolidated basis and 10.54% on a non-consolidated basis, up 0.13 and 0.11 percentage points, respectively, from the end of the previous year (fiscal year ended March 2024) and remained high overall due to enhanced internal reserves and sound assets held, despite an increase in risk-weighted assets resulting from enhanced fund management.

Capital Adequacy Ratio (Consolidated) Over Time



(Note) After application of transitional measures for figures up to period ending 09/2023

(Consolidated) Basel III Standards

(Unit: 100 Million yen)

	03/2022	03/2023	03/2024	09/2022	09/2023	09/2024	vs. 03/2024	vs. 09/2023
Amount of (core) equity	2,276	2,336	2,399	2,310	2,376	2,444	44	67
Amount of basic items	2,308	2,367	2,427	2,340	2,406	2,471	44	65
Shareholders' equity related to common shares	2,239	2,307	2,372	2,276	2,345	2,422	49	76
Amount of adjusted items	31	31	27	29	29	27	(0)	(2)
Risk-weighted assets	20,120	20,826	22,378	20,745	21,378	22,512	134	1,134
Capital adequacy ratio	11.31%	11.21%	10.72%	11.13%	11.11%	10.85%	0.13%	(0.26)%

(Non-consolidated)

Capital adequacy ratio	10.97%	10.89%	10.43%	10.78%	10.79%	10.54%	0.11%	(0.25)%
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Financial Results Forecast

- Although the economy is expected to continue recovering in this fiscal year, the outlook remains extremely uncertain due to the central bank monetary trends in various countries, geopolitical risks, and the slowdown of the Chinese economy, which had been growing at a high rate. Core business gross profit, ordinary profit, and profit are forecast to grow by 1.0 billion yen to 16.6 billion yen, by 0.9 billion yen to 17.1 billion yen and by 1.4 billion yen to 12.6 billion yen, respectively.
- Core business gross profit is forecast to grow to 46.1 billion yen (up 1.9 billion yen YoY). The detailed breakdown is as follows.
 - Net interest income is projected to increase by 2.2 billion yen YoY due to an increase in the loan balance, mainly for SME customers, strengthened investment in securities, and other efforts.
 - Net fees and commissions are forecast to increase by 0.6 billion yen YoY due to corporate-related commissions and the strengthening of the system ahead of the transformation into a stock business through the partnership with Nomura Securities.
 - Decreased gain on foreign exchange transactions associated with foreign currency funding is expected to depress other business profits (excluding gains/losses on bonds) by 0.9 billion yen YoY.
- Increases in personnel expenses and other costs are expected to raise expenses to 29.4 billion yen (up 0.9 billion yen YoY).
- Gains related to securities are forecast to fall to 1.7 billion yen (down 0.5 billion yen YoY). Actual credit cost is forecast to decrease to 1.1 billion yen (down 0.5 billion yen YoY), based on the results for the six months ended September 30, 2024.
- Profits were revised upward from those in a financial summary released in May due to increases in net interest income and net fees and commissions.

Financial Results Forecast for the Fiscal Year Ending March 31, 2025

Non-Consolidated

(Unit: 100 Million yen)

		Actual results 03/2024	Forecast 03/2025	Change	[Ref.] Forecast 03/2025 (financial summary in May)
Ordinary income		592	588	(4)	567
Gross business profit		445	459	14	452
[Core business gross profit]		[442]	[461]	[19]	[452]
Net interest income		370	392	22	389
Net fees and commissions		71	77	6	73
Other business profits		4	(11)	(15)	(10)
Gains/losses on bonds		3	(2)	(5)	-
Expenses (excl. temporary processing)	(-)	285	294	9	294
Core business net profit		156	166	10	158
Net business profit		163	170	7	161
Ordinary profit		162	171	9	163
Extraordinary income/losses		(6)	(2)	4	(3)
Net income		112	126	14	113
Gains/losses related to securities		22	17	(5)	25
Total actual credit cost		16	11	(5)	20

1. Efforts to support customers' business management

- Digitized procedures for customers to apply for a guarantee to the Credit Guarantee Corporation of Tokushima Prefecture to enable non face-to-face procedures from application to making payment (July 2024)
- Invested in multiple companies through the "Awagin Future Creation Fund" and the "Awagin Growth Company Fund" with an eye toward the realization of attractive sustainable local communities
- Launched the "Awagin Start-up Support 'Zero-one' Loan" to financially support SMEs and other organizations that plan to start a new or second enterprise within Tokushima Prefecture (October 2024)
- Held various seminars including "Awagin Inheritance Seminar," "Awagin Medical Seminar," and "Awagin School for Starting Businesses" and continued to hold the "Awagin SDGs Practical Seminar" to support corporate customers' efforts for SDGs management
- Concluded a partnership agreement with Cyber Records Inc. regarding a support service for using hometown contribution taxation for companies (April 2024)

2. New services and campaigns

- Launched the COTRA service, which allows the sending of up to 100,000 yen between individuals, on our smartphone app Wallet+ (April 2024) and Revised its display design to provide customer-friendly usability (September 2024)
- Implemented the Awagin Summer Time Deposit Campaign, which applies a special interest rate to time deposits (May 2024)
- Launched a foreign currency delivery service and a foreign currency postal purchase service in partnership with Travelex Japan K.K. (October 2024)

3. Regional development through the Shikoku Alliance

- Established the "Shikoku Alliance Scholarship Return Support System" and started inviting supporting companies with the aim of supporting the retention and development of young talents (June 2024)
- Held the "Taiwan Tourism Business Meeting" to create business opportunities between tourism-related businesses in Shikoku and travel agencies in Taiwan (July 2024)

4. SDG initiatives, capital policy, and other matters

- Installed a photovoltaic power generation system at the Kamojima Center as part of our measures against climate change (May 2024)
- Concluded a carbon neutrality-related partnership agreement with Anan City to facilitate the city's efforts toward the realization of a carbon-free society (May 2024)
- Repurchased 179,000 treasury shares for 499 million yen through the market (May to June 2024)
- The Showa-cho Branch, under construction to be completed in January 2025, received ZEB certification and was allowed to receive subsidies for expenditure on CO₂ emission control measures.
- Concluded an agreement for the realization of a zero-carbon city with Tokushima City and Matsushige Town
- Increased the incentive bonus for employees under Awagin Group employees' stock ownership program to 20% at the maximum to enhance human capital investment (July 2024)
- Concluded the "Partnership Agreement for Promoting the Attractiveness of Enterprises" with Awa City with the aim of contributing to economic development by promoting the attractiveness of enterprises (September 2024)

Active Measures to Promote Regional Development 阿波銀行

■ The Shikoku Alliance: Enhancing Measures to Revitalize Shikoku

- Enhance the attractiveness of the region as the region, customers and the four banks (The Awa Bank, The Hyakujushi Bank, The Iyo Bank, and The Shikoku Bank) grow and develop sustainably together.
- The independently managed four banks will maintain a healthy competitive relationship while combining their strengths and expertise to tackle the five themes for the growth of Shikoku.

Energize

Utilize

Connect

Nurture

Collaborate

Supporting the core business via the Shikoku Alliance

Shikoku Brand Inc.

- The four banks jointly support the branding and sales channel development for local products

Shikoku Alliance Capital Company Limited

- Propose the use of funds that offer support in terms of both capital and management to resolve issues such as business succession

Shikoku's Vision for Tourism

- Partner with the Organization for Promotion of Tourism in SHIKOKU and Shikoku Economic Federation to promote "Shikoku's Vision for Tourism"
- Sponsor and participate in the Shikoku Omotenashi Henromichi Walk

Business plan contest

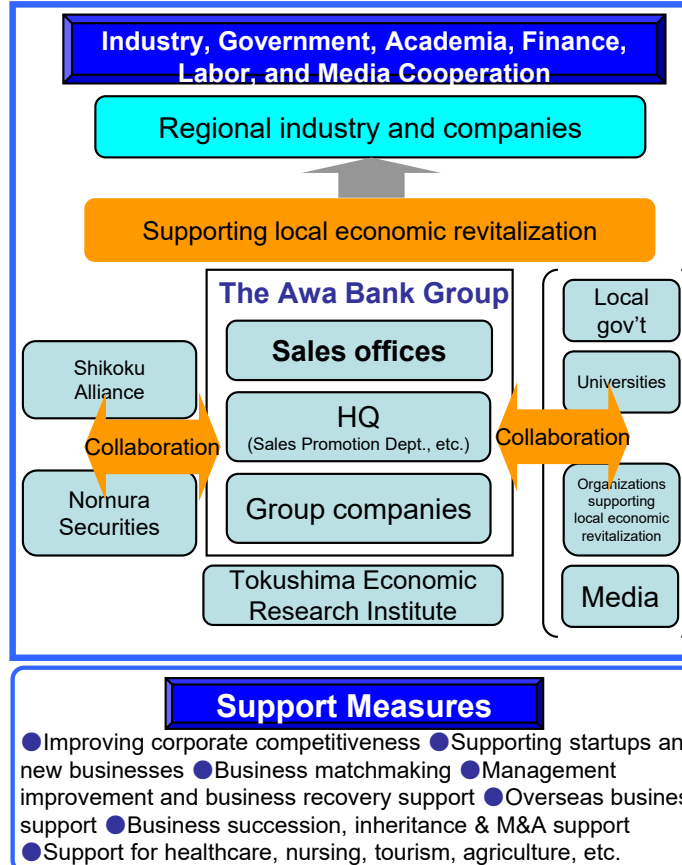
- Discover entrepreneurs with original business plans and support their commercialization

Organization of and participation in business meetings, social gatherings, and seminars

- Participate in the "Taiwan Tourism Business Meeting"
- Participate in the "Business Challenge Messe"

Support for workers of companies in Shikoku

- Establish the "Shikoku Alliance Scholarship Return Support System"



Initiatives to support business succession

- Offer the "Awagin Business Succession Fund" by Awagin Capital
- Business succession and M&A support by Awagin Consulting

Tourism promotion

- Collaboration with East Tokushima and Setouchi DMO
- Support for repurposing traditional and vacant houses
- Promoting cycling and Shikoku pilgrimage tourism



Support for new businesses and business expansion

- Hold start-up schools and entrepreneurship seminars
- Launch the "Awagin Start-up Support 'Zero-one' Loan"
- Launch the "Awagin Future Creation Fund"
- Expand sales channels for local products through the Lacycle Mall



Support for SDG initiatives

- SDG initiative support service, GHG emissions calculation service
- Decarbonization support through the use of Green Transformation questionnaires

Support for local governments

- Conclude a partnership agreement with local governments in the prefecture regarding carbon neutrality, etc.
- Start a support service for using hometown contribution taxation for companies

Creating new added value by connecting customers to customers.

Producing a virtuous cycle of sustainable growth and development for both the region and our customers.

□ This document is intended to provide information on the Bank's performance for the six months ended September 30, 2024 and the fiscal year ending March 31, 2025. It is not intended as a solicitation to invest in securities issued by the Bank.

□ Note that this document contains forward-looking statements that are subject to change due to changes in the business environment and other factors.