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For Immediate Release:

May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Aichi Financial Group, Inc.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 7389
 URL: <https://www.aichi-fg.co.jp>
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profits		Profit Attributable to Owners of Parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	101,036	13.9	10,282	(18.3)	9,097	9.7
March 31, 2024	88,687	21.7	12,584	140.3	8,295	(89.9)

Note: Comprehensive Income For the fiscal year ended March 31, 2025: ¥ (20,892) million [- %]
 For the fiscal year ended March 31, 2024: ¥62,825 million [(6.5) %]

	Profit per Share	Diluted Profit per Share	Profit on Own Capital	Ordinary Profits to Total Assets	Ordinary Profits to Ordinary Income
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	185.43	184.40	2.5	0.2	10.2
March 31, 2024	169.40	168.23	2.4	0.2	14.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥- million
 For the fiscal year ended March 31, 2024: ¥- million

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Own Capital Ratio	Total Net Assets per Share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	6,799,701	353,810	5.2	7,197.89
March 31, 2024	6,831,438	379,531	5.5	7,736.85

Reference: Own Capital:

As of March 31, 2025: ¥353,492 million

As of March 31, 2024: ¥379,067 million

Note: Own Capital Ratio is calculated as follows:

$(\text{Total Net Assets} - \text{Share Acquisition Rights} - \text{Non-controlling Interests}) / \text{Total Assets} \times 100$.

Own Capital Ratio stated above is not calculated based on the public notice of Own Capital Ratio.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash flows from Financing Activities	Cash and Cash Equivalents at the end of the fiscal year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(105,076)	117,584	(4,961)	608,290
March 31, 2024	(160,573)	64,784	(12,096)	600,743

2. Cash Dividends

	Annual dividends per share					Total Cash Dividends (Total)	Dividends Pay-out Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	50.00	-	50.00	100.00	4,898	59.0	1.4
Fiscal year ended March 31, 2025	-	50.00	-	60.00	110.00	5,400	59.3	1.5
Fiscal year ending March 31, 2026 (Forecast)	-	50.00	-	50.00	100.00		46.8	

Note: Breakdown of the fiscal year- end dividends per share for fiscal year ended March 31, 2025

Commemorative Dividend 10.00 Yen

3. Consolidated Earnings Estimates for Fiscal 2025 (for the fiscal year ending March 31, 2026)

(%: Changes from the corresponding period of the previous fiscal year, from the same quarter in the previous year for quarterly results)

	Ordinary Profits		Profit Attributable to Owners of Parent		Profit per Share
	Millions of yen	%	Millions of yen	%	Yen
Second-quarter period (cumulative)	6,900	(31.0)	4,800	(32.7)	97.74
Full-year	15,000	45.9	10,500	15.4	213.80

*** Notes**

- (1) Significant Subsidiaries during the Fiscal Year (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes
 Newly included: 5 companies (AASC Co., Ltd. and its 3 subsidiaries, Aichi FG Marketing Company Limited)
 Excluded: None

- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None

(3) Number of issued shares (common stocks)

(i) Year-end issued shares (including treasury share):	As of March 31, 2025	49,124,671shares	As of March 31, 2024	49,124,671shares
(ii) Year-end treasury share:	As of March 31, 2025	14,119shares	As of March 31, 2024	129,595shares
(iii) Average number of outstanding shares:	As of March 31, 2025	49,060,312shares	As of March 31, 2024	48,971,531shares

[Reference] Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1)Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating Revenues		Operating Income		Ordinary Profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	6,128	(23.6)	4,927	(29.7)	4,926	(29.7)	4,899	(29.9)
March 31, 2024	8,018	119.9	7,009	116.2	7,010	121.2	6,989	121.0

	Profit per Share	Diluted Profit per Share
Fiscal year ended	Yen	Yen
March 31, 2025	99.88	99.32
March 31, 2024	142.73	141.74

(2) Non-Consolidated Financial Conditions

	Total Assets	Total Net Assets	Own Capital Ratio	Total Net Assets per Share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	209,458	209,272	99.8	4,255.14
March 31, 2024	209,348	209,220	99.7	4,260.77

Reference: Own Capital:

As of March 31, 2025: ¥208,972 million
 As of March 31, 2024: ¥208,756 million

Note: Own Capital Ratio is calculated as follows: (Total Net Assets - Share Acquisition Rights) / Total Assets × 100.

Own Capital Ratio stated above is not calculated based on the public notice of Own Capital Ratio.

* This immediate release is outside the scope of the audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements concerning financial forecasts contained in these materials are based on information available when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved, and actual results may differ significantly from the forecasts due to a variety of factors.

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1. Overview of Consolidated Financial Results

(1) Overview of Operating Results

i. Trends of Economics and Finance

Looking back at Japan's economy during this fiscal year, there was a significant increase in inbound demand from foreign tourists, and signs of recovery in capital investment leading to de-carbonization, digital transformation, and labor saving, backed by solid corporate profits. In addition, although there is increasing uncertainty regarding U.S. trade policy, the economy is recovering moderately due to a gradual improvement in the employment and household income environment, driven by wage increases due to labor shortages and continuing consumer price increases.

In the region centered on Aichi Prefecture, which is the Group's main sales base, although housing investment is showing signs of weakness due to rising home prices caused by construction costs remaining high, with strong domestic and overseas demand, production and exports are on the rise, the economy is recovering gradually as employment and income for individuals are improving gradually despite the impact of rising prices.

As looking at the financial side, the yen weakened against the US dollar in the first half of the fiscal year to the 161 yen range in June due to concerns about a resurgence of inflation in the United States and the outlook for policy interest rates to be maintained at high levels. However, due to the hikes in Japan's policy interest rates in July 2024 and January 2025, expectations of further rate hikes, and the outlook for a narrowing of the interest rate gap between Japan and the United States due to a decline in long-term interest rates in response to concerns about a slowdown in the U.S. economy, the yen was bought back to the 149 yen range by the end of the period.

The Nikkei Stock Average rose to the 42,000 yen range in July, as strong earnings reports from US semiconductor companies spurred buying of domestic tech stocks in the first half of the fiscal year. After that, the market price fell sharply as the Bank of Japan indicated an aggressive stance of further interest rate hikes, but it then trended upwards, supported by the solidity of the U.S. economy. However, since February, the market price, particularly in the case of automobile and export-related stocks, has fallen due to growing global economic uncertainty following the announcement of additional tariffs by the Trump administration, and the closing price at the end of the fiscal year was 35,617 yen.

ii. Results of the Group

In the above-mentioned environment, the Group's business performance for the fiscal year ended March 31, 2025 was as follows:

Ordinary income increased by 12,349 million yen year on year to 101,036 million yen due to increases in interest on loans and bills discounted, income from fee and commission transactions, and gains on sales of stocks. On the other hand, ordinary expenses increased by 14,652 million yen year on year to 90,754 million yen due to increases in deposit interest, operating expenses, system integration expenses, and losses on sales of government bonds and other securities.

As a result, ordinary profits decreased by 2,302 million yen compared to the previous fiscal year to 10,282 million yen. Additionally, profit attributable to owners of parent increased by 801 million yen year on year to 9,097 million yen.

Looking at each segment, ordinary income for the banking business increased by 11,961 million yen year on year to 91,574 million yen, and segment profits increased by 1,011 million yen year on year to 10,279 million yen. Ordinary income from the lease business increased 105 million yen year on year to 6,505 million yen, while segment profit decreased 100 million yen year on year to 178 million yen.

(2) Overview of Financial Conditions

i.Assets

Total assets decreased by 31.7 billion yen from the end of the previous fiscal year to 6,799.7 billion yen. Of this, the end-of-period balance of loans increased by 141.2 billion yen from the end of the previous fiscal year to 4,845.7 billion yen, due to efforts to increase loans to small and medium-sized enterprises and housing loans. In addition, the end-of-period balance of securities decreased by 176.3 billion yen from the end of the previous fiscal year to 1,190.7 billion yen.

ii.Liabilities

Total liabilities decreased by 6 billion yen from the end of the previous fiscal year to 6,445.8 billion yen. Of this, the end-of-period deposit balance increased by 110.9 billion yen from the end of the previous fiscal year to 5,932.9 billion yen, as a result of efforts to increase deposits from individuals and corporations.

iii.Net Assets

Total net assets decreased by 25.7 billion yen from the end of the previous fiscal year to 353.8 billion yen, and net assets per share were 7,197.89 yen.

(3) Overview of Cash Flows

Cash flows from operating activities were expenditures of 105,076 million yen (an increase of 55,496 million yen from the previous fiscal year) due to an increase in loans and other factors. Cash flows from investing activities were inflows of 117,584 million yen (an increase of 52,799 million yen from the previous fiscal year) due to sales and redemption of securities and other factors. Additionally, cash flows from financing activities were expenditures of 4,961 million yen (an increase of 7,135 million yen from the previous fiscal year) due to dividend payments.

As a result, cash and cash equivalents increased by 7,546 million yen from the end of the previous fiscal year to 608,290 million yen.

(4) Outlook of the Going Forward

Our full-year business outlook for the fiscal year ending March 31, 2026 is as follows:

(Aichi Financial Group, Consolidated)

Ordinary profit is 15.0 billion yen (4.7 billion yen increase from the fiscal year ending March 31, 2025), and profit attributable to owners of parent is 10.5 billion yen (1.4 billion yen increase from the fiscal year ending March 31, 2025).

(Aichi Bank, Non-Consolidated)

Ordinary profit is 14.8 billion yen (5.2 billion yen increase from the fiscal year ending March 31, 2025), and profit is 10.4 billion yen (1.5 billion yen increase from the fiscal year ending March 31, 2025).

2. Basic Stance on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese Generally Accepted Accounting Principles because the Group do not conduct international business or fundraising. With respect to International Financial Reporting Standards (IFRS), in light of possible adoption in the future, the Group is continuing research and study on the situation in Japan and overseas and/or the development of IFRS.

3. Consolidated Financial Statements and Others

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and Due from Banks	605,152	612,643
Call Loans and Bills Purchased	1,150	732
Other Debt Purchased	8,180	7,211
Trading Account Securities	0	—
Securities	1,367,104	1,190,784
Reserve for Possible Losses on Investments	(0)	(0)
Loans and Bills Discounted	4,704,470	4,845,754
Foreign Exchange Assets	6,826	2,587
Other Assets	67,812	66,888
Tangible Fixed Assets	66,143	67,061
Building	11,591	11,426
Land	48,192	48,978
Lease Assets	110	68
Construction in Progress	218	964
Other Tangible Fixed Assets	6,030	5,622
Intangible Fixed Assets	2,371	3,321
Software	2,127	1,564
Goodwill	—	1,573
Software in Progress	31	31
Lease Assets	45	27
Other Intangible Fixed Assets	167	124
Net Defined Benefit Asset	21,063	21,610
Deferred Tax Assets	520	565
Customers' Liabilities for Acceptances and Guarantees	6,203	5,460
Reserve for Possible Losses on Loans	(25,561)	(24,918)
Total Assets	6,831,438	6,799,701
Liabilities		
Deposits	5,821,934	5,932,927
Negotiable Certificates of Deposit	23,100	1,600
Guarantee Deposits Received under Securities Lending Transactions	190,898	79,760
Borrowed Money	326,089	336,166
Foreign Exchange Liabilities	1,463	1,416
Other Liabilities	38,371	57,050
Reserve for Bonus Payments	1,229	1,136
Reserve for Directors' Bonus Payments	105	106
Net Defined Benefit Liability	12	111
Reserve for Director Retirement Benefits	87	129
Reserve for Reimbursement of Deposits	162	—
Reserve for Contingencies	2,354	2,699
Deferred Tax Liabilities	35,399	22,702
Deferred Tax Liabilities for Revaluation Reserve for Land	4,493	4,623
Acceptances and Guarantees	6,203	5,460
Total Liabilities	6,451,906	6,445,891

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net Assets		
Share Capital	20,026	20,026
Capital Surplus	37,021	36,939
Retained Earnings	230,061	234,255
Treasury Shares	(337)	(36)
Total Shareholders' Equity	286,772	291,185
Net Unrealized Gains (Losses) on Other Securities	76,387	42,623
Deferred Gains (Losses) on Hedges	734	5,397
Revaluation Reserve for Land	8,308	8,178
Remeasurements of Defined Benefit Plans	6,865	6,108
Total Accumulated Other Comprehensive Income	92,295	62,307
Share Acquisition Rights	463	300
Non-controlling Interests	—	18
Total Net Assets	379,531	353,810
Total Liabilities and Net Assets	6,831,438	6,799,701

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Ordinary Income	88,687	101,036
Interest Income	56,459	58,422
Interest on Loans and Bills Discounted	36,059	39,831
Interest and Dividends on Securities	19,705	16,837
Interest on Call Loans and Bills Purchased	41	62
Interest on Due from Banks	377	1,450
Other Interest Income	275	241
Fee and Commission Income	17,283	18,245
Other Operating Income	6,561	6,908
Other Ordinary Income	8,381	17,459
Provision for Reserve for Reimbursement of Deposits	—	80
Recovery of Written-off Claims	9	1
Other	8,371	17,377
Ordinary Expenses	76,102	90,754
Interest Expenses	3,479	7,977
Interest on Deposits	1,283	5,920
Interest on Negotiable Certificates of Deposit	8	16
Interest on Call Money and Bills Sold	64	—
Interest on Securities Lending Transactions	336	398
Interest on Borrowed Money	114	579
Interest on Bonds and Notes	31	—
Other Interest Expenses	1,640	1,062
Fee and Commission Expenses	5,435	5,664
Other Operating Expenses	14,946	20,081
General and Administrative Expenses	43,712	47,750
Other Ordinary Expenses	8,529	9,281
Provision for Reserves for Possible Losses on Loans	1,121	714
Provision of Reserve for Possible Losses on Investments	—	0
Provision for Reserve for Reimbursement of Deposits	31	—
Provision for Reserve for Contingencies	316	530
Other	7,059	8,036
Ordinary Profits	12,584	10,282
Extraordinary Gains	7	10
Gains on Disposition of Fixed Assets	7	10
Extraordinary Losses	561	567
Losses on Disposition of Fixed Assets	54	102
Losses on Impairment of Fixes Assets	285	7
Losses on Revision of Retirement Benefit Plan	—	457
Losses on Cancellation of Systems	222	—
Income before Income Taxes	12,030	9,725
Income Taxes - Current	3,489	824
Income Taxes - Deferred	169	(195)
Total Income Taxes	3,659	629
Profit	8,371	9,095
Profit Attributable to Non-controlling Interests	75	(1)
Profit Attributable to Owners of Parent	8,295	9,097

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	8,371	9,095
Other Comprehensive Income	54,454	(29,988)
Net Unrealized Gains (Losses) on Other Securities	47,562	(33,763)
Deferred Gains (Losses) on Hedges	353	4,662
Revaluation Reserve for Land	—	(130)
Remeasurements of Defined Benefit Plans	6,538	(757)
Comprehensive Income	62,825	(20,892)
(Breakdown)		
Comprehensive Income Attributable to Owners of Parent	62,744	(20,891)
Comprehensive Income Attributable to Non-controlling Interests	80	(1)

(3) Consolidated Statements of Change in Net Assets

For the Fiscal Year ended on March 31, 2024

(Millions of yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of the beginning of the period	20,026	34,374	226,645	(516)	280,530
Changes during the period					
Cash Dividends			(4,895)		(4,895)
Profit Attributable to Owners of Parent			8,295		8,295
Repurchase of Treasury Shares				(10)	(10)
Disposition of Treasury Shares		(47)		188	141
Transfer from Revaluation Reserve for Land			15		15
Change in Treasury Shares of Parent Arising from Transactions with Non-controlling Interests		2,695			2,695
Net Changes in Items other than Shareholders' Equity					
Total Changes during the Period	—	2,647	3,416	178	6,242
Balance as of the end of the period	20,026	37,021	230,061	(337)	286,772

	Accumulated Other Comprehensive Income					Share Acquisition Rights	Non-controlling Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance as of the beginning of the period	28,830	380	8,324	326	37,862	537	4,546	323,476
Changes during the period								
Cash Dividends								(4,895)
Profit Attributable to Owners of Parent								8,295
Repurchase of Treasury Shares								(10)
Disposition of Treasury Shares								141
Transfer from Revaluation Reserve for Land								15
Change in Treasury Shares of Parent Arising from Transactions with Non-controlling Interests								2,695
Net Changes in Items other than Shareholders' Equity	47,556	353	(15)	6,538	54,433	(73)	(4,546)	49,813
Total Changes during the Period	47,556	353	(15)	6,538	54,433	(73)	(4,546)	56,055
Balance as of the end of the period	76,387	734	8,308	6,865	92,295	463	—	379,531

For the Fiscal Year ended on March 31, 2025

(Millions of yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of the beginning of the period	20,026	37,021	230,061	(337)	286,772
Changes during the period					
Cash Dividends			(4,903)		(4,903)
Profit Attributable to Owners of Parent			9,097		9,097
Repurchase of Treasury Shares				(5)	(5)
Disposition of Treasury Shares		(82)		307	224
Net Changes in Items other than Shareholders' Equity					
Total Changes during the Period	—	(82)	4,193	301	4,412
Balance as of the end of the period	20,026	36,939	234,255	(36)	291,185

	Accumulated Other Comprehensive Income					Share Acquisition Rights	Non-controlling Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance as of the beginning of the period	76,387	734	8,308	6,865	92,295	463	—	379,531
Changes during the period								
Cash Dividends								(4,903)
Profit Attributable to Owners of Parent								9,097
Repurchase of Treasury Shares								(5)
Disposition of Treasury Shares								224
Net Changes in Items other than Shareholders' Equity	(33,763)	4,662	(130)	(757)	(29,988)	(163)	18	(30,133)
Total Changes during the Period	(33,763)	4,662	(130)	(757)	(29,988)	(163)	18	(25,720)
Balance as of the end of the period	42,623	5,397	8,178	6,108	62,307	300	18	353,810

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash Flows from Operating Activities		
Income before Income Taxes	12,030	9,725
Depreciation	3,098	4,536
Losses on Impairment of Fixed Assets	285	7
Amortization of Goodwill	—	82
Increase (Decrease) in Reserve for Possible Losses on Loans	(2,014)	(644)
Increase (Decrease) in Reserves for Possible Losses on Investments	—	0
Increase (Decrease) in Reserve for Bonus Payments	18	(237)
Increase (Decrease) in Reserve for Directors' Bonus Payments	67	0
Decrease (Increase) in Net Defined Benefit Asset	(1,225)	(1,377)
Increase (Decrease) in Net Defined Benefit Liability	143	(11)
Increase (Decrease) in Reserve for Director Retirement Benefits	24	(46)
Increase (Decrease) in Reserve for Reimbursement of Deposits	(56)	(162)
Increase (Decrease) in Reserve for Contingencies	86	344
Interest Income - accrual basis	(56,459)	(58,422)
Interest Expenses - accrual basis	3,479	7,977
Losses (Gains) on Securities	1,352	(627)
Foreign Exchange Losses (Gains) - net	(10,137)	545
Losses (Gains) on Disposition of Fixed Assets	47	92
Decrease (Increase) in Trading Account Securities	(0)	0
Decrease (Increase) in Loans and Bills Discounted	(136,015)	(141,284)
Increase (Decrease) in Deposits	198,712	110,993
Increase (Decrease) in Negotiable Certificates of Deposit	15,690	(21,500)
Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	46,152	10,064
Decrease (Increase) in Due from Banks (excluding Due from Bank of Japan)	(255)	561
Decrease (Increase) in Call Loans, etc.	275	820
Increase (Decrease) in Call Money, etc.	(248,682)	—
Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	(23,152)	(111,137)
Decrease (Increase) in Foreign Exchange Assets	1,985	4,239
Increase (Decrease) in Foreign Exchange Liabilities	(177)	(47)
Interest and Dividend Income - cash basis	53,864	58,744
Interest Expenses - cash basis	(3,431)	(5,883)
Other - net	(16,583)	31,437
Subtotal	(160,880)	(101,208)
Cash Refunded (Paid) Income Taxes	307	(3,867)
Net Cash Provided by (Used in) Operating Activities	(160,573)	(105,076)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash Flows from Investing Activities		
Payments for Purchase of Securities	(266,144)	(146,265)
Proceeds from Sale of Securities	234,313	180,625
Proceeds from Redemption of Securities	100,857	90,654
Payments for Purchase of Tangible Fixed Assets	(3,490)	(4,211)
Proceeds from Sale of Tangible Fixed Assets	327	91
Payments for Purchase of Intangible Fixed Assets	(1,057)	(1,208)
Payments for Fulfillment of Asset Retirement Obligation	(19)	(3)
Payments for Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	—	(2,098)
Net Cash Provided by (Used in) Investing Activities	64,784	117,584
Cash Flows from Financing Activities		
Payments for Lease Obligation	(202)	(72)
Payments for Redemption of Subordinated Bonds	(5,000)	—
Payments for Financing Activities	(56)	—
Payments for Repurchase of Treasury Shares	(10)	(5)
Proceeds from Sale of Treasury Shares	0	0
Cash Dividends Paid	(4,895)	(4,903)
Cash Dividends Paid to Non-controlling Interests	(2)	—
Proceeds from Share Issuance to Non-controlling Shareholders	—	20
Payments for Purchase of Shares of Subsidiaries (not affecting the scope of consolidation)	(1,930)	—
Net Cash Provided by (Used in) Financing Activities	(12,096)	(4,961)
Net Increase (Decrease) in Cash and Cash Equivalents	(107,884)	7,546
Cash and Cash Equivalents at the beginning of the fiscal year	708,628	600,743
Cash and Cash Equivalents at the end of the fiscal year	600,743	608,290

(5) Notes regarding Consolidated Financial Statements

(Matters Related to the Assumption of Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes”)

The Group have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) and other standards from the beginning of this fiscal year. The revision to accounting classification of income taxes (taxation on other comprehensive income), the Group follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the Accounting Standard for Current Income Taxes and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No.28, October 28, 2022; hereinafter “Guidance on Tax Effect Accounting”). This change in accounting policy does not affect the consolidated financial statements.

Revisions in the treatment of the consolidated financial statements from where gain/loss arising from the sale of subsidiary shares between consolidated companies is to be deferred for tax purposes, Guidance on Tax Effect Accounting is applied from the beginning of this fiscal. These changes in accounting policies are applied retrospectively, including the consolidated financial statements for the previous period, which have been adjusted retrospectively. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Business Combinations and Other Related Matters Information)

Business combination through acquisition

1. Overview of the business combination

(1) Name and business detail of the acquired company

Name of acquired company	Business Detail
AASC Co., Ltd.	Holding shares in three software development companies and contact business of the indirect operations

(2) Reason of the acquisition

The Company's purpose is to "contribute to the prosperity of the local community through financial services," and aim to establish a "consulting solutions-based business model" that can respond to the various needs and challenges of local customers.

As digitalization advances throughout society, the Group believes that one of our important missions as a regional financial institution is to support the digitalization of not only the Group but also our local customers. The Company has acquired AAST Co., Ltd., an independent software development company that provides high-quality system services mainly in Aichi Prefecture, and AASC Co., Ltd., a share holding company of two other companies, as a subsidiary. The reason to decide to acquire shares is the Group believes that by utilizing the AASC group's technological capabilities and knowledge in the digital field, we will be able to provide customers with advanced solutions and consulting in the digital field, which will contribute to the evolution of the consulting and solutions-based business model that we advocate.

The Group will continue to strive to contribute to the development of local economies and the realization of a sustainable society through our business activities.

(3) Date of business combination

April 2, 2024

(4) Legal form of business combination

Acquisition of shares for cash

(5) Company name after combination

There is no change in name.

(6) Percentage of voting rights acquired

100%

(7) Percentage of voting rights acquired

This is due to the acquisition of shares in exchange for cash.

2. Performance period of the acquired company included in consolidated statement of income

June 30, 2024 is deemed as an acquisition date, the result of the performance from July 1, 2024 to December 31, 2024 is included in the consolidated statement of income.

3. Acquisition cost of acquired companies and breakdown by type of consideration

Consideration for acquisition	Cash	2,100 million yen
Acquisition cost		2,100 million yen

4. Breakdown and amounts of major acquisition-related costs

Advisory fees and other items: 45 million yen

5. Amount of goodwill generated, cause of generation, amortization method and amortization period
 - (1) Amount of goodwill generated
1,655 million yen
 - (2) Cause of generation
Major factor is the excess profitability expected to come from the future business development of AASC Co., Ltd. and its subsidiaries.
 - (3) Amortization method and amortization period
Amortized evenly over 10 years

6. Amounts of assets and liabilities acquired on the date of business combination and their main breakdown
 - (1) Amount of assets
Total amount of assets: 1,285 million yen
 - (2) Amount of liabilities
Total amount of liabilities: 841 million yen

7. Estimated amount of impact on the consolidated income statement for the current consolidated fiscal year if the business combination was completed on the first day of the consolidated fiscal year and the method for calculating the same
As it is difficult to calculate an estimated amount for this consolidated fiscal year, it is not stated.

Common control transactions and other items

Acquisition of additional shares in subsidiary (AIGIN LEASE CO., LTD.)

1. Overview of the business combination

(1) Name and business detail of the business combined company

Name of combined company	Business Detail
AIGIN LEASE CO., LTD.	Lease business

(2) Date of business combination

October 1, 2024

(3) Legal form of business combination

Dividends in kind from consolidated subsidiaries

(4) Company name after combination

There is no change in name.

(5) Other matters related to the outline of the transaction

Aichi Financial Group, Inc. acquired the shares of consolidated subsidiaries held by its consolidated subsidiaries in order to further strengthen its comprehensive financial services and to strengthen the Group's functions to respond to customers' management issues on a one-stop basis.

2. Summary of accounting procedures implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued January 16, 2019) and the "Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures." (ASBJ Guidance No. 10, issued January 16, 2019), these transactions are accounted for as transactions under common control.

Common control transactions and other items

Mergers between consolidated subsidiaries

1. Overview of the business combination

(1) Name and business detail of the business combined company

(Absorption-type merger surviving company)

Name: Aichi Bank, Ltd.

Business Detail: Banking business

(Absorbed company)

Name: The Chukyo Bank, Limited

Business Detail: Banking business

(2) Date of business combination

January 1, 2025

(3) Legal form of business combination

Absorption-type merger with Aichi Bank as the surviving company and Chukyo Bank as the disappearing company

(4) Company name after combination

Aichi Bank, Ltd.

(5) Other matters related to the outline of the transaction

The purpose of this merger is to combine the strengths of both banks, such as their business bases, knowledge and know-how, to provide financial services as a regional financial group with a strong presence in Aichi Prefecture, and to make an active and sustainable contribution to the prosperity of the local community.

Furthermore, we will respond to the increasingly sophisticated and diverse needs of our customers by building a consulting and solutions-based business model of a level that could not be achieved alone, establishing a vibrant and adventurous corporate culture, and building a solid management foundation.

2. Summary of accounting procedures implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued January 16, 2019) and the "Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures." (ASBJ Guidance No. 10, issued January 16, 2019), these transactions are accounted for as transactions under common control.

(Business Segment Information)

1. Summary of reporting segments

Aichi Financial Group's reporting segments are business units of the Group which are available to access to the financial data of each units and Board of Directors, the decision-making body for the execution of its business operations, regularly reviews to make decisions regarding allocation of management resources and evaluate performance.

The Group makes and executes business activities mainly banking business and financial service including Lease business.

Therefore, the Group adopted the business segments based on financial service and the reporting segments are "Banking" and "Lease".

"Banking" provide a deposit business, lending business, exchange business, investment trust business, sales business of the life insurance products over the counter and securities business etc. "Lease" provide a leasing business.

2. Method for calculating ordinary income, profit, assets, liabilities, and other items for each reporting segment

The accounting methods used for the reporting segments are the same as the accounting methods used in preparing the consolidated financial statements.

Reportable segment profit is based on ordinary profit. The amount of internal income between reporting segments are based on the market price.

3. Information on ordinary income, profit, assets, liabilities and others items for each reporting segment

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Reporting Segment			Others	Total	Adjustment	Amount of Consolidated Financial Statement
	Banking	Lease	Total				
Ordinary Income							
External Customers	79,454	6,083	85,538	1,897	87,436	1,251	88,687
Intersegment	157	316	474	540	1,014	(1,014)	-
Total	79,612	6,399	86,012	2,437	88,450	236	88,687
Segment Profits	9,267	278	9,546	369	9,915	2,669	12,584
Segment Assets	6,794,860	22,607	6,817,467	16,627	6,834,094	(2,656)	6,831,438
Segment Liabilities	6,440,291	16,710	6,457,002	7,422	6,464,424	(12,518)	6,451,906
Others							
Depreciation	2,852	153	3,005	36	3,042	55	3,098
Interest Income - accrual basis	55,170	4	55,175	74	55,249	1,210	56,459
Interest Expenses - accrual basis	3,497	65	3,562	4	3,566	(87)	3,479
Provision for Reserves for Possible Losses on Loans	920	53	974	146	1,120	1	1,121
Losses on Impairment of Securities	225	-	225	-	225	-	225
Increase in Tangible Fixed Assets and Non-Tangible Fixed Assets	4,516	19	4,536	12	4,548	-	4,548

Notes:

1. "Ordinary Income" in the above table is used in lieu of net sales generally used by Japanese non-financial companies. The adjustment is made for the difference between ordinary income and the amount of ordinary income on the consolidated statement of income.
2. "Others" in the reporting segments are business segment which is not included in reporting segment as credit card business, administrative business, business processing business with computer, composition and operation of the investment limited partnership business, credit guarantee business and debts collection agency business.
3. Adjustment of the ordinary income for the external customers 1,251 millions of yen is related to the purchase methods.
4. Adjustment of the segment profits 2,669 millions of yen is related to the purchase methods for 2,679 millions of yen and intersegment transaction elimination.
5. Adjustment of the segment assets (2,656) millions of yen is related to the purchase methods and intersegment transaction elimination.
6. Adjustment of the segment liabilities (12,518) millions of yen is related to the purchase methods and intersegment transaction elimination.
7. Reconciliation of the total segment profits in each of the above table to the ordinary profit in the consolidated statement of income are adjusted.
8. As "Change in Accounting Policies", measurement methods for Sales of Installment sales and Cost of Goods Sold of Installment sales in the Lease segments has changed from this fiscal year.

For the fiscal year ended March 31, 2025

(Millions of Yen)

	Reporting Segment			Others	Total	Adjustment	Amount of Consolidated Financial Statement
	Banking	Lease	Total				
Ordinary Income							
External Customers	91,391	6,204	97,595	3,428	101,024	12	101,036
Intersegment	182	300	483	517	1,001	(1,001)	—
Total	91,574	6,505	98,079	3,945	102,025	(988)	101,036
Segment Profits	10,279	178	10,457	278	10,736	(454)	10,282
Segment Assets	6,758,302	27,672	6,785,975	19,643	6,805,619	(5,917)	6,799,701
Segment Liabilities	6,432,506	20,938	6,453,444	8,194	6,461,638	(15,747)	6,445,891
Others							
Depreciation	4,291	150	4,442	45	4,487	49	4,536
Interest Income - accrual basis	58,267	4	58,272	69	58,341	81	58,422
Interest Expenses - accrual basis	7,940	104	8,044	4	8,048	(71)	7,977
Provision for Reserves for Possible Losses on Loans	573	(49)	524	191	715	(1)	714
Losses on Impairment of Securities	221	—	221	—	221	0	221
Increase in Tangible Fixed Assets and Non-Tangible Fixed Assets	5,352	7	5,359	59	5,419	—	5,419

Notes:

1. “Ordinary Income” in the above table is used in lieu of net sales generally used by Japanese non-financial companies. The adjustment is made for the difference between ordinary income and the amount of ordinary income on the consolidated statement of income.
2. “Others” in the reporting segments are business segment which is not included in reporting segment as credit card business, debts collection agency business, business processing business with computer, administrative service business for bank, operation and management of the investment limited partnership (funding) business, software development business, and advertising agency business.
3. Adjustment of the ordinary income for the external customers 12 millions of yen is related to the purchase methods.
4. Adjustment of the segment profits (454) millions of yen is related to the purchase methods for (444) millions of yen and intersegment transaction elimination.
5. Adjustment of the segment assets (5,917) millions of yen is related to the purchase methods and intersegment transaction elimination.
6. Adjustment of the segment liabilities (15,747) millions of yen is related to the purchase methods and intersegment transaction elimination.
7. Reconciliation of the total segment profits in each of the above table to the ordinary profit in the consolidated statement of income are adjusted.

(Per Share Information)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Net Assets per Share of Common Stock	7,736.85 Yen	7,197.89 Yen
Profit per Share of Common Stock	169.40 Yen	185.43 Yen
Diluted Profit per Share of Common Stock	168.23 Yen	184.40 Yen

Notes: 1. Total Net Assets per Share of Common Stock is based on the following information:

		As of March 31, 2024	As of March 31, 2025
Total Net Assets	¥ Millions	379,531	353,810
Deductions from Total Net Assets	¥ Millions	463	318
<i>Share Acquisition Rights</i>	¥ Millions	463	300
<i>Non-controlling Interests</i>	¥ Millions	-	18
Net Assets (year-end) related to Common Stock	¥ Millions	379,067	353,492
Year-end Outstanding Shares of Common Stock based on which Total Net Assets per Share of Common Stock was calculated	Thousands of Shares	48,995	49,110

2. Profit per Share of Common Stock and Diluted Profit per Share of Common Stock are based on the following information:

		Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Profit per Share of Common Stock			
<i>Profit Attributable to Owners of Parent</i>	¥ Millions	8,295	9,097
<i>Profit Attributable to Owners of Parent related to Common Stock</i>	¥ Millions	8,295	9,097
<i>Average Outstanding Shares of Common Stock (during the period)</i>	Thousands of Shares	48,971	49,060
Diluted Profit per Share of Common Stock			
<i>Adjustment to Profit Attributable to Owners of Parent</i>	¥ Millions	-	-
<i>Increased Number of Shares of Common Stock</i>	Thousands of Shares	342	274
<i>Share Acquisition Rights</i>	Thousands of Shares	342	274
Description of dilutive securities which were not included in the calculation of Diluted Profit per Share of Common Stock as they have no dilutive effects		-	-

(Subsequent Events)

There is no applicable information.

4. Financial Statements and Others

(1) Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current Assets		
Cash and Deposits	4,477	2,842
Prepaid Expenses	2	1
Income Taxes Receivable	478	—
Other	24	21
Total Current Assets	4,982	2,865
Fixed Assets		
Intangible Fixed Assets		
Trademark Rights	6	6
Total Intangible Fixed Assets	6	6
Investments and Other Assets		
Shares of Subsidiaries	204,334	206,560
Deferred Tax Assets	24	26
Total Investments and Other Assets	204,359	206,586
Total Fixed Assets	204,365	206,592
Total Assets	209,348	209,458
Liabilities		
Current Liabilities		
Accrued Expenses	17	17
Income Taxes Payable	13	31
Reserve for Bonus Payments	58	56
Reserve for Directors' Bonus Payments	13	15
Other	25	64
Total Current Liabilities	127	186
Total Liabilities	127	186
Net Assets		
Shareholders' Equity		
Share Capital	20,026	20,026
Capital Surplus		
Legal Capital Surplus	5,026	5,026
Other Capital Surplus	178,784	178,701
Total Capital Surplus	183,811	183,728
Retained Earnings		
Other Retained Earnings		
Retained Earnings Brought Forward	5,256	5,252
Total Retained Earnings	5,256	5,252
Treasury Shares	(337)	(36)
Total Shareholders' Equity	208,756	208,972
Share Acquisition Rights	463	300
Total Net Assets	209,220	209,272
Total Liabilities and Net Assets	209,348	209,458

(2) Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating Revenue		
Dividends from Subsidiaries	6,998	4,898
Commissions from Subsidiaries	1,020	1,229
Total Operating Revenue	8,018	6,128
Operating Expenses		
Selling, General and Administrative Expenses	1,009	1,200
Total Operating Expenses	1,009	1,200
Operating Income	7,009	4,927
Non-Operating Revenue		
Interest Income	0	1
Other	0	0
Total Non-Operating Income	0	2
Non-Operating Expenses		
Other	—	3
Total Non-Operating Expenses	—	3
Ordinary Profit	7,010	4,926
Profit before Income Taxes	7,010	4,926
Income Taxes - Current	30	28
Income Taxes - Deferred	(10)	(2)
Total Income Taxes	20	26
Profit	6,989	4,899

(3) Statements of Changes in Net Assets

For the Fiscal Year ended on March 31, 2024

(Millions of yen)

	Shareholders' Equity								Share Acquisition Rights	Total Net Assets
	Share Capital	Capital Surplus			Retained Earnings		Treasury Shares	Total Shareholders' Equity		
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings				
					Retained Earnings Brought Forward					
Balance as of the beginning of the period	20,026	5,026	178,832	183,859	3,162	3,162	(516)	206,531	537	207,068
Changes during the period										
Cash Dividends					(4,895)	(4,895)		(4,895)		(4,895)
Profit					6,989	6,989		6,989		6,989
Repurchase of Treasury Share							(10)	(10)		(10)
Disposition of Treasury Shares			(47)	(47)			188	141		141
Net Changes in Items other than Shareholders' Equity									(73)	(73)
Total Changes during the Period	—	—	(47)	(47)	2,094	2,094	178	2,225	(73)	2,151
Balance as of the end of the period	20,026	5,026	178,784	183,811	5,256	5,256	(337)	208,756	463	209,220

For the Fiscal Year ended on March 31, 2025

(Millions of yen)

	Shareholders' Equity								Share Acquisition Rights	Total Net Assets
	Share Capital	Capital Surplus			Retained Earnings		Treasury Shares	Total Shareholders ' Equity		
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings				
					Retained Earnings Brought Forward					
Balance as of the beginning of the period	20,026	5,026	178,784	183,811	5,256	5,256	(337)	208,756	463	209,220
Changes during the period										
Cash Dividends					(4,903)	(4,903)		(4,903)		(4,903)
Profit					4,899	4,899		4,899		4,899
Repurchase of Treasury Share							(5)	(5)		(5)
Disposition of Treasury Shares			(82)	(82)			307	224		224
Net Changes in Items other than Shareholders' Equity									(163)	(163)
Total Changes during the Period	—	—	(82)	(82)	(3)	(3)	301	215	(163)	51
Balance as of the end of the period	20,026	5,026	178,701	183,728	5,252	5,252	(36)	208,972	300	209,272