

Aichi Financial Group
Integrated Report < Disclosure Book>

2025



# Aichi Financial Group Corporate Slogan

# Closest to you

People's lifestyles, the roles of corporations, everything keeps changing.

The challenges we face, the future we envision, and the things we seek are diverse, and is difficult to see ahead into the future.

That is why we believe that we must support our customers at the closest level.

Sharing the daily joys, the concern for the future from the same perspective as our customers, we help them create a secure future.

Being the first to consult and be the most reliable partner in this region.

Be solid and unwavering, unafraid to take on challenges.

Aiming to become the No. 1 regional financial group in Aichi Prefecture, we will create the unknown new value.



# **CONTENTS**

#### Introduction

- 01 Aichi Financial Group Corporate Slogan
- O4 Commitment Behind Our Name/Management Philosophy

#### Message for Our Stakeholders

- 05 Message from Management
- Message from President of Aichi Bank
- 3 <Special Feature> Discussion: Officer in Charge of Group DX & Business Process Reengineering and Outside Director (Audit and Supervisory Committee member)
- 17 Message from Officer in Charge of Finance

#### Source of Value Creation

- 23 History of Aichi FG
- 25 Business Foundation of Aichi FG
- 27 Strengths of Aichi Bank
- 29 Value Creation Process of Aichi FG
- 31 Long-Term Plan—Vision for 2030—
- 33 Review of the 1st Medium-Term Management Plan
- 35 2nd Medium-Term Management Plan
- 41 <Special Feature> Review of the Merger
- 43 <Special Feature > New Group System to Achieve Group Strategies

#### Strategy for Sustainable Growth

45 Sustainability Initiatives

# Contributing to the Prosperity of Local Communities

- 49 Contributing to the Local Communities Through Investments and Loans
- 51 Support for Startup Companies
- 53 Providing Support for Solving Local Communities Issues
- 57 Revitalizing Local Communities
- Providing Support for the Automotive Industry

#### Sophistication of Financial Services

- **63** Asset Building Support and Customer-oriented Business Operations
- 65 Promoting DX

#### Response for Environmental Conservation

69 Climate Change and Nature-Related Measures (Measures taken for TCFD and TNFD Recommendations)

# Improving Employee Engagement and Advancement of Diverse Human Capital

- **79** Message from Officer in Charge of Human Resources
- 80 Human Capital Development
- 83 Diversity, Equity and Inclusion
- 85 Health Management and Work Style Reform

#### Strengthening Governance

- 87 Corporate Governance
- 93 Company Officers (Directors)
- 95 Stakeholders Communications
- 99 Initiatives to Respect Human Rights
- 101 Risk Management
- 105 Cybersecurity
- 107 Compliance Measures

#### **Corporate Data**

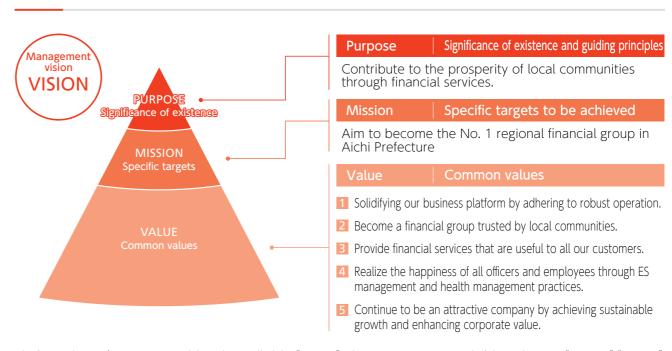
- 115 Group Financial Data
- 117 Group Non-Financial Data
- 119 Corporate Information

# Commitment Behind Our Name



The corporate name represents our desire of aiming to become the No. 1 regional financial group in Aichi Prefecture by growing together with the prefecture while cherishing the area, which is our main base of operations.

# Management Philosophy of Aichi Financial Group



The financial Group's management philosophy is called the "VISION," a business vision composed of three elements, "Purpose," "Mission," and "Value," intended to guide all executives and employees in decision-making and in the form we pursue.

# **Editorial Policy**

We have prepared this Integrated Report in order for all of our stakeholders to have a better understanding of the Group's initiatives towards sustainable value creation.

We have compiled information such as the Group's management philosophy, medium-term management plan, and financial information, as well as non-financial information such as initiatives for value creation and sustainability in an integrated manner.

In compiling this report, we have referenced the International <IR> Framework proposed by the International Integrated Reporting Council (IIRC) as well as the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. The report provides an integrated explanation of our business model and mechanisms for sustainable value creation.

Please refer to our 2025 Disclosure Book available on our website for detailed financial data and other information.

\* The International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) were integrated in June 2021 to form the Value Reporting Foundation (VRF). The 2025 Disclosure Book prepared in accordance with the Banking Act is available on our website.



Reporting target

From April 2024 to March 2025

Information for April 2025 and beyond is included in some sections

Scope Aichi Financial Group and its subsidiaries, associated companies

Information on separate editions

For Disclosure Book 2025 (main text and reference materials), please visit Aichi Financial Group's website.

URL: https://www.aichi-fg.co.jp/

Information disclosure communication



# **Message from Management**

# Closest to you

The 2nd Medium-Term Management Plan has started. We will establish integrated Group management with the new bank at its core to realize a "total support group that goes beyond banking."

# Birth of the New Bank and Completion of Systems Integration

In January 2025, The Aichi Bank and The Chukyo Bank merged to form the new Aichi Bank, Ltd. From the perspectives of post-merger integration (PMI) and systems integration, I am happy to report that the merger has been a success.

Behind the conclusion of the basic agreement between the two banks approximately ten months before their management integration in October 2022, was a shared recognition of a certain issue. That issue was the fact that, amid the significant changes in the environment surrounding the management of regional financial institutions, sustainable growth on their own would be difficult from the perspective of scale, such as scale of resources, including human capital, and scale of expertise.

To achieve a step change in growth and dramatically enhance their corporate value, the only option was for the two banks to join together into a single organization. When the management integration took place in October 2022, we were strongly aware of the need to complete the bank merger and systems integration quickly. Ultimately, we successfully achieved a smooth systems integration and completed the merger in a remarkably short time frame. This was an unprecedented accomplishment among regional financial institution mergers.

In the 1st Medium-Term Management Plan, which began with the establishment of Aichi Financial Group in October 2022, we set out our priority strategies, positioning the Plan period as a preparation phase for the swift emergence of synergy after the bank merger. The first of those strategies was to "prepare for the complete transition to a consulting solutions-based business model." Another was the "large-scale shift of employees towards a profile necessary for a new business model."

In the previous era of low and negative interest rates, sustainable growth of banking revenue was difficult to achieve with traditional deposits and loans operations alone. As such, the development of the solutions-based business as an alternative pillar of revenue had become a major

priority. Staying close to our customers, identifying their issues, making proposals that were not limited to lending and that would help solve those issues, and receiving a consideration for those efforts. What I just described is the very essence of the consulting solutions-based business model.

We defined the profile of the people needed for this new business model as "strategic human capital," and divided them into four categories for the purpose of our human capital development efforts. In the 1st Medium-Term Management Plan, we set a key performance indicator (KPI) of creating 450 people as strategic human capital in FY2024. We reached this target ahead of schedule thanks to steady initiatives under our development plan. With this and other outcomes, we can now say that the preparations for the complete transition to a consulting solutions-based business model have been completed.

# Leveraging lessons learned from past system transitions

Simultaneously with the bank merger, we also conducted a systems integration. To realize the systems integration according to our initial schedule, our basic policy was to minimize the impact on customers while prioritizing reducing system risks and administration risks, so that operations at Aichi Bank after the merger could begin in a secure, reliable and smooth manner. We promoted the standardization of core systems and administrative process criteria based on the systems and standards of The Aichi Bank pre-merger.

My own experience was also put to work in the systems integration project. When The Aichi Bank transitioned its core banking systems to NTT DATA's Regional Bank Integrated Services Center back in 2007, I was responsible for the systems division. The lesson I learned at that time was to keep the time spent on systems integration as short as possible. This meant allocating sufficient manpower to the project from the outset and supplementing any shortfalls with external resources to stay ahead of the process.



# Message from Management

On this occasion as well, in November 2023, we integrated the systems and administrative divisions of both banks into one location, bringing the employees of both banks, system vendors, external contractors, and other relevant parties together in one place. In this way, as well as working to achieve cohesion, we maintained close communication and cooperation to keep the project moving forward. As a result, we achieved systems integration in the short time frame of approximately two years from the management integration, so I believe that we were able to fully achieve our objective.

The total integration costs associated with the bank merger and systems integration were largely kept within our initial projections. I would like to take this opportunity to express my gratitude to the many people involved in the merger for their support, which allowed us to complete the integration without any major issues.

With the launch of the new Aichi Bank, Takehiro Suzuki was appointed Representative Director, President and Executive Officer, and I will now dedicate myself to the planning and execution of strategies for the entire Group as the President of Aichi Financial Group. The objective behind these appointments is to clearly indicate the division of roles between the holding companv and the bank.

As one subsidiary of Aichi Financial Group, Aichi Bank will be expected to serve as the sales division of the Group. Accordingly, Mr. Suzuki, who was in charge of the sales division for many



years and who built up the solutions business, is the right person for the job, and I look forward to seeing him steer the bank well as its president.

The expansion of service revenue is essential even in a world with positive interest rates. With the end of negative interest rates following a review of monetary policy and the two subsequent increases in policy interest rates, the long-standing world without interest rates is coming to a close, and we are now moving into a world with positive interest rates. In line with the change toward an inflationary environment that is behind the interest rate hikes, changes are taking place in the external environment that could be described as a "major shift" for the banking industry.

We view the return to a world with positive interest rates as fundamentally positive, as the improvement in net interest margins resulting from rising interest rates will also contribute to improved earnings in our traditional loan and deposit operations. However, even with improved net interest margins, given the inherently low level of interest rates in Japan and the acceleration of birthrate decline and population aging, it is unlikely that we will return to the era of pursuing expansion of scale by increasing our loan portfolio through competition for deposits and loans.

Addressing the various issues faced by customers in the local communities and making proposals that will help solve them, or in other words, a consulting solutions-based business model, will, I firmly believe, continue to be even more important in a world with positive interest rates. I believe that it is important to move away from a business model centered on loans and deposits, accelerate the expansion of service revenue, and deepen the consulting solutions-based business model.

### Overcoming uncertainty by staying close to the region's manufacturing companies

Aichi Prefecture, the primary commercial base of the Group, is home to a large concentration of manufacturers and has been the driving force behind Japan's manufacturing industry. In particular, the automotive sector is facing management issues of such unprecedented complexity that it has been described as a "once-in-a-century period of great transformation.'

In light of these circumstances, the Group has developed a variety of support measures to swiftly and precisely respond to the issues and needs faced by manufacturing companies, including those in the automotive industry. One of those measures is the establishment of the Mobility Support Team in Aichi Bank in April

2025 to further strengthen support for the automotive industry.

With regard to the various issues, including responses to CASE\* and carbon neutrality in the supply chain, as well as U.S. tariff measures, through cooperation with government agencies and other various organizations, we will provide our client companies with information and solution offerings that will help solve their issues, as well as working to increase bank employees' knowledge. In such ways, we hope to overcome these trials together with our customers.

For SMEs and sole proprietors affected by the U.S. tariff measures, we have established consultation desks at all sales branches, where we respond to a wide range of requests for consultation. In addition, Sakaemachi Consulting, an internal company of Aichi Bank, will be spun off into a new independent research and consulting company to create a framework that is able to offer advanced support to manufacturing companies.

Precisely at such times of growing uncertainty, a presence that can listen closely to and offer advice to the region's businesses is crucial. Given the growing number of situations in which global trends are directly affecting not only large corporations but also leading medium enterprises and SMEs, our intention in the Group is to interpret global economic trends and communicate them in an accessible manner, in addition to proposing concrete risk mitigation

\*Coined word combining the first letters of Connected, Autonomous, Shared & Services, and Electric.

### Aim for Swift Emergence of Synergy with the Launch of the 2nd Medium-Term Management Plan

The 2nd Medium-Term Management Plan started in April 2025. The 2nd Medium-Term Management Plan has been positioned as the "Synergy Emergence Phase" through the bank merger since the 1st Medium-Term Management Plan was first formulated. To ensure a smooth start for the 2nd Plan, we spent over a year deliberating on its formulation, beginning in August 2023.

The 2nd Medium-Term Management Plan is the first Medium-Term Management Plan since the bank merger. Pressing tasks included DX-driven operational reforms that could not be pursued in the merger process and the re-allocation of the human resources pool created by the merger. For this reason, the three basic strategies of the 2nd Medium-Term Management Plan were something that I personally drew up at the beginning of the deliberation process.

The market environment was already changing to a world with positive interest rates when

we started our deliberations. However, the three basic strategies of "accelerating our DX strategies" within and outside the Group and 'strengthening our group management base" to "deepening the breadth of a consulting solutions-based business model" remain unchanged.

The ultimate focus of these three basic strategies is, of course, our customers and the local communities. By working as one to help solve the issues of our customers and the local communities, we aim to realize a "total support group that goes beyond banking," which is the theme of the 2nd Medium-Term Management

In our discussions during the formulation of the 2nd Medium-Term Management Plan, we communicated closely with our employees in a conscious effort to incorporate their voices, as well as communicate what the management side was thinking.

To date, I have distributed a "President's Newsletter" twice a month to communicate the thoughts and intentions of management directly to employees on a regular basis. In particular, I have communicated our vision for the Group from the very start of deliberations on the formulation of the 2nd Medium-Term Management Plan.

Additionally, with the objective of fostering a mindset of participation in management to our employees, we used the in-house groupware "POWER EGG" to directly seek employees" recommendations and opinions regarding the 2nd Medium-Term Management Plan. We also collected information such as the current situation at the sales branches and any requests they may have had at the monthly meetings of the heads of blocs held by the sales division, with the officer in charge playing a central role. The information obtained in these ways was then used as reference in our deliberations.

The most important thing for any regional financial institution is the quality of its sales branches, which are in direct contact with customers. For this reason, we constantly emphasize the establishment of a structure in which the sales branches can demonstrate their capabilities. It is our employees who have the critical role of operating those sales branches. I hope to firmly establish the Aichi Financial Group brand by instilling the management vision and strategies in all employees, including part-timers, and working in solidarity toward our aim of being a "total support group that goes beyond banking."

Consulting as a total support group, and advancement into the real estate domain I would like to present once more the intentions behind the theme of the 2nd Medium-Term Management Plan. Traditionally, banks have had

# **Message from Management**

three core operations, deposits, loans, and currency exchange. However, as the issues and needs of businesses and individuals have become increasingly diverse and sophisticated, we realized that, unless we built structures that would enable us to respond to all manner of customer needs, we would no longer be the bank of choice for our customers.

Although those traditional banking operations remain at the center of our business, instead of focusing solely on them, to solve all manner of customer issues, we needed to become a "total support group that goes beyond banking." This is the intention behind the Plan's theme.

It is well known that, following deregulation, a growing number of banks are expanding their investment in non-financial businesses and taking equity positions in operating companies through holding companies in their efforts to diversify their business and revenue streams.

In April 2024, Aichi Financial Group undertook a similar move by making the software development enterprise, AAST Group, a subsidiary. Also, in August 2024, we established Aichi FG Marketing through a joint equity investment with Shinto Tsushin Co., Ltd.

AAST Group is an independent development company that provides high-quality system services mainly in Aichi Prefecture. Its role is to support the IT and DX of the Aichi Financial Group's client companies. It has also established a sales department that deals exclusively with Aichi Bank's client companies and is boosting its recruitment.

Aichi FG Marketing already handles the inclusion of client companies' advertisements on Aichi Bank marketing media such as cash envelopes and digital signage. Going forward, in addition to expanding the media on which such advertising appears, including the banking appeard ATM screens, it will roll out a wide range of advertising agency and production operations and marketing services.

Further, with plans to enter the research & consulting and real estate management domains during the period of the 2nd Medium-Term Management Plan, preparations are under way for the launch of respective new businesses.

Beyond these new companies, I would also like to highlight Aigin Lease, which has strong synergies with the banking business. As a subsidiary of pre-merger The Aichi Bank, it provided leases to borrowers, but with a penetration rate of only approximately 7%, there was room for improvement. In addition, since The Chukyo Bank, the other party to the merger, did not have its own leasing company among its associated companies, this created a blue ocean to be explored. The penetration rate of lease transactions among borrowers at regional financial

institutions is at most 20%, suggesting that there is significant potential for market growth. For this reason, we have installed a Senior Executive Officer of Aichi FG as the president of Aigin Lease with the intention of developing it into a core pillar of revenue from an early stage.

To coincide with the start of the 2nd Medium-Term Management Plan, we undertook a restructuring of our organization. To further reinforce our structure for the operation of Group strategies, we renamed the Group Strategy Department as the Group Management Strategy Department. We also newly established a Group Sustainability Management Department and Group DX & Business Process Re-engineering Management Department to strengthen our sustainability management and DX strategy promotion.

We will propose and plan strategies based on the holding company, Aichi Financial Group's theme of "total support group that goes beyond banking," and the Group companies, with the bank at the center, will advance concrete measures based on those strategies. Based on the three basic strategies, each departments has already formulated action plans and is steadily implementing the PDCA cycle. Accordingly, we hope you will look forward to the early realization of Group synergies.

# No sustainable growth for the company without the advancement of the local communities

To help solve social issues in the region and realize sustainable local communities, we view such issues as business opportunities for the Group, and we are aiming to further synchronize them with our management issues, that is, pursue sustainability transformation (SX).

Based on this approach, we have identified five important issues for both of the local communities and the Group as our materiality and closely linked the three basic strategies of the 2nd Medium-Term Management Plan to this materiality (see page 45 for details).

The materiality approach is key to the accomplishment of the 2nd Medium-Term Management Plan and the 3rd Medium-Term Management Plan to follow, as well as to the achievement of our FY2030 targets. As such, we took the opportunity of the 2nd Medium-Term Management Plan to revise our materiality KPIs.

For example, in one of the materiality issues "Contributing to the prosperity of local communities," in addition to our ongoing target of achieving 1 trillion yen in sustainability-related investments and loans by FY2030, we have also set a new target of 300 cases of consulting support provided by the Group over three years.

In the materiality of "Environmental Conservation Efforts," we have brought forward the target for achieving carbon neutrality in Scope 1 and 2 greenhouse gas emissions from FY2050 to FY2030 and set a new KPI of 400 cases of support provided for customers' decarbonization over three years.

In connection with environmental conservation, the shift in the environmental and energy policies of the Trump administration are the focus of attention. Nevertheless, global warming is an indisputable fact. Unless we protect the Earth, which is a prerequisite for local communities, those local communities will no longer be viable. We will continue to engage proactively in environmental conversation responses, including climate change.

On the other hand, though not a KPI revision, the materiality that I am most focused on is "Improving Employee Engagement and Advancement of Diverse Human Capital." We conduct an ES survey (employee engagement questionnaire) every year and reflect its results in our various measures. Our aim is to achieve a satisfaction rate of 80% during the period of the 2nd Medium-Term Management Plan. For example, to increase the percentage of female managers, we have introduced a mechanism by which capacity assessments and employee performance evaluations will be maintained during maternity and childcare leave periods.

Personally, I believe it is a good thing to have a system for determining compensation and position according to the individual's achievements and abilities for all employees, regardless of age and gender, including those who have newly joined us. Although increasing starting wages is a topic of much discussion, newly joined employees do not all possess the same abilities. Similarly, among our older employees as well, there are some who have exceptionally strong abilities and motivation. If that is the case, it would make sense to raise their wages even after they reach retirement age.

To repeat myself, for regional financial institutions, without the sustainable advancement of the region, there can be no sustainable growth for us either. In our position of underpinning the social infrastructure that financial services represents, supporting the lifestyles and corporate activities of the region's residents generates "social value," which is eventually returned to the Group as "economic value," leading to our further contribution to the region. To generate this virtuous cycle of social value and economic value, the Group will advance initiatives that emphasize a balance of economy, society, and environment.

### To Our Stakeholders

The bank merger and systems integration have been successfully completed without major

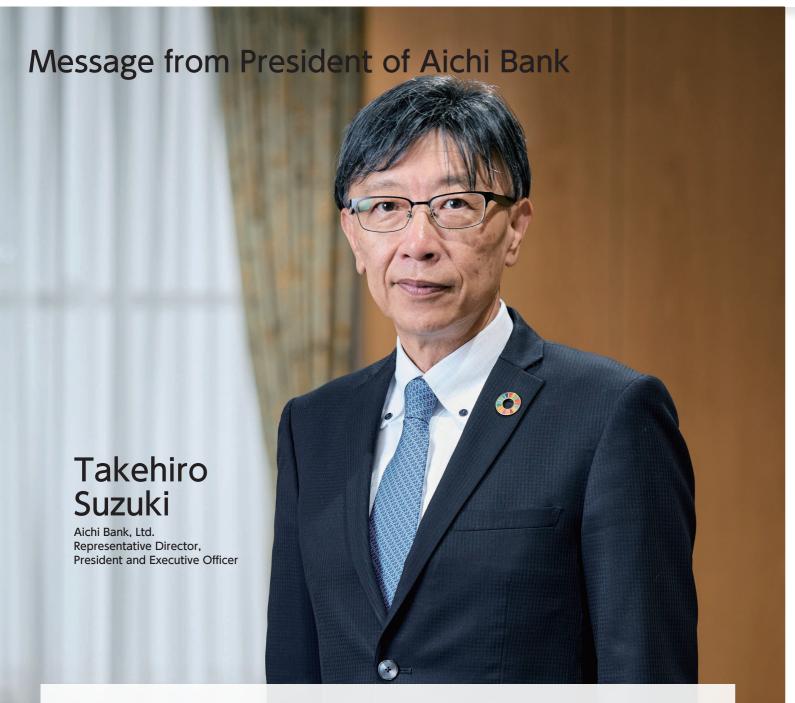
problems, and the two banks have now become one. As we begin the new fiscal year, we keenly feel the expectations of our customers toward the new bank. Since the management integration in October 2022, we have generated a variety of integration effects, and with the merger, we will accelerate our growth by further demonstrating positive synergy.

As I said last year, we have declared as our mission "Aim to become the No. 1 regional financial group in Aichi Prefecture." This does not mean becoming No. 1 in scale through management integration. It means being the partner for the people living in this region, that they can most rely the most and that they will come to first for advice when they have a problem.

If our customers consult the Group about their various issues or concerns, and we are able to propose responses and solutions that actually lead to their resolution, we will be able to build relationships that will encourage them to consult us again with any new issues or concerns. As a result, if many customers consult us, the Group's revenue will increase, leading to the enhancement of corporate value and a higher share price, which will reward our stakeholders, including shareholders and investors.

By proposing solutions to various issues and deepening our consulting solutions-based business model that goes beyond conventional banking operations, Aichi FG and our Group companies will contribute to the advancement of local communities. I would like to sincerely ask for the continued support of all of our stakeholders.





**Greetings on Appointment** 

I assumed the position of Representative Director, President and Executive Officer of Aichi Bank on April 1, 2025. I was entrusted with reins of the new Aichi Bank three months after The Aichi Bank and The Chukyo Bank merged and began a new journey as a single organization. I hope to help create a new bank that incorporates the respective strengths of its two predecessor banks and unites them in harmony. My aim is for Aichi Bank to be a strong presence in the region, one that has earned the appreciation of the local community.

After joining the bank, I spent many years working at sales branches and in the head office sales division. During that time, I had many opportunities to listen to our customers. The bank's corporate culture to date could be described in positive terms as "prudent" or, perhaps less favorably, as "conservative." Now, I want us to break free from attitudes that had

once been considered taboo and boldly take on new challenges in the spirit of "Yatte-mirin," which means "Give it a try" in the local Mikawa dialect. I hope that, by providing products and services that accurately capture customer needs, we will be recognized as having changed in a good way since becoming a new bank, and that we become a presence that will bring fresh energy to our customers and to the region.

#### Aspirations Rooted in Our Management Philosophy

The Mission of the Aichi Financial Group is "aim to become the No. 1 regional financial group in Aichi Prefecture." With the merger of The Aichi Bank and The Chukyo Bank, we have become the No. 1 regional financial group in terms of scale, such as deposits, loans, and number of branches, and we have certainly increased our presence in the region. However, we have not yet reached a leading position in the market in

terms of share of deposits, share of loans, and main bank share.

Until now, we have done our best to implement strategies and initiatives despite limited human resources. However, we will now direct the pool of human capital newly created by the merger to the customer-facing sales departments and new growth areas. We will deepen the consulting solutions-based business model across the entire Aichi Financial Group to become the No. 1 regional financial group in Aichi Prefecture in both name and substance.

#### Issues to be Addressed

With the return to a world with positive interest rates. I feel that it has become easier for customers to entrust banks with their money. On the other hand, this development has intensified the competition among financial institutions. While it is crucial that we not lose out to the competition from other financial institutions, it is even more important that we be trusted by customers in the region and that we grow the number of customers who use us as their main bank by increasing customer convenience. Both face-to-face and non-face-to-face approaches will be critical to this aim, so we will strengthen both areas in a well-balanced manner. Strengthening our loan portfolio will also require us to become the main transaction bank for more customers. To this end as well, we will deepen our consulting solutions-based business model and further enhance the value that we offer to

One of the basic strategies set out in the Aichi Financial Group's 2nd Medium-Term Management Plan is "accelerating our DX strategies." To realize this strategy, Aichi Bank will also actively advance its own digital transformation. We will promote internal DX and customer-oriented DX concurrently via two different concepts. "Digital Shift" involves making internal operations more efficient and sophisticated through the use of digital technologies. With "Plus Digital," we will provide new customer experiences and services through digital channels such as the banking app and corporate portal in addition to our existing "real" services.

Going forward, the review of branches with overlapping sales areas will create additional human resources, which we plan to re-allocate to areas that will help strengthen both face-toface and non-face-to-face sales operations. While in the 1st Medium-Term Management Plan, we focused our initiatives on the development of strategic human capital, experts is needed for entering and strengthening new fields in particular. As such, we intend to proactively engage in external secondments and mid-career recruitment to acquire the necessary expertise.

The Tokai region, which is our primary sales base, is a major hub for manufacturing industries, primarily in the automotive sector. In 2017, in a pioneering initiative among regional banks in the area, we hired former employees of a major automotive components manufacturer to serve as "Workplace Improvement Advisors." These specialist staff provide support for

productivity improvements at manufacturing sites. Subsequently, in 2022, we established a "Monozukuri (Manufacturing) Technology Support Team" to assist a wide range of manufacturers with solutions to their issues. Then, in April 2025, we formed a new "Mobility Support Team," which specializes in support for the automotive industry, which is facing a variety of management challenges in what has been described as a once-in-a-century period of great transformation. While accepting personnel from government agencies and proactively incorporating knowledge and insights from external organizations, we will increase our expertise through industry analysis, study, and research. In doing so, we will strengthen our extensive solution proposals and responses to funding needs.

#### Message for Our Stakeholders

With the expansion in scale resulting from the banks' merger, my sense is that customer expectations have also grown. The concerns and issues of both corporate and individual customers are becoming increasingly complex and diverse. For this reason, we hope to closely support both categories of customers and demonstrate our presence as their closest and most reliable partner.

Local communities and regional financial institutions share a common destiny. Without the growth and advancement of the region, there could be no growth or advancement of regional financial institutions such as ours. The economic foundation of our trading area, centered on Aichi Prefecture, could be described as a solid one. However, it also has many issues, including a decline in the productive population due to the falling birthrate and aging population, as well as initiatives for the decarbonization of the region. Working to solve regional issues together with the relevant people from government and local communities is a vital role for us in our aim to become the No. 1 regional financial group in Aichi Prefecture.

As we look back on the 1st Medium-Term Management Plan, the perspectives that we must emphasize in the 2nd Medium-Term Management Plan are the maintenance and expansion of the customer base developed up to the 1st Medium-Term Management Plan, the realization of further cost reductions, risk asset control that considers a balance of profitability and soundness, and expansion of fee-based businesses without the use of assets. By putting these perspectives into practice, we will achieve our FY2027 KGIs of consolidated net income of 19.0 billion yen or more," "ROE of 5.0% or more," "core OHR of less than 65%," and "consolidated capital ratio of approximately 9.0%," thus meeting our shareholders' expectations.

Finally, I hope to make Aichi Bank a place where our employees will feel an even stronger sense of attachment to the company and purpose in their work. It is my belief that all humans do their best work when they feel comfortable, so I hope to create a comfortable

state for all our employees.

# Pioneering the Region's Future through DX Our First Step as a New Financial Services Group

# Hiroaki Yoshikawa

Aichi Financial Group Representative Director and Managing Executive Officer

# Takumi **Azuma**

Aichi Financial Group **Outside Director** (Audit and Supervisory Committee Member)

Simultaneously with the preparations for the establishment of Aichi Bank, Aichi Financial Group was preparing for the promotion of DX, including formulating a DX promotion plan and making AAST Group a subsidiary. "Accelerating our DX strategies" is one of the basic strategies outlined in the 2nd Medium-Term Management Plan, which began this fiscal year. We asked two of our Directors to talk about DX promotion in the Group, including its current state, issues, and future outlook.



### AAST's joining the Group will overcome the DX human capital issue

—With the establishment of Aichi Bank in January 2025, systems integration was also completed smoothly, without major incident. What are your honest impressions at this time?

Yoshikawa: Firstly, above all, I am relieved that we were able to achieve this in line with our basic policy of keeping the impact on customers to a minimum. Compared with other bank mergers, our merger process was completed in an extremely short time frame. Although we faced difficulties in terms of staffing, I am truly grateful for how hard dedication of each and every employee

Personally, I felt that everyone involved in the project significantly improved their skills and capabilities in systems development. While it was an extremely challenging time mentally, what made me the happiest was seeing how everyone supported each other and that we were able to complete the project without losing a single team member.

**Azuma:** To complete the bank merger quickly, we had to work to an extremely tight schedule for systems integration. I want to thank all of the project team members and vendors involved for their tremendous efforts and perseverance.

Although it was certainly not all smooth sailing, when I received the report at the end of December 2024 that the system migration had been completed and the new bank's merged ledger was in place, I truly felt the birth of the new bank and was filled with joy. At the same time, it strengthened my feelings that we were taking a new step forward, when our true worth as a new financial services group would be put to the test.

# —How is DX promotion being realized on the ground?

Yoshikawa: As an initiative to enhance operational efficiency, we have introduced groupware and workflow systems. Before the merger, The Aichi Bank adopted and started using POWER EGG, a groupware that was being used at The Chukyo Bank. The adoption of communication tools such as internal emails and messages as well as schedule management systems has led to speedy information-sharing and smooth operations.

Initiatives at the head office included the use of robotic process automation (RPA). We will further streamline routine tasks through the implementation of RPA.

In terms of DX support for customers, we have a Digital Transformation Assessment Service. This service provides support in cooperation with contracted service partners to solve the digitalization issues in our customers' back-office operations. Some customers who have actually used this service have asked for support with the implementation of improvements in response to the identified issues, and we have introduced them to our contracted experts.

—Mr. Azuma, based on your experience at your previous employer (INTEC), what is your assessment of Aichi Financial Group's DX promotion efforts, including the formulation of the DX promotion plan in FY2023 and making AAST Group a subsidiary in FY2024?

**Azuma:** There are two areas in DX promotion at the Group, namely customer-directed solutions for leading medium enterprises and SMEs, and digital services such as smartphone apps and point services for general customers. Add to these the areas of operational efficiency within the bank and the development of IT and systems infrastructure, and we have four main pillars to DX promotion, so I

believe that all the directions of DX promotion have been fully covered.

Now, with the completion of systems integration, in the roll-out of the 2nd Medium-Term Management Plan, we need to accelerate the streamlining and rationalization of operations and business through digitalization.

For this reason, the development of DX human capital was seen as a key challenge. When I heard about the DX promotion plan in the 1st Medium-Term Management Plan, I felt that the Group's internal functions lacked a system integrator (Sler) function. DX will not success if everything is left up to vendors. I felt that there was an issue with how these key parts would be bridged. Under those circumstances, I recognize that the initiative of welcoming the AAST Group, a local, Aichi-based IT company, into the Group was a crucial management strategy for

There were no objections among the Outside Directors to bringing in the AAST Group. On the other hand, given the high degree of human capital mobility in the IT industry, there was a concern that the AAST Group's joining a banking group would lead to human capital outflow. However, so far, there has been no such outflow, and the collaboration scheme between the AAST Group and the bank is proceeding smoothly.

# Not addressing DX is the greatest management risk

—What kinds of benefits has the development and securing of DX human capital, as well as the strengthening of human capital and technical strengths through making the AAST Group a subsidiary, brought to the Aichi Financial Group?

Yoshikawa: In the Group, the development of DX human capital is divided into three categories: "DX experts," who work in a specialist

# Special Feature | Discussion: Officer in Charge of Group DX & Business Process Re-engineering and Outside Director (Audit and Supervisory Committee member)

department at the head office, "DX human capital," who promote DX at the sales branches and individual head office departments, and "IT/digital foundational human capital," which applies to all employees. DX experts and DX human capital are at the forefront of promoting operational efficiency through the utilization of RPA. Meanwhile, as a KPI for development of IT/digital foundational human capital, we encouraged employees to obtain their IT Passports, and at the end of FY2024, we achieved our target of 1,000 people doing so. These efforts have continued to raise the level of IT knowledge within the company.

In addition, at AAST, a dedicated team for Aichi FG has been established, and the entire AAST Group is promoting DX.

—One of the three basic strategies of the 2nd Medium-Term Management Plan is "accelerating our DX strategies." What are the reasons behind this?

Yoshikawa: It goes without saying that advances in digital technology have sparked cross-industry competition, and that the development of various financial services and the enhancement of functions that use digital technologies are needed to respond to the increasing diversity and sophistication of customers' needs.

In the internal environment, we recognized the need to increase per-employee revenue and expand the customer base. Operational efficiency through DX is also essential for the improvement of productivity per employee while promoting human capital allocations to the front lines, which is directly linked to revenue generation.

The strengthening of the solutions business, which is our second most important business after the deposits and loans business, is also needed for the expansion of our customer base and to increase revenue. In

particular, the digitalization and DX needs of SMEs, the Group's main customers, are considerably greater than what is currently apparent, presenting significant revenue opportunities for the Group. **Azuma:** In other words, both the Group and our customers must undergo a corporate transformation through DX. To shift from our current model of services that center on the deposits and loans business to consulting and other support services for customers as a new pillar, DX support is both essential and unavoidable.

Not addressing DX as a new financial services group would be the greatest risk to management, so in this respect, I believe that "accelerating our DX strategies" is a particularly important strategy.

# —What are the initiatives and goals for realizing "accelerating our DX strategies?"

**Yoshikawa:** The first goal is to strengthen customer service. We will strengthen our digital services for both individual and corporate customers and work to develop customer groups that we have been unable to target until now. For individual customers, we will revamp the banking app and internet branch and strengthen our approaches to new customer groups, such as the younger generation. For corporate customers, we will introduce a light version of internet banking (IB), providing functions and convenience that are superior to our competitors.

The second goal is to strengthen our DX support structure for customers. To address customers' DX issues, we will provide DX solutions that will help operational efficiency and add value to services. In this domain, the AAST Group will be responsible for strengthening our frameworks for the provision of services such as contracted systems development and DX human capital development.

The third goal is to enhance the Group's operational efficiency. The concrete approaches to this

are the shift to IT and DX in teller operations and the promotion of lending DX. For the shift to IT and DX in teller operations, we will work to alleviate the burden of such operations with the aim of shifting to self-service for high-frequency, low-difficulty procedures. We will also proceed with the adoption of tablets, strengthening of app and ATM functions, expand seal-less transactions, and shift to paperless operations for various application documents. Meanwhile, the promotion of lending DX will involve the streamlining of credit administration through the automation of the lending process and electronification of claims documentation, the introduction of transaction models, and the development of an environment for the implementation of electronification of business loan contracts.

# Prompt our adoption as main bank through DX support

—Could you share your thoughts about the impact that the roll-out of new services, including the expansion of DX support offerings, will have on the regional economy and the Group as a whole?

Azuma: A regional financial institution that provides DX services that are a blend of online and physical services must become a presence that is not easily replaced. To achieve this, it is important to offer customers in the region that "something extra" in addition to convenience.

For example, leading medium-sized enterprise and SME customers lack the skills and human resources to proceed with digitalization on their own. The provision of various management support services through DX in addition to funding support will lead to the development of our customers. We can expect the development of our client companies to create a virtuous cycle in which it leads to increased income for employees and the development of the

regional economy, which will ultimately come back to the bank.

# —How do you think the concentration of resources on DX promotion will help increase revenue and reduce costs in the future?

Yoshikawa: The degree of contribution to revenue of digitalization support services alone is not very large at the moment. However, I do believe that, through DX support, we can deepen our relationships with customers by solving their management issues, prompting them to adopt us as their main bank. It is important to use DX support as a gateway for the comprehensive expansion of transactions, including financial services.

In addition, the internal operational efficiency and the reduction of teller operations through the promotion of DX will allow us to reduce personnel costs. On the other hand, by shifting the human resources freed up by such streamlining to consulting and other customer-facing operations, revenue opportunities will be expanded.

# —Based on your own experience, do you envision any seeds for the creation of new business models in the future?

Azuma: The use of AI is a key theme, but I have not yet formed a clear opinion. However, from the perspective of data utilization, I do think that there is a wide range of possible applications, including in the establishment of rules to prevent misconduct in the risk management area and in efficient customer targeting through CRM (customer relationship management) in the marketing area.

Although not a new seed, there are also many frontline operations at leading medium-sized enterprise and SME customers that could be streamlined with RPA. The RPA initiatives cultivated by the bank could be applied to streamlining at factories and

other front lines with the cooperation of the AAST Group, which specializes in production management.

# —Could you please send a message to our stakeholders?

Yoshikawa: Due to the administrative and systems integration work conducted over two and half years, there were periods when systems development was suspended. Now, however, we are finally in a position to fully launch DX promotion initiatives. While taking advantage of the "real-world" strengths that internet banks do not possess, namely sales branches and liaison officer, by promptly and proactively providing the kinds of digital services that customers require, we will aim for "Being the first to consult and be the most reliable partner in this region." I hope you will look forward to our success. **Azuma:** We will not become the No. 1 regional financial group in

Aichi Prefecture with DX promotion alone. However, DX promotion and IT advances will have positive impacts, including greater management stability, improved profitability, increased market share, expansion of services, higher quality, and enhanced governance. As a result, I believe that we will be recognized as the most reliable financial services group in the region, one that customers can confidently build a relationship with.

Finally, the most important aspects of DX promotion are the strong will of top management and diverse human capital and organization that will give shape to that will and carry it forward. In this respect, I am greatly looking forward to our new initiatives, including the establishment of the new Group DX & Business Process Re-engineering Management Department in Aichi Financial Group and the call for members to join that department.



# Message from Officer in Charge of Finance

We will strive to realize ROE that exceeds cost of shareholder's equity through the acceleration of growth investment and the emergence of integration synergy.

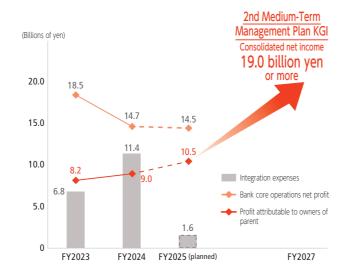


# Review of FY2024

Since the establishment of Aichi FG in October 2022, the merger of The Aichi Bank and The Chukyo Bank was successfully completed in January 2025, and the new Aichi Bank was born. Due to management integration and merger responses, integration-related expenses in FY2023 and FY2024 placed pressure on income. However, although there will continue to be some branch restructuring expenses, we are finally at the stage where the synergistic effects of the management integration will start to appear in our finances.

In the external environment, meanwhile, there were two policy interest rate hikes in FY2024, and there has been a significant shift away from a world without interest rates to a world with positive interest rates. While we will continue to accelerate our ongoing efforts for deepening the breadth of a consulting solutions-based business model, the improvement of net interest margin in loans and deposits, which is the core business of banking operations, will be a critical point.

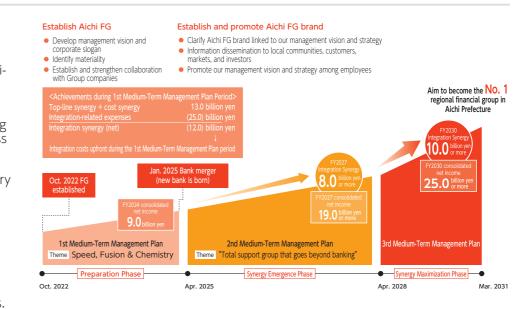
In FY2024, although we posted 11.4 billion yen in integration-related expenses, net income increased by 2.2 billion yen year on year to 9.0 billion yen, due mainly to increases in solutions-related fees and net gains related to stocks. This fiscal year, although we expect integration-related expenses to fall to 1.6 billion yen, we project net income of 10.5 billion yen. This is due mainly to interest paid on deposits resulting from higher market interest rates increasing



ahead of interest earned on loans, a shortening of the duration of the securities portfolio, and a decline in interest and dividends on securities resulting from rebalancing measures such as the suppression of bond investments. In FY2027, the final year of the 2nd Medium-Term Management Plan, we are aiming for consolidated net income of 19.0 billion yen or more resulting from the emergence of integration synergies and the effects of various initiatives and interest rate rises.

# 2nd Medium-Term Management Plan is a Period of Emergence of Integration Synergies

In terms of our achievements by the start of Aichi Bank, which was the goal of the 1st Medium-Term Management Plan, we declared three goals: (1) Complete transition to a consulting solutions-based business model; (2) Large-scale shift of employees towards a profile necessary for a consulting solutions-based business model; and (3) Swift emergence of synergy through management efficiency. I am pleased to report that we achieved all of our numerical targets and KPIs. As we have previously



explained, we have positioned the 1st Medium-Term Management Plan as the "preparation phase until the merger," the 2nd Medium-Term Management Plan as the "synergy emergence phase," and the 3rd Medium-Term Management Plan as the "synergy maximization phase." Having successfully completed the bank merger while making various preparations, we will now move to accelerate our initiatives toward the emergence of synergy in the 2nd Medium-Term Management Plan.

# **Process for Enhancing Corporate Value**

# Risk Appetite Diagram Risk Capacity (regulatory limit) Risk Profile (current status) Risk profile is within risk appetite range, leaving room for further risk-taking

In the Risk Appetite Framework (RAF) approach that it has adopted since 2019, the Group has made balance sheet plans and formulated profit plans based on the theme of "What risks can we take now?" given the environment and circumstances of the time, while balancing various regulatory indicators, such as capital ratio (credit risk), IRRBB ratio (interest rate risk), and LCR (liquidity risk). We set the target level (risk appetite) for each

regulatory indicator and strive to maximize profit while controlling the amount of each risk type.

The capital adequacy requirements require banks to maintain a certain level of capital to cover potential losses on their assets, with a primary focus on credit risk. IRRBB, or Interest Rate Risk in the Banking Book, is calculated by measuring the amount of interest rate risk from certain interest rate fluctuations on a bank's assets and liabilities and dividing that risk amount by the bank's capital. As interest rate risk is not included in the capital adequacy requirements, the IRRBB regulation has been adopted to manage it separately. LCR, or Liquidity Coverage Ratio, is a regulation that requires banks to maintain a certain level of liquid assets to respond to cash outflows under conditions of stress.

All of these indicators must be controlled with great care to ensure the stability of bank management. In the logic tree referred to below, ROE is broken down into improvement of RORA and control of financial leverage. This is based on risk-weighted assets under the capital adequacy requirements.

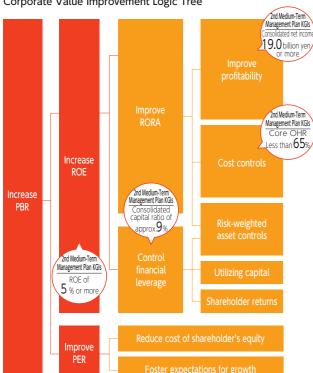
# Message from Officer in Charge of Finance

As net interest margins are slim in a world without interest rates, in addition to expanding loan volumes, we secured income by increasing investments in low-liquidity assets, primarily investment trusts, in pursuit of excess spreads in our securities investments. For this reason, capital ratio and LCR were at low levels. On the other hand, in a world with positive interest rates, the absolute level of interest rates increases, and due to the expansion of net interest margin and a return to liquid assets, with a focus on government bonds, it becomes possible to expand income while suppressing the increase in risk-weighted assets. If we focus our attention on the assets side, rising interest rates become a factor in the increase in capital ratio and LCR. On the liabilities side, however, competition to attract deposits has

As profitability varies depending on when and to what extent the interest rate spread between funding and investment is captured, asset-liability management (ALM) has become more critical than ever. Regarding the IRRBB ratio as of March 31, 2025, by using the 5% ratio under the downward parallel scenario, where declining interest rates pose a risk, and by mitigating interest rate increase risk by shortening the duration of our securities portfolio and actively promoting time deposits on a campaign to mark the launch of the new bank, we changed our portfolio in preparation for interest rate rises.

In future, when interest rates rise further, we hope to grow our income by capturing the interest rate

# Corporate Value Improvement Logic Tree



\*KGIs are determined based on the current financial environment.

spread once more, while monitoring market trends and risk management.

### Drivers to Enhance Corporate Value and the 2nd Medium-Term Management Plan

The Group's 2nd Medium-Term Management Plan was determined in close alignment with "drivers to enhance corporate value." As KGIs for corporate value, that is, a higher P/B ratio, we have set targets of consolidated net income of 19.0 billion yen or more (profitability improvement), core OHAR of less than 65% (cost control), consolidated capital ratio of approximately 9% (financial leverage control), and ROE of 5% or more.

Regarding the improvement of profitability, we will strive to improve the top line by deepening the breadth of a consulting solutions-based business model (Basic Strategy I of the 2nd Medium-Term Management Plan). We will do this by enhancing our consulting menu, expanding our customer base, increasing interest income and service income through balance sheet expansion, expanding business domains by utilizing Group companies, and improving customer convenience and advancement by accelerating the DX strategy. To achieve this, based on our stance on human capital management, it is important to further advance the development and creation of strategic human capital capable of handling the new operations that will increase in line with the changes in the business environment pursued in the 1st Medium-Term Management Plan. To this end, we plan to increase our investment in human capital by approximately 1.6 times that of

#### Human capital investment 1.6 times over three years Organizational development Environmental development 500,000 460,400 447.800 86.500 379,500 400,000 112,500 81,500 284,065 123,400 300,000 77,000 80,510 200,000 57,862 250,500 100,000 145,69

\*Personal development: Investment in skills, careers, and health of individuals Investment in skills development...Training, e-learning, qualifications support, external trainee programs Investment in health management...Medical checkups, stress checks, exercise promotion, etc.

FY2026

FY2025

FY2024

\*Organizational development: Skills improvement and system development at the team and division level DE&I promotion investment...Female advancement, employment of persons with disabilities, subsidy

Human capital recruitment investment...New graduate and mid-career recruitment, alumni, etc. Talent management investment...Revision of personnel evaluation and compensation systems, evaluator

\*Environmental development: Investment in working environment and corporate culture Investment in employee engagement improvement...ES surveys, employee benefits, commendation

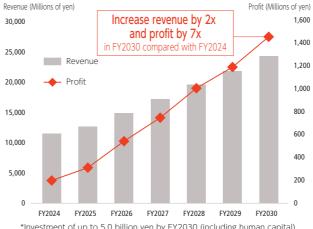
Development-related capital investment...Training center maintenance, purchase of tablets for training, etc.

Plan period. By strengthening our human capital and working to optimize our human capital portfolio, including strategic human capital as well as increasing engagement, we will improve productivity per employee.

FY2024 during the 2nd Medium-Term Management

In addition, to strengthen the Group's management base (Basic Strategy II of the 2nd Medium-Term Management Plan) for the improvement of the top line, we are striving to form a framework that will enable one-stop solutions to customers' issues, and we will focus efforts on entry into new fields. We proceeded with deliberations in this area, led by the Group Management Strategy Department that was newly established in April last year, and entered the software development and marketing fields in FY2024. Further, we are considering establishing companies in new areas such as consulting and real estate management during the 2nd Medium-Term Management Plan period. The ROE of the banking business tends to be lower in general than other industries. As such, our entry into other industries has ample potential for increasing the ROE of the Group as a whole. Our aim is for profit from Group companies other than the bank to account for approximately 10% of the Group's profit overall in the future.

#### Simulation of Group Company Results

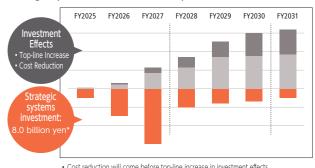


\*Investment of up to 5.0 billion yen by FY2030 (including human capital)

For cost control, we will promote the reduction of teller operations and the concentration of operations at the head office with the aim of reducing sales branch administrative costs to zero. At the same time, we will strengthen our bloc sales framework and establish a framework for providing full banking functions on a bloc-by-bloc basis to trim down the branch network. Due to the merger, OHR rose to approximately 75% at one stage, but with these initiatives, we will aim to bring it back to under 65% by the final year of the 2nd Medium-Term Management Plan.

As an initiative common to improvement of profitability and cost control, we will pursue accelerating our DX strategy (Basic Strategy III of the 2nd Medium-Term Management Plan). Over the three years of

#### Strategic Systems Investment and Improvement of ROE



- · Cost reduction will come before top-line increase in investment effects
- Recoup investments via investment effects in approximately 5-6 years \*Systems investment = One-off expenses + 5 years of running costs

the Plan, we will make DX investments of approximately 8.0 billion yen as "strategic systems investments." To connect those investments to future top-line improvement and management streamlining, we established a new Group DX & Business Process Re-engineering Management Department in April 2025 and strengthened the relevant frameworks.

I will discuss "risk-weighted asset control" and "control of financial leverage" in more detail on the following pages. However, based on a capital allocation stance, we will control risk-weighted assets and aim for an appropriate level of financial leverage that will enable a balance between ensuring soundness and growing profits.

In terms of RORA management, the practice of using RORA as one reference, including related fees, when making decisions on investment initiatives, is starting to take root. However, being conscious that, not only investments, but also any entries posted on balancé sheet assets will be added to the risk-weighted assets that form the denominator for calculating capital ratio (decline in capital ratio), we will be conscious of RORA when making investment decisions on all assets.

Through initiatives such as these, we will strive for ROE of 5% or more in the final year of the 2nd Medium-Term Management Plan.

For improvement of PER, we will strive to suppress cost of shareholder's equity and foster expectations for growth. To this end, we established a new Group Sustainability Management Department in April 2025, which is promoting the greater sophistication of sustainability management, including climate change responses, appropriate conservation of natural capital and biodiversity, and strengthening of efforts to respect human rights. Additionally, as well as working to strengthen the sustainable management base by increasing employee engagement, mitigating business risk through business portfolio restructuring, increasing regional market share, becoming the main bank for more customers, and strengthening branding, we will emphasize dialogue with investors and strive for meticulous disclosure of

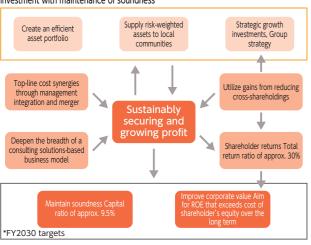
We will enhance corporate value by increasing ROE and improving PER, which will lead to the improvement of our PBR.

# Message from Officer in Charge of Finance

#### **Basic Position on Capital Policy**

The Group's basic position on capital policy is to realize "sustainably securing and growing profit" to "maintain soundness" (i.e., financial leverage control) and "improve corporate value."

# Emphasize balance of investments for profit growth and appropriate returns on investment with maintenance of soundness

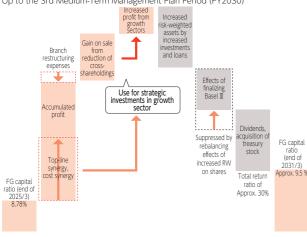


As we directly profit from "sustainably securing and growing profit" into our business activities, we are supplying risk-weighted assets to local communities, making strategic investments in growth sectors, creating opportunities for revenue with the Group strategy, and efficiently balancing our asset portfolio as components for further profit and growth, as we believe the prosperity of local communities is strongly tied to the Group's sustainable management.

In addition, from the perspective of strengthening governance, we have amended our target for reduction of the percentage of cross-holdings to "less than 20% of consolidated net assets on market value basis by the end of FY2028," and we

#### Capital Allocation Diagram

Up to the 3rd Medium-Term Management Plan Period (FY2030)



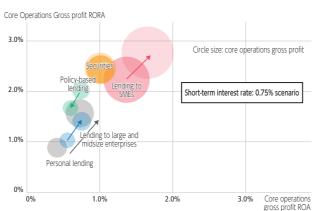
will utilize the gains from the reduction of cross-shareholdings to strengthen human capital management and invest in strategic growth sectors, including the acceleration of our DX strategy, in our efforts to connect them to the creation of sustainable value.

Our shareholder returns policy is a minimum annual dividend of 100 yen per share with a target total returns ratio of approximately 30%. We will strive to enhance corporate value and maintain soundness with internal reserves, with the aim of a consolidated capital ratio of approximately 9.5% in the final year of the 3rd Medium-Term Management Plan.

#### **Profit Status by Asset Class**

The diagram to the left shows our current profit status by asset class based on the core operations gross profit and organized by RORA and ROA. In lending to SMEs, we expect to see an increase in solutions revenue by solving customers' issues through deepening the breadth of a consulting solutions-based business model and increases in RORA from 2.2% to 2.7% and ROA from 1.3% to 1.6% due to interest rate hikes.

# Gross profit RORA, ROA by Asset Class <Assumed from 4Q of FY2024 to FY2027>



Core operations gross profit RORA: (Loans, interest on securities + related service profit (loss) – related procurement expenses) ÷ risk-weighted assets

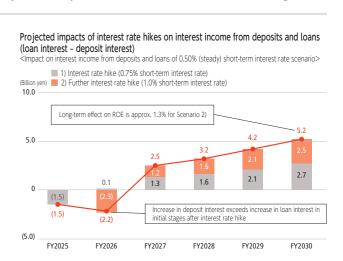
Core operations gross profit ROA: (Loans, interest on securities + related service profit (loss) – related procurement expenses) ÷ average amount outstanding

Lending to individuals, mainly mortgages, is a central measure for strengthening the individual customer base and will lead to consumer loans and asset building measures. As most such loans have variable interest rates, we can expect RORA to increase from 0.8% to 1.5% and ROA from 0.4% to 0.7%. As one of our missions as a regional financial services group, we view the supply of assets for lending to SMEs and individuals as our top priority. In addition to planning risk-weighted asset distribution and creating an asset portfolio while considering the balance of our customer base including profitability and deposits, we are striving to improve RORA and ROA by deepening the breadth of a consulting solutions-based business model.

# Impact of interest rate hikes negative in first fiscal year but positive over the medium to long term

Since FY2024, interest rates have been changing to a phase of rising in earnest. We conduct simulations of interest income from deposits and loans when interest rates rise further in future, under a scenario in which the Bank of Japan raises its interest rate once and a scenario in which it raises its interest rate twice.

In the scenario with two interest rate hikes, in the early stages of the interest rate hike, interest income from deposits and loans decreases due to deposit interest rates rising first, but subsequent gradual increases in loan interest rates will lead to an improvement in interest income from loans and deposits over the long term. We project the contribution rate to ROE as of FY2030 to be approximately 1.3% and anticipate that rising interest rates will contribute to the Group's profits.

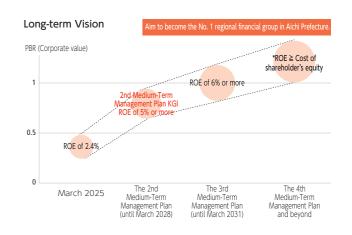


# Increase presence in the region and aim for ROE that exceeds cost of shareholder's equity over the long term

ROE must remain consistently above the cost of shareholder's equity in order to enhance corporate value and make a recovery to a PBR of 1. The Group's cost of shareholder's equity is currently recognized at approximately 6%. To realize growth to achieve earnings capacity for an ROE of 6% or more at an early stage, we will accelerate our initiatives in the 2nd Medium-Term Management Plan through growth investments and maximize the synergy from the management integration and bank merger.

We recognize that the Group's trading area is a region with high potential, with an advanced manufacturing industry centering on the automotive sector. In such an environment, the Group's market share has still not reached 20%, so I believe that there is still ample room for growth. The main client companies of the Group and the customer segments with which we want to expand trading form multiple layers of the supply chain of manufacturing companies, supplying the manufacturers with components, materials, and other inputs. To solve the issues of these kinds of customers, we will propose and deliver a variety of initiatives in the 2nd Medium-Term Management Plan, and in doing so, increase our presence in the region. As an example, in a pioneering initiative in the region, since 2017, we have been providing support to manufacturing companies, including in the automotive sector, for the improvement of productivity with the use of "Workplace Improvement Advisors." In 2022, we established a new "Monozukuri

(Manufacturing) Technology Support Team" for the development of support frameworks. In April 2025, we launched a "Mobility Support Team" as a separate, independent team to support the automotive sector, thereby strengthening this core industry of the region. Through other various initiatives, we will strive to realize our 2nd Medium-Term Management Plan theme of a "total support group that goes beyond banking" and enhance corporate value. In doing so, we will work hard to become "the No. 1 regional financial group in Aichi Prefecture" that is supported by its stakeholders, so that we may contribute to the prosperity of local communities in the region. I hope we may continue to rely on your unwavering support.



2028

Management

Philosophy

Contribute to the prosperity of local communities through

financial services

Aim to become the No. 1

regional financial group in

Aichi Prefecture

# History of Aichi FG



#### • Sep. 1910

Japan Chochiku Kogyo K.K. (later Nagoya Mujin) established in Nagoya



#### Jun. 1918

Aichi Mujin established in Oguchi

Aichi Mujin K.K. established (merger between Nagoya Mujin and Aichi Mujin)

#### May 1944

Aichi Godo Mujin Corporation established (merger between Aichi Mujin, Kangyo Mujin and Tokai Mujin)

#### Oct. 1951

Renamed to Chuo Sogo Bank, Ltd. (due to enactment of the Mutual Banking Act)



### Sep. 1954

Head office relocates to current location

#### Sep. 1960

50th anniversary of founding

Listed on 1st Section of Nagoya Stock Exchange

Converts to an ordinary bank, The Aichi Bank is born

Listed on 1st Section of Tokyo Stock Exchange

100th anniversary of founding

#### Mar. 2019

First-time selection as "2019 Certified Health & Productivity Management Outstanding Organization (large enterprise category) - White 500 enterprise -"

Established "Aigin Group SDGs Declaration"

# From 1900s to 2000s

# **SCHUKYO BANK**

Hakko Mujin and Kisei Mujin merged to establish Hakko Mujin K.K.

#### Dec. 1945

Head office relocated to Nabari, Mie Prefecture

Renamed to Taido Sogo Bank, Ltd. due to enactment of the Mutual Banking Act

#### Oct. 1961

Listed on 2nd Section of Nagoya Stock Exchange

Merged with Nagoya Shinkin Bank, renamed to Chukyo Sogo Bank, Ltd.

Constructed and relocated head office to former head office of The Chukyo Bank (currently Nagoya Office)

Listed on 1st Section of Nagoya Stock Exchange

Converts to an ordinary bank, The Chukyo Bank is born

Listed on 1st Section of Tokyo Stock Exchange

#### Feb. 2013

70th anniversary of founding

#### Oct. 2019

Chukyo Bank SDGs declaration

First-time selection as "2020 Certified Health & Productivity Management Outstanding Organization (large enterprise category)"

#### Dec. 2021

Signed master agreement on management integration

Acquired all shares of Chukyo Bank ordinary shares held by MUFG Bank through a treasury stock tender offer

# 2022 Jul. 2023 Formulated DX

# promotion plan Nov. 2023

2025

- Formulated human rights policy
- Identified materiality

# Apr. 2024

Made AAST Group a subsidiary

# May 2024

Participated in the TNFD Forum

# • Aug. 2024

Aichi FG Marketing established

# 1st Medium-Term Management Plan

Speed, Fusion & Chemistry

**Preparation Phase** 

Aichi FG

· Aichi Financial Group

Management Plan launches

Expressed endorsement of

TCFD recommendations

1st Medium-Term

· Sustainability policy

Oct. 2022

Oct. 2022

established

established

# 2nd Medium-Term Management Plan

"Total support group that goes beyond banking"

**Synergy Emergence Phase** 

3rd Medium-Term Management Plan

Synergy Maximization Phase —

Apr. 2025 Apr. 2028

Mar. 2031

# **Business Foundation of Aichi FG**

# Diverse Industrial Structure Centered on Manufacturing

Aichi Prefecture has been 1st in Japan in value of manufactured goods shipped for 46 consecutive years since 1977, and it is known as the "monozukuri (manufacturing) prefecture" with a thriving manufacturing industry.

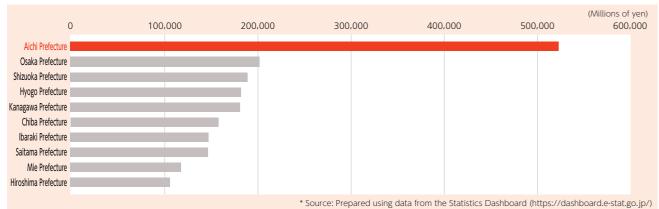
It is also recognized as a region with a thriving agriculture, having been ranked 8th in Japan in value of agricultural output, together with its diverse natural environment and geographical conditions with major consumption areas and production areas located close to each other.

### Key indicators for Aichi Prefecture

Prefectural gross product	40,585.9 billion yen	3rd in Japan	(FY2021)
Value of goods shipped, etc.	52,409.7 billion yen	1st in Japan	(2022)
Annual wholesale and retail sales	40,992.4 billion yen	3rd in Japan	(2021)
Agricultural output	311.4 billion yen	8th in Japan	(2022)

<sup>\*</sup> Source: Prepared using data from the Statistics Dashboard (https://dashboard.e-stat.go.jp/)

# Comparison between top 10 prefectures for value of goods shipped, etc.

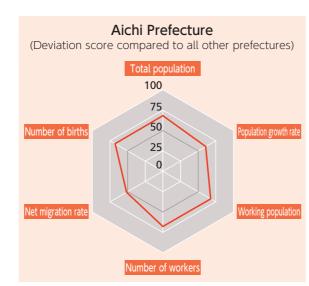


# **Top-class Population and Demographics**

Aichi Prefecture is the 4th most populous prefecture in the country with a total population of 7.46 million, and is the core prefecture of the economy of the Chubu region of Japan. It also ranks highly in Japan in terms of demographics such as population growth rate, working population, and birth rate.

oopatation, and sitti face.			
ltem	Aichi Prefecture		
item	Figure	Ranking	
Total population (Total number) [people]	7,460,000	4th/47	
Population growth rate [%]	-0.24	8th/47	
Working population (Census data) [people]	3,728,752	4th/47	
Number of workers (Census data) [people]	3,605,438	4th/47	
Net migration rate [%]	-0.10	14th/47	
Number of births [people]	48,402	4th/47	

<sup>\*</sup> Source: Prepared using data from the Statistics Dashboard (https://dashboard.e-stat.go.jp/)



<sup>\*</sup> Source: Prepared using data from the Statistics Dashboard (https://dashboard.e-stat.go.jp/)

# Advantageous Transportation Infrastructure Network

As a transportation and logistics hub for land, sea, and air, infrastructure networks for roads, ports, airports and rail are in place in Aichi Prefecture.

A renowned network of highways such as Tomei, Shin-Tomei, Meishin, Chuo, and Tokai-Hokuriku Expressway has been created. In March 2025, Gamagori Bypass connecting Nagoya City and Toyohashi City began operation, which is expected to stimulate tourism, logistics, and industry between the eastern and western parts of Aichi Prefecture.

For ports, Port of Nagoya, an international hub port, plays a central role as a distribution base connecting Japan with other countries.

The Chubu Centrair International Airport and the Nagoya Airport cater to both business and tourism needs. At the Chubu Centrair International Airport, construction of a second runway is scheduled to begin in preparation for its opening in March 2028. This will increase the arrival and departure capacity of the airport by 1.2 times, and passenger routes are expected to expand.

For railways, plans are in progress to connect Tokyo and Nagoya in as little as 40 minutes as a plan for the Chuo Shinkansen maglev line. The realization of this plan is expected to lead to further revitalization of the region around Aichi Prefecture.

#### Tokai/Koshinetsu/Hokuriku region road map

# Chuo Shinkansen maglev route and stations





# Aichi Development Topics of Future Interest

"Ghibli Park," which opened within the Expo 2005 Aichi Commemorative Park (Moricoro Park) has contributed to attracting tourists to Aichi Prefecture including inbound tourists, with the number of visitors having reached to approximately 5.44 million in the two years from its opening in November 2022 to October 2024. In addition, "STATION Ai," the largest startup support hub in Japan, opened in October 2024. With over 700 domestic and international startups and partner companies participating, it aims to become a hub that creates new value by integrating existing industries and new businesses in the region, and from an industrial perspective, expectations are also growing.

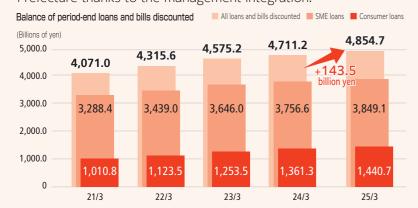
In July 2025, "IG Arena (New Aichi Prefectural Gymnasium)," which boasts one of the largest indoor arenas in Japan, is scheduled to open. Not only sports event but also entertainment events such as music concerts are scheduled to be held, and the Arena is expected to attract visitors from both Japan and overseas. The facility will be used as the main venue for the "20th Asian Games" to be held in 2026, and preparations for the event are steadily underway throughout the prefecture.

As described above, against the backdrop of an expected increase in the number of business travelers and tourists from both Japan and overseas, redevelopment is progressing in various locations, including plans to open new hotels, and further regional development and revitalization are expected.

# Strengths of Aichi Bank

### Balance of Loan and Bills Discounted

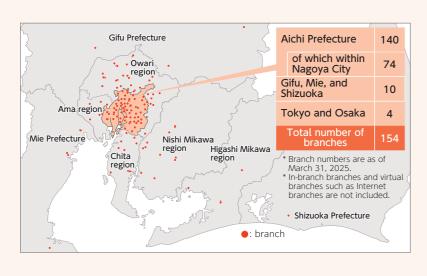
The period-end loans and bills discounted increased by 143.5 billion yen year on year to 4,854.7 billion yen, centered mainly on proactive financing support for local small and medium enterprises as well as mortgages. The total deposit and loan balance was 10,800.4 billion yen. The balance of loans and bills discounted is now the highest among regional financial groups within Aichi Prefecture thanks to the management integration.



#### Network of Aichi Bank

Regarding the branch networks of Aichi Bank, the sales foundation has been expanded significantly due to the management integration of The Aichi Bank and The Chukyo Bank, and convenience has also increased due to bank merger. In addition, the market where branches of Aichi Bank locate is an industrial cluster that plays a central role in monozukuri (manufacturing), and is an exceedingly attractive region with considerable growth potential, even when factoring future population decreases.

Not only by being supported by such a favorable region, but also by responding to the region's growth and the needs of our customers, we aim to accomplish sustainable management.



# Customers' Usage as Main Bank

The percentage of companies in Aichi Prefecture that recognize Aichi Bank (former The Aichi Bank and former The Chukyo Bank) as its main bank is 12.38%, which is the highest share among regional banks, 2nd-tier regional banks, and shinkin banks.

#### Main bank share of Aichi Bank

\* Rankings are within regional banks, 2nd-tier regional banks and shinkin banks
\* Share is the sum total of former The Aichi Bank and former The Chukyo Bank, and the survey

results are based on figures prior to the merger

Our strengths

create

Corporate value

FY2022 12.36% (1st) FY2023
12.37%
(1st)

FY2024
12.38%
(1st)

No. 1 main bank share among regional and shinkin banks Research by TEIKOKU DATABANK, ltd.)

(Research by TEIKOKU DATABANK, Ltd.

Social value

# Our strengths create

# Expanding revenue base

Acquire a wider customer base in the attractive market, and establish a stable revenue base

# Enhancing brand power and recognition

Ensure brand power enhancement and competitive advantage by having the region's largest scale and extensive network

# Creating business opportunities

Opportunities to provide solutions such as business succession, DX support, and sustainability support by leveraging access to industrial cluster increase

# Enhancing the regional

Contribute to regional industrial development and job creation by meeting the financial needs of local companies and individuals

# Strengthening our role as a regional financial infrastructure

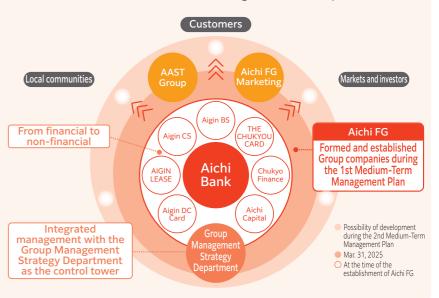
Expand access to financial services to support the creation of local communities where everyone can live with peace of mind

# Creating a sustainable society

Contribute to the development of sustainable local communities through financial support and consulting services for regional issues

# **Utilization of Various Group Functions**

In order to strengthen and maximize our Group functions, we have established the Group Management Strategy Department within Aichi FG, in addition to adding two companies as Group companies. We are further deepening the breadth of a consulting solutions-based business model throughout the Group.



# **Human Capital**

In deepening the breadth of a consulting solutions-based business model, we are working to create strategic human capital. In FY2024, we increased the number of sales support staff in specialized areas to 117 (up 30 year on year) to strengthen our sales branch support structure, aiming to be the first choice for advice and the most trusted partner for the diverse needs of our customers.

Number of sales support staff in specialized areas (as of March 31, 2025)

Specialized area	Number		
M&A	8		
Business succession and consulting	9		
Block support	12		
Real estate consulting	1		
HR support	5		
Private banking	7		
Business insurance	7		
Overseas business	13		
Wealth management	35		
Financing strategy	18		
Aichi Capital	2	24/3	YoY
Total	117	87	

+30

# Value Creation Process of Aichi FG

# Management vision

# **PURPOSE**

Contribute to the prosperity of local communities through financial services

# **MISSION**

Aim to become the No. 1 regional financial group in Aichi Prefecture.

### **VALUE**

- Solidify the business platform by adhering to robust operation
- Provide financial services that are useful to all our customers
- Continue to be an attractive company by achieving sustainable growth and enhancing corporate value
- Become a financial group trusted by local communities
- Realize the happiness of all officers and employees through ES management and health management practices

# Materiality

Contributing to the prosperity of local communities

Sophistication of financial services

Response for environmental conservation

Improving employee engagement and advancement of diverse human capital

Strengthening governance

# **INPUT**

#### Human capital

Enhancement of strategic human capital needed for the consulting solutions-based business

- Create human capital by restructuring branches and head office downsizing
- Achieved the goal of creating 450 strategic human capital up to the merger

### ES management which aims to enhance employee engagement

• Work on various measures for human capital development, health management, work style reform, and diversity, equity and inclusion

#### Social capital

# The region's No.1 solid customer base

- Establish an optimal branch network (number of branches)
- No.1 regional financial institution in Aichi Prefecture in terms of deposit and loan share

#### Intellectual capital

### Functions that lead to understanding and resolving customers' needs

- Accumulation of customers' needs and information based on the history spanning 110-plus years of The Aichi Bank and 80-plus years of The Chukyo Bank
- Associated company network that can address diverse needs
- Various lineup of solutions
- Sustainable management initiatives

# Financial capital

Realization of risk-weighted assets that balance profitability and soundness

- JCR credit rating [A]High-quality
  - reğulatory capital
- Sound loan assets

#### Natural capital

- Abundant water resources such as Ise Bay and the Kiso River
- Diverse ecosystems in the Chubu region

# **Business Activities** Building and Growth and strengthening development of relationships with customers customers Consulting solutions-based Understanding business model Solving customers' customers' needs and issues issues Providing a wide range of solutions including utilization of Group functions DX and Human operational capital efficiency creation Governance Risk Corporate Response to Compliance Management Governance ESG

# **OUTPUT**

Financial (2027 targets)

**ROE** 

5% or more

Consolidated net income

19.0 billion yen or more

Core OHR

65% or less

Consolidated capital ratio

Approx. 9%

# Non-financial

Sustainability-related investments and loans

1 trillion ven (of which, 500.0 billion ven are related to the environment)

(FY2030)

Banking app registrations

130,000 cases (FY2027)

SCOPE 1, 2 GHG emissions Achieving carbon neutrality

(FY2030)

Employee engagement survey satisfaction rates

80%

(FY2027)

# **OUTCOME**



Regional revitalization, enhancing the regional economy



Sustainable development of local communities



Increased active participation of diverse human capital



Environmental conservation and climate change countermeasures

# **External Environment**

- with EV adoption
- Increased awareness of asset management in Japan
- Advancement of digital technologies such as generative Al
- Increased social awareness regarding respect for diverse values
- Shift to a "world with positive interest rates"
- Addressing societal issues such as biodiversity and human rights following climate change is gaining momentum

- Progress of climate change and countermeasures
- Generational change in business owners Chronic labor shortage
- Drastic shift in the automotive industry

# Long-Term Plan—Vision for 2030—

The Group was established on October 3, 2022, through a joint share transfer as the wholly-owning parent company of The Aichi Bank and The Chukyo Bank. Under the 1st Medium-Term Management Plan, in anticipation of the merger of two banks in January 2025, we worked to standardize the level of human capital at both banks as well as promoted initiatives aimed at creating and developing strategic human capital to strategically utilize the

reallocated human capital to be created in the future. The 2nd Medium-Term Management Plan is positioned as a phase in which we realize our "consulting solutions-based business model" by optimally placing strategic human capital we have developed in the 1st Medium-Term Management Plan. With the desire to become an organization that can respond to our customers' issues and needs, which are becoming more sophisticated and

diverse, on a group-wide basis, we have set the theme of the 2nd Medium-Term Management Plan as a "total support group that goes beyond banking."

In addition, we have established three basic strategies that we will be particularly focused on: "deepening the breadth of a consulting solutions-based business model," "strengthening our group management base," and "accelerating our

DX strategies" We will steadily implement our initiatives to build a solid management base for maximizing synergies in the 3rd Medium-Term Management Plan after 2028, thereby aiming to become the No. 1 regional financial group in Aichi Prefecture which is our customers' first choice for advice and the most trusted partner.

# Positioning of Aichi FG 2nd Medium-Term Management Plan

Based on the initiatives under the 1st Medium-Term Management Plan, we will establish integrated Group Aim to become the No. 1 management with the new bank at its core to realize a "total support group that goes beyond banking." regional financial group in FY2030 Establish and Promote Aichi FG Brand Aichi FG Established Aichi Prefecture Develop management vision and Clarify Aichi FG brand linked to our corporate slogan management vision and strategy Information dissemination to local commu-Identify materiality nities, customers, markets, and investors Establish group companies and strengthen cooperation • Promote our management vision and strategy among employees Synergy measures Consolidated net income an. 2025 Bank merger (a new bank was born) Through the creation of large numbers of strategic human capital by management integration: Oct. 2022 FG established 2nd Medium-Term 1st Medium-Term · Increase in solution-related fees Increase in fees for assets under custody Management Plan Management Plan 3rd Medium-Term Increase in mortgage fees Management Plan · Increase in loan interest from increase in Speed, Fusion & Chemistry "Total support group that goes beyond banking" loan balance Others (Creation of new revenue streams) **Preparation Phase** Synergy Emergence Phase Synergy Maximization Phase Cost reduction from branch restructuring Oct. 2022 Apr. 2025 Apr. 2028 Mar. 2031 · Cost reduction from system integration Significant improvement in Established a consulting Three basic strategies Other cost reductions top-line growth solutions-based business model · Cost reduction from optimizing Expansion of non-financial • Create and develop strategic Deepening the breadth of a consulting personnel placement Integration synergy (net) business revenues human capital solutions-based business model Swift emergence of synergy II. Strengthening our group management base through management efficiency ■. Accelerating our DX strategies System modifications Installation of office equipment <Results for the period of the 1st Medium-Term Management Plan> Branch restructuring expenses Top-line synergy + cost synergy 13.0 billion yen · Other integration-related expenses Integration-related expenses Integration synergy (net) FY2027 FY2030 FY2025 FY2026 FY2028 FY2029 Integration Synergy (net) = 1) + 2) - 3) Integration costs increased first during the 1st Medium-Term Management Plan period (1.6) billion yen is expected in FY2025, but the negative amount is expected to gradually decrease thereafter. \* Integration synergy (net) calculated relative to FY2021 amounts Aim for emergence of cost synergy from integration Aim for swift emergence of synergy during and further emergence of top-line synergy next medium-term management plan period

# Review of the 1st Medium-Term Management Plan

# Theme of the 1st Medium-Term Management Plan Chemistry Speed **Fusion**

#### Goal of the 1st Medium-Term Management Plan Status of Achievement - Accomplishment that should be achieved up to the launch of Aichi Bank -With the addition of two companies to the Group, we have established a system to Complete preparations for a consulting solutions-based A business model that allows customers to experience propose solutions in new domains. The Group's sales system is now in place, and dynamic evolution preparations for a consulting solutions-based business model have been completed. We have achieved the KPI for the number of strategic human capital created as a Establish a new employee profile and create and B develop the necessary number of human capital under whole. We have completed the creation and development of human capital necesthe consulting solutions-based business model sary to implement a consulting solutions-based business model. Steadily achieve major KPIs for the emergence of Major KPIs have been generally achieved, as described below. post-merger synergies

The Group was established on October 3, 2022, through a joint share transfer as the wholly-owning parent company of The Aichi Bank and The Chukyo Bank. In January 2025, the two banks were merged along with their systems, and Aichi Bank was established. In addition, we have set the period from October 2022 to March 2025 as the period for the 1st Medium-Term Management Plan and designated its theme as "Speed, Fusion & Chemistry," and have positioned this period as an important preparation phase for the promising start of Aichi Bank, and have worked on various initiatives. We have achieved all three goals to be accomplished up to the launch of Aichi Bank, which we set out at the time of developing the 1st Medium-Term Management Plan, and we were able to maximize integration synergies in various areas. Under the 2nd Medium-Term Management Plan, we will aim to establish integrated Group management with Aichi Bank at its core, based on the accomplishments under the 1st Medium-Term Management Plan.

# Targets and Results of the 1st Medium-Term Management Plan

FY2021 results	FY2024 results	6 years post merger FY2030 targets
4.53%	2.48%	6.0% or more*1
14.7 billion yen	9.0 billion yen	25.0 billion yen
67.70%	75.77%	Less than 60%
9.36%	8.78%	Approx. 9.5%
	4.53% 14.7 billion yen 67.70%	4.53% 2.48% 14.7 billion yen 9.0 billion yen 67.70% 75.77% 9.36% 8.78%

targets	Item	FY2021 results (Millions of yen)	FY2024 results (Millions of yen)	FY2024 targets (Millions of yen)	Ach
	l = = = := t= = = t*?	24567	20.056	26,000	

target	Item		(Millions of yen)		rate
ine t	Loan interest*2	34,567	39,856	36,000	110.7%
1-do	Service revenue	14,377	16,762	16,000	104.7%
<u>S</u>	Of which, Solution-related fees	3,051	5,447	3,900	139.6%
				T 11 1 DI	(0   0000)

<sup>\*2</sup> Loan interest targets are based on if interest levels at time of the announcement of the 1st Medium-Term Management Plan (Oct. 2022) continues.

rger	Item	FY2024 results	FY2024 targets	Achievement rate
o mer s)	Number of strategic human capital created*3	515 employees	450 employees	114.4%
s up to banks)	SME loan balance increase (relative to FY2021)	410.1 billion yen	300.0 billion yen	136.7%
Major KPIs u (both b	SME usage of the Group as main transaction bank (relative to FY2021)	1,015 companies	1,000 companies	101.5%
(e)	Number of solution proposals increased (relative to FY2021)*3	774 proposals	650 proposals	119.0%

<sup>\*3</sup> Also set as a materiality KPI with FY2024 as the target year for achievement

	Materiality	Item	FY2024 results	FY2024 targets	Achievement rate
		Banking app registrations	215,393 cases	200,000 cases	107.6%
Materiality KPI*4	Sophistication of financial services	Smart bankbook registrations	68,447 cases	45,000 cases	152.1%
		NISA account opened (cumulative total from Apr. 2023)	12,974 cases	12,000 cases	108.1%
	Improving employee engagement and advancement of diverse human capital	IT/digital foundational human capital	1,146 people	1,000 people	114.6%
Mate		Percentage of paid leave taken	73.4%	over 80%	91.7%
4		Employee ES survey conducted	held once	once a year	100%
	Strengthening governance	Status of dialogue with investors	17 investors	approx. 10 investors per year	170%
		Study sessions on compliance, human rights, etc.	held 3 times	2 or more times per year	150%

<sup>\*4</sup> For the progress of materiality KPIs with a target year of FY2025 and beyond, please refer to p.48

capital created	Item	FY2024 results (people)	FY2024 targets (people)	Achievement rate
	Sales branch professional RMs	225	200	112.5%
er of strategic human	Head office solutions experts	71	100	71.0%
	Business reform internal consulting staff	58	50	116.0%
	Strategy reskilling human capital	161	100	161.0%
Number of	Total	515	450	114.4%

# 4 Priority Strategies for Achieving the Goals of the 1st Medium-Term Management Plan



Prepare for the complete transition to a consulting solutions-based business model

Large-scale shift of employees towards a profile necessary for a consulting solutions-based business

### **Key Accomplishments**

- With the addition of software development company and advertising company to Group companies, we have established a system to propose solutions in new domains.
- We have completed preparations for transition to a new business model, as we have integrated sales systems of two former banks into a block sales system before the merger, and strengthened the Business Solution Department, which will be the core of our head office sales by reallocating strategic human capital created.
- Employees' ability to gather information and their knowledge of each solution domain have improved, resulting in improvements in their capabilities to make proposals to customers.
- We have promoted business reforms at the head office, such as reviewing duplicate tasks and improving operational efficiency.
- We have promoted reskilling for employees through nominated training and dispatching trainees, and support for acquiring challenging qualifications
- Swift emergence of synergy through management efficiency
- We have completed the merger of two banks and integration of their systems, which was the biggest mission during the 1st Medium-Term Management Plan period. We have developed plans and schedules to integrate branches, establishing a foundation for creating synergies of the 2nd Medium-Term Management Plan.
- We took the lead in implementing joint storefronts at 4 branches, achieving some cost synergies ahead of schedule.



- Having set the first 6 months after Aichi FG establishment as the most important period for PMI, we launched Project 6 to provide services that meet the expectations of our customers through early emergence of synergies and harmony between employees of the two banks.
- Through the implementation of 6 priority measures, the system development after the management integration proceeded smoothly, contributing to the achievement of the goals of the 1st Medium-Term Management Plan.

Management Challenges in Light of Surrounding External Environment

Response to solution needs

Efficient allocation and utilization of management resources

Provision of various financial services through digital technology

Enhance response to sustainability

#### Management Challenges for the 2nd Medium-Term Management Plan

# Establish and strengthen relationships with customers which lead to solution proposals

- In order to embody "Closest to you," establish and strengthen relationships with customers so that they first consult with us
- Establish a position as the main transaction bank for deposits and loans for both corporate and individual customers

# Strengthen solution business following interest income

- Expand revenue from service transactions, etc. by capturing business opportunities such as business succession and M&As
- Promote proposals and sales of asset management products, etc. to customers who have accounts or mortgage contracts with us

Aim to streamline branches and organizations through improved operational efficiency by promoting DX and consolidating and centralizing operations

# Management that maximizes human capital

Promote human capital placement to the front line, which is directly linked to revenue generation, to improve productivity per employee

#### Risk-weighted asset controls

Continue to control risk-weighted assets and aim to strengthen profitability conscious of RORA

#### Strengthen solution business following interest income

• Increase revenue from service transactions, etc. that do not use assets

# 2nd Medium-Term Management Plan—Key Points with the Launch of New Bank—

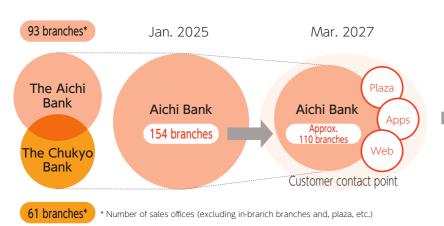
# Key Point (1) Reconstruction of Branch Network and Reallocation of Human Capital

In the 2nd Medium-Term Management Plan, we will not only reduce costs associated with management integration and bank merger, but also achieve significant reduction in administrative duties by vigorously promoting business reforms, as well as increase our contact with customers by shifting human capital created to the sales areas.

As an important initiative following the merger, while we will restructure approximately 40 branches, aiming to streamline the number of branches from the current 154 to approximately 110, we will reallocate human capital created through branch restructuring to departments that promote consolidating and centralizing operations to improve the efficiency of sales branch operations, to face-toface and non face-to-face areas to strengthen sales power, and to growth domains.

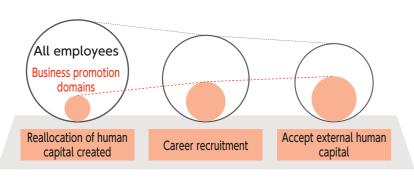
In addition, we will not only reallocate human capital created, but also proactively conduct career recruitment and accept external human capital, thereby aiming to strengthen a system in the business promotion domains.

# Restructuring of Branches (image)



While streamlining the branch network, expand our contact with customers through the use of digital technology

#### Number of Employees (image)



Strengthen a system in the business promotion domains through human capital creation, reallocation, and recruitment

#### **Placement Domain**

- Promote consolidating and centralizing operations by restructuring branches and head office downsizing
- human capital created through efficiency improvements play an active role in growth domains

Strengthen solution functions

Structured finance domain

Industry-specific business domain

Asset building

and mortgages

domain

Sustainabilityrelated loans domain

Strengthen sales system

Retail teller domain

Wealth management

Promote DX

Strengthen Group functions

# Key Point (2) Measures for Human Capital Management

The Group considers our employees as valuable capital (human capital), and in order to maximize their value, we will work on "human capital development," "diversity, equity and inclusion," and "health management and work style reform," by focusing on enhancing engagement.

In particular, the importance of women and the elderly playing an active role has grown more than ever before, and we will aim to improve their motivation by implementing reskilling training and

appropriate placement, as well as to expand opportunities for them to play an active role by promoting work style reform.

In addition, we will advance our initiatives to "creation of strategic human capital," on which we have been working since the 1st Medium-Term Management Plan, and aim to develop and strengthen them more than ever before so that they can maximize their skills not only in the banking operations but also in our Group companies.

# Approach to Human Capital Management

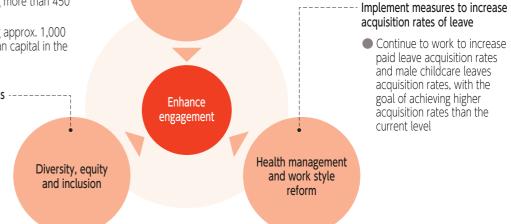
Create high skills human capital, enhance recruitment and formulate a compensation program

Achieve the goal of creating more than 450 strategic human capital

Achieve the goal of creating approx. 1,000 IT/digital foundational human capital in the first half of 2024

Implement training for women's career-building through public recruitment

Double the current percentage of female managers by FY2027



Develop human

capital

# Approach to Creating Strategic Human Capital

# **Professional RMs**

Place multiple RMs at consolidated external communication branches and solution business units to build a platform designed to meet customer needs adequately

# Strategy reskilling human capital

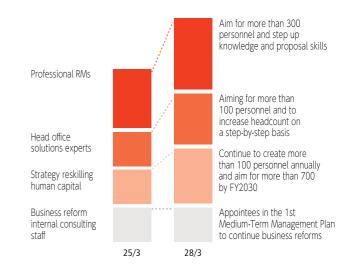
Perform well for expanding new projects, give DX support to customers and in Group companies' sales activities

#### Head office solutions experts

Place them in M&A, business successions, and block support teams to increase the value of the solution menu

# Business reform internal consulting staff

Promote business reform and zero sales branch administrative duties stated in the DX strategy



# 2nd Medium-Term Management Plan—Basic Strategies—

# Basic Strategies Based on the Internal and External Environments

In developing the 2nd Medium-Term Management Plan, we analyzed the external and internal environments surrounding the Group, and identified management challenges for the Group. Regarding the external environment, in light of the requirement for management conscious of capital efficiency, the decline in the working-age population, and the generational change in business owners, we consider "meeting the request for optimally using and distributing management resources," "catering to rising financial service needs such as for application using and various financial instruments," and "providing services requiring high specialty to customers pressured to undergo business structure transformation" as key management challenges.

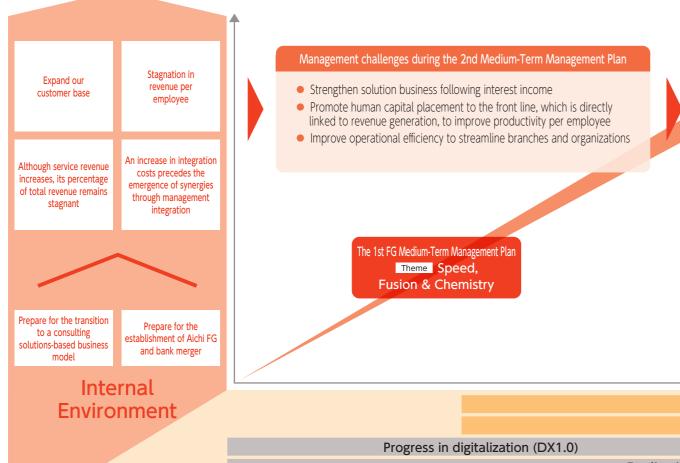
Regarding the internal environment, based on the current situation immediately after the merger and analysis from the perspective of B/S and P/L,

**External** 

**Environment** 

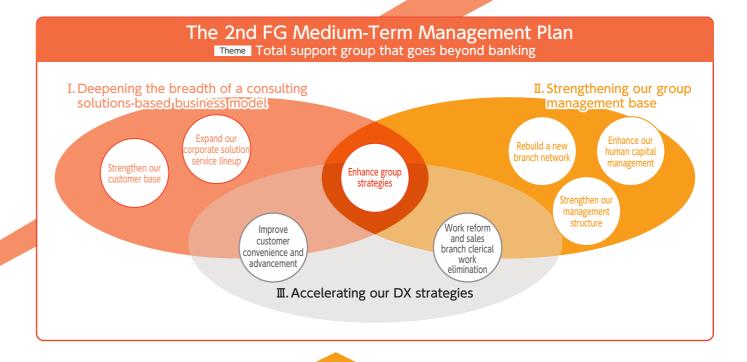
we consider "strengthening our solutions business after net interest income," "improving productivity per employee by promoting the deployment of human capital to the front office, an area directly leading to revenue generation," and "operational efficiency toward downsizing branches and organizations" as management challenges and lead them to three basic strategies in the 2nd Medium-Term Management Plan.

These three basic strategies are not to be worked on independently of each other, but we will implement integrated measures for them. For example, in order to "deepening the breadth of a consulting solutions-based business model," we will "make maximum use of our group management base" as well as "proactively and speedily advance our DX strategy" to efficiently and effectively promote our initiatives.



Aim to become the No. 1 regional financial group in Aichi Prefecture

The 3rd FG Medium-Term Management Plan



# Management challenges during the 2nd Medium-Term Management Plan

- Respond to demand for optimal utilization and allocation of management resources
- Respond to the growing financial needs such as app utilization and various financial products
- Provide services that require a high level of expertise to customers who are faced with restructuring their businesses

Management conscious of capital efficiency

Interest in asset management

Progress in digitalization (AI utilization and DX2.0)

Decline in the working-age population and generational change in business owners

Pressure to shift industrial structure

Support for startup Companies

# Initiatives to Improve Top-line Growth and Reduce Costs

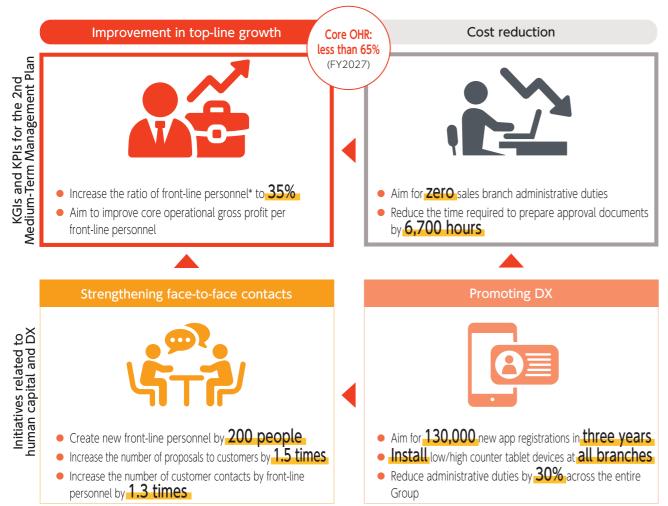
"Improvement in top-line growth" and "cost reduction" are two wheels to enhance corporate value, and we have focused on both of these aspects and set indicators that require attention.

In the 2nd Medium-Term Management Plan, we will not only reduce costs associated with management integration and bank merger, but also achieve significant reduction in administrative duties by vigorously promoting business reforms, as well as increase our contact with customers by shifting human capital created to the sales areas.

In "cost reduction," we will promote centralization of sales branch administrative duties to the head office to achieve zero sales office administrative duties, as well as realize paperless slips through DX, thereby aiming to achieve "No administrative duties, Low administrative duties." In addition, we also plan to improve the efficiency of our loan-related operations through DX.

By further improving operational efficiency, we will generate time and human capital, and allocate such resources to face-to-face and non face-to-face sales areas. In our 2nd Medium-Term Management Plan, we aim to increase the ratio of front-line personnel to 35% and improve core operational gross profit per front-line personnel through these initiatives.

In this way, we will work to improve top-line growth and reduce costs by deepening our work styles while utilizing DX.



#### \* Definition of front-line personnel: sales brunches liaison officers + sales at the head office (LA, solutions, and assets under custody)

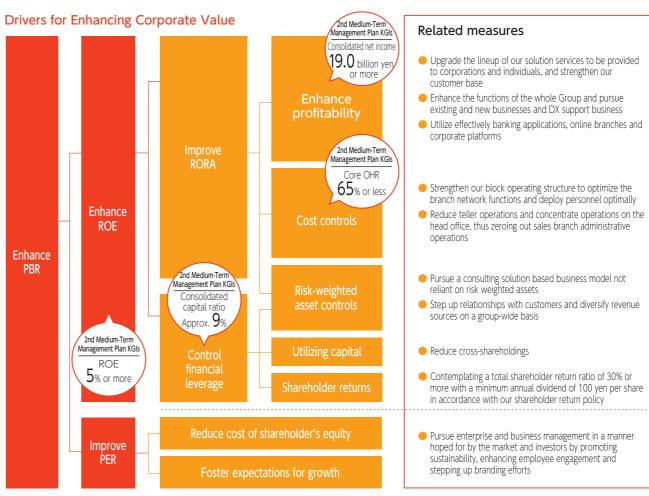
# Priority Measures and Policy to Enhance Corporate Value, and KGIs

In order to raise the level of PBR (Price Book-value Ratio: corporate value), we will steadily implement various measures with a focus on improving RORA and controlling financial leverage to improve ROE (Return on Equity: profitability).

In addition, we will also strive to improve PER (Price Earnings Ratio) by pursuing management that meets the expectation of our stakeholders through

the promotion of sustainability, enhancement of employee engagement, and strengthening of our branding.

To that end, we have set 4 KGIs of "consolidated net income of 19.0 billion yen or more," "core OHR of less than 65%," "consolidated capital ratio of approximately 9%," and "ROE of 5% or more."



 $^{st}$  The above-mentioned KGIs were determined on the basis of the currently-prevailing financial environment.



# Special Feature | Review of the Merger

# Key to successful system integration

The Group implemented system integration simultaneously with the bank merger of former The Aichi Bank and former The Chukyo Bank in January 2025. This system integration was successfully completed without any major obstacles, and the system continues to operate stably.

As this system integration was implemented within a short time frame of about two years after the management integration, in order to minimize system risk and administration risk, we adopted a policy of standardizing the core system and administration processing standards with those of former The Aichi Bank pre integration.

In November 2023, we integrated the locations of the systems and administrative divisions of both banks at NTT DATA Aoi Bldg., creating an environment in which those involved in the system integration, including employees of both banks, system vendors, and subcontractors, could proceed with the project at the same location. We also worked to create harmony between the employees of both

banks, maintaining close communication and cooperation while moving the integration process forward.

These approaches enabled prompt handling of many issues identified as a result of significant events in the system integration, including comprehensive testing, comprehensive operational testing, data migration testing, and sales branch testing, which led to a smooth system integration.

In this manner, we were able to advance the project while adhering to one of the basic policies outlined in the Merger Plan, "To achieve system integration as originally planned, we will prioritize minimizing system and operational risks while minimizing impact on customers, and work to ensure the bank after merger can commence operations safely, reliably, and smoothly." As a result, we were able to achieve a successful system integration.

We will continue to contribute to the prosperity of local communities by supporting local financial infrastructure.

Aichi Financial Group System specifications Integration of locations established freeze initiated to NTT DATA Aoi Bldg. Comprehensive testing launched

Comprehensive operational testing launched testing launched Sales office testing launched Migration rehearsal launched

Bank merger

Oct. 2022

Jan. 2023

Nov. 2023

Feb. 2024

Jul. 2024

Jan. 2025



System Development Group, Operations Administration Department, Aichi Bank Kenji Ito Manager (right) Takanori Kato Assistant Manager (left)

We worked on the system integration project between former The Aichi Bank and former The Chukyo Bank for about two years until the merger. System integration is critical project for the realization of mergers. In this project, as part of the Integration Team, primarily focusing on the migration of core banking systems, we coordinated the systems divisions of both banks to ensure a smooth system integration. Due to differences between the two banks in business promotion

methods, decision-making criteria, and the services they handled, the Integration Team met more than 200 times for discussions and coordination in order to align our understanding and ensure united intentions. In addition, if an issue arose during the core banking system migration, we strived to respond promptly by holding individual review meetings with subcontractors and other relevant parties. Since we were operating with a limited number of personnel, we worked on multiple teams while striving to create an open workplace and ensure early sharing of issues among us.

One key that led to the success of this system integration project was that systems, administrative, and sales divisions, as well as subcontractors and other relevant parties, were able to unite as one and build a strong collaborative structure, working together across divisions and positions. I believe that this gave us great strength and allowed us to complete the system integration as planned.

As we make a new start as Aichi Bank, we will continue to provide stable system operation and offer even more value to our customers.

# Review of the Merger — Interview —

In January 2023, we rolled out a Partner Branch program, in which neighboring branches paired up before the merger to help each other learn about the administration processes. The aim of this program was to facilitate smooth branch operations after the merger, as well as early harmonization and mutual understanding.

We interviewed the staff leaders of the Shimada Branch of former The Aichi Bank and the Shimada-chuo Branch of former The Chukyo Bank, who supported each other and demonstrated synergies as partner branches.



Chiaki Kanbe Shimada-chuo Branch, former The Chukyo Bank Staff Leader

# Q1. How did the harmonization between employees progress?

We held meetings to exchange opinions soon after the merger was decided. I remember that I did not have a real sense that we would become members of the same company at the time, but as we shared our views on our customers and our work, I realized that, even though we were from different companies, we had much in common as bank employees. Once we became partner branches, opportunities for interaction increased through measures such as regular social gatherings with the Shimada Branch. I believe that this helped us build a foundation early in which we could consult each other casually whenever an issue arose.

Q2. When you were learning about the administrative processes of the new bank, did you have any difficulties or concerns?

We learned about administrative processing and system changes associated with the merger fully during administration training. However, as the training progressed, I realized that, while in some cases, it was simply a matter of changes in criteria, in many other cases, the terminology used, while similar to those we had used at former The Chukyo Bank, actually had different meanings. When I saw these many changes and differences, I did begin to feel anxious. It was under these circumstances that trainee training started at our partner branch. In this training, we were allowed to actually operate the core banking systems terminals and teller machines during business hours, which helped us gain a good understanding of how things would operate in the new bank. Being able to experience the actual work reduced my anxiety, and I began to feel more positive.

Q3. Were there any problems before or after the merger? How did you overcome them?

I thought that I had prepared carefully before the merger, but when we started operating as the new bank, there were many times when I was confused. Due to changes in the scope of job authority as well as forms and bookkeeping methods, the order in which documents were circulated and the designated reviewers also changed, which confused me. However, former The Aichi Bank employees came to our branch to offer support for a certain period of time after the merger, so I was able to receive help whenever I had trouble understanding something. This allowed me to overcome the situation without any major problems.

Mariko Sasaki Shimada Branch, former The Aichi Bank Staff Leader



# Q1. Could you tell us about the early harmonization efforts among employees and about their effects?

Thanks to the active engagement of the branch general managers and assistant mangers, from an early stage, we communicated actively through mutual visits between the sales branches of both banks, as well as regular social gatherings that also included employees' families. As a result, we got to know each other and formed friendly relationships at all employee ranks before the trainee training began, which helped with early harmonization. By building relationships of trust between staff members, a system was put in place in which staff members could seek each other's advice and share information easily, without the need to go through their managers, even after the trainee training began. This open relationship enabled us to work together, and even though we faced some difficulties, we were able to respond flexibly and quickly.

# Q2. Did you have any trouble teaching the administration processes to former The Chukyo Bank employees?

Because certain tasks that did not exist in former The Chukyo Bank, we had to be explain them from scratch so that they would understand. These explanations were probably the part that I most struggled with.

Also, partly because of differences in the culture of administrative processes that had been cultivated over many years, there were many differences in interpretation of even the same processes. It sometimes took time to carefully explain and address the differences between the two banks.

# Q3. What aspects do you think went well in teaching administration to former The Chukyo Bank employees?

One aspect that I thought went well was that we were able to discover the differences in each other's administration processes through casual conversations and share them as needed. Seeing the positive attitude toward learning of the Shimada-chuo Branch employees was very stimulating for those of us at former The Aichi Bank, which I believe to be a synergy effect for both banks.

# Special Feature | New Group System to Achieve Group Strategies

The Group strives to strengthen collaboration among and the functions of Group companies in its efforts to realize a "total support group that goes beyond banking," the theme of the 2nd Medium-Term Management Plan.

# Strengthening of Collaboration among Group Companies

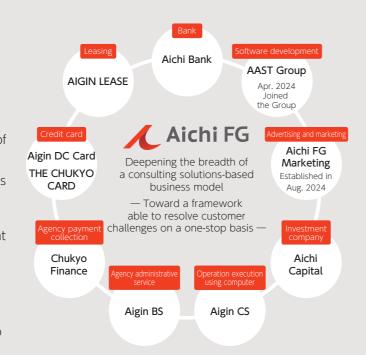
In April 2024, we established the Group Management Strategy Department, which plans and proposes group strategies and administers Group company management for the purpose of strengthening the functions of the Group. The Group Management Strategy Department is responsible for the overall administration of 12 Group companies, with the exception of Aichi Bank. It is also responsible for strengthening internal and external collaboration by serving as a bridge between Aichi Bank and the other Group companies and between Group companies and customers.

# Strengthening of Group Companies' Functions in FY2024

The Group consists of 13 Group companies, centered on Aichi Bank. They operate financial businesses such as leasing, credit card, collection agency, and venture capital businesses, and non-financial businesses, such as software development and advertising and marketing, as well as agency administrative services for the indirect operations of Group companies.

In FY2024, we worked on building a one-stop solution framework to respond to the various needs and issues of customers from both financial and non-financial aspects, in cooperation with Aichi Bank. This project included the acquisition of the AAST Group, an independent systems development enterprise, through an M&A and the establishment of a company for advertising and marketing operations, Aichi FG Marketing, through a joint investment with Shinto Tsushin Co., Ltd.

We will continue to strengthen the functions of the Group companies in our efforts to respond to customers' various needs and issues on a one-stop basis in a timely manner.



# **Growth Investment Resulting From Strengthening Group Strategy**

The Group is investing in growth areas and expanding its business domains for the strengthening of group strategies. Five companies are newly made part of the Group in FY2024, and we are considering the expansion into new areas in FY2025 and beyond.

With broad consideration of expansion into non-financial services as well as financial services, we will work on the enhancement of the Group revenue.

### Companies that joined the Group in FY2024

Date Acquired/ Established	Company Name	Main Business	Acquisition Style
April 2, 2024	AAST Group: 4 companies AASC Co., Ltd. AAST Co., Ltd. AAST TOKYO Co., Ltd. IST Co., Ltd.	Software development and education business	M&A
August 1, 2024	Aichi FG Marketing Company Limited	Advertisement agency business	Incorporated

Consideration of future expansion into new fields

FY2025 Research & consulting
FY2026 Real estate management
FY2027 Shared services

# **New Customer Experience**

# **AAST Group**

The AAST Group, with its advanced IT technology and talent pool (248 system engineers), provides DX support to customers of the Group.

When it became a member of the Group in FY2024, it was selected as an indirect support operator under the Cabinet Office's Regional Digitalization Support Promotion Project, under which Aichi Bank and the Aichi Digitalization Department of the AAST Group provided assistance in resolving customers' system issues. The services they provide go beyond streamlining of operations and productivity improvement using digital technologies to include proposals for systems development for business model transformation and the strengthening of competitiveness through digitalization.

AAST also places efforts on the development of customers' systems engineering human resources through the provision of engineer training services.

Number of proposals made to Aichi Financial Group customers (April 2024 - March 2025): 15

# 

# Aichi FG Marketing

Aichi FG Marketing, a leading advertising company based in Aichi Prefecture, was established through a joint investment with Shinto Tsushin Co., Ltd. Aichi FG Marketing proposes and provides solutions for customers with needs and issues related to advertising and marketing.

In addition to newspaper and TV advertisement placement, we take advantage of the cash envelopes that are placed at Aichi Bank ATM corners and the digital signage at Aichi Bank head office and branches to target advertising to bank customers and local communities.

Aichi FG Marketing will contribute to the prosperity of local communities through assistance with corporate branding and recruitment.





In April 2024, the Group entered the advertising business by establishing Aichi FG Marketing as a joint venture with Shinto Tsushin Co., Ltd., a leading advertising company based in Aichi Prefecture, with the objectives of planning the Group's long-term advertising strategy and offering new solutions to customers. This establishment of a joint venture by a regional financial group and an advertising company is the first of its kind in the three prefectures of the Tokai region.

As a specialist advertising company that is closest to the local community, our business is not limited to advertising agency services alone. Our aim is to develop a consulting-type business for companies in the region, to offer them consulting in areas such as brand building, digital media strategy, and market development support, leveraging the advertising planning and marketing capabilities of Shinto Tsushin Co., Ltd.

I am personally taking on the challenge of creating new value by combining advertising and finance, leveraging the frontline sensibilities that I have cultivated working on the ground in finance and sales. We began with the business of advertising on cash envelopes and digital signage. Next, we intend to develop our original advertising services based on the networks and trust that are unique to financial institutions, such as advertising on ATM screens, web advertising, and direct mail advertising, as well as recruitment assistance and community-based promotions.

Going forward, we will strive to strike a balance between the enhancement of our corporate value and sustainable growth and continue to embrace challenge to become the marketing company of choice for our customers.

# **Sustainability Initiatives**

In April 2025, the Group established the Group Sustainability Management Department to enhance the sustainability management of the entire Group.

For the realization of a sustainable society, there are diverse social issues before us. Learning and thinking deeply about how the Group should be involved in these issues and find a path to their solutions and taking action based on such knowledge and insights will, I believe, become more important than ever going forward.

Based on the Sustainability Policy, the Group identified five materiality issues and is actively implementing specific measures across the Group to solve various issues related to the environment, society, and governance. For the Group to achieve the realization of a sustainable society and sustainable growth of the Group in the future, it is essential for the Group to broadly communicate our initiatives to stakeholders and to work together with them to progress those initiatives.

We will continue moving forward alongside all our stakeholders in our aim to realize a society where everyone can live happily through sustainability initiatives.



# Relationship Between Sustainability and Management Strategy

To help solve social issues in the region through business and to realize sustainable local communities, we view those issues as business opportunities and seek to further synchronize them with our own management issues, i.e., sustainability transformation (SX). Based on that stance, we identified five key issues (materiality) that are important for both society and the Group. They are "contributing to the prosperity of local communities," "sophistication of financial services," "environmental conservation," "improving employee engagement and advancement of diverse human capital" and "strengthening governance."

The basic strategies in the 2nd Medium-Term Management Plan launched in FY2025, "deepening the breadth of a consulting solutions-based business model," "strengthening our group management base," and "accelerating our DX strategies" are linked to these five materiality issues, and we will help resolve them by promoting these three basic strategies.

				Three basic strategies	
			Deepening the breadth of a consulting solutions-based business model	Strengthening our group management base	Accelerating our DX strategies
Issues	•	Contributing to the prosperity of local communities		•	•
		Sophistication of financial services			
Five Materiality	•	Response for environmental conservation	•		
e Mai		Improving employee engagement and advancement of diverse human capital	•		•
Η		Strengthening governance	•		•

# **Sustainability Policy**

The Group pledged to "Contribute to the prosperity of local communities through financial services" under the Purpose of its management vision. With this philosophy, we strive for the realization of a sustainable society and sustainable growth of the Group through our business activities. The Sustainability Policy was developed to promote the Group's initiatives to address the variety of issues pertaining to sustainability in a unified manner. The Sustainability Policy consists of the Response Policy to Environmental Issues, Response Policy to Societal Issues, and Sustainability Promotion Structure. Of these, the Response Policy to Environmental Issues states that we will work to reduce environmental impact and preserve biodiversity through our business activities.

Additionally, to fulfill our role as a responsible financial institution for financing and investing in specific businesses and sectors that may have an impact on the environment and society, we have formulated the Investment and Loan Policy to Realize a Sustainable Society. Additionally, to clarify the Group's basic stance on respect for human rights, we have established the Aichi Financial Group Human Rights Policy.



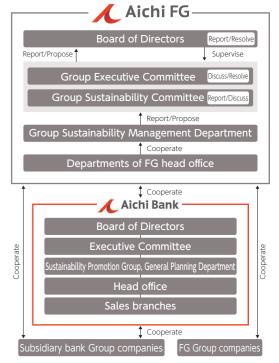
# **Sustainability Promotion Structure**

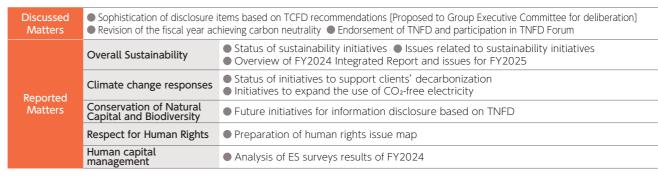
The Group Sustainability Committee was established to adequately respond to the identified materiality, to promote and strengthen the sustainable management of the Group and to improve the efficacy of medium- to long-term measures. The Group Sustainability Committee mainly discusses and reports on strategy proposals regarding important matters related to sustainability, as well as the supervision and management of progress for initiatives. In April 2025, we established the Group Sustainability Management Department in the holding company, while the Sustainability Promotion Group was established in the General Planning Department of Aichi Bank to enhance specialization in sustainability management and strengthen our responses to various sustainability issues.

Sustainability initiatives are conducted under a robust governance structure and supervised by the Board of Directors.

The supervision and management of progress of sustainability initiatives are reported to the Group Sustainability Committee at least once every six months and to the Board of Directors at least once a year. Important matters are proposed to the Board of Directors and Group Executive Committee for decision-making.

#### Major Matters Discussed and Reported at the Group Sustainability Committee in FY2024





Materiality KPIs

✓ Increase in corporate portal site registrations 4,000

✓ Number of cases of decarbonization support 400

▼ Employee engagement survey satisfaction rates 80%

Internal study sessions on compliance, human 2 or more

Achievement of carbon neutrality for Scope 1 and 2 GHG emissions

✓ Ratio of contract employees assigned to line

▼ Reduction of cross-shareholding: Percentage

(of which, environment-related):

provided by the Group

services provided

✓ Strategy reskilling human capital

✓ Percentage of female managers

of FG consolidated net assets

✓ Number of cases of consulting support

✓ Number of cases of support provided to

✓ Increase in banking app registrations

# Sustainability Initiatives

Services

Conservation

Response for Environmental

Improving employee engagement and advancement of diverse human capita

Strengthening Governance

Prefecture and the Social Impact

The Group has organized signif-

icant regional issues faced by

Aichi Prefecture and the social

impact the Group can contrib-

right. Social impacts organized

by Economy & Industry, Society

& Environment, and Prefectural

Foundation are connected to

the Group's materiality.

ute as shown in the figure at

Regional Issues of Aichi

the Group Can Contribute

# Five Identified Materiality

In November 2023, the Group identified as its materiality issues that are important for both society and the Group, and in April 2025, set new materiality KPIs in line with the 2nd Medium-Term Management Plan. The three basic strategies in the 2nd Medium-Term Management Plan are linked to the five materiality issues, with the intention of leading to the resolution of the materiality by advancing the 2nd Medium-Term Manage-

\*For the results of materiality KPIs up to FY2024, please see P.33-34. Relevant SDGs

In line with the Group's PURPOSE of "Contributing to the prosperity of local communities through financial services," we will help local communities solve challenges to contribute to the enduring growth and prosperity Contributing to the Prosperity of customers and local communities. of Local Communities With the increasing diversity of customer needs as we approach an era of a 100-year life and with the advancement of DX, there is a need to develop and improve a variety of financial services. At the same time, it is also important to provide services and information that are easily under-Sophistication of Financial

> As many climate disasters occur around the world due to global warming, Japan has declared a goal of carbon neutrality by 2050. Responses to environmental conservation including climate change are asked of by all companies, and the Group will also be actively engaged.

stood by customers. We will provide thorough customer-oriented busi-

ness operations and strive for the sophistication of financial services.

For financial institutions, areas of advancement for employees have expanded as the range of services provided has increased, which has increased options for work and career-building. We will promote the success of diverse human capital by improving employee engagement through the implementation of the Group's ES management, and cultivate an organization where all officers and employees can work with pride.

We will strengthen compliance and human rights initiatives in order to ensure unwavering trust and confidence from stakeholders. In addition, we will conduct appropriate information disclosure and create a highly transparent management system to conduct sound and fair corporate management.

· Weakening of traditional industries

Difficult environment to foster start-ups and spinoffs

apport for local industries and

ort for new business creat

Industrial structure

dependent on the

automotive industry

Low concentration and Decrease number of business closures/ productivity of the service industry bankruptcies ✓ Increase household financial assets balance ☑ Contribute to improving work environment

upport the realization of ustainable local commur

Generational change in business owners

Shortage of young workers

Aging baby boomer

· Low rates of female

Increased regional

disparity in prefecture

Delays in carbón neutrality responsé Adequate conservation

of natural

resources

✓ Contribute to reducing CO<sub>2</sub> emissions within

Society & Environment

Contribute to conserving biodiversity

**Prefectural Foundation** ✓ Contribute to the establishment of new industrial foundations Contribute to

Appeal of the region not communicated Suburban sprawl due improving the appeal of Aichi Prefecture to a car-oriented society

Regional revitalization by the creation of businesses with the cooperation of local gover

Economy & Industry

Increase number of businesses opening

in prefecture

\* Created based on Aichi Prefecture's Aichi Economy & Labor Vision 2021-2025, Aichi Tourism Strategy 2024-2026, and Aichi's Future Outlook and Potential Events/Risks in 2030.

Laying groundwork for regional development with sustainable finance

#### \*Relevance to Medium-Term Management Plan

Deepening the breadth of a consulting solutions-based business model

300

70

130,000

300 created

Less than 20%

Approx. 10 times

18%

10%

Strengthening our group management base Accelerating our DX strategies

Major Initiatives ✓ Investments and loans related to sustainability 1 trillion yen Contributing to the Local Communities P49~ from 2022/FY2030 Through Investments and Loans

3 years/FY2027

3 years/FY2027

— /FY2030

3 years/FY2027

3 years/FY2027

-- /FY2028

/Ongoing goal

Local Communities Issues Support for Startups

Providing Support for Solving

Promoting DX Asset Building Support and 

Customer-oriented Business Operations Addressing Climate Change 

(Initiatives taken for TCFD and (11) TNFD Recommendations) Human Capital Development

Diversity, Equity & Inclusion Health Management and Work P85~

and Nature-Related Initiatives

Style Reform Reducing Cross-shareholdings P96

Communication with Shareholders P95

Initiatives to Respect Human Rights P99 Compliance Initiatives

# **Identification Process**

✓ Dialogue with investors

rights, etc.

When identifying materiality, we have selected issues pertinent to the Group from a wide variety of issues, then narrowed these down by taking into account their relevance to stakeholders, conducting hearings with management, and reflecting the opinions of Outside Directors. Five materiality issues were then identified after discussion by management that took into account the results of a survey conducted by the workplace on the selected issues.

		Number of issues
STEP 1	A wide variety of 207 issues were selected, including the 169 SDGs targets (international issues), issues within Japan, and regional issues.	207
STEP 2	Issues from STEP 1 were narrowed down to those relevant to the Group. Later, these were broadly categorized into five groups and similar issues were consolidated into 20 issues.	20
STEP 3	After a screening process that factored in relevance to stakeholders, hearings with Group management and reflecting the opinions of Outside Directors, they were narrowed down to 14 issues.	14
STEP 4	Surveys were conducted by workplace based on STEP 3. Five issues were identified as materiality after discussion among management that took the survey results into account.	5
The decision	was made by the Executive Committee through the Group's Su	stainability Committee

The decision was made by the Executive Committee through the Group's Sustainability Committee.

# Contributing to the Local Communities Through Investments and Loans

Financial services play an important role in shifting society to a more sustainable form by responding to environmental issues such as climate change as well as societal issues of local communities. As a regional financial group, the Group supports the sustainable growth and development of local communities through financing.

# Investments and Loans that Address Societal Issues

### Financing Utilizing Positive Impact Finance

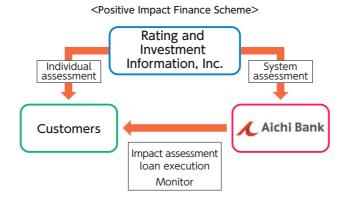
Positive Impact Finance is a financial product in line with an international framework of finance principles that comprehensively analyzes and assesses the environmental, societal and economic impacts of a customer's business activities (hereinafter "Impact Assessment").

Targets are set and monitored to support initiatives to increase positive effects and decrease negative effects identified by Impact Assessments (hereinafter "KPIs").

Furthermore, by externally communicating the process of achieving KPIs, we can expect to improve the public esteem of our customers.

### <Positive Impact Finance Initiatives>

 al amount of initiatives n Apr. 2024 to Mar. 2025	6.8 billion yen
 nulative total amount of atives from Apr. 2022	9.0 billion yen



# Donations to Local Communities Utilizing Finance Products

# Contributing to the Local Communities Utilizing Donation-type Private Placement Bonds and Consulting Plus Community Contribution (Donation) Course

We support our customers' local community contribution activities by donating a portion of fees the bank receives through donations for items for schools and regional public organizations of the customer's choice, or donations to organizations designated by Aichi Bank that engage in SDGs.

\* Consulting Plus: a program unique to Aichi Bank that provides consulting courses according to our customers' needs based on their financing.

### Status of donations (from Apr. 2024 to Mar. 2025)

Donation recipients	Amount
Medical and welfare (hospitals, nursing care facilities, public corporations, etc.)	24,166,002 yen
Education and sports (schools, public interest incorporated foundation, etc.)	18,604,563 yen
Biodiversity (zoos, botanical gardens, and aquariums)	12,212,200 yen
Support for local children's cafeterias	5,151,000 yen
Others (regional public organizations, environmental organizations, etc.)	3,897,930 yen
Total	64,031,695 yen

# Providing Finance that Contributes to Decarbonization

Aichi Bank provides a range of financial products to meet the capital requirements of its customers' decarbonization efforts.

# Sustainability-Linked Loans

A financing product that sets SDGs in accordance with the internationally set Sustainability-Linked Loan Principles or targets pertaining to ESG (Sustainability Performance Targets: SPTs), and borrowers can receive interest incentives in conjunction with the achievement rate of SPTs.

We contribute to the advancement of our customers' decarbonization management by incentivizing goal attainment by linking decarbonization goals to lending terms. 7.3 billion yen\*

# Sustainable Management Support Loan

A financing product that sets management targets related to SDGs and ESG (one target from a selection of specified targets), and borrowers can receive interest incentives based on the achievement of management

We contribute to the advancement of our customers' initiatives for decarbonization by setting goals for GHG (greenhouse gas) emissions in the management targets. 115.3 billion ven\*

#### **Green Loan**

A financing products with limited use of funds for businesses aimed at improving the environment (green projects). We support our customers' business activities that are conscious to the environment by ensuring transparency in the use of funds through tracking management and reporting after execution

6.4 billion yen\*

Aichi Financial Group Integrated Report 50

# Initiatives for Sustainability-related Investments

# Investment in SDGs Bonds, Etc.

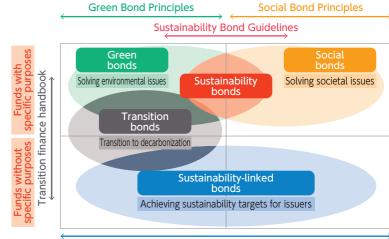
The Group addresses a variety of issues pertaining to sustainability of local communities through investments in SDGs bonds, etc. for the realization of a sustainable society

As the figure to the right shows, we contribute to the prosperity of local communities through investments in financial products that contribute to various SDGs.

# Investments That Contribute to **Decarbonization Such as Green Bonds**

We contribute to society's initiatives for decarbonization through investments in green bonds issued by companies and regional governments to finance businesses that are conscious to the environments (green projects), transition

Principal financial products that contribute to SDGs and their investment objectives



#### Sustainability Bond Guidelines

\* From the websites of the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Financial Services Agency

bonds issued to raise funds for the transition to a decarbonized society (transition), and sustainability-linked bonds, whose terms and conditions vary depending on the achievement status of targets set by companies 33.7 billion yen\* for the realization of a sustainable society.

<sup>\*</sup> The amount is the cumulative total of initiatives from Apr. 2022

# **Support for Startups**

Aichi Capital is a venture capital firm that was established in 2022 to support and cultivate venture companies and startups, as well as to contribute to the prosperity of local communities by supporting customers' business successions.

In addition to providing initial funding for startups, growth capital for venture companies, and financial assistance for business succession support to SMEs that are facing succession issues, we aim to provide ongoing support to customers after investment to help enhance their corporate value. This includes business strategy proposals, management support, matching with new business partners, and other various information.

After relocating our headquarters to STATION Ai, one of Japan's largest innovation facilities, in November 2024, I assumed the position of the first full-time representative of the company in April 2025. This represents Aichi Financial Group's commitment to focus even more on venture capital, and we intend to take full advantage of the Group's functions and play a part in its "consulting solutions-based business model."

All employees will work together to realize our vision of contributing to the creation of new growth industries in the region, the development of regional economy, and the business continuation of SMEs.



Aigin Venture Fund No. 1 Investment Limited Partnership

# Investment Specialist Subsidiary, Aichi Capital

In January 2022, the Group established Aichi Capital, an investment subsidiary specializing in fund management services and supplying equity, focusing on contributing to local communities through the nurturing of venture companies and startup companies and supporting business successions.

		(a.k.a. Kin-shachi)
	[Managed funds]	Aigin Venture Fund No. 2 Investment Limited Partnership
		(a.k.a. Kin-shachi 2)
愛知キャピタル株式会社		Aichi Startup Fund No. 1 Investment Limited Partnership
<b>グルイドにプル休式云社</b>		(a.k.a. Takechiyo)
		Aigin Business Succession Fund No. 1 Investment Limited
		Partnership (a.k.a. Kakehashi)
	[Investment performance]	Cumulative investment: 31 companies/1,270 million yen
	[investment performance]	(As of March 31, 2025)

# STATION Ai

As the enterprising body, STATION Ai Corporation is responsible for the design, construction, management and maintenance of "STATION Ai", the largest incubation facility in Japan and the core project of the "Aichi-Startup Strategy," opened on the south side of Tsuruma Park in Nagoya in October 2024.

#### Dispatching Employees to STATION Ai

Starting from August 2023, Aichi Bank has engaged in support for and development of startups by dispatching employees to STATION Ai Corporation on an ongoing basis. We will continue to provide a wide range of support, from equity support consultations to business matching.

# Relocating Headquarters of Aichi Capital to "STATION Ai"

In November 2024, we moved to STATION Ai as a partner company. By placing our headquarters functions at STATION Ai, we are strengthening our support for startup companies and cooperation with partner companies as a closer presence than ever before.



# Aichi Startup Consortium "Hina no Kai"

Aichi Bank, Aichi Capital, Aichi Credit Guarantee Corporation, Nagoya Credit Guarantee Corporation, Nagoya Chamber of Commerce & Industry and Japan Finance Corporation collaborated to establish the Aichi Startup Consortium "Hina no Kai" in September 2022 with the aim of discovering and supporting startup companies in the Tokai region, centered on Aichi Prefecture. In cooperating and collaborating with participating supporting organizations, we strived to contribute to creating a sustainable society by offering financial support for startup companies that will play a leading role in innovation, as well as by hosting joint seminars and entrepreneurship training.



### Holding Aichi de Habatake - Seminar on Founding and Startup Support Seminar 2024 -

In December 2024, we held a seminar focused on founding and startup. In this seminar, which was the 3rd one, we focused on the theme of "open innovation," an essential element for startup companies aiming to scale up their businesses after founding, and shared information on its necessity and examples of initiatives. 79 people participated in the seminar.

Eligible participants for the seminar	Details of the seminar
<ul> <li>Those considering starting a business or those who have recently started a business</li> <li>Startup companies and venture companies</li> <li>Those interested in cooperation with startup companies</li> </ul>	<ul><li>[Part 1] The necessity of open innovation</li><li>[Part 2] Examples of initiatives in open innovation</li><li>[Part 3] Explanation of initiatives by companies participating in the "Hina no Kai"</li></ul>

#### Holding a Mini-seminar by the "Hina no Kai" at STATION Ai

In December 2024, we held a mini-seminar at STATION Ai, featuring lecturers from support organizations participating in the "Hina no Kai," with the concept of "Acquiring Basic Knowledge That You Cannot Ask About Now."

In this seminar, Aichi Bank, Aichi Credit Guarantee Corporation, and Japan Finance Corporation gave lectures on the theme of "Basic Knowledge of Finance," and a total of 15 people participated, including companies that are tenants of STATION Ai.

# Holding "Hina no Kai" Office Hours

Since January 2025, we have held Office Hours (individual consultations) once a month at STATION Ai, as part of the initiatives of the Aichi Startup Consortium "Hina no Kai."

Participating organizations in the "Hina no Kai" take turns serving as counselors each month, and not only startup companies that are tenants of STATION Ai, but also companies that are not tenants are allowed to participate.

We will continue to hold Office Hours through the "Hina no Kai" to closely support startup companies.

# Providing Support for Solving Local Communities Issues

To solve customers' management issues, the Group utilizes its extensive domestic and international network to offer a wide range of solutions, including support for M&As, business succession, overseas expansion, and subsidies applications, as well as business matching and highly skilled staffing services.

The number of solution proposals supported has steadily increased through measures implemented in the 1st Medium-Term Management Plan, and we will continue to propose appropriate solutions to our customers' diversifying management issues.

# **Business Succession Support**

Business succession issues vary by company so it is necessary to take measures that match each specific issue. Within Aichi Bank, dedicated staff from the bank and external specialists collaborate on shareholding strategies in line with customers' issues and advice for business succession schemes for the realization of customers' smooth business succession. We provide a one-stop response to a variety of business succession needs, including intra-family successions, extra-family successions to employees and M&As.

# Support Submission of Special Succession Plan for Business Succession Tax System

Aichi Bank provides support for the preparation and submission of Special Succession Plans, a requirement to utilize the Corporate Business Succession Tax System (special measures) which was expanded in FY2018 by a revision to the tax system to grant a deferment of tax payments that arise when owners of SMEs gift or bequeath their shares of their company to an inheritor.

#### Number of submissions of Special Succession Plans supported

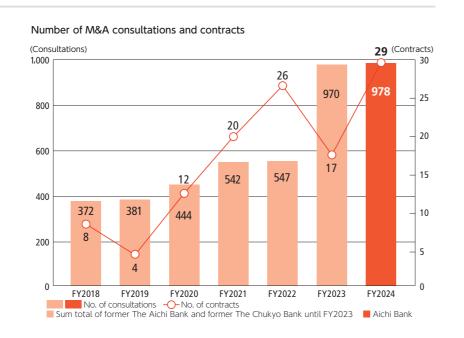
While there have been 19,907\* Special Succession Plan applications submitted across Japan (cumulative from April 2018 to March 2024), Aichi Bank has provided support for 636 applications (as of March 31, 2025).

\* From the Small and Medium Enterprise Agency, "Examples of Utilization of Corporate Business Succession Tax System (special measures) (published in May 2024)"

# **M&A Support**

As the demand for M&A is increasing year by year as an option for business succession, the Group provides M&A support that utilizes our extensive network of customers in the Chubu region fostered over the years. Furthermore, we also respond to the M&A needs of customers aiming for the strategic growth of their businesses, such as expanding operational areas, diversifying their business, and acquiring human resources and technology, as well as those considering selection and concentration of their businesses.

The Group accepted a total of 978 consultations on M&As in FY2024, with 29 contracts signed.



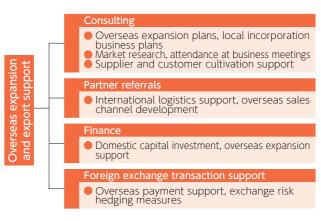
# **Total Support for Overseas Business Expansion**

Aichi Bank has established a system to offer total support for our customers' overseas expansion such as hosting seminars in collaboration with specialist institutions both in Japan and abroad, support for overseas expansion, overseas purchasing, market expansion, and trade transactions. We contribute to increasing the corporate value of our local customers and the development of the regional economy by providing financial assistance for overseas subsidiaries as well as offering our lineup of solutions depending on project phases such as overseas expansion and trade.

# Holding Aichi Bank Launching Commemorative Seminar "Creating the Future in India and Aichi"

In February 2025, commemorating the launch of the new bank, we hosted a seminar on the theme of "India," which is attracting global attention as a treasure trove of consumption, production, and human resources.

In this seminar, we invited three lecturers who are well versed in business in India to explain the latest trends in the Indian economy and companies operating in India, and key points for doing business in India. There were more applications than the seminar could accommodate, and 88 customers, mainly from manufacturing industry such as automobile manufacturers, participated. The Group will continue to provide useful information to our local customers, thereby contributing to the sustainable growth and development of local communities.





# **Asset Succession Support**

Aichi Bank supports its customers' amicable and smooth asset succession through asset succession consulting services. We conduct an asset diagnosis to assess the status of a customer's assets, and based on the issues identified in the diagnosis results, propose countermeasures from the perspective of "dividing assets," "tax-paying funds," and "asset succession."

In FY2024, we provided asset succession support to 489 customers in collaboration with partners such as consulting companies, trust companies, and real estate agents.

### **Holding Various Seminars**

Aichi Bank hosts seminars and consultations related to various consulting services to share information with our customers.

In FY2024, we held a total of 31 seminars and consultations.

Measures to	
divide assets	
uiviue assets	

We provide support for the preparation of wills for customers when it is expected that it will be difficult for their heirs to divide the estate or customers who wish to have an inheritance that can only be realized through a will.

# tax-paying funds

For customers who are expected to have difficulty paying inheritance taxes due to a high proportion of real estate in their assets, we provide support for securing funds for inheritance tax payments through real estate utilization or sales, after having estimated inheritance tax amount based on the asset diagnosis. We assist our customers in inheriting their estates in line with their wishes by effectively utilizing real estate held by them.

#### Seminars and consultations held in FY2024

Event details	Number of seminars and consultations held	Number of participants
Business succession, inheritance, and will-related	10 times	55 people
Digitalization and BPR-related	7 times	75 people
Subsidy-related	6 times	157 people
Other themes	8 times	60 people
Total	31 times	347 people

# Providing Support for Solving Local Communities Issues

# Closest to you



Private Banking

# "A partner built on mutual trust, human to human"

Yumi Ogura Liaison Officer, Yagoto Branch, Aichi Bank

As a liaison officer at my branch, other than deposits, asset management, and loans, I also provide proposals for "asset succession," helping customers to pass on their valued assets to the next generation.

Asset succession is more than just the transfer of wealth. It is an important process that carries the customer's life journey to date and their hopes for their family forward into the future. I strive to empathize with those hopes and to propose the best solutions for my customers

In my work as a liaison officer to date, one customer who consulted with me for a long time about their inheritance measures left the greatest impression on me. While the family wanted to put succession measures in place, the customer, who was managing the assets personally, was finding it hard to take concrete steps. However, something happened to cause a change of heart, and the customer came to me for inheritance advice. After a wealth diagnosis, the

customer gained a better understanding of their own current situation and issues. As a result, they reviewed their life insurance, divested real estate, purchased small real estate products, and even prepared a will. For all of these steps,

I provided the customer with a great deal of assistance, with the cooperation of external experts and the Business Solution Department.

In the course of our lives, there may be situations that suddenly make us feel uneasy about the future. I hope to be the kind of presence in my customers' lives that will first come to mind at such times, prompting them to think, 'I know. I'll ask Ms. Ogura at Aichi Bank for advice.' My goal in those situations is to go beyond the relationship of "customer and bank employee" to support them as partners built on mutual trust, human to human. By assisting in asset succession, I will continue to do my best to walk together with our customers.



A&M

# "M&As are critical decisions that can determine the future of a company"

Taisei Mori

Business Succession/M&A Group, Business Solution Department, Aichi Bank

The Business Succession/M&A Group that I belong to provides a variety of support for regional companies' business succession issues and growth strategies. In particular, I work in the areas of M&A advisory and growth support for leading medium-sized enterprises and SMEs through the use of PE funds.

Smooth business succession has become an issue in regional companies due to the aging of business owners and a lack of successors. M&A has become a powerful option for solving this issue. Besides business succession, a growing number of companies are leveraging M&A as a growth strategy, and strategic moves to increase competitiveness are gaining momentum. By understanding these needs of companies, making optimal M&A proposals, and ensuring smooth

transactions, I work hard every day to be able to help with solutions to the problems faced by regional companies and contribute to their revitalization.

M&As are critical decisions that can determine the future of the company, and as such, I strive to obtain a full understanding of the history and culture of the company and the hopes of the business owner, as well as being transparent and meticulous in my engagement with them. I also work to build relationships of trust by understanding the positions of both buyer and seller and providing advice from a perspective of fairness.

I will continue to improve my M&A advisory work so that I can approach management issues from various angles, in the hope of supporting the sustainable growth of the region.

#### **Business Succession**

# "The closest presence to our customers"

Takumi Tamaoki

Liaison Officer, Sakurayama Branch, Aichi Bank

I joined the bank in 2019, and I currently work as a corporate liaison officer. I have a policy of becoming "the closest presence to our customers," and I want to be the face that immediately comes to my customers' minds when they have concern. To achieve that, I value close communication with my customers.

Business succession, which is one solution proposal, despite being an issue that most companies will eventually have to face, tends to be something that is put on the back burner. Some cases take five to ten years from analysis of the current situation to development and execution of the scheme. The first thing that I do is carefully explain the need for a business succession plan in an effort to encourage business owners to face it seriously. When making proposals, instead of presenting options such as passing the business onto a family member or M&A, I first interview the customer about their future ideas and intentions, so that I can formulate a scheme that substantively reflects those intentions. Further, when proceeding with business succession, I coordinate with



others, including the Business Solution Department, certified public tax accountants, and partner businesses. I understand that it is often difficult for customers to convey their true feelings when talking to someone they have just met or in front of large numbers of people. For this reason, as their liaison, I first meet with the business owner one-on-one several times to exchange opinions, in an effort to draw out their true feelings. Occasionally, I act as an intermediary between the business owners and the successor or employees, and if there are differences of opinion, strive to obtain a consensus, with the aim of developing a scheme that will be best for all concerned.

Bank representatives are neither licensed professionals nor specialists. Business succession cannot be progressed without the cooperation of licensed professionals and specialists, but as a bank representative, I strive to stay the closest to the customer and to be a presence that will give them that final push at the end. I hope to continue working to solve customers' issues as the closest presence to them.

#### Overseas Business

# "Immediately associate Aichi Bank with overseas business and come to us first for advice"

#### Tomohiro Okajima

Overseas Business Promotion Group, Business Solution Department, Aichi Bank

For two years from 2023 to 2025, I was seconded to a consulting company in Thailand as an overseas trainee. As well as learning about local business practices and legal systems, I visited the local subsidiaries of Japanese companies that do business with our bank and provided support for their management issues.

Japanese companies started to move into Thailand at an accelerated pace in around 2010. Today, over 300 Aichi-based companies, primarily in the automotive sector, have operations in Thailand. Some of the companies that have been there for over ten years have transitioned to independent accounting, without support from the parent company in Japan. A growing number of these Thailand-based subsidiaries are now obtaining their own financing directly. I served these companies' funding needs by proposing "cross-border loans" to be extended directly to the local subsidiary.

In addition to assisting with financing, there was one example where, as I was checking the financial statements of a certain local subsidiary of a Japanese



company, I started to suspect that it may have a tax issue. When I interviewed the representative directly, I learned that, while they recognized that they may have been paying too much tax, the process of applying for a refund had been too complicated, and they had abandoned it. Hearing this, I proposed coordinating with a local consulting firm, which provided support for dealing with the tax office and applying for a tax refund. As a result, that subsidiary became able to pay appropriate levels of tax, and the customer thanked me for my part in that.

Going forward, leveraging my experience working in Thailand, I want to provide a wide range of information to our client companies in Japan, such as assistance with moving into or withdrawing from overseas locations, financing assistance, and legal systems. At the same time, I hope to become someone who can make an active contribution on the front lines, so that clients will immediately associate Aichi Bank with their overseas business needs and come to us first for advice.

# **Revitalizing Local Communities**

# **Initiatives for Staffing Services**

# **Staffing Services**

We obtained a Paid Employment Placement Service license, and have been conducting staffing services since October 2020. We have continued to participate in the Pioneering HR Matching Project put forth by Japan's Cabinet Office, supporting efforts to solve human resources issues with a focus on high-level human resources. Total number of consultations (March 31, 2025): 2,546 cases

# An Example of Staffing Services Using REVICareer (CREATE ONE CO., LTD.)

The biggest challenge for a rapidly grown company is recruiting an executive who can support the president CREATE ONE CO., LTD. (hereinafter "the company") is a Nagoya-based company whose core business is the world-class hair extension business called "PULL EXTE," for which it has obtained patents and trademarks. The company is the only Japanese manufacturer that has its own factory overseas and it promotes the export and sale of various beauty products. In addition, it goes beyond being a beauty manufacturer. It also runs its own beauty salons and offers a wide range of consulting services for beauty salons, including marketing, customer acquisition, finance, and human resource development. The company's sales have grown steadily since its founding; however, internal governance has not kept pace with its rapid business expansion, and recruiting an executive who can be the right-hand man for the president has become an urgent issue.

# Talent that exceeds expectations, found only through REVICareer

As we heard from the head office's block support team, which supports sales branches, that the company was looking for a right-hand man for the president, we talked to Mr. Wada, who is in charge of human resources. As a result, we discovered that a gap between the talented and charismatic president and young employees had developed with the expansion of their business.

His intention was that if there was someone who could be entrusted with management planning of the company while connecting the president with young employees, he wanted to hire that person immediately. He also said that in terms of remuneration, flexible arrangement was possible if the requirements were met. We believed that it was necessary to find a person who has learned by experience advanced



management strategies at large corporations, and decided to utilize REVICareer system. Many talented individuals with extensive experience at large corporations are registered with REVICareer. This time, we were able to find Mr. Tatekawa, a valuable talent who matched the company's requirements.

#### Proposal for attending a business briefing session for financial institutions

We had several online interviews with Mr. Tatekawa in advance. Not to mention his career and skills, his flexible personality was wonderful, and he also has excellent communication skills. We thought that many companies might wish to hire him, and it might be difficult to secure an employment contract with him. Nevertheless, we did not want to give up on the slightest possibility, and came up with the idea of inviting him to the company's business briefing session.

After attending a briefing session for financial institutions, in which information that is not normally disclosed externally was disclosed, from financial conditions to business plans, and through the passionate words of Mr. Hirano, the company's president, on the company's management vision, it seemed that Mr. Tatekawa himself understood the reason why he was needed by the company. We are very pleased that this event served as an excellent opportunity to connect the thoughts of the company and Mr. Tatekawa.

#### Realizing the significance of staffing services that contribute to building trust

We continued to provide support to Mr. Tatekawa after he joined the company, and his achievements are truly remarkable. He successfully led the review of business plans and subsidy application procedures. We also heard that a major project, which had been stalled, is now on track to be realized thanks to him. Not only were we able to help solve the company's human resources issues and take their business one step further, but we were also able to build the trust necessary for further development of our relationship with the company in the future. We believe this is the most significant achievement in this business matching.

Now that the scale of our business has expanded and the number of our client companies has increased due to the merger, there are high expectations within the bank for the staffing services as a foundation for promoting the development into new solutions. We aim to contribute to the development of the local economy by providing total support that goes beyond the banking operations by leveraging our close relationships with client companies, which is unique to regional banks, unlike major staffing companies.

# Volunteering Activities

The Group conducts community-based volunteer and community contribution activities through each branch of the employee union. Through these activities, we aim for each employee to contribute to local communities.

# Cleanup Activities at Hori River

We conducted a cleanup activity at the Hori River, with the aim of protecting the biological environment inhabiting the Hori River, a canal that runs north to south through the center of Nagoya City and has supported the city's logistics and daily life for approximately 400 years. (Meio branch with 60 participants)

# Cleanup Activities with Takeshima Aquarium

Under the guidance of Takeshima Aquarium, we conducted a cleanup activity in its vicinity, for the sake of the marine ecosystem. In addition, we distributed free gift to promote the SDGs initiatives of Takeshima Aquarium, to foster awareness and promote education among visitors for the protection of the (Mikawa branch with 89 participants) ecological environment.

# Cleanup Activities at Inuyama Castle and Surrounding Area

From several candidate sites selected within the branch, this year we conducted cleanup activities at Inuyama Castle and the surrounding area, with the aim of beautifying the surrounding area. (Aisai branch with 66 participants)

# Cleanup Activities at Fujimae-higata

We participated in the "Fujimae-higata (tidal flats) Cleanup Campaign" organized by a citizens' group. We agree with the objectives of the project, which are (1) to make Fujimae-higata that lives up to the Ramsar Convention, (2) to restore a tidal flat and river where children can play with peace of mind, and (3) to form a network that considers the issues of garbage and water in the entire river basin, and conduct cleanup activities once a year, with the aim of fostering awareness of protecting the ecological environment. (Meiko branch with 64 participants)

# Volunteering for Marathon Event

The employee union of Aichi Bank has joined the "Marathon Festival Nagoya/Aichi" as group volunteers every year, participating in course control and guiding the flow of spectators. In FY2024, a total of 113 officers and employees of the Group participated.







# **Donations**

### Aichi FG Education Cultural Foundation

Every year, the Foundation provides grants to individuals and organizations involved in education and culture in various regions of Aichi Prefecture, as well as provides assistance for cultural and physical education activities of high schools within Aichi Prefecture.

Cumulative total of grant recipients (from FY1990 to FY2024):

849 cases/320.0 million yen



# **Revitalizing Local Communities**

# Initiatives for Financial Education

# Entrepreneurship Education Program

"Come, Future Managers! —Learning the Job of a Company President Through Games—"

We hosted a learning event geared toward elementary school students as a part of industry-academia cooperation with Nagoya City University to foster children's challenging spirit, creativity and inquisitiveness by learning and thinking about the basics of business such as how business works and the flow of money through board games.

# **Startup Seminar**

Along with Aichi Credit Guarantee Corporation, a participating organization of Aichi Startup Consortium "Hina no Kai," we hosted a total of two seminars based on the theme of creating capital policy and creating a business startup plan, for approximately 15 students from the National Institute of Technology (Kosen), Toyota College who are interested in starting a business. In addition, we hosted a seminar based on the theme of startups and company structures for approximately 200 first-year students from the Institute, with the aim of fostering entrepreneur spirit.

# **Endowment Lecture at Nagoya Institute of Technology**

We hosted an endowment lecture at the Nagoya Institute of Technology titled, "Finance Studies." The lecture held in FY2024 was our sixth lecture held at the venue and was designed to provide financial education opportunities for local students of the next generation. A total of 80 students had registered for the course. In addition to financial theory and basic knowledge of finance such as risk analysis, the curriculum was organized in a way to easily engage the students, including topics such as industry-academia-government cooperation, digital transformation and cybersecurity.

# Nagoya City University, "Invitation to Data Sciences"

We hosted a lecture on data utilization in the banking industry as part of "Invitation to Data Sciences," a course lectured by several companies and government agencies under the theme of how data analysis is used in business. This course is offered in the School of Data Science of Nagoya City University.

# Joint Financial Education Classes with Mitsui Sumitomo Insurance Company

In order to broaden the scope of learning and improve overall financial literacy through a joint provision of a single course by banks and insurance companies, we held a joint class with Mitsui Sumitomo Insurance Company at Aichi Prefectural Handa Senior High School. We provided explanations on topics such as "the basics of household financial management, necessary funds for various life events, and investment methods," and "risks lurking in our daily lives and how to prepare for them."

#### **Economics Koshien**

Every year, we host the Economics Koshien Aichi Tournament for high school students in Aichi Prefecture. The objective is to have students learn about finance and economics through quizzes on financial economy while having fun.

(2nd Tokai Region Tournament - 19th Aichi Tournament)

Total participants: **746 students** 



# Other Initiatives for Financial Education

In response to an expansion in the content of financial and economic education in high schools, we dispatch lecturers on financial education geared toward high school students. In addition, as a "Nagoya Career Time Supporter," which cooperates in the promotion of career education in Nagoya City, we proactively conduct outreach classes and workplace visits for municipal elementary schools, junior high schools, and high schools.

# Industry-academia Cooperation with Local Universities

We are widely cooperating with local universities and other organizations to provide a wide range of assistance, such as supporting issues faced by client companies, supporting student career development and sustainability initiatives.

<Cooperation agreement partners (by order of execution)>

Nagoya Institute of Technology, Toyohashi University of Technology, Nagoya University, NAGOYA CITY University, Meijo University, National Institute of Technology (KOSEN) Toyota College, Nihon Fukushi University, KINDAI UNIVERSITY, Chubu University, Aichi University, Gifu University, Nagoya University of the Arts, Umemura Educational Institutions (CHUKYO UNIVERSITY, Chukyo University Senior High School), Nanzan University, NAGOYA SCHOOL OF MUSIC & DANCE (15 schools)

### Collaboration Between Nihon Fukushi University and Local Companies

Aichi Bank acted as a bridge between Nihon Fukushi University, a partner in industry-academia cooperation, and Plus Fukushi Inc., a startup company and client of Aichi Bank, and conducted a Project Based Learning (PBL) based on the theme of hiring human resources from generation Z from April to July 2024.

# Collaboration Among CHUKYO UNIVERSITY, Port of Nagoya Public Aquarium and Aichi Bank

From April 2024 to January 2025, we conducted fieldwork and questionnaire surveys by students to identify the needs of visitors to Port of Nagoya Public Aquarium, as a collaborative event between CHUKYO UNIVERSITY, with which we have concluded an industry-academia cooperation agreement, and Port of Nagoya Public Aquarium. Report on the analysis of information obtained from this survey and proposals for creating more attractive tourist facility were presented at a report meeting in February 2025.



# Cooperation Agreements with Nanzan University

In January 2025, we concluded a Cooperation and Collaboration Agreement with Nanzan University. As a commemorative project for the cooperation agreement, a lecture on the latest trend at Nanzan University, a business plan pitch by Nanzan University students, and a campus tour were held, providing opportunities for officers and employees of Aichi Bank to deepen their understanding of Nanzan University as they began their cooperation.

Furthermore, Nanzan University offers "NANZAN SPARK," a program that provides students with opportunities to think about global societal issues and take on challenge of solving them. As part of our industry-academia cooperation initiatives, Aichi Bank provided a corporate sponsorship award for the "NANZAN English Pitch Arena" held in March 2025.

#### Cooperation with Nagoya Six Universities Joint PBL

We cooperated in the operation of the "Nagoya Six Universities Joint PBL" hosted by six universities in Nagoya (Nagoya University, Nagoya Institute of Technology, NAGOYA CITY UNIVERSITY, Nanzan University, Meijo University, and CHUKYO UNIVERSITY). The students spend approximately three months in research, analysis, and planning proposals in response to the challenge presented by Aichi Bank, and presented their recommendations to Aichi Bank at a final presentation meeting.



### Collaboration with VTuber Idol

We collaborated with a VTuber idol promoted by the Jikei Group to which NAGOYA SCHOOL OF MUSIC & DANCE belongs. Going forward, we will continue to collaborate with each other in various fields, including information on various campaigns and financial education activities offered by Aichi Bank, and matching of local companies and NAGOYA SCHOOL OF MUSIC & DANCE.



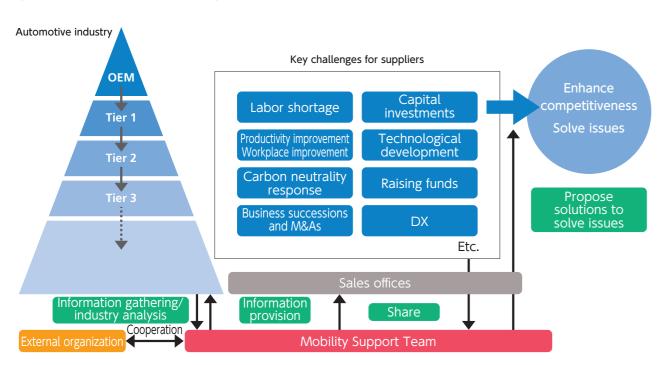
# Providing Support for the Automotive Industry

Responses to the "Acceleration of decarbonization across the entire supply chain," "Advancement of overseas production," "Development of the mobility industry (structural change of added value)," and "Advancement of EV adoption" have been accelerating in the automotive industry, the main industry of Aichi Prefecture. The Group will support our client companies that sustain the automotive industry through our financial services.

# Strengthening Support for the Automotive Industry Through the Mobility Support Team

### **Mobility Support Team**

In April 2025, Aichi Bank launched the Mobility Support Team dedicated to supporting the automotive industry. We have separated the Team from the Monozukuri (Manufacturing) Technology Support Team, which provides support for solving issues faced by Monozukuri-related companies, and strengthened our support system for the automotive industry.



#### <Activities>

- · Gathering information on industry trends
- Industry analysis, research, study, and proposals for solutions utilizing their results
- Support for improving productivity by Workplace Improvement Advisors
- $\boldsymbol{\cdot}$  Providing industry information through seminars and other events
- · Cooperation with external organizations
- Training to improve the knowledge of employees, etc.

#### <Activity KPIs>

- (1) Ratio of automotive parts suppliers doing business with Aichi Bank that use Aichi Bank as their main transaction bank "FY2027: 35%" (FY2024: 30%)
- (2) Number of solution proposals "FY2027: 60 cases"
- (3) Number of automotive industry-related information shared within the company
  - "Cumulative from FY2025 to FY2027: 200 cases"

# Mini-seminar on "Stance of Toyota Production System and Workplace Improvement" Held by Workplace Improvement Advisors

In February 2025, we hosted a mini-seminar by a Workplace Improvement Advisor at Aichi Bank who worked for a major local manufacturer for many years and served as Toyota Production System (TPS) instructor. In Part 1, a lecture was given on the theme of "Stance of Toyota Production System and Workplace Improvement," and in Part 2, individual consultations were held on workplace improvements.

# Lineup of Diverse Support Services to Address Issues in the Automotive Industry

#### Customers' challenges

# Acceleration of decarbonization across the entire supply chain

- Strive for carbon neutrality within the entire life cycle of the automotive industry by 2050
- Encourage supplier companies to take measures for carbon neutrality

### Lineup of support services by Aichi Bank

- Sustainability-linked loans
- Positive impact finance
- SDGs assessment services
- · Support for decarbonization declaration
- Support for formulating GHG emissions/ SBT reduction targets

#### Customers' challenges

# Development of the mobility industry (structural change of added value)

- Increased competition with entry of
- mobility service providers and suppliers of important units and parts
- With the development of CASE and MaaS, the composition of added value will shift from vehicles and parts to services, solutions, and systems

# Lineup of support services by Aichi Bank

- Business matching
- Support to formulate business plans
- Business succession and M&A support
- Staffing operations (management executives, specialized human resources)

#### Customers' challenges

# Advancement of overseas production

- Efforts to prevent the fracture in supply chains due to geopolitical risks such as trade friction and disaster risks such as natural disasters and infectious diseases
- OEM and major parts suppliers are accelerating local production and local procurement in expanding overseas markets

# Lineup of support services by Aichi Bank

- · Support to establish overseas bases
- Support to cultivate overseas suppliers/ customers
- Cross-border M&A support
- Dispatching lecturers to overseas business seminars

#### Customers' challenges

# Advancement of EV adoption

- The U.S.A., Europe, and Japan, etc. have declared to become carbon neutral by 2050
- Japan announced to have 100% of new cars sold to be electric vehicles by 2035
- While vehicles will be equipped with motors, batteries and other parts in accordance with the EV shift, engines and transmissions will become unnecessary and the number of parts will decrease

### Lineup of support services by Aichi Bank

- Digitalization and DX support
- Support for subsidies applications
- · Support for improving productivity by Workplace Improvement Advisors
- Support for industry-academia cooperation (technological consultation, joint research, etc.)

# Sophistication of Financial Services

# Asset Building Support and Customer-oriented Business Operations

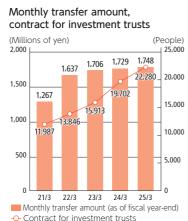
As we approach an era of a 100-year life customer needs become more diverse, and the development and improvement of a variety of financial services is needed. At the same time, the Group recognizes that it is also important to provide services and information that are easily understood by customers.

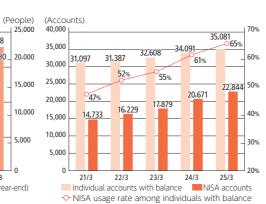
In addition to supporting the asset building of our customers, the Group ensures customer-oriented business operations and the enhancement of our financial services.

# **Initiatives to Support Asset Building**

The Group has focused on expansion of investment trusts and NISA (Nippon Individual Savings Account, a tax exemption scheme for small investment), which are effective for customers' stable medium- to long-term asset building. Through these initiatives, the monthly transferred amount and number of contracts for investment trusts have both increased, and an upward trend has continued for rates of customers using NISA.

In addition, we have achieved our target of 12,000 NISA account opened (cumulative total from April 2023), one of our KPIs, with an achievement rate of 108.1% as of March 31, 2025.





NISA use rate

# **Initiatives for Customer-oriented Business Operations**

The Group has formulated the Customer-oriented Business Operation Policy to pursue the best interest of our customers by providing proposals and information for asset building, and ensures sound business operation by all employees. The Group will periodically confirm our specific initiatives based on this policy, disclose the results and conduct continuous reviews. Please see the Group's website for more details. (https://www.aichi-fg.co.jp/customeroriented/)

#### <Specific initiatives>

### Provide ongoing follow-up services

The Group provides regular follow-up with all customers who own investment trusts or life insurance that meet follow-up criteria. In the event of a sharp decline in the market or a reduction in dividends, we provide timely and appropriate information to customers who hold the products in question

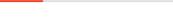
• Proposals for financial products, and services and portfolios based on life plans The Group uses a money plan guide to confirm the necessary amount of funds based on customers' life events, classify funds for the appropriate allocation of assets, make proposals suited to customers and explain key points of asset management.

Seminars for customers

The Group has hosted seminars for customers to boost the asset income doubling plan and provides useful information to increase their financial literacy and to build assets. We have also

hosted similar seminars for workplace and families in their child-rearing years in local communities.

• Confirming awareness of Customer-oriented Business Operation Policy among all employees With regard to the Customer-oriented Business Operation Policy, the Group informs all employees of the contents of the policy at the time of its annual announcement and provides training for branch general managers to ensure that all employees are aware of the contents of the policy. In addition, we also provide regular online training for all employees who hold a sales certification and conduct tests using an e-learning system to deepen their understanding of this policy as well as its initiatives. Furthermore, head office employees visit sales branches to conduct on-site monitoring to confirm whether sales are con-ducted based on the Customer-oriented Business Operation Policy, such as confirming the process behind negotiations and conducting interviews with employees in charge.



**ESG-related Funds** 

The Group selects products from a neutral standpoint that are suitable for long-term, diversified and accumulative investments that are in the best interest of customers, and provides a lineup for customers to select appropriate products based on their investing experience, status of assets, asset management needs and stance on risks. We have continued to carry ESG-related funds which select stocks based on an ESG viewpoint, with nine types and 12 products for ESG-related funds as of March 2025. ESG is an important factor in investing, and we offer an ESG investment opportunity for our customers.

# ESG-related funds (nine types and 12 products)

Sumitomo Mitsui Japan Stock ESG Fund

Nissay SDGs Global Select Fund Asset Growth Type (with foreign currency hedging)/ (without foreign currency hedging)

Clean Tech Equity Fund (Asset Growth Type)

Global Hydrogen Equity Fund

Decarbonization Japan

GS Global Environment Leaders Biannual Settlement Course

Decarbonization-related Global Equity Strategy Fund (Asset Growth Type)/(Estimated Distribution Proposal Type)

Baillie Gifford Impact Investment Fund

Global ESG Balance Fund (without foreign currency hedging) Biannual Settlement Type/(with foreign currency hedging) Biannual Settlement Type

# Personal Loans

### Mortgages

Aichi Bank places loan advisors at each loan plaza so that customers can ask for advice with peace of mind. We have also introduced online applications for preliminary review and electronic contracts to allow for contactless procedures and increase convenience for our customers. Furthermore, Aichi Bank website also provides a mortgage product informational video to reduce in-store processing time and provide a better understanding of the nature of mortgage products and important matters to consider. (https://www.aichibank.co.jp/loan/housing/)

We will continue to expand both face-to-face and non-face-to-face services, and strive to be a bank chosen by many customers.

# Hosting Training by the Japan Housing Finance Agency for Indonesian Government Staff, Etc.

In October 2024, we hosted a training and information exchange session on housing finance for Indonesian government and its agency officials, organized by the Incorporated Administrative Agency Japan Housing Finance Agency. This project was part of a training curriculum implemented by the Japan Housing Finance Agency as an International Expansion Support Project (subsidy project) for Housing Construction Technology by the Housing Bureau of the Ministry of Land, Infrastructure, Transportation and Tourism. We were the first Japanese financial institution other than a mortgage bank to hold the training. In Part 1, Aichi Bank gave a lecture on its initiatives for overseas expansion support and mortgage, and in Part 2, presentations were given by the Indonesian side and discussions were held on housing finance.



#### **Unsecured Loans**

Aichi Bank provides web-based products that can be processed without visiting a branch, including purpose-specific loans such as for car purchases and loans on credit cards.

We provides products that can meet a variety of different needs such as "Ai" loans on credit cards that can be used immediately after singing the contract and card-based education loans with no restrictions on deposits and withdrawals. We also provides proposals for preferential interest rate plans to customers who are currently using housing funds.

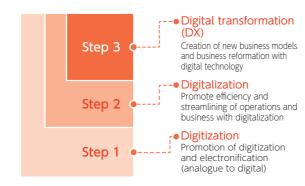
In addition to proposals for such loans, we will continue to strive to assist customers in optimizing their whole life plan, such as reviewing insurance policies.

# Sophistication of Financial Services

# **Promoting DX**

# Defining DX in the Group

Digital transformation (DX) has three development steps, which the Group defines as the figure to the right. We believe to realize DX it is important that the previous steps of digitization and digitalization move forward reliably. The Group's policy is for management to show proactive leadership and proceed with the creation of a digital foundation, development of effective data for decision-making and improving analytical capabilities and development and securing of digital talent necessary for the realization of DX in stages to reliably transform into a DX company.



# Initiatives to Promote DX and Digitalization

Even while digitalization has progressed, the Group's strength as a regional financial institution is providing courteous service and trustworthiness starting with our sales branches and liaison officers. In addition to seamlessly blending our strength in "real" services with the "digital" services needed by our customers, the Group will combine the skills of Aichi Bank to robustly promote DX, striving to provide high-quality, convenient and safe financial services and new customer experiences (CX) to contribute to local communities and remain a financial group trusted by them.





# **DX Promotion Policy**

#### Plus digital: mainly customers

- · Current mainly "real" services, plus "digital"
- Improve convénie experiences (CX) niences with "digital" services and add new customer

# Digital shift: mainly internal

- · Current mainly "real" operations, shift to "digital" · Operational efficiency + data utilization, establish a foundation for DX promotion

Promote DX and digitalization in the below four categories in line with the above concepts Realize effective promotion through synergistic effects of collaboration between realms

### Strengthen non-face-to-face channels

- · Provide a service foundation for customers to connect with banks anytime, anywhere and easily,
- Create a scheme that enables paperless procedures from smartphones and computers, increasing convenience and promoting laborsaving

#### 2 Customer support, contribution to local communities

· Create a system to support customers and local communities regarding issues related to IT, digital, and DX, from problem identification to resolution.

Development of IT and digital talent, as well as creating systems and solutions needed for problem-solving in collaboration with IT and DX-related companies, etc.

### 3 Operational reforms, branch reforms

- · Digitalize and automate internal operations such as written and manual work to promote laborsaving and speed.
- Allocate resources created through laborsaving to highly productive sectors such as promotion of DX and digitalization and sales activities.

#### 4 Construct IT and computer system foundations

- Transfer the current system environment into one that is highly compatible with digitalization such as the Internet and cloud, constructing it as an IT and computer system foundation necessary for DX.
- Promote a transition to a data-driven organization through the reconstruc-tion of information systems and the creation of Al-based foundations.

### Establishment of a New Organization to Strengthen DX Promotion

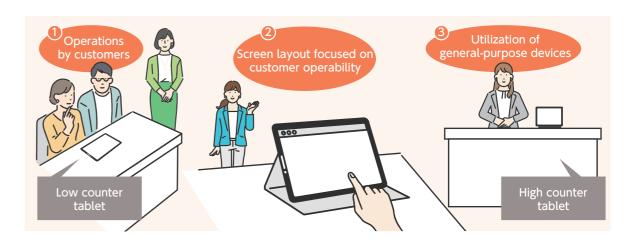
In order to further strengthen DX promotion, the Group newly established the Group DX & Business Process Re-engineering Management Department as a department dedicated to Plus digital and Digital shift on April 1, 2025. Going forward, this Department will take the lead in promoting DX across the entire Group.

# Internal DX Promotion

Under the concept of the digital shift, the Group is engaged in DX promotion such as the digitalization and streamlining of operations and creating a foundation for data utilization.

# Sales Branch Downsizing

We streamline operational workflows to reduce administrative burden at sales branches by utilizing tablets for tasks ranging from filling out slips to processing at reception desk or via terminals. In addition, we are considering making our sales branches smarter in order to expand our contact with customers and enable location-free customer services according to their lifestyles.



### Digitalization and Streamlining of Operations by POWER EGG and RPA

# Introduction of POWER EGG to affiliates

Starting from October 2024, POWER EGG, which has already been introduced at Aichi Bank, was also introduced at our affiliates. We have achieved speedy information sharing and smooth business operations within the Group by utilizing communication tools such as internal emails and messages as well as workflow systems for handling document circulation and approval in a secure environment.

\* POWER EGG is groupware provided by D-CIRCLE, INC.

### Expansion of RPA

We promote the robotization of routine tasks with RPA, saving approximately 3,965 hours of work per year. In addition, we work to develop human resources by having employees who are well versed in RPA provide on-the-job training to employees in each department.

# Creation of a Foundation for Data Utilization

In order to utilize data held by the Group for management and operations, we have tested out a system (BI tool) that collects, analyze, and visualize data, and worked to create a foundation for data utilization.

#### Initiatives for Utilizing Generative AI

The Group's policy is to proactively utilize generative AI as a technology to significantly transform our current services and operations. In April 2025, we launched the Group DX & Business Process Re-engineering Management Department, and are working to create a framework such as developing guidelines, as well as considering ways to utilize generative AI.



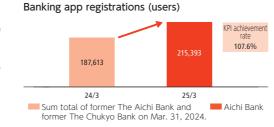
# Promoting DX

# **Enhancing Non-Face-To-Face Channels**

# **Enhancing Functions of Banking App**

Aichi Bank aims to enhance the functions of our banking app so customers may conduct bank transactions anytime, anywhere and easily depending on their lifestyles.

As of March 31, 2025, the banking app has had approximately 215,000 registrations, and we have achieved our KPI target of 200,000 registrations by March 31, 2025, with an achievement rate of 107.6%.



# **Functions of Aigin App**

#### Opening eKYC accounts

We are improving convenience with the process to open an account by eKYC (online customer verification), wherein notification of the account number is sent to the customer's email by the next business day after application at the earliest.

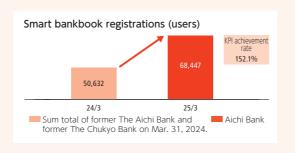
With the option of using an Individual Number Card in addition to a driver's license as a document for proof of identity, now customers 15 and older can use the app.

### Submitting documents

It is now possible to submit a change-of-address form, send a report of loss or theft, report of discovery or reissuance of bank books and ATM cards and complete such procedures within the app, making it no longer necessary to visit a branch or present proof of identity.

Paperless and environmentally friendly smart bankbook
 Switching from conventional paper bankbooks to smart
 bankbooks within the app makes it possible to manage
 accounts without updating or carrying over information at
 ATMs. Users can see up to 1,000 entries in their account
 statements, and can also select dates to save or print statements of a certain period.

As of March 31, 2025, the smart bankbook function has had approximately 68,000 users, and we have exceeded our KPI target of 45,000 users by March 31, 2025 significantly, with an achievement rate of 152.1%.



# **Customer Support Through Social Media**

Aichi Bank provides videos on its services, products, and procedures on its official website and official You-Tube channel. Customers can follow along with the video and has been used by many customers who are unsure of different procedures.

We will continue to expand our range of introductory videos using social media to pro-vide easily understood information and improve the convenience of our services.

**●**Aichi Bank official YouTube channel www.youtube.com/@あいち銀行公式チャンネル

### **Aigin Business Portal**

As an initiative towards digitalization, in November 2023, we became the first regional bank with its head office located in one of three prefectures of the Tokai region to provide a portal site, Aigin Business Portal, for corporate and sole proprietor customers. In addition to balance inquiries and account statements, Aigin Business Portal also features content on seminars and subsidies, sharing information that can be a tip for business of our customers.

In addition, we launched an e-delivery service that allows notices to customers which were previously sent out in paper format to be viewed, saved and printed from Aigin Business Portal and Aigin Business Direct (corporate IB), accelerating paperless initiatives.

# **DX Promotion for Corporate Customers**

The Group considers supporting efforts by client companies for their digitalization and DX as one of the important roles as a regional financial institution, and provides advice and proposals for the implementation of systems and DX promotion.

# Digital Transformation Assessment Service

We have begun offering Digital Transformation Assessment Service from August 2024 to support our corporate customers in identifying and organizing issues in back office operations and implementing digitalization measures to address them.

We identify current issues from over 90 hearing items for our customers aiming to improve operational efficiency in their back office, and determine the priority of digitalization and propose countermeasures. We have developed a system in which dedicated staff and our business partner provide support for our customers' issues in back office operations identified through this service.

As this service provides an objective analysis and diagnosis of the current state of operational efficiency at companies, we have received feedback from our client companies that have used this service, saying that it is a good opportunity to learn about their own issues. In addition, we have received requests for implementation support for improvements from customers whose issues in back office operations have been identified through this service, and we introduce them to our partner experts.



# Collaboration with AAST Group

In April 2024, we acquired through M&A four companies of the AAST Group, an independent software development company that provides high-quality system services mainly in Aichi Prefecture. Using AAST Group's technology and knowledge in the digital sector, we provide sophisticated solutions and consulting regarding the digital sector to our customers.

In addition, Aichi Bank and AAST, a group company of AAST Group, have established a system to continuously provide digital solutions as a selected business for the "FY2024 Regional Digitalization Support Promotion Program," administered by the Cabinet Office, and have provided multifaceted consulting services tailored to our customers' needs and specific system implementation support.

### Hosting Individual Consultations and Seminars for Customers

The Group regularly hosts the Back Office BPR Individual Consulting and online seminars on streamlining back office operations and support for DX promotion with the aim of supporting efforts by client companies for their digitalization of operations and DX.

This consulting event and seminars discuss issues faced by customers such as optimizing administrative tasks through digitalization, implementing cloud systems and responding to various legal revisions, providing proposals for the introduction of new systems and advice for DX promotion.

In order to support the first step for customers interested in the digitalization of operations and DX promotion, the Group will continue to work to hold individual consultations and seminars that meet the needs of our customers.



### Response for Environmental Conservation

# Climate Change and Nature-Related Initiatives

(Initiatives taken for TCFD and TNFD Recommendations)

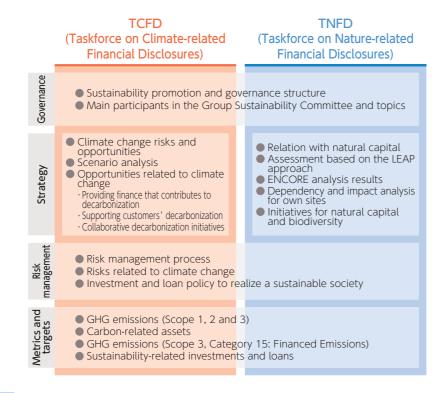
The Group has announced its endorsement of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and has identified "response for environmental conservation" as one of its material issues. In addition, recognizing that the degradation of natural capital and loss of biodiversity are important issues for local communities, our customers, and the Group, we have also endorsed the Taskforce on Nature-related Financial Disclosures (TNFD) in May 2024 and joined the TNFD Forum. We will continue to strengthen our initiatives for environmental conservation and enhance our disclosure of information concerning climate change, natural capital, and biodiversity.

# Disclosure of Climate Change and Nature-related Information for FY2025

Recognizing the importance not only of climate change but also of natural capital and biodiversity more firmly, our disclosure for FY2025 includes information based on our endorsement of TNFD and participation in the TNFD Forum in May 2024. Specifically, in light of the TNFD disclosure framework, perspectives on the Group's relation with natural capital and dependence and impact on natural capital have been added.

Since the TCFD and TNFD disclosure frameworks have many items in common and consistency of information disclosure can be increased by taking an integrated approach, we have organized the information for disclosure as shown on the right.

We will continue to enhance our information disclosure in line with the TCFD and TNFD recommendations.



# Governance TCFD TNFD

For governance, please see P.46 "Sustainability Promotion Structure."

# Strategy

# Risks and Opportunities Related to Climate Change TCFD

The Group analyzes the opportunities and risks related to climate change. Short-term, medium-term and long-term timelines have been set for such analyses. In order to capture the impact of climate change which is highly uncertain, we have used the 1.5°C scenario (NZE scenario) of IEA (International Energy Agency) and the 4°C scenario (RCP8.5

scenario) of IPCC (Intergovernmental Panel on Climate Change) and categorized the extent of effect by large, medium and small to better understand the impact of each of the opportunities and risks. We have also been working to respond to each of the opportunities and risks identified based on our sustainability policy.

Category of opportunity/risk			Details Risk	Risk category	scenario		Short-term: 2028	Initiatives of the Group	
		unity/fisk		,	1.5°C	Over 4°C	Medium-term: 2030 Long-term: 2050		
Risks		Policies and regulations	Impact on business activities of clients due to increased costs resulting from the introduction of the carbon tax	Credit risk	Lrg	Sml	Short- to long-term	Strengthen engagement with the recipients of investments and loans	
	Transition risk	Market	Impact on business activities of clients due to increased raw material prices resulting from the transition to a decar- bonized society	Credit risk	Lrg	Sml	Short- to long-term	in the manufacturing industry includ- ing the automotive sector, which is Aichi Prefecture's main industry and the Group's major customer base,	
	Fransit		Price fluctuations of held securities related to industries affected by the transition to a decarbonized society	Market risk	Lrg	Sml	Short- to long-term	and support their decarbonization efforts	
		Reputation	Lowering of corporate value due to delay in appropriate response and disclosure of climate change and environmental conservation	Operational risk	Lrg	Sml	Short- to long-term	<ul> <li>Respond appropriately to social demands, etc.</li> <li>Enhance disclosure of non-financial information</li> </ul>	
		Urgent	Impact on business activities of clients and devaluation of pledged assets due to increasing severity of weather phenome- na such as typhoons and flooding	Credit risk	Med	Lrg	Short- to long-term	Estimate the amount of impact on recipients of investments and loans and the Group	
	Physical risk		Damage to the Group's sales offices due to increasing severity of weather phe- nomena such as typhoons and flooding	Operational risk	Med	Lrg	Short- to long-term	Implement the Group disaster prevention and BCP measures	
			Outflow of the Group's deposits due to deteriorating cash flow of clients from weather phenomena such as typhoons and flooding	Liquidity risk	Med	Lrg	Short- to long-term	Raise awareness of physical risks and the need of BCP measures among recipients of investments and loans	
		Chronic	Impact on business activities of clients and devaluation of pledged assets due to increased average temperature and rising sea levels	Credit risk	Sml	Lrg	Long-term	Raise awareness of physical risks and the need of BCP measures among recipients of investments and loans	
v		Products,	Demonstrate financial intermediation func- tions in response to increased demands for funds such as capital investments, in- cluding ESG financing, for clients engaged in environmental conservation measures	-	Big	Small	Short term to long term	Raise awareness of decarbonization initiatives among recipients of investments and loans     Support decarbonization efforts of recipients of investments and loans	
Opportunities	מו נמווונו	services	Demonstrate consulting functions for clients that face issues related to decar- bonization and environmental conserva- tion responses	-	Lrg	Sml	Short- to long-term	Expand sustainable financing     Assist recipients of investments and loans with subsides	
ddo		Asset efficiency	Lowering business costs through the utilization of energy-saving options, renewable energy and new technologies	-	Lrg	Med	Short- to long-term	ZEB conversion and energy-saving promotion at the Group's new branches etc.	
		Resilience	Increase in corporate value due to appro- priate response and disclosure of climate change and environmental conservation	-	Lrg	Med	Short- to long-term	Enhance disclosure of non-financial information	

#### Scenario Analysis TCFD

We conduct scenario analyses regarding both transition risks and physical risks to better understand the effects climate change risks may have on the Group. The results of scenario analysis are estimated based on certain assumptions. These estimates based on the current assumptions showed a limited impact on the Group, however, we will continue to review our assumptions including the method of analysis to further refine the process.

# Transition risk

For the analysis of transition risks, of industries that are said to be susceptible to climate change effects by TCFD recommendations, the electricity, automotive, and real estate sectors were selected as we believe they will have significant impacts on transition risks of the Group. Details of the analysis are as follows.

Target sector		Electricity sector, automotive sector, and real estate sector
	Electricity sector	When broken down by sector, GHG emissions of the electricity sector account for approximately 40% of Japan's emissions
Selection reason	Automotive sector	The main industry of the Group's main sales area of Aichi Prefecture
	Real estate sector	Loans the real estate sector account for a large portion of Aichi Bank's total loan balance.
Sc	enario	IEA's 1.5°C scenario
Conten	t of analysis	Analyze the effects of increased costs from the intro- duction of the carbon tax on financial performance
Targ	et period	Calculated based on March 31, 2025, and covering the period up to 2050
Analysis results		Annual increase of approximately 5.3 billion yen in the impact on credit cost (based on March 31, 2025)

#### Physical risk

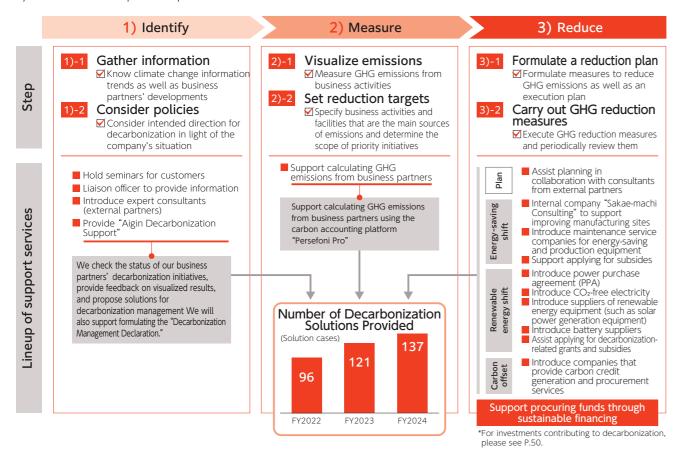
Based on the IPCC's 4°C scenario and assuming an increased frequency of flooding, we analyzed the impact on credit costs of damage to real estate collateral held by clients of the Group's operating basis (see a hazard map) where flooding is predicted. Details of the analysis are as follows.

Scenario	Based on IPCC's 4°C scenario
Content of analysis	Assuming an increased frequency of flooding, impact on credit costs of damage to real estate collateral held by clients of the Group's operating basis (see a hazard map) where flooding is predicted.
Subject of analysis	Estimated for flood damage and business-based credit
Target period	Calculated based on March 31, 2025, and covering the period up to 2050
Analysis results	Cumulative increase of approximately 1.2 billion yen in impact on credit cost (based on March 31, 2025)

Climate Change and Nature-Related Initiative (Initiatives taken for TCFD and TNFD Recommendations)

#### Opportunities Related to Climate Change: Supporting Customers' Decarbonization | TCFD

The process of decarbonization of corporate activities proceed in the three steps of 1) identifying,, 2) measuring, and 3) reducing. The Group supports its customers' decarbonization efforts by establishing a support system at each step of the process.





### Decarbonization in the Region is Our Key Mission

Mayumi Suzuki, Assistant Manager Business Solution Department, Aichi Bank Solutions Sales Group

I work in the planning of decarbonization support for client companies. Specifically, this includes preparation of product offerings that will contribute to solutions, as well as support for GHG emissions calculations using the "Aigin Decarbonization Support" service and the "Persefoni Pro" carbon accounting platform, to help client companies take their first steps toward decarbonization.

In the automotive sector, a key industry in Aichi Prefecture, Tier 1 and 2 suppliers have already announced their decarbonization initiatives. On the other hand, quite a few Tier 3 and 4 suppliers have no idea what to do and are confused about their options. Having said that, decarbonization initiatives in the supply chain are steadily expanding, and my view is that our main client companies, most of which are SMEs, are now at the stage where they need to address decarbonization in their own companies. To this end, we are working to offer them meticulous support by making their current situation visible and helping them understand their own GHG emissions. By clarifying our clients' own issues, we intend to give our support so that they can take that first step with confidence.

To realize decarbonization in the region, initiatives involving the entire supply chain are essential. It is one of our key missions as a regional financial institution to closely address such issues and help solve them. As stated in the Corporate Slogan, "Closest to you," we will strive to be the closest partner that our client companies will feel able to come to first for advice, and to move forward with them toward decarbonization in the region, one step at a time.

#### Opportunities Related to Climate Change: Collaborative Decarbonization Initiatives TCFD

We contribute to the decarbonization efforts of society through collaboration with companies and government agencies.

Participated in energy conservation and regional partnerships	To support energy conservation by SMEs in local communities, we as a partner institution participated in the "Energy Conservation and Regional Partnership," a framework established by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (METI). The Agency for Natural Resources and Energy of METI, the secretariat for energy conservation and regional partnership and the partner institution, a close consultant for SMEs, provided energy conservation support to SMEs by providing and exchanging various kinds of information on energy conservation policies and initiatives.
Joint seminar for automotive suppliers	Aichi Bank joined HYAKUGO BANK, LTD. and MUFG Bank, Ltd. in holding "Automotive Industry Now and Future Initiatives to Achieve Carbon Neutrality," a seminar for automotive suppliers. We briefed automotive supplier business partners on the latest developments in the automotive industry and case examples of carbon neutral initiatives.
Co-hosting a decarbonization management seminar Toyohashi	We joined Ricoh Japan Co., Ltd. and Sumitomo Mitsui Trust Bank, Limited in holding the Toyohashi Decarbonization Management Seminar. While highlighting practical case examples, we briefed local companies interested in decarbonation on specific designs and implementation of a decarbonized society toward 2050.
Signing of a partnership agreement with the Nishio City Government, TOHO GAS Co., Ltd., and BYWILL Inc.	Aichi Bank entered into the "Partnership Agreement on Initiatives to Achieve Carbon Neutrality" with the Nishio City Government, Toho Gas Co., Ltd., and BYWILL Inc. The agreement aims to accelerate Nishio City's efforts toward carbon neutrality by converting the greenhouse gas reduction effects of introducing household fuel cell systems and solar power generation systems, adopting LEDs, and flooded rice cultivation into J-Credits and utilizing them effectively. By leveraging the expertise and know-how of each party and working together, we will promote Nishio City's initiatives to achieve carbon neutrality by 2050.
Signing of a partnership agreement with the Gamagori City Government and BYWILL Inc.	Aichi Bank entered into a partnership agreement with the Gamagori City Government and BYWILL Inc. toward realizing a zero carbon city. The agreement aims to strengthen cooperation among the three parties through information sharing and programs related to environmental values including J-Credits, to contribute to the achievement of carbon neutrality and a circular economy in the region. We will strengthen mutual cooperation and promote initiatives to achieve carbon neutrality and a circular economy in Gamagori City.

#### Relation with Natural Capital: State of Nature in Aichi Prefecture TNFD

In recent years, in order to realize a sustainable society, there is increased importance of appropriate conservation of natural capital and biodiversity in addition to responses to climate change. The Group's business foundation of Aichi Prefecture is a region with diverse ecosystems, including the mountain ecosystem of the mountain zone, a hilly managed woodland ecosystem, a plains ecosystem covered by farmland and cities, a seashore and managed coastal ecosystem that includes seaside seaweed forests and tidelands, a river and lake ecosystem, and marsh and wetland ecosystem. In addition, there are approximately 12,450 species of animals and 4,490 species of plants within the prefecture, and assessments show that of which, 364 animal species and 529 plant species are in danger of going extinct. \*From the Aichi Biodiversity Strategy 2030 (summary), Aichi Prefectural

The Group has identified "Response for Environ-

State of nature in Aichi Prefecture, home to Aichi FG business operations Endangered ani-Animals Approx. 364 species 12.450 species Endangered plants Approx. 29 species 4.490 species

Diverse ecosystems Mountain ecosystem/satoyama ecosystem/ satoumi and coastal ecosystem/wetland ecosystem...

mental Conservation" in our materiality, and as a regional financial institution of our business foundation of Aichi Prefecture, we recognize that engaging in the conservation of natural capital and biodiversity in the prefecture is essential. Through participating in the TNFD Forum, we will work toward achieving a sustainable environment and society in the region by promoting initiatives for the appropriate conservation of natural capital and biodiversity.

#### Climate Change and Nature-Related Initiative (Initiatives taken for TCFD and TNFD Recommendations)

#### Relation with Natural Capital: Connections Between Companies and Natural Capital TNFD

The TNFD recommendations recommend companies to analyze its business activities' "dependencies" and "impacts" on natural capital based on the LEAP approach, and identify and disclose risks and opportunities.

Corporate business activities depend on and impact natural capital throughout the entire value chain, including procurement of raw materials, manufacturing, transportation, sales, and disposal. Financial institutions, including the Group, not only depend on and impact natural capital in their own business activities, but also are tied to the business activities of their clients and business partners through investments and loans. We therefore believe that financial institutions need to understand their customers' dependencies and impacts on natural capital and manage risks appropriately, while finding business opportunities related to natural capital based on these.

#### Status of Initiatives Under the LEAP Approach TNFD

The LEAP approach is a practical guide that helps companies incorporate nature consideration into the risk management process for its value chain and financial institution portfolios.

Under the LEAP approach, the Group identified interfaces with nature capital in "1) Locate" while specifying and analyzing dependence and impact in "2) Evaluate."

In FY2025 onward, we will identify and evaluate risks and opportunities to which "3) Assess" applies while upgrading analysis and enhancing disclosure.

### Supply of water Natural capital Company Soil formation Tourist resources. etc. Dependence Fresh water Atmosphere Impact Water use Soil contamination Invasion of foreign species, Aichi FG Natural capital

#### LEAP approach

1	Locate	<ul> <li>Understand the interfaces with nature capital</li> <li>Specify priority areas</li> <li>Specify sectors</li> </ul>
2	Evaluate	<ul><li>Specify dependence relation and impacts</li><li>Analyze dependence</li><li>Analyze impacts</li></ul>
3	Assess	<ul> <li>Specify risks and opportunities</li> <li>Assess the importance of risks and opportunities</li> <li>Reduce and manage risks</li> </ul>
4	Prepare	<ul> <li>Strategies and resource allocation</li> <li>Measure performance</li> <li>Report and release</li> </ul>

#### Results of ENCORE Analysis TNFD

We analyzed the dependence and impact of our business activities on nature capital by using "EN-CORE," a tool that identifies the extent of dependence and impact on nature in accordance with sectors and geographic information recommended in the TNFD recommendations. As a result of the ENCORE analysis, as for dependence, activities of companies in many sectors were shown to be dependent on water. As for impact, activities of companies in many sectors were shown to greatly

impact disturbance (noise and light pollution) and discharge of harmful soil and water pollution substances. By sector, "materials" and "foods and beverages" in particular were shown to be dependent on and influenced by nature capital.

Going forward, we will work to further sophisticate our analysis and identify key sectors based on the analysis results and in light of factors such as investment and loan balances and importance in the region.

#### Degree of dependence and impact: Low High

									Dep	oen	den	ce (	eco:	syst	em	serv	ice)	)													lı	mpa	ct					
		Sup	ply vice					Re	egul	ato	ry a	nd r	nair	nten	anc	e se	rvic	es						ural vice		ition)	tems	sions	tems	GHG	Irces	ction	stances	stances	vaste	land	vater	ecies
TNFD priority sectors (*)	Supply of biomass	Genetic material	Water purification	Animal-derived energy	Global climate regulation	Purification of solid waste	Maintenance of soil and sediment	Soil quality regulation	Dilution due to atmosphere and ecosystem	Control of pests	Air filtration	Flood mitigation	Supply of water	Habitat maintenance	Noise suppression	Sensory effects (other than noise)	Local climate regulation	Pollination	Mitigation of wind damage	Control of running water	Rainfall pattern regulation	Recreational service	Video amenity service	Education, science and research services	Spiritual, artistic and symbolic services	Disturbances (noise and light pollution)	Use of freshwater ecosystems	GHG emissions	Use of marine ecosystems	Air pollution other than GHG	Extraction of other biological resources	Other non-living resource extraction	Release of hazardous soil and water pollution substances	Discharge of nutrient soil and water pollution substances	Regeneration and release of solid waste	Use of land	Use of water	Invasion of foreign species
Energy																																						
Materials																																		Г				П
Transportation																																						
Automobiles and auto parts																					Г	П																
Consumer goods and apparel																																						
Consumer services and daily necessaries																																						
Food and beverages																																						
Home and personal goods																																						
Pharmaceuticals and biotechnology																																						
Semiconductors and semiconductor manufacturing equipment																																						
Commercial and specialized services																																						
Utility																																						
Capital goods																																						
Real estate management and development																																						

<sup>\*</sup> With regard to TNFD priority sectors, we analyzed industries deemed to be prioritized ones on the priority sector list of the Additional Guidance for Financial Institutions as published by TNFD, among GICS industry groups.

#### Dependency and Impact Analysis for Own Sites TNFD

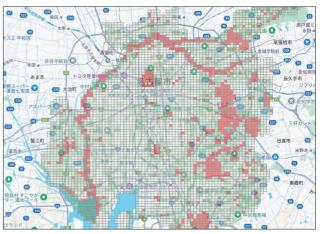
The TNFD recommendations require companies to identify whether their direct sites are located in areas important for natural capital, identify nature-related dependencies and impacts, risks and opportunities, and assess, prioritize, and monitor them.

In order to know our own bases potentially impacting nature capital, we surveyed points of contact with important areas for biodiversity preservation by using the "Important Biodiversity Area Map" published by the Nagoya City Environment Bureau with regard to branches in Nagoya City (Aichi Prefecture), home to the biggest base group of the Group.

As a result, areas important for biodiversity-preservation purposes were found to exist, as evidenced by rare species living and growing in the vicinity of 16 branches in Nagoya City, such as on the shores of the Shonai River and in the Odaka green area.

Going forward, we will study the extent of the impact of our operations on biodiversity and analyze our dependencies and impacts on natural capital.

#### Important Biodiversity Area Map



Source: Important Biodiversity Area Map, Nagoya City (Nagoya Biodiversity Center, Nagoya City Environment Bureau)

#### The Group's Initiatives for Natural Capital and Biodiversity TNFD

We implement various initiatives for the proper conservation of the local natural capital and biodiversity.

the Aichi Biodiversity Company Certificatior

Aichi Bank has been certified under the Aichi Biodiversity Company Certification Program by Aichi Prefecture. Based on the Aichi Biodiversity Strategy 2030, Aichi Prefecture promotes biodiversity conservation activities through cooperation of diverse entities, including companies, universities, environmental organizations and the government sector. To promote corporate activities for biodiversity conservation, through this system, Aichi Prefecture certifies companies that engage in outstanding activities, with the aim of motivating companies to take action and spreading action to other companies, helping excellent initiatives to spread throughout the prefecture.

itudy session on the ecologica

We held a study session on the ecological environment of marine life and conservation activities We created an opportunity for employees to think about conservation of ecological environment inviting as staff member from Minami-Chita Beach Land to give a lecture. (65 participants)

<sup>\*</sup> For other initiatives for natural capital and biodiversity, please see P.58 "Volunteer Activities."

Climate Change and Nature-Related Initiatives (Initiatives taken for TCFD and TNFD Recommendations)

### Risk Management

#### Risk Management Process TCFD TNFD

Regarding risks faced by the Group, in order to ensure the soundness of management, we conduct Integrated risk management, a self-managed risk management that comprehensively compares and contrasts risks assessed by risk category against the Group's strength of management.

We manage climate change risks under the recognition that they have the possibility of affecting our business activities or financial performance. Specifically, we mainly manage credit risks, such as those arising from effects on business activities or changes in business conditions of the Group's clients caused by climate change, and operational risks, such as those arising from damage to the Group's sales offices from disasters, and take various measures as necessary.

#### Climate Change Risks TCFD

The Group has organized climate change risks into the four categories of credit risks, market risks, liquidity risks and operational risks. Examples of transition risks and physical risks that may arise from climate change are as follows.

Risk category	Definition	Transition risk examples	Physical risk examples	Timeline Short-term: 2028 Medium-term: 2030 Long-term: 2050
Credit risk	Risks that the Group will incur losses when the value of assets declines or disappears due to worsening financial conditions of the party to whom credit has been extended	Effects on business activities and finances of clients arising from the inability to respond to changes in policies, regula- tions, customer requests, or technological development	Spillover effects on customer business activities and finances arising from direct damage to customer assets due to extreme weather or indirect impacts on the supply chain	Short- to long-term
Market risk	Risks that the Group incurs loss from changes in the value of assets and liabilities held due to fluctuations in a variety of market risk factors such as interest rates, value of securities, etc. and foreign exchange, and risk that the Group incurs loss from fluctuations in income generated from assets and liabilities	Price fluctuations of held securities related to industries affected by a transition to a decarbon- ized society	Market confusion due to the effects of extreme weather, and accompany- ing fluctuation in the value of securities held	Short- to long-term
Liquidity ris	Risks of incurring loss due to difficulty in securing necessary funds because of a mismatch between operational and procurement timeframes or unforeseen outflow of funds or being forced to raise tunds at interest rates significantly higher than normal, or risk of incurring loss due to the than normal or narket transactions due to market confusion or being forced to conduct transactions at significantly less favorable prices than normal	Worsening market pro- curement environment due to lowered reputa- tion arising from delayed response to a transi- tion to a decarbonized society	Increase in the outflow of funds arising from deposit withdrawals for the res- toration and recovery by clients affected by extreme weather	Short- to long-term
Operationa risk	Risks that the Group indirectly or directly incurs loss due to inappropriate internal processes or inappropriate conduct by officers or employees, the system not functioning properly, or external events	Worsening reputation arising from delayed response to a transition to a decarbonized society	Interruption in operations at sales offices and data centers due to damage from extreme weather	Short- to long-term

#### Investment and Loan Policy to Realize a Sustainable Society TCFD TNFD





The Group will conduct investments and loans to specific businesses and sectors that may have an effect on the environment or society based on the Investment and Loan Policy to Realize a Sustainable Society, taking appropriate actions to contribute to realizing a sustainable society.

< Revisions for FY2025>

In May 2024, the Group participated in the TNFD Forum, and we engage in initiatives for preserving nature capital and biodiversity appropriately. Aichi Prefecture, home to the Group's business operations, has wetlands that were registered by the Ramsar Convention, such as the Fujimae tidal flat and the Tokai Hill Spring Wetlands. In order to preserve the nature of these areas, we added projects that negatively impact any of Ramsar-designated wetlands to a list of project categories for which neither investment nor lending is prohibited.

<Process for confirming compliance with the investment and loan policy>

Aichi Bank puts in place a process to examine whether a loan is compliant with the Investment and Loan Policy to Realize a Sustainable Society. We aim to achieve a sustainable society in the region by operating the examination process appropriately.

#### Policy for Businesses Likely to Have a Positive Impact on the Environment and Society

- 1) The Group actively supports business activities related to the transition to a decarbonized society as well as energy-saving measures and renewable energy.
- 2) The Group actively supports business activities related to the enhancement of medical, welfare, and education that respond to issues such as an aging population and declining birthrates.
- 3) The Group actively supports business activities that have a positive impact on creating a sustainable society such as business successions and, the establishment of companies that contribute to regional development, and innovation.
- 4) The Group actively supports business activities that contribute to the maintenance and development of social infrastructure and the disaster prevention and mitigation of local communities.

Policy for Specific Businesses and Sectors Likely to Have a Negative Impact on the Environment and Society

#### Cross-sectional

#### 1) Businesses related to child labor, forced labor, human trafficking, etc.

The Group does not engage in investments and loans for businesses where human rights violations are taking place such as child labor, forced labor, and human trafficking that infringe upon the aims of the Group's human rights policy and international standards for human rights (Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights, etc.)

2) Businesses related to human rights violations in conflict regions

The Group recognizes that there may be significant negative human rights impacts in conflict regions. We are abundantly cautious of businesses that trigger or encourage human rights violations in conflict regions, or businesses directly tied to human rights violations, and respond carefully.

3) Other businesses

The Group does not engage in investments and loans for illegal businesses or those with illegal intent, businesses that violate public order and morals, businesses that are in violation of the Washington Convention, or projects that negatively impact any of Ramsar-designated wetlands.

#### Specific sectors

#### 1) Coal-fired power generation business

The Group does not engage in investments and loans for the new construction of coal-fired power generation plants and expansion projects that may lead to an increase in greenhouse gasses. However, we will respond carefully when considering exceptions such as disaster response and projects that are in line with the Japanese government's energy policy.

2) Businesses for the production and development of inhumane weapons

The Group does not engage in investments and loans for companies that produce and develop cluster bombs, nuclear weapons, biological and chemical weapons, and anti-personnel landmines.

3) Deforestation businesses, palm oil plantation businesses

While lumber and palm oil are important resources necessary for maintaining daily life and society, we recognize that illegal deforestation and large-scale destruction of forests can have significant negative impacts on climate change and the ecosystem. We will respond carefully with due consideration to the status of both the environment and social considerations.

#### External Evaluation Related to ESG

#### Obtained "B" Score in CDP Climate Change Report 2024

CDP is an international environmental assessment body that evaluates companies' commitment to climate change action on an eight-level scale (A, A-, B, B-, C, C-, D, D-). The Group obtained "B" score in the CDP Climate Change Report 2024. The score, which improved by two levels from the "C" score earned by former The Aichi Bank in the previous fiscal year, indicates that the Group has been recognized as a company on the "management level" that understands and has been taking action on its environmental risks and impacts.

#### Selected as a Constituent of the "FTSE Blossom Japan Sector Relative Index"

The Group has been selected as a constituent of the FTSE Blossom Japan Sector Relative Index, an index to measure the performance of Japanese companies with high ESG ratings developed by FTSE, one of the leading ESG rating agencies. The index is used by investors around the world as a benchmark for investment decisions.

Climate Change and Nature-Related Initiatives (Initiatives taken for TCFD and TNFD Recommendations)

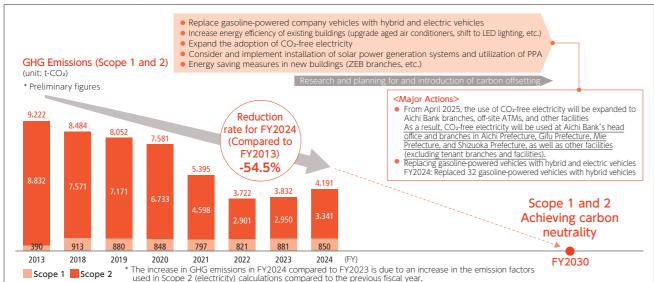
### **Metrics and Targets**

#### GHG Emissions (Scope 1 and 2) TCFD

In terms of the Group's GHG emissions (Scope 1 and 2), we initially aimed as our targets to "reduce GHG emissions by 70% from FY2013 levels by FY2030 and achieve carbon neutrality by FY2050." However, in view of the result of our initiatives to reduce GHG emissions since then, we revised the target upward in February 2025 to "achieve carbon neutrality by FY2030." Now we aim to achieve carbon neutrality by FY2030 by taking the actions outlined in the roadmap below.

In addition, through FY2023, the calculation of the Group's GHG emissions covered only The Aichi Bank and The Chukyo Bank (prior to their merger). Beginning in FY2024, the scope was expanded to encompass all consolidated subsidiaries of the Group. Accordingly, starting this fiscal year, the consolidated GHG emissions including those of consolidated subsidiaries are shown for the base FY2013 and FY2018 to FY2023 also include.

#### Roadmap to carbon neutrality



#### GHG Emissions (Scope 3) TCFD

Regarding GHG emissions (Scope 3), from FY2023, emissions in Categories 1 to 5 and 15 of Scope 3 are calculated in addition to the previously calculated Categories 6 and 7 emissions. We will continue to expand our scope of calculations and advance the sophistication of our calculation methods.

\* For calculation results for Categories 1 to 7 of Scope 3, please see P.117 "Group Non-Financial Data."

#### Carbon-related Assets TCFD

Of carbon-related assets encouraged to be disclosed by the TCFD recommendations, loan balances by sector and proportion by all sectors are shown below.

#### Percentage of carbon-related assets in loan balance (as of March 31, 2025)

	Sector		n balance ons of yen) Share			Sector	Loan balance (Millions of yen)	Sha	are	
	Oil & gas	28,724	1.00%			Metals and mining	47,930	1.67%		
Energy	Coal	224	0.01%	2.82%	Materials	Chemicals	65,683	2.29%		
	Electric utilities	51,902	1.81%		and	Construction materials	38,945	1.36%	42.23%	
	Air freight	2,505	0.09%		buildings	Capital goods	555,848	19.42%		
	Passenger air transportation	799	0.03%			Real estate management and development	500,680	17.49%		
Transportation	Maritime transportation	3,864	0.13%	9.48%	Agriculture,	Beverages	20,406	0.71%		
Transportation	Rail transportation	38,107	1.33%	9.40%	food, and	Agriculture	3,141	0.11%	3.22%	
	Trucking services	109,581	3.83%		forest	Packaged foods and meats	44,050	1.54%	3.22%	
	Automobiles and components	116,476	4.07%		products	Paper and forest products	s 24,443 0.85%			
					Total	1,653,309	57.7	75%		

Applicable assets: General business loans for corporations and individuals of Aichi Bank (excluding repackaged loans and other policy-based loans).

Applicable balance: Loan balance as of March 31, 2025. Sector classification method: Industry classifications for the Group are categorized into sector classifications defined by the TCFD according to the Japan Standard Industrial Classification and reference sheet for the 18 TCFD classification equivalents released by the Ministry of the Environment

#### GHG Emissions (Scope 3. Category 15: Financed Emissions) TCFD

Starting in FY2023, the Group calculates financed emissions using a carbon accounting platform provided by Persefoni, which strictly adheres to PCAF standards. In FY2024, we expanded the scope of assets covered by the calculation to include listed equity and corporate bonds in our holdings in addition to business loans that had already been covered. To increase the comprehensiveness of the calculation, the calculation was performed to achieve a data quality score of 5, resulting in a coverage rate of 100%. These calculated results are likely to change significantly in the future with increased disclosure by our customers as well as advancements in estimation methodologies and changes in sector classifications.

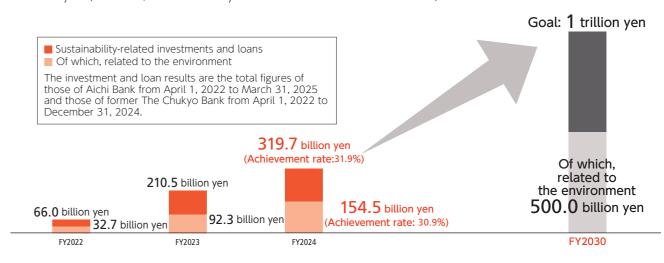
			Bu	siness loans			Listed equity and corporate bonds								
		Scope 1 ar	nd 2	Scope 3	3	Calculation	Scope 1 ar	nd 2	Scope 3	3	Calculation				
	Sector	GHG emissions (t-CO <sub>2</sub> )	DQ score	GHG emissions (t-CO <sub>2</sub> )	DQ score	coverage rate	GHG emissions (t-CO <sub>2</sub> )	DQ score	GHG emissions (t-CO <sub>2</sub> )	DQ score	coverage rate				
	Oil & gas	109,828	3.30	264,013	3.30	100%	21,299	1.00	290,988	1.00	100%				
Energy	Coal	6,253	4.00	1,537	4.00	100%	0	-	0	-	100%				
	Electric utilities	81,552	2.87	505,693	2.87	100%	268,802	2.42	195,429	2.42	100%				
	Air freight	806	3.52	1,750	3.52	100%	0	-	0	-	100%				
	Passenger air transportation	2,653	2.10	794	2.10	100%	3,381	1.00	720	1.00	100%				
Transportation	Maritime transportation	18,720	3.74	20,046	3.74	100%	12,795	1.00	3,845	1.00	100%				
Transportation	Rail transportation	13,644	2.52	24,360	3.09	100%	1,953	3.72	4,602	3.72	100%				
	Trucking services	10,055	3.99	212,170	3.99	100%	1,831	2.11	7,441	2.58	100%				
	Automobiles and components	53,362	2.83	677,737	3.02	100%	8,394	1.17	300,873	1.17	100%				
	Metals and mining	167,389	3.45	325,150	3.45	100%	66,212	2.33	136,352	2.33	100%				
Materials	Chemicals	80,354	3.50	262,445	3.50	100%	40,395	1.57	98,164	1.57	100%				
and	Construction materials	522,608	2.73	157,457	2.73	100%	21,024	2.02	39,945	2.02	100%				
buildings	Capital goods	286,515	3.89	2,545,730	3.89	100%	25,196	1.69	2,005,159	1.70	100%				
	Real estate management and development	20,408	4.05	184,493	4.05	100%	630	1.24	9,544	1.24	100%				
Agriculture.	Beverages	6,285	3.35	29,731	3.35	100%	2,067	1.15	14,343	1.15	100%				
food, and	Agriculture	6,347	4.03	23,014	4.03	100%	407	1.00	23,215	1.00	100%				
forest	Packaged foods and meats	37,367	3.83	213,384	3.83	100%	4,617	2.24	32,900	2.24	100%				
products	Paper and forest products	73,263	3.18	100,783	3.18	100%	6,821	1.56	7,712	1.56	100%				
	Other	409,934	3.86	1,734,231	3.87	100%	35,548	2.48	377,913	2.48	100%				
	Total	1,907,340	3.77	7,284,518	3.79	100%	521,372	2.14	3,549,145	2.15	100%				
* Applicab	* Applicable : Business loans														

#### Third-party Verification of GHG Emissions TCFD

The Scope 1 to 3 GHG emissions data of the Group for FY2024 have undergone third-party verification by SOCOTEC Certification Japan. We will continue to work to further improve and refine our calculation methods.

#### Sustainability-related Investments and Loans TCFD TNFD

The Group has set a goal of executing sustainability-related investments and loans to a cumulative total of 1 trillion yen (of which, 500.0 billion yen are related to the environment) from FY2022 to FY2030.



Improving Employee Engagement and Advancement of Diverse Human Capital

# Message from Officer in Charge of Human Capital



#### Our Stance on Human Capital Management

The Group believes that each employee, in other words, our "people," is an important asset to the company. In the belief that the source of realizing the Group's management vision and increasing corporate value lies in our people, we have positioned human capital management as a key pillar of our management strategy. We also believe that, in our aim to become the No. 1 regional financial group in Aichi Prefecture in the midst of diversifying work styles, advancing digitalization, changing values, and a rapidly changing business environment, it is critical to create an environment in which diverse people can demonstrate their full potential and continue to grow. The aim of the Group Human Resources Strategy Department is to create workplaces in which each and every employee can demonstrate their own capabilities and work with a sense of purpose, through the optimization of the human capital portfolio and enhancement of employee engagement, for the improvement of the corporate value of the Group over the medium- to long-term.

#### Optimizing human capital portfolio

Supporting the sustainable growth of employees requires the strategic placement and utilization of people who have the necessary skills, experience, and diversity. The Group is working to make its human capital visible to enhance employees' characteristics and abilities and take maximum advantage of them. Specifically, we adopted a talent management system during the period of the 1st Medium-Term Management Plan, and we are now promoting the integration of human capital data, such as various skills including solution sales, office work, sales of assets under custody, and qualifications. We will aim to realize an environment in which each employee can demonstrate a high standard of performance by deploying them strategically through

the use of the system. To develop "people who continue to take on challenges," the human resource profile to which the Group aspires, we conduct secondments and trainee programs in specialized areas through public recruitment, in our efforts to create a culture that will enable highly motivated employees to take on challenges.

#### Enhancing employee engagement

We recognize enhancing employee engagement as another key management issue. Since 2021, the Group has conducted ES surveys (employee engagement surveys) once a year to visualize the voices of frontline employees, and uses the outcomes to make improvements. Aiming to build a work environment in which employees take pride in their work and foster a sense of unity with the organization, we are promoting human capital development based on rank-based and function-based training programs. By expanding career development support and reskilling opportunities, we aim to enhance sustainable human capital value. Further, we are working to create workplaces in which people of diverse backgrounds can thrive by making the perspective of Diversity, Equity and Inclusion (DE&I) a core element of our organi-

The promotion of health management and work style reform are also essential factors in enhancing employee engagement. Through the introduction of measures to support employees' physical and mental health and flexible work styles, we will establish an environment in which employees can engage in their work independently and take on challenges with peace of mind.

Going forward, we will continue to pursue "value creation that starts with people" and to realize human capital management that achieves the growth of individual employees and the growth of the Group in harmony with each other.

Improving Employee Engagement and Advancement of Diverse Human Capital

## **Human Capital Development**

### Initiatives for Human Capital Development

#### Basic Policy on Human Resources

We formulated the Basic Policy on Human Resources based on the Group's management philosophy and have indicated there the human resource profile that Aichi Financial Group aims for. We have defined the human resource profile that Aichi Financial Group aims for to be 1) human capital that continues to take on challenges based on Aichi Financial Group's management philosophy, 2) professional human capital that changes the customer experience, 3) experts at the head office who support sales branches and 4) human capital that takes on operational reform challenges, and support the growth of each individual to the image they aspire to be.

#### Human capital profile Aichi Financial Group aims for

Human capital that continues to take on challenges based on Aichi Financial Group's management philosophy

Human capital that takes pride in our work as members of Aichi Prefecture's No. 1 regional financial group, act with fairness and integrity, and continue to challenge themselves to improve their skills and acquire knowledge necessary to contribute to the prosperity of customers and local communities unconstrained by fixed ideas.

Professional human capital that changes the customer experience

Human capital capable to propose solutions that meet the advanced needs of customers and transform the customer experience Experts at the head office who support sales branches

Human capital with high expertise and problem-solving skills who support the sophistication of sales branch services. Human capital that takes on operational reform challenges

Human capital that constantly strives to reform head office and sales branch operation and improves operational efficiency unconstrained by conventional banking practices

#### Initiatives for the Creation of Strategic Human Capital

In order to achieve a "consulting solutions-based business model," we have worked on the creation of strategic human capital since the 1st Medium-Term Management Plan. Compared to the target number of 450 people set as a key KPI for the 1st Medium-Term Management Plan period, 515 people (114.4% achievement rate) have been fostered as strategic human capital. In FY2024, the following programs were conducted for the development of strategic human capital. We will continue to work for the development of strategic human capital in the 2nd Medium-Term Management Plan.

\*For the detailed results of strategic human capital creation, please see P.33 and 34.

Programs for the development of strategic human capital

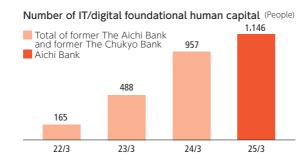
Catagory			1st	half				2nd half							
Category	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.			
Sales office professional RM (RM)					Check skills	Aggregation/ certification					riculum wi culum requ				
Head office solutions experts (SE)					based on a post spec				aining, disp	oatching as	s a trainee	, etc.			
Business reform internal consulting staff (CS)					and in char ng adminis					oranches					
Strategy reskilling human capital (RS)															
DX-based human capital	Held ye	ear-round:	Training (e-	-learning, e	etc.), extern	al courses	(DX, AI, etc	c.), prepara	atory course	es for acqu	iring IT qua	lifications			
Sales office multi-skill human capital	<ul><li>Held ye</li></ul>	ar-round: O	perational t	raining for r	Check skills nulti-skill acc	Aggregation/ certification quisition, tra	inee work (l	oans, mortę	gages, assets		Check skills ody), job ro	Aggregation/ certification tation, etc.			
Head office multi-skill human capital	<ul><li>Acqui</li></ul>	ring spec	ialized ski	ills in ope	erations of	Certification f multiple	departm	ents				Certification			
Professionally based human capital	<ul><li>Held y</li></ul>	ear-round	: Operatio	nal trainir	Check skills ng to acqui	Aggregation/ certification re solution	ns skills, C	JT, self-de	evelopmer	nt courses,	Check skills etc.	Aggregation/ certification			
New sales force human capital	Held year	-round: sh	ort-term tra	ainee (LA,	liaison offic	er, etc.), e-	learning et	c. → Certi	fication wit	th transfer t	to a liaison	job etc.			
Human capital for new domains					sector (IT, n upon co			pation in	external t	training co	ourses, et	c. to			
High skills human capital					and Medium al Planning, ei					nt, labor and	social securit	y attorney,			
DX consultant human capital				Training	Effectiven	ness meas	urement (	practical a	application	Training  n) → Certif	ication				

### **Human Capital Development**

### Investment in Human Capital Development

#### Initiatives for the Creation of DX Human Capital

In order to develop and secure digital human capital based on the DX Promotion Plan formulated in July 2023, in addition to human capital development within the Group, we hire external experts and cooperate and collaborate with systems vendors and tech companies to secure IT and digital human capital and the digital skills necessary for a shift to a DX company in stages. Holders of IT Passport or 3rd-grade Financial Operations DX Course certification holders are defined as IT/digital foundational human capital. Aiming to create 1,000 people by the end of March 2025, we have created 1,146 people (an increase of 189 compared to the previous fiscal year).



Aichi Bank is working to share digital skills within the group by holding Excel classes taught by instructors from a group company, AAST Co., Ltd.

In order to improve the skill to quickly and accurately search and find "desired information" using IT tools, we are striving to upgrade the digital skills of our officers and employees by, for example, holding a course titled "Stand out with your search skills: A course on information gathering skills improvement utilizing IT tools."

#### **Initiatives tor Support for Acquiring Certifications**

Aichi Bank has designated human capita that has highly difficult professional certifications as high skills human capital as part of the creation of strategic human capital. We support employees seeking to acquire qualifications by offering various exam preparation courses and incentives based on our skill development incentive program regulations.

Further, to increase motivation for the self-development of officers and employees, interviews with officers and employees who have passed difficult certification exams are

shared internally as Self-development NEWS. As of the end of March 2025, there were

Number of certification holders and amount of incentives provided

				(People)
Certification name	2024/3	2025/3	YoY change	Amount of incentives
1st-grade Certified Skilled Professional of Financial Planning	85	100	15	150,000 yen
Real estate transaction specialist	240	250	10	30,000 yen
IT Passport	926	1,115	189	3,000 yen
M&A Senior Expert	5	39	34	Full tuition

100 1st-grade Certified Skilled Professionals of Financial Planning (up 15 from the previous year), 39 M&A Senior Experts (up 34 from the previous year), and 1,115 IT Passport holders (up 189 from the previous year).

#### **Development of Experts Through Public Recruitment**

Aichi Bank conducts the placement of experts at the head office through public recruitment to establish a challenging corporate culture.

We conduct open recruitment for experts in areas such as business successions, M&As, overseas-related operations and structured finance, and make decisions based on motivation and aptitude among applicants. We, then, dispatch them as trainees to partner financial institutions for them to acquire specialized skills before placing them in specialized departments of the head office.

In addition, in the IT and digital fields, we will work to develop digital human capital as a group, through proactive dispatch of trainees to AAST and other measures.

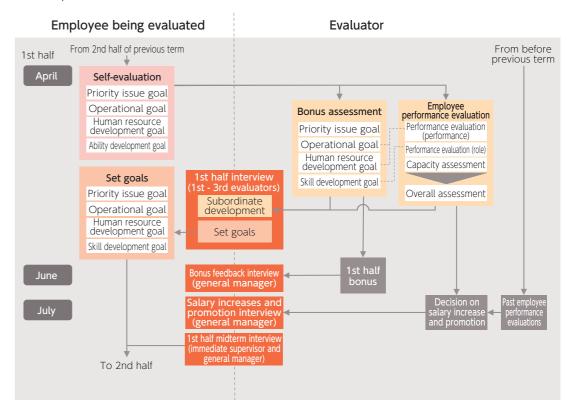
#### **Self-development Seminars**

The Group regularly holds self-development seminars for all officers and employees of the Group with the aim of providing voluntary learning opportunities. In FY2024, we offered 28 courses, which were attended by a total of 1,454 people.

#### **Employee Performance Evaluation System**

Aichi Bank has established an employee performance evaluation system to comprehensively evaluate employees' attendance records, work performance results, acquired competencies, and demonstrated capabilities to provide fair compensation and suitable placement. Superiors and subordinates periodically meet to set adequate goals, confirm the progress of such goals, and also provide support to improve on any issues. Through these interviews, the Group effectively promotes employee motivation and skill development, fostering human capital that continues to challenge themselves based on the Group's management philosophy.

In addition, we held performance evaluation seminars to eliminate gaps (such as differences in evaluation criteria) resulting from differences between the evaluation systems of the two merged banks, former The Aichi Bank and former The Chukyo Bank, and to ensure the proper evaluation of employees. We aim to improve employee satisfaction and engagement through uniform evaluation criteria and strengthening training for evaluators, to promote fair and transparent evaluation practices that are not influenced by emotions or personal viewpoints.



#### **Leadership Training**

Aichi Bank held a training session themed on the treatment of the younger generation for branch general managers and the next-in-rank at all sales branches to promote an approach to the management of branches and departments that motivates younger employees and allows them to work with vibrancy. In an effort to change the mindset of managers, we provide training for newly appointed managers and "career advancement training for female managers" for newly appointed female assistant managers, and also hold self-development seminars for the next generation under such titles as "Motivating Subordinates and Junior Staff!! Management Skills Improvement Course."

#### Internships

Internship programs are held every year to provide an opportunity for students who wish to apply to Aichi Bank to experience banking operations. In FY2024, the Group held a total of 12 internship programs for applicants joining in April 2026 for a total of 12 programs, with approximately 570 students participating.

We provide an opportunity for students to deepen their knowledge of the industry during their job search by acquainting them with banking operations, such as the experience of making proposals to issues through group discussions.

Improving Employee Engagement and Advancement of Diverse Human Capital

## Diversity, Equity and Inclusion

### ES Management and ES Surveys (Employee Engagement Survey)

Aichi Bank strives to practice ES management to improve the engagement of all officers and employees with the goal of reforming corporate culture for the realization of our management philosophy. Since 2021, we have conducted an annual ES survey (employee engagement survey) for all officers and employees. Based on the results of the survey, each department of the head office works to improve engagement by implementing measures to enhance ES. The results of the measures are reported to the Group Sustainability Committee and disclosed to all officers and employees to ensure transparency. In addition, ES measures of each department of the head office are checked twice a year to implement a PDCA cycle. With each officer and employee considering what they can do for ES management, we work to improve awareness of ES and engagement.

# Initiatives for Becoming a Bank Where Employees Can Continue to Work for Many Years with Peace of Mind

#### Introduction of a Talent Management System

Aichi Bank utilizes a talent management system to conduct various skill assessments and visualize skills through centralized management. This facilitates efficient and effective human resource development as well as strategic human resource allocation that makes the most of individual skills, which leads to improved productivity.

In April 2025, we launched a talent management system (Talent Palette) for all officers and employees with the aim of promoting communication among employees, facilitating strategic human resource development, and improving engagement. We will proactively utilize it as a tool to establish the post-merger integration early and facilitate further human resource exchanges.

In FY2025, we also plan to introduce an mechanism to allow superior to view the results of pulse surveys (fixed-point checks) in real time through the talent management system.

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#### Introduction of a Dress Code Free Policy

The Group introduced a "dress code free" policy in January 2025. A "Dress code free" policy means that employees are free to express their individuality through their choice of clothing. Through these initiatives, we will create a comfortable working environment for our employees that will lead to increased creativity and productivity.

#### Initiatives to Help Employees Balance Fertility Care and Work

Aichi Bank has established fertility care consultation services in its Human Resources Department and clinics to create an environment that encourages employees to consult about infertility treatment more easily. We also conducted training program on "balancing fertility care and work" as an opportunity for all officers and employees to deepen their understanding. Furthermore, we have launched a "family support leave" program that can be used for fertility care and family nursing care, as part of our efforts to become a bank where everyone can work with peace of mind for many years to come.

#### Initiatives of the Diversity Promotion Committee (Ai Team)

The Diversity Promotion Committee (Ai Team) was founded at The Aichi Bank in 2019 as a working group to promote diversity. Every year, a committee composed of employees from different genders and ranks is formed to exchange opinions on a wide range of topics, such as promoting female advancement, development of the younger generation, and increasing acquisition rates of paid leave, of which discussions have actually been developed into measures. Many inputs from the members are reflected in the designing of the family support leave program and the introduction of a dress code free policy. As it serves as a valuable forum for exchange of views, we will continue with the committee activities. (FY2024: held 4 times)

#### **Initiatives for Female Advancement**

For the sustainable corporate growth and development, we believe it is important to create a culture which appreciates employees with high skill and ambition regardless of gender and fosters willingness to take on challenges. Under this philosophy, the Group is engaged in initiatives to increase the percentage of female managers based on the Female Management Development Plan formulated in April 2024. More specifically, through organizing interviews with the Human Resources Department as part of career training for employees in their fifth year of employment and conducting the Career Advancement Training for Female Managers, we encourage female employees to work for their career advancement with a positive mindset.

For these activities related to women's advancement, we have been certified as Aichi Women's Brilliance Company and were recognized as an excellent company in FY2023. We have also acquired Platinum Kurumin certification (Ministry of Health, Labour and Welfare) as well as Eruboshi certification (ibid.).

#### Initiatives to Support Employees Returning from Childcare Leave

We hold Return-to-work Seminar for Childcare Leave Employees and Daddy-Mommy Return-to-work Support Seminar for a smooth return to work after taking childcare leave as appropriate to alleviate the concerns of employees returning to work. Furthermore, we have introduced e-learning for studying at home to allow employees to work on self-development while on childcare leave.

#### **Employee Benefits System**

Aichi Bank has expanded its benefits system to enhance employees' sense of meaning and satisfaction in their work.

#### Enhancement of work-life balance

- Expanding leave system
- Offering recreational facilities
- Shorter working hours beyond statutory requirements
- e-learning system for self-development

## Support and compensation system to work without worry Establishment of consultation desks (Health management, fertility care,

- smoking cessation, and mental health care\*2) 
  Sick leave system
- Congratulatory or consolatory / Disaster compensation monetary gift
- Establishment of mutual aid association

\*2 Dependents are also eligible.

#### Support for asset building

- Property accumulation savings system (subsidies available)\*1
- Employee shareholding system (subsidies available)\*1
- Housing loan program
   Life planning support program
  - \*1 Aside from regular employees (fixed-term employees and contract employees, etc.) are also eligible to use the system.

#### \*2 Depende

Health improvement and management

- Regular health exams with examined items exceeding legal requirements
   Subsidies for various expenses (Complete medical checkups and brain
- checkups, Medical costs for smoking cessation, etc., and vaccinations\*3)

  Establishment of cafeterias
- Establishment of cafeterias
  - \*3 Employees other than regular employees are also eligible.

Officers and employees from a diverse range of backgrounds and experiences from a variety of generations work together in the Group. Each officer and employee has their own position and values, with some balancing work with childcare, nursing care, or their own treatment.

At the Group Human Resources Strategy Department, we believe that it is important to create a corporate culture where we can understand and respect the diverse values of all officers and employees. Diversity is an asset to a company, and bringing together officers and employees with diverse backgrounds and experiences will increase creativity and generate innovation. We work every day to provide an environment for all officers and employees where they can fully exercise their abilities, feel they want to work for this company and continue to work with a sense of vibrancy.



Improving Employee Engagement and Advancement of Diverse Human Capital

# Health Management and Work Style Reform

### Health Management

#### Goals of Health Management

To "Realize the happiness of all officers and employees through ES management and health management practices," one of the values embraced in our management vision, Aichi Bank has formulated the Aigin Health Declaration, engaging in improving each employee's health awareness, promoting physical and mental well-being and creating a comfortable work environment.

#### Structure for the Promotion of Health Management

Aichi Bank has appointed its Representative Director, President and Executive Officer as Chief Health Management Officer in order to implement health management initiatives in an organized and strategic manner.

Health measures for improving employees' health issues are planned and formulated primarily by the Health Conference composed of representatives from the bank, the health insurance society, clinics, and employees. To incorporate specialized knowledge in the planning and formulation of measures, the conference collaborates with relevant departments. Policies for health management initiatives and their progress are regularly discussed and reported at the Health Management Conference composed of executives.

#### Major Initiatives for Health Management

Goal	Details	Eligible participants
Lifestyle improvement	<ul> <li>Hosted a walking event using a smartphone app to improve exercise habits</li> <li>Hosted seminars on stretching and training for improving exercise habits and promoting health</li> </ul>	All employees
Increasing health literacy	· Held health literacy improvement seminars	Newly joined employees
Improvement of women- specific health issues	Viewing of training video on health issues faced by working women     Full subsidy for online medical services for the improvement of menstrual pain and premenstrual syndrome	All employees All female employees
Dental and oral health improvement		

### Work Style Reform

#### **Initiatives to Reduce Overtime**

The Group encourages employees to leave work on time to improve productivity and maintain employee health in compliance with the 36 Agreement through group-wide initiatives such as designating the 2nd Wednesday of every month as "On-time Leave Reinforcement Day."

Aichi Bank has endeavored to reduce overtime work by improving operational efficiency at sales branches by advancing the centralization of sales branch administrative duties to the head office, and introducing an internal chatbot (a.k.a. AiChat) to reduce the headquarters' burden of responding to inquiries.

#### **Compliance with Laws and Regulations**

The Group ensures strict compliance with the provisions of all labor laws and regulations including the Labor Standards Act, such as the minimum wage requirements and equal-pay-for-equal-work principle, regardless of the employment type —whether an official, full-time employee, part-timer or any other employment type.

Aichi Bank honors collective agreements by providing opportunities to hear the opinions of employees, such as the Management Council and Central Labor-Management Conference with employee unions. In addition, it conducts collective bargaining with the employee union every year, and respects and supports the right to collective bargaining.

#### Initiatives to Improve Paid Leave Acquisition Rates

Aichi Bank strives to create a culture where employees can easily take paid leave, aiming to improve employee engagement. It also offers institutional leave, providing an environment where employees can take paid leave in a planned manner. As specific examples to improve the rate of paid leave taken, the Human Resources Department sends out information to encourage employees to take paid leave as well as uses the leave plan utilization chart prepared at the beginning of every fiscal year.

#### Promotion of Male Taking Childcare Leave

Aichi Bank has endorsed the "100% Male Parental Leave Declaration." Starting from October 2022, the leave system was revised so up to 10 days of saved paid leave can be allocated if an employee acquires leave for the birth of a child, creating an environment where both men and women can balance work and childcare. As a result of these efforts, the male childcare leave acquisition rate for FY2024 was 100%.

#### Messages from an Employee Who Took Childcare Leave and His Branch General Manager



"Bringing
an irreplaceable
experience to many
people"

Yuki Nomura Kuwana-chuo Branch, Aichi Bank

In the spring of 2025, we welcomed our third child to our family, a sibling to our five-year-old and three-year-old. When I learned that my wife was expecting our third child, I could easily imagine how this would add to my wife's burden of housework and childcare. I also wanted to experience my children's growth as closely as possible, so I applied for twelve months' childcare leave.

Even though it was an exceptionally busy time due to the upcoming bank merger, the branch general manager readily agreed to my application, saying "The company, as well as the branch, will support you, so it is okay to put your own feelings first." I was very grateful and happy. I have always felt uncomfortable with the notion that, while it is generally accepted that women take maternity and childcare leave, it is more difficult for men to take childcare leave. To spend so much precious time with your children at a stage when you can see them grow every day is an irreplaceable experience.

Thanks to the support of my superiors and colleagues at work, I am currently enjoying a precious time. For men to take childcare leave without hesitation according to their own family circumstances, a supportive environment and understanding in the workplace are essential.

I hope that more men will take childcare leave in the future and that as many men as possible will be able to spend that precious time with their families.

## "Improving the workplace environment is key"

Yuichi Nishida, Branch General Manager Kuwana-chuo Branch, Aichi Bank



I take a positive view of men taking childcare leave, believing that having a deep relationship with one's family gives them high motivation in their work, which, in the long run, will increase the productivity of the organization. However, there are some issues in promoting male childcare leave, such as the increased workload of other employees who support those taking childcare leave and the reluctance to take leave out of concern for inconveniencing their colleagues. For this reason, it is important for the company as a whole to improve the workplace environment, including support systems.

As a branch general manager, I am working to create an environment in which all employees can take child-care leave with peace of mind. I also recognize that it is an important role of the branch general manager to directly encourage employees to take childcare leave.

When Mr. Nomura put in his request, I was delighted that my efforts to create a conducive work environment and encourage leave-taking had paid off.

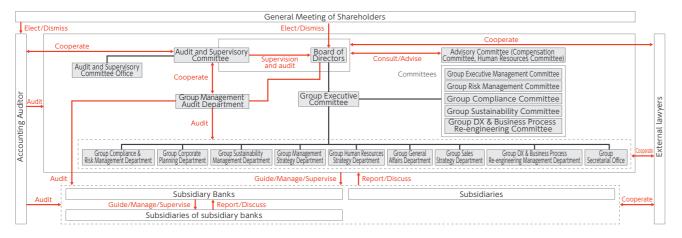
The liaison team to which Mr. Nomura belongs has many young employees, and I believe that the support for Mr. Nomura's childcare leave by the branch as a whole will normalize the idea of men taking childcare leave among young employees, leading to a shift in awareness toward male employees taking such leave.

As a branch general manager, I will continue to develop and improve the support system for employees who take childcare leave and work to deepen employees' understanding, thereby promoting the creation of a supportive workplace environment.

## **Corporate Governance**

### **Basic Stance**

Of the three aspects of our management philosophy, the Company has determined to "Contribute to the prosperity of local communities through financial services" within our PURPOSE. In order to further ensure trust from all stakeholders including our customers, local community, employees, and shareholders, and contribute to the prosperity of local communities as a regional financial group, we will work to strengthen and enhance an effective corporate governance system that aims to ensure transparent, fair, prompt and decisive decision-making, as one of our most important management priorities.



### **Board of Directors**

As a general rule, the Company's Board of Directors is held every month to discuss and resolve business matters such as matters required by law as well as important matters related to management and supervise the Directors' execution of their duties. There are 12 Directors, and 6 are Directors who are Audit and Supervisory Committee members (of which, 5 are Outside Directors). In addition, the Board of Directors has established two

advisory committees, the Compensation Committee as an organization to discuss matters relating to Directors' compensation and the Human Resources Committee as an organization to discuss matters relating to the election and dismissal of Directors. Outside Directors become members of each of the committees (an Outside Director acts as the chair for each committee) to increase the objectivity and transparency of the selection process.

### **Group Executive Committee and Various Committees**

As a general rule, the Group Executive Committee, comprised of Directors who are not Audit and Supervisory Committee members and Executive Officers in charge of respective functions, and established beneath the Board of Directors, meets once a week. In addition to discussing and deciding on important management matters and matters delegated from the Board of Directors, the Group Executive Committee deliberates on matters delegated to the Board of Directors to ensure transparency and fairness in decision-making.

There is a system in place where Audit and Supervisory Committee members join the Group Executive Committee and state their opinions as necessary.

In addition, for important matters related to the execution of the Group's operations, we have established various cross-organizational committees to increase managerial involvement and widely discuss important management matters such as adherence to laws and regulations and profit management.

#### Matters for discussion at committees

Group Executive Management Committee	Discusses important management matters, including the Group's management policy, management plan, total budget, sales initiatives, personnel planning, ALM, etc.
Group Risk Management Committee	Discusses the Group's policy for managing various risks, matters relating to systems and methods, and matters related to the status and analysis of various risks.
Group Compliance Committee	Recognizes the social responsibility and public mission of the Group as a whole, and discusses matters related to compliance at each company of the Group in accordance with laws and regulations.
Group Sustainability Committee	Discusses responses to improve the sustainability of the Group as a whole through considerations of the sustainability of the environment, society, and economy.
Group DX & Business Process Re-engineering Committee	Discusses the formulation and implementa- tion of plans for creating new business models and achieving business process re-engineering through Group DX.

### **Audit and Supervisory Committee**

As a general rule, the Audit and Supervisory Committee meets every month, conducting the audit and supervision of execution of duties by Directors in accordance with laws and regulations and Audit and Supervisory Committee rules, etc. There are 6 Directors who are Audit and Supervisory Committee members, of which 5 are Outside Directors.

Matters related to audits by the Audit and Supervisory Committee are outlined in the Audit and Supervisory Committee rules formulated by the Audit and Supervisory Committee as well as Audit and Supervisory Committee Audit, etc. Standards. Directors who are Audit and Supervisory Committee members attend the Board of Directors as directors with voting rights. Audit and Supervisory Committee members also attend important meetings of the Group Executive Management Committee and the Group Sustainability Committee to verify the content of proposals and audit and supervise the execution of business operations.

As a general rule, full-time Audit and Supervisory Committee members attend meetings of the Group Compliance

Committee and the Group Risk Management Committee held every other month, provide input as needed, and supervise compliance with laws and regulations and risk management.

For audits in accordance with the Companies Act and audits in accordance with the Financial Instruments and Exchange Act, the Company has signed an audit agreement with KPMG AZSA LLC (Designated Limited Liability Partners/Engagement Partners/Certified Public Accountants Tadashi Ikegaya and Masaki Yamada, 13 certified public accountants, 8 persons who have passed the CPA Examination, 15 others). There are no special interests between the said audit firm and the Company, nor between the Engagement Partners of said audit firm engaged in auditing the Company and the Company.

The Audit and Supervisory Committee, internal auditing division (Group Management Audit Department), and the financial auditor (KPMG AZSA LLC) maintain a system for close cooperation, including holding regular meetings to share information.

# Policies and Standards, etc. for the Election of Director Candidates and the Dismissal of Directors

#### Policies for the Election of Director Candidates and the Dismissal of Directors

The Board of Directors is structured so as to provide for a good overall balance of the knowledge, experience, and skills required to effectively perform its roles and duties in light of the Company's corporate principles, specific business strategies, and external business environments, etc., and in a way that balances diversity and appropriate size.

#### Procedures for the Election of Director Candidates and Dismissal of Directors

The decisions on elections and dismissals are made by the Board of Directors based on discussions in the Human Resources Committee of which the majority of its members are Outside Directors.

#### Standards for the Election of Director Candidates and the Dismissal of Directors

Standards for the Election of Inside Director Candidates

- 1. As a Director, the candidate is expected to contribute to the sustainable growth of the Company and improve its corporate value over the medium and long term.
- 2. The candidate must perform duties faithfully and in accordance with the three elements of the Company's management vision (PURPOSE, MISSION, and VALUE) and the Basic Compliance Policy, and must have the character and insight appropriate for a Director.
- 3. The candidate must have a wealth of experience and an excellent track record in banking, and have the knowledge and skills required for management.

Standards for the Election of Outside Director Candidates

- 1. As a Director, the candidate is expected to contribute to the sustainable growth of the Company and improve its corporate value over the medium and long term.
- 2. The candidate must understand and comply with the three elements of the Company's management vision (PURPOSE, MISSION, and VALUE) and the Basic Compliance Policy, and must have the character and insight appropriate for a Director.
- 3. The candidate must have expert knowledge and a wealth of experience in areas such as management, law, finance and accounting, public administration, and education, and be able to advise and supervise management.
- 4. The candidate must meet the requirements for independence formulated by the Company.

Standards for the Dismissal of Inside and Outside Directors

Discussions regarding dismissal will be held at the Human Resources Committee if any of the following apply to a Director:

- 1. If committed an act that violates laws and regulations or the Articles of Incorporation
- 2. If caused significant harm to corporate value due to negligence of duties
- 3. If becomes unable to perform duties for health reasons, etc.
- 4. If any of the criteria outlined in the standards for election is no longer met

### Corporate Governance

#### **Effectiveness Assessments**

Every year, the Company conducts self-assessments and analyses to measure the effectiveness of the Board of Directors and shares issues and items to be strengthened based on assessment results to further improve the effectiveness of the Board of Directors. Self-assessments and analyses are conducted with the following method with advice from third-party organizations. Analysis, discussion, and assessment were conducted at the June 2025 Board of Directors, based on the aggregate results.

#### **Execution Method**

Implementation period: March 2025

Assessment method: An anonymous survey conducted for all Directors (including Audit and Supervisory

Committee members) who are members of the Board of Directors (survey comprised of questions that can be answered using a 5-point scale, as well as open-ended questions that allow for free-text responses)

Response method: Results reporting:

Directly responding to a third-party organization to ensure objectivity and transparency Conducted discussions at a briefing session by a third-party organization on the analysis and evaluation of issues identified for the Company based on comparisons with

previous results and other companies, as well as improvement measures

#### Main Assessment Items for Effectiveness Assessment

- Composition of Board of Directors
- Operation of Board of Directors
- Discussion by Board of Directors
- Monitoring functions of Board of Directors
- Dialogue with shareholders (investors)
   Performance of Outside Directors (including Audit and Supervisory Committee members)
- Support system for Directors (including Audit and Supervisory Committee members)
- Training

#### Summary of Effectiveness Assessment of Board of Directors for FY2024

#### (1) Conclusion

Based on analysis and assessment, the effectiveness of the Board of Directors has been confirmed.

#### (2) Issues identified in the effectiveness assessment in the previous fiscal year

The issues to be addressed that were identified and shared included the need to secure time necessary for deliberations
and the timely provision of information materials.

#### (3) Analysis, assessment and issues

- Overall, the average score for multiple-choice questions declined slightly from the previous year but remained largely
  unchanged from the previous year despite some areas for improvement.
- According to the assessment, reporting and information sharing regarding important business decisions of subsidiaries at the Board of Directors meetings were sufficient. On the other hand, improvement in terms of the appropriateness of the number of items for deliberation and the securing of time for deliberation, which had been shared as issues since the previous fiscal year, was insignificant due to an increase in items related to the merger of a subsidiary bank. It was recognized once again that this remains an ongoing issue.
- According to the assessment, sufficient discussions were conducted for determining of the Group management philosophy and strategies, setting appropriate KPIs, and regular review of the Group's overall business portfolio to ensure sustainable profitability and achieve ROE exceeding capital costs. Meanwhile, an issue was recognized that discussions on the vision for creating value through data and digital technology were insufficient.

#### (4) Actions in FY2025 based on assessment results and issues

- In April 2025, we introduced an executive officer system with the aim of strengthening corporate governance, clarifying the division of functions in supervision and business execution, and speeding up business execution. By delegating decision-making authority to executive officers to the extent permitted by law, we are working to increase the efficiency of operation of the Board of Directors.
- The issues of the number of items for deliberation and the time for deliberation are expected to be of less problem in the future as the rules on matters requiring deliberation by the Board of Directors were revised in April of this year. We will also ensure that sufficient information on each item to for deliberation is given in advance to improve the quality of deliberations.
- In April of this year, we newly established the Group DX & Business Process Re-engineering Management Department. While it will share with the executive team the progress of initiatives to create and deliver value through groupwide DX and supporting customers' DX, we will strive to deepen discussions on our vision for creating value through data and digital technology.
- We will continue to strengthen the functions of the Board of Directors for the sustainable growth of the Group in the medium to long term and increase corporate value.

### Standards for the Election of Outside Director Candidates

Name	Audit and Supervisory Committee member	Independent officer	Supplemental explanation of criteria	Reason for appointment
Yasutoshi Emoto	•	•	_	Yasutoshi Emoto has the specialized legal knowledge and extensive experience as an attorney-at-law and is expected to provide advice on and oversight, etc. of management as an Outside Director who is an Audit and Supervisory Committee member. Although his only corporate management experience to date is as an outside officer, for the reasons stated above, we judged that he would be able to fulfill his duties appropriately as a Director who is an Audit and Supervisory Committee member of the Company.  He has been judged to be an executive with a high degree of independence not likely to cause any conflict of interest with general shareholders in light of criteria for determining independence set forth by the stock exchange and the Company and has thus been designated as an independent officer.
Yuki Shibata	•	•	Yuki Shibata held previous roles at Nagoya Railroad Co., Ltd. and Meitetsu Transportation Co., Ltd., clients of the Group. The two companies and the Group have normal banking transactions, but as it has been determined that there are no concerns about independence in light of the size and nature of transactions and an overview has been omitted.	Yuki Shibata has held important positions such as Representative Director and Vice President of Nagoya Railroad Co., Ltd. and Representative Director and President of Meitetsu Transportation Co., Ltd. We expect him to provide advice and proposals based on his abundant experience and discernment in company management.  He has been judged to be an executive with a high degree of independence not likely to cause any conflict of interest with general shareholders in light of criteria for determining independence set forth by the stock exchange and the Company and has thus been designated as an independent officer.
Chieko Murata	•	•	_	Chieko Murata has held important positions at the National Tax Office and served as district director of Tax Offices since joining the Nagoya Regional Taxation Bureau, and has an extensive knowledge of taxation and accounting. In her current position as a certified tax accountant, she is expected to provide opinions and advice on banking taxation and accounting methods, as well as contribute to ensuring the accuracy and transparency of finances.  For the reasons stated above, we judged that she would be able to fulfill her duties appropriately as a Director who is an Audit and Supervisory Committee member.  She has been judged to be an executive with a high degree of independence not likely to cause any conflict of interest with general shareholders in light of criteria for determining independence set forth by the stock exchange and the Company and has thus been designated as an independent officer.
Takumi Azuma	•	•	Takumi Azuma held previous roles at INTEC Inc., with which the Group has transactions. The company and the Group have normal banking transactions, but as it has been determined that there are no concerns about independence in light of the size and nature of transactions and an overview has been omitted.	Takumi Azuma has a long track record of holding important management positions at INTEC Inc. and Hokkoku INTEC Service Inc., both TIS INTEC Group companies. We expect that he will use his experience and insights in the IT and systems area to make proposals and, based on his experience as a corporate auditor, perform a management oversight function as a Director who is an Audit and Supervisory Committee member of the Company.  For the reasons stated above, we judged that he would be able to fulfill his duties appropriately as a Director who is an Audit and Supervisory Committee member.  He has been judged to be an executive with a high degree of independence not likely to cause any conflict of interest with general shareholders in light of criteria for determining independence set forth by the stock exchange and the Company and has thus been designated as an independent officer.
Asako Itakura	•	•	Asako Itakura held previous roles at Nagoya Broadcasting Network Co., Ltd., with which the Group has transactions.  The company and the Group have normal banking transactions, but as it has been determined that there are no concerns about independence in light of the size and nature of transactions and an overview has been omitted.	Asako Itakura has served for many years in key management positions at Nagoya Broadcasting Network Co., Ltd. and NagoyaTV Enterprise Co., Ltd. She has professional knowledge as an active labor and social security attorney and small and medium enterprise management consultant, as well as extensive experience in the personnel and labor affairs department; therefore, we expect her to provide competent advice and recommendations to the Company's management. She has been judged to be an executive with a high degree of independence not likely to cause any conflict of interest with general shareholders in light of criteria for determining independence set forth by the stock exchange and the Company and has thus been determined to be qualified as an independent officer.

### Corporate Governance

Expertise and Experience, Etc. (Skills Matrix) of Directors of the Company (including Audit and Supervisory Committee Members)

#### List of Directors (excluding Directors who are Audit and Supervisory Committee members)

				Expe	rtise and exper	ience		
Name	Position	Corporate management and sustainability	Financial services		Legal affairs and risk management		Human resources and labor	Regional revitalization
Yukinori Ito	Representative Director, President and Executive Officer	•	•	•	•	•		
Makoto Hayakawa	Representative Director and Managing Executive Officer	•	•	•	•	•	•	•
Hiroaki Yoshikawa	Representative Director and Managing Executive Officer	•	•	•		•	•	
Hiroshi Kawai	Director and Managing Executive Officer	•	•		•	•		
Kenji Ito	Director and Managing Executive Officer	•	•	•		•	•	
Takehiro Suzuki	Director and Executive Officer	•	•			•		•

#### List of Directors who are Audit and Supervisory Committee members

		Expertise and experience						
Name	Position	Corporate management and sustainability	Financial services		Legal affairs and risk management		Human resources and labor	Regional revitalization
Masahiro Kato	Director (Audit and Supervisory Committee member) [Full-time, inside]	•	•					
Yasutoshi Emoto	Director (Audit and Supervisory Committee member) [Outside]				•			
Yuki Shibata	Director (Audit and Supervisory Committee member) [Outside]	•			•			
Chieko Murata	Director (Audit and Supervisory Committee member) [Outside]			•				
Takumi Azuma	Director (Audit and Supervisory Committee member) [Outside]	•	•			•		
Asako Itakura	Director (Audit and Supervisory Committee member) [Outside]	•			•		•	

### Advisory Committees of the Board of Directors

In order to supplement the functions of the Board of Directors, the Human Resources Committee, an organization to discuss matters relating to the election and dismissal of Directors, and the Compensation Committee, an organization to discuss matters relating to Directors' compensation, have been established within the Board of Directors. Independent Outside Directors become members of each of the committees (an Outside Director becomes

committee chair) to increase the objectivity and transparency of the decision-making process.

committee than, to mercase the objective, and transparency of the decision making process.					
		Human Resourc	ces Committee	Compensation Committee	
Matters for discussion		<ul> <li>Matters relating to the election and dismissal of Directors</li> <li>Matters relating to the election and dismissal of Representative Directors and Executive Directors</li> <li>Other matters related to personnel changes of Directors</li> </ul>		Matters relating to the compensation of Directors	
Composit	tion of members	An Outside Director serves as committee	chair and the committee is comprised of 3	Outside Directors including the committe	e chair and 2 Representative Directors.
Committee	chair and members	Name	Attendance rate	Name	Attendance rate
Committee chair	Outside Director	Yasutoshi Emoto	100%	Chieko Murata	100%
	(Independent officers)  Members	Chieko Murata	100%	Yasutoshi Emoto	100%
		Yuki Shibata	100%	Yuki Shibata	100%
Members		Yukinori Ito	100%	Yukinori Ito	100%
	Representative Directors	Hideo Kobayashi	100%	Hideo Kobayashi	100%
	5	Makoto Hayakawa	100%	Makoto Hayakawa	100%
Number of meetings held 8 times		nes	6 times		
Main matters for discussion		<ul> <li>Election of Outside Directors</li> <li>Election of Representative Directors</li> <li>Division of duties among Directo general managers</li> </ul>		<ul> <li>Decision on the amount of compensation for Directors</li> <li>Decision on the amount of performance-linked compensation</li> <li>Revision of the performance-linked compensation system</li> </ul>	

Attendance rates, number of meetings held, and main matters for discussion are actual FY2024 results. Hideo Kobayashi, who was a member of each committee, retired as Representative Director on December 31, 2024. As a result, Makoto Hayakawa, who was promoted to Representative Director on January 1, 2025, has been appointed as a member of each committee

### Officer Compensation System

To ensure the sustainable growth and medium- to long-term improvement of the corporate value of the Company and affiliates of the Group, we have established a policy on the calculation method for the amount of compensation for officers of the Company. Furthermore, the same policy as the Company's system is established in the officer compensation system at Aichi Bank, a major consolidated subsidiary of the Company.

#### **Basic Policy**

The compensation system functions as an incentive for the sustained improvement of corporate for the Company and affiliates of the Group as a whole that takes into account the link to shareholder profit and attainment level of the medium-term management plan.

#### **Director Compensation Structure**

Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) is comprised of basic compensation, short-term performance-linked compensation, and restricted stock compensation. To ensure neutrality in light of the responsibilities of the position, compensation for Directors who are Audit and Supervisory Committee members is comprised only of basic compensation.

Type of compensation	Director (excluding Audit and Supervisory Committee member)	Audit and Supervisory Committee member	Outline of compensation
Basic compensation	•	•	Compensation paid monthly based on position
Short-term perfor- mance-linked com- pensation	•	_	Compensation paid at a certain time each year that reflects performance indicators for a single fiscal year
Restricted stock compensation	•	_	Stock compensation to motivate employees to increase share prices and improve corporate value

#### Resolution by General Meeting of Shareholders Regarding Compensation

The total amount of Director compensation is resolved at General Meetings of Shareholders.

Eligible persons	ole persons Type of Total compensation amount (yearly amount)		Resolution body	Date of resolution	
	Basic compensation	260 million yen			
Directors (excluding Audit and Supervisory Committee members)	Short-term performance- linked compensation	200 million yen	First Annual General Meeting of Shareholders	June 23, 2023	
Committee members,	Restricted stock compensation	100 million yen			
Audit and Supervisory Committee members	dit and Supervisory Basic compensation 90 million yen				

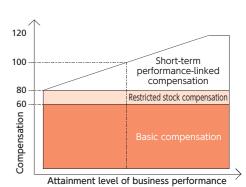
#### **Decision-making Process**

Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) is resolved by the Board of Directors after discussion by the Compensation Committee, an advisory committee of the Board of Directors, based on the above basic policy and Compensation Committee rules. Compensation for Directors who are Audit and Supervisory Committee members is resolved through discussion by Directors who are Audit and Supervisory Committee members, based on Audit and Supervisory Committee rules.

#### Overview of Short-term Performance-linked Compensation

The Company's short-term performance-linked compensation is a system in which the amount paid fluctuates based on the attainment level of Profit attributable to owners of parent and Core operations net profit of subsidiary banks.

If the compensation amount for achieving the target value is set at 100, the system is designed so that the amount will be adjusted by approximately ± 20% depending on attainment level. The figure to the right shows the relationship between the compensation amount paid and the attainment level of business performance.



## Company Officers (Directors)

### Aichi Financial Group

### Yukinori Ito

Representative Director, President and Executive Officer

Apr. 1980 Joined The Aichi Bank, Ltd. (currently Aichi Bank, Ltd.)

June 2010 General Manager of Operations Administration Department June 2013 Director, General Manager of Internal Audit

June 2015 Director, General Manager of Securities & Foreign Business Department
June 2017 Managing Director

June 2019 President

Oct. 2022 President and Representative Director of the Company Jan. 2025 President of Aichi Bank, Ltd.

Apr. 2025 Representative Director, President and Executive Officer of the Company

Apr. 1985 Joined The Aichi Bank, Ltd. (currently Aichi Bank, Ltd.)
June 2015 General Manager of Corporate Administration Department
June 2017 Executive Officer, General Manager of General Planning Department
June 2019 Executive Officer, General Manager of Operations Administration Department

June 2025 Managing Director Of the Company
Jan. 2025 Managing Director of Aichi Bank, Ltd.
Apr. 2025 Director and Managing Executive Officer of the Company
June 2025 Representative Director and Managing Executive Officer of the Company

(current position)
In charge of Group DX & Business Process Re-engineering

(current position)

Apr. 2025 Representative Director and Chairman of
Aichi Bank, Ltd. (current position) In charge of Group Management Strategy Department of the Company (current position)

June 2020 Director June 2022 Managing Director

(current position)

Managing Executive Officer

Apr. 1987 Joined The Aichi Bank, Ltd.

(currently Aichi Bank, Ltd.)

June 2017 General Manager of Securities & Foreign Business Department
June 2018 Executive Officer, General Manager of Securities & Foreign Business Department
June 2018 Executive Officer, General Manager of Securities & Foreign Business Department
June 2019 Executive Officer, General Manager of General Planning Department
June 2022 Director
Oct. 2022 Director of the Company
June 2024 Managing Director of The Aichi Bank, Ltd.
Jan. 2025 Managing Director of Aichi Bank, Ltd.
Jan. 2025 Director and Managing Executive Officer of the Company (current position)
In charge of Group Corporate Planning Department and Group Sustainability Management Department (current position)

Director and

Hiroaki Yoshikawa Representative Director and Managing Executive Officer

### Makoto Hayakawa | Representative Director and Managing Executive Officer

Apr. 1985 Joined The Chukyo Bank, Ltd. (currently Aichi Bank, Ltd.)

(currently Aichi Bank, Ltd.)
May 2008 General Manager of General Planning Department
June 2011 Executive Officer, General Manager of
General Planning Department
May 2013 Executive Officer, General Manager of
Operations Administration Department
May 2014 Executive Officer, General Manager of
Business Planning & Promotion Department
Mar. 2016 Executive Officer, General Manager of Risk
Management Department

Avai. 2016 Executive Officer, General Manager of Risk.
Management Department
Apr. 2018 Executive Officer, General Manager of
General Planning Department
June 2019 Managing Executive Officer, General
Manager of General Planning Department

Oct. 2022 Director of the Company
Oct. 2022 Director, Managing Executive Officer and
General Manager of General Planning
Department of The Chukyo Bank, Ltd.

Ian 2025 Representative Director of the Company

Jan. 2025 Managing Director of Aichi Bank, Ltd.

Apr. 2025 Representative Director and Managing Executive
Officer of the Company (current position) In charge of Group Management Audit Department (current position)

### Hiroshi Kawai

## Director and Managing Executive Officer



Executive Officer of Aichi Bank, Ltd.)

Apr. 1984 Joined The Chukyo Bank, Ltd. (currently Aichi Bank, Ltd.) June 2016 Executive Officer, General Manager of Owari/ Mikawa Business Administration Department

Apr. 2018 Executive Officer, General Manager of Internal Audit Department

June 2018 Director, General Manager of Internal Audit

May 2021 Director
June 2021 Director and Executive Officer

June 2021 Director and Executive Officer
Oct. 2022 General Manager of Operations
Administrative Systems Management
Department of the Company
June 2024 Director and Managing Executive Officer of
The Chukyo Bank, Ltd.
Jan. 2025 Managing Director of Aichi Bank, Ltd.
Apr. 2025 Managing Executive Officer of the Company
Apr. 2025 Representative Director and Managing
Executive Officer of Aichi Bank, Ltd.
(current position)

(current position) June 2025 Director and Managing Executive Officer of the Company (current position)
In charge of Group Compliance & Risk Management Department

### Takehiro Suzuki

## Director and Executive Officer



(Concurrent position: Representative Director, President and Executive Officer of Aichi Bank, Ltd.) Apr. 1988 Joined The Aichi Bank, Ltd.

(currently Aichi Bank, Ltd.) Currently Aichi Bank, Ltd.)
Oct. 2018 General Manager of Corporate Sales Department
June 2019 Executive Officer, General Manager of
Corporate Sales Department
June 2021 Executive Officer, General Manager of
Securities & Foreign Business Department
June 2022 Senior Executive Officer, General Manager of
Business Planning & Promotion Department
Oct. 2022 Senior Executive Officer, General Manager of
Business Planning Denartment

Business Planning Department
June 2023 General Manager of Operations
Administration Department of the Company

June 2023 Director, General Manager of Business Administration Department of The Aichi Bank, Ltd.

Apr. 2024 General Manager of Sales Strategy Department of the Company

June 2024 Director

Jan. 2025 Director, General Manager of Business Administration Department of Aichi Bank, Ltd. Apr. 2025 Director and Executive Officer of the Company (current position)

Apr. 2025 Representative Director, President and Executive Officer of Aichi Bank, Ltd.

#### Masahiro Kato

#### Director (Audit and Supervisory Committee member) (Concurrent position: Director (Audit and Supervisory Committee member) of Aichi Bank, Ltd.)

Apr. 1985 Joined The Aichi Bank, Ltd. (currently Aichi Bank, Ltd.)

Oct. 2007 General Manager of Akaike Branch Jan. 2010 General Manager of Tochi Branch Oct. 2012 General Manager of Kanayama Branch

June 2014 Deputy General Manager of Corporate Administration Department June 2020 Director (Audit and Supervisory Committee member)

Oct. 2022 Director (Audit and Supervisory Committee member) of the Company

(current position)
Jan. 2025 Director (Audit and Supervisory Committee member) of Aichi Bank, Ltd. (current position)

### Yasutoshi Emoto | Director (Audit and Supervisory Committee member) (Outside) (Concurrent position: Director, Emoto Law Office)

Apr. 1990 Joined the Legal Training and Research Institute of the Supreme Court of Japan

Apr. 1992 Registered as an attorney-at-law Apr. 1992 Joined Fuji Law Office Apr. 1997 Established, Director of Emoto Law Office

(current position)
Oct. 2007 Domestic Relations Conciliator

Oct. 2007 Domestic Relations Conciliator (part-time judge) of Nagoya Family Court Sep. 2009 Resigned as Domestic Relations Conciliator (part-time judge) of Nagoya Family Court Apr. 2016 Inspector of the Aichi Bar Association Mar. 2017 Resigned as Inspector of Aichi Bar Association June 2018 Director (Audit and Supervisory Committee member) (Outside) of The Aichi Bank, Ltd. (currently Aichi Bank, Ltd.)

Oct. 2022 Resigned as Director (Member of the Audit and Supervisory Committee) (Outside) of The Aichi Bank, Ltd.
Oct. 2022 Director (Audit and Supervisory Committee

member) (Outside) of the Company (current position)

### Yuki Shibata

Apr. 1973 Joined Nagoya Railroad Co., Ltd. June 2000 Branch President of Tokyo Branch

Director (Audit and Supervisory Committee member)

July 2005 Director, Assistant Division Director of

July 2005 Director, Assistant Division Director of Railroad Operations HQ July 2006 Director, General Manager of Corporate Planning Department June 2007 Managing Director June 2009 Senior Managing Director June 2011 Representative Director and Vice President

June 2012 Representative Director and Vice President, Meitetsu Transportation Co., Ltd. June 2013 Representative Director and President June 2019 Outside Director of The Chukyo Bank, Ltd.

Oct. 2022 Resigned as Outside Director
Oct. 2022 Director (Audit and Supervisory Committee member) (Outside) of the Company (current position)

### Chieko Murata

#### Director (Audit and Supervisory Committee member) (Outside) (Concurrent position: Head of Chieko Murata Certified Public Tax Accountant Office) Apr. 1982 Joined Nagoya Regional Taxation Bureau July 2015 District Director of Ogaki Tax Office

July 2015 District Direction Organi Tax Origani July 2016 Manager of Information Technology of Large Enterprise Examination Division, Examination Department, Nagoya Regional Taxation Bureau July 2017 Manager of Accounts Division, Planning and Administration Department

July 2018 Deputy Manager of Planning and Administration Department
July 2019 District Director of Nagoya Naka Tax Office

Aug. 2020 Registered as certified public tax accountant, established. Head of Chieko Murata Certified Public Tax Accountant Office (current position)

June 2022 Director (Audit and Supervisory Committee member) (Outside) of The Airchi Bank, Ltd. (currently Airchi Bank, Ltd.)

Cet. 2022 Begistered & Director (Mombor of the Audit and

(currently Aichi Bank, Ltd.)

Oct. 2022 Resigned as Director (Member of the Audit and Supervisory Committee) (Outside)

Oct. 2022 Director (Audit and Supervisory Committee member) (Outside) of the Company

June 2023 Outside Statutory Auditor of KIMURA UNITY CO., LTD. (current position)

### Takumi Azuma

## Director (Audit and Supervisory Committee member) (Outside)

Apr. 1981 Joined INTEC Inc

Apr. 1961 Joined INTEL Inc.

Apr. 2013 Executive Officer, General Manager of No. 2
Financial Solutions Division

June 2015 Managing Director, General Manager of
General Affairs Department, Hokoku INTEC
Service Inc.

Service Inc.
June 2016 President and Representative Director
Apr. 2018 Managing Executive Officer, Manager of
Chubu Headquarters, INTEC Inc.
Apr. 2019 Managing Executive Officer, Manager of
Hokuriku Industrial Division

June 2021 Full-time Audit & Supervisory Board Member

Oct. 2022 Director (Audit and Supervisory Committee member) (Outside) of the Company (current position)

### Asako Itakura



Director (Audit and Supervisory Committee member) (Outside) (Concurrent position: Representative of Office Itakura Asako)

# Apr. 1983 Joined Nagoya Broadcasting Network Co., Ltd. Feb. 2004 Executive Officer and Station Manager General Manager Georgian Station Wanager General Manager of Compliance Office June 2008 Assistant to President's Office, Senior Managing Contents of Manager Of Company Office Content of Manager Office

June 2008 Assistant to President's Office, Senior Managing Director of NagoyaTV Enterprise Co., Ltd. Mar. 2013 Deputy Director (Station Manager) of Corporate Strategy Office June 2016 Senior Managing Director of NagoyaTV Enterprise Co., Ltd.

July 2021 Business Advisor for NagoyaTV Enterprise Co., Ltd. (current position)
Feb. 2022 Representative of Office Itakura Asako

(Specified Labor and Social Security Attorney and Small and Medium Enterprise Management

(current position)

June 2023 Director (Audit and Supervisory Committee member) (Outside) of the Company

June 2024 Outside Director of Aichi Tokei Denki Co., Ltd.

### **Executive Officers**

### Keiichi Ishikawa

Kenji Ito

Managing Executive Officer position: Director and Managing Executive Officer of Aichi Bank, Ltd.)

#### Hisashi Sebayashi Managing Executive Officer

(Concurrent position: Director and Executive Officer of Aichi Bank, 1td.)

#### Tatsuya Sakamoto Senior Executive Officer

(Concurrent position; Representative Director, President of AIGIN I FASE CO., ITD.)

Manabu Ozeki Senior Executive Officer

## Stakeholders Communications

### Communication with Shareholders

#### **Basic Policy**

- The Group strives for constructive dialogue with our shareholders to a reasonable extent and in a reasonable manner to contribute to sustainable growth and medium- to long-term improvement in corporate value.
- The officer in charge of the Group Corporate Planning Department is responsible for dialogue with shareholders, and provides opportunities for dialogue and responds in organic cooperation with related divisions.
- · As an aspect of dialogue with shareholders, we strive for appropriate and easily understood
- information disclosure through informational meetings as well as through our website, integrated reports and disclosure books.
- We provide appropriate feedback to management regarding opinions received through dialogue with shareholders.
- In dialogue with our shareholders, we ensure proper management of insider information and the fairness of information disclosure in accordance with the Financial Instruments and Exchange Act.

#### **Status of Activities**

- The status of dialogue with shareholders and investors for FY2024 is as follows.
   President: General Meeting of Shareholders, financial results briefing (2 times)
   Officer in charge of the Group Corporate Planning Department: financial results briefing (2 times), dialogue with investors (17 times)
- · Opinions received through dialogue with our shareholders are reported at Board of Directors meetings and used as reference for the consideration of the Group's management strategy and management policy.

### Cross-shareholdings

#### Policy on Cross-shareholdings

- The Group thoroughly reviews the necessity of cross-shareholdings as well as economic rationality as a regional financial group and reduces its holdings with the full understanding of the corporations in which it has such holdings if they do not lead to the maintenance and improvement of the Group's corporate value.
- If a cross-shareholder expresses an intent to sell such shares, we will not prevent the sale, such as by suggesting a reduction in transactions.
- In addition, we do not conduct transactions with a cross-shareholder that harm the interest of both the Company and the cross-shareholder, such as continuing transactions with the cross-shareholder without verifying the economic rationality of such transactions.

#### Verification, etc.

- · For individual cross-shareholding stocks, we check necessity of holding based on the criteria that take account of the medium- to long-term economic rationality\* of cross-shareholdings in light of risks and returns and capital costs, among other factors. The Board of Directors regularly reviews the business strategy benefits, including the current and potential business relationships of cross-shareholdings, and reconsiders cross-shareholdings for stocks of which holding are deemed to be unnecessary. We will continue to try to reduce cross-shareholdings while strengthening communication.
- \* We calculate RORA to check the economic rationality of holding each stock. For risk assets such as stocks, the calculation is based on market value.

  RORA = (dividends + interest on loans + service revenue interest on deposits expenses credit costs) ÷ (market value of stock or bond × risk weight + loans × risk weight)

#### Standards for Exercising Voting Rights

- Voting rights of cross-shareholdings will be exercised based on whether or not such exercise is adequate for the sustainable growth and mediumto long-term improvement in corporate value of both the Group and the company in which we hold cross-shareholdings.
- For proposals that require careful consideration, such as those that affect the Group's corporate value or shareholder interests, we will determine whether to vote for or against through individual dialogue with the company in which we hold cross-shareholdings.

#### **Reduction Targets**

The Group has revised its reduction target for June 2025, advancing the target date of achievement and further reducing the target holdings, based on discussions with cross-shareholding counterparts, reduction achieved to date, and other factors.

Target: "We aim to reduce the percentage of cross-shareholdings to less than 20% of consolidated net assets on a market value basis by the end of FY2028."

#### **Reduction Results**

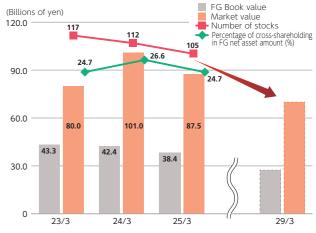
In FY2024, we **reduced** our cross-shareholdings for 14 issues by **3.3 billion yen** from the end of the previous fiscal year, including partial reductions, based on the book value.

Based on market value, this represented **13.4 billion yen reduction** from the end of the previous fiscal year to account for 24.7% of consolidated net assets.

#### **Reduction Status**

Status of listed cross-shareholdings

	23/3	24/3	25/3	YoY change
Number of stocks	117 stocks	112 stocks	105 stocks	(7) stocks
Book value	33.0 billion yen	32.1 billion yen	28.7 billion yen	(3.3) billion yen
FG Book value	43.3 billion yen	42.4 billion yen	38.4 billion yen	(4.0) billion yen
Market value (A)	80.0 billion yen	101.0 billion yen	87.5 billion yen	(13.4) billion yen
Nikkei Stock Average	27,986 yen	40,369 yen	35,617 yen	(4,752) yen
FG net asset amount (B)	323.4 billion yen	379.5 billion yen	353.8 billion yen	(25.7) billion yen
Percentage of cross-shareholding in FG net asset amount (A/B)	24.7%	26.6%	24.7%	(1.9)%



#### Use of Funds Arising from Reduction

Funds arising from the reduction of cross-shareholdings will be used for the medium- to long-term improvement of corporate value while taking into consideration capital efficiencies, such as investments in human capital, investments in DX, and investments for deployment of Group strategy as well as enhancing capital that serves to supply risk-weighted assets to local communities, and shareholder returns.



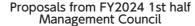
#### Stakeholders Communications

### Communication with Employees

#### **Management Council**

The employee union of Aichi Bank holds the Management Council for the betterment of the bank with both labor and management in attendance. The Management Council in July 2024 was held under the theme "to become the No. 1 regional financial group in Aichi Prefecture."

To become the No. 1 regional financial group in Aichi Prefecture, the union made specific proposals on the following four themes: "increasing our visibility as the No. 1 in Aichi Prefecture," "understanding our mission as the No. 1 in Aichi Prefecture," "creating an environment that enables employees to demonstrate their abilities," and "establishing a human resource development system." Both labor and management engaged in earnest discussions.



Proposal I: Increasing our visibility as the No. 1 in Aichi Prefecture

Proposal II: Understanding our mission as the No. 1 in Aichi
Prefecture

Proposal Ⅲ: Creating an environment that enables employees to demonstrate their abilities

**Proposal IV:** Establishing a human resource development system





#### Central Labor-Management Conference

The Aichi Bank Employee Union holds Central Labor-Management Conference meetings throughout the fiscal year to discuss, with the bank's management, establishing and revising various systems and creating workplaces that will lead to the maintenance and improvement of working conditions in light of issues identified in each workplace.

At the Central Labor-Management Conference meetings this fiscal year, explanations are given about topics such as "1. initiative for human resources systems leading to organizational revitalization in response to environmental changes," "2. improving work environment to enable a better work-life balance," and "3. implementing various events through cooperation between the union, the bank, and the health insurance association," which are being seriously discussed by participants.

#### Instilling Our Management Philosophy

We instill our management philosophy in all employees throughout the Group by distributing video messages from President and displaying our management philosophy on the top page of our groupware.

#### **Union Branch Social Sports Festival**

In April 2025, the Employee Union held a Union Branch Social Sports Festival for Aichi Bank employees and their families. With over 1,000 participants, the event was a great opportunity for increasing communication in each organization through sports competitions and kids' activities planned by union branches.



#### Communication with Local Communities

## Concluding the Partnership Agreement on New Product Development by Local Companies through Patent Introduction

Aichi Bank entered into the Partnership Agreement on New Product Development by Local Companies through Patent Introduction with Nisshin City, PATRADE Co., Ltd., and Panasonic IP Management Co., Ltd. The purpose of this agreement is to contribute to solving social issues and revitalizing the local economy by promoting collaboration and cooperation among small and medium enterprises in Nisshin City through providing information on patents and other intellectual properties to promote the development of new products.

#### Co-sponsorship of Central Japan SDGs Festival

Aichi Bank co-sponsored the Central Japan SDGs Festival, which was held with an aim to increase interest in SDGs in the Central Japan and contribute to accelerating the achievement of SDGs. An SDGs monument was placed in the lobby of the Head Office in light of the purpose of the event.

#### Participation in the Tokai City Zero Carbon Campaign

Tokai City has designated March 1 every year as "Zero Carbon Day" and conducts campaigns during a period combined with the national Energy Conservation Month to raise awareness among citizens and businesses. Aichi Bank, in line with the objectives of this campaign, set up information booths at its Tokai, Nawa, and Minami-Kagiaya Branches for one month starting February 1, 2025, to share its commitment to stop global warming with the public.



### Communication with Customers

#### **Business Owner Surveys**

We conducted an anonymous online survey to better understand the business confidence of business owners of its client companies as well as their response to management issues. The survey's target audience was business owners having loan transactions above a certain amount with Aichi Bank.

By understanding and analyzing the results of the survey, we strive to develop products and services tailored to the actual situations of customers and local communities.

· Eligible participants: 11,500 companies (of which, valid responders: 4,168 companies)

#### **Customer Feedback Survey**

Aichi Bank has customer feedback survey forms available in their branches to gather a wide range of voices from customers.

The valuable feedback we receive from customers is used to improve the quality of various services.

#### **Customer Satisfaction Survey**

Former The Aichi Bank and former The Chukyo Bank conducted a customer satisfaction survey for customers who opened accounts between June and July 2024. We strive to conduct operational improvements and further improve customer satisfaction from the feedback we received through this survey. Results of the survey conducted for customers who opened a bank account are as follows.

- · At former The Aichi Bank, 83.5% of responses were "Satisfied," 16.3% responded "Neither satisfied nor dissatisfied" and 0.2% responded "Dissatisfied" in total satisfaction.
- · At former The Chukyo Bank, 82.7% of responses were "Satisfied," 17.1% responded "Neither satisfied nor dissatisfied" and 0.2% responded "Dissatisfied" in total satisfaction.

#### Placing Service Care Attendants (SCAs)

Aichi Bank has placed SCAs at many of its branches so that all customers, not limited to elderly customers and those with disabilities, can use services with ease.

#### Cooperation with Community Elderly Watch-Over Programs

Aichi Bank has been cooperating with the local communities in watching over senior citizens to help create community environment in which elderly people can continue to live with peace of mind in their familiar areas.



## Efforts to Respect Human Rights

In moving forward with various activities, the Group recognizes respect for human rights as a key issue and will fulfill our responsibility to respect human rights in all of our business activities.

### Enacting the Aichi Financial Group Human Rights Policy

In November 2023, the Group established the Aichi Financial Group Human Rights Policy in accordance with international standards for human rights, such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights. We also hold the Aichi FG Human Rights Training for all employees for a better understanding of the Aichi Financial Group Human Rights Policy.

Please see the Group's website for details of the Aichi Financial Group Human Rights Policy. https://www.aichi-fg.co.jp/sustainability/humanrights/

### Main Efforts Regarding Human Rights

#### **Initiatives for Customers**

Initiatives for the elderly and customers with disabilities	Aichi Bank has stationed dementia supporters and created a desk for written communication, so that the elderly and customers with disabilities can comfortably and safely visit its branches. In preparation for customers who are not under an adult guardianship system or the support program for self-reliance in daily life having issues with banking transactions, we allow a proxy designated by the customer to conduct banking procedures such as withdrawals for everyday living expenses.
Initiatives for gender equality	As one aspect of creating a work-friendly society, customers who wish may open an Aichi Bank account under their maiden name.
Initiatives for LGBTQ	Aichi Bank has included same-sex partner as a definition for a spouse for mortgages, and customers can apply for pair loans or with the combined income of their same-sex partner.
Initiatives for Loan Recipients	Aichi Bank implements a process during the loan application procedure to confirm customers' compliance with the Aichi Financial Group Human Rights Policy. If customers are confirmed not to be in compliance, the Group will foster dialogue with the customers and encourage them to take adequate measures. In addition, Aigin Lease also implements a similar confirmation process during the leasing application procedure.

#### Initiatives for Officers and Employees

Initiatives to prevent long working hours	We are working to manage and improve working hours through initiatives to prevent long working hours by officers and employees, including monitoring for any violations of the agreement stipulated in Article 36 of the Labor Standards Act as well as the number of overtime hours worked.		
Respecting the freedom of association and the right to collective bargaining	An employee union is organized at Aichi Bank. The bank and the union meet periodically to discuss a variety of topics while being in consideration of and respectful to each other's positions.		
Holding harassment prevention training	To prevent various types of harassment, we held harassment prevention training for officers and branch general managers in April 2025.		

#### Establishment of Help Desks

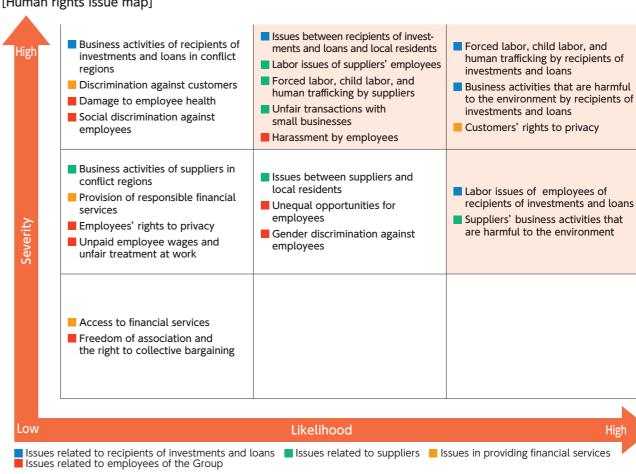
Establishing a harassment consultation desk for officers and employees	Aichi Bank is engaged in creating a comfortable working environment, such as by establishing a consultation desk for sexual harassment and workplace abuse of authority, which can respond to inquiries in a variety of ways, including email and over the phone.
Establishing a human rights consultation desk for customers and suppliers	Aichi Bank has a customer consultation desk, which receives inquiries from customers and suppliers on human rights violations.

### Identification and Assessment of Human Rights Issues

The Group has created a human rights issue map to effectively and sustainably promote efforts to respect human rights by identifying and assessing human rights risks related to business activities and prioritizing responses to important issues. Based on the outcome of the human rights issue map, we are considering an enhanced response to human rights issues that should be prioritized.

The human rights issue map created will be reviewed continually based on changes in the internal and external business environment.

#### [Human rights issue map]



#### [Approach to human rights issue map creation]

Extracting human rights issues	By referring to human rights issues in the ILO Declaration, the International Human Rights Charter, and other international human rights standards, we extracted noticeable human rights issues for the Group.
Sorting out human rights issues each stakeholder (the Company, recipients of investments and loans, and suppliers) is expected to face	We sorted out whether human rights risks extracted for each stakeholder are likely to occur.
Identifying the process of human rights violation risk occurrence (specific human rights violation cases)	We identified specific cases of human rights violation risks that have been sorted out.
Assessing extracted human rights issues based on the two axes of severity and likelihood	For the human rights issues and human rights violation risks that have been sorted out, we assessed the severity of each human rights issue based on three criteria: the scale of negative impact (how serious or severe the impact is), the scope of negative impact (the number of people affected), and irremediability (the limit of recoverability of people affected to the state at least the same or equivalent to that before the negative impact). The likelihood of human rights violations where the Group is involved was also assessed.

# Risk Management



The Group strives to strengthen and enhance risk management and to foster a corporate culture that emphasizes compliance, in our efforts to establish a sustainable management base, while fulfilling our social responsibility. Returning to a world with positive interest rates in Japan, as the situation overseas is changing dramatically, the risks facing the Group are becoming increasingly diverse. In particular, management of credit risk and market risk has become more important than ever.

Under our integrated risk management system, the Group is working to enhance its risk management by conducting management based on appropriate risk assessment. We are also placing our efforts into initiatives for operational resilience and prevention of financial crime, including responses to cyber security risks, which are increasing markedly, and business continuity responses at times of large-scale natural disasters.

To foster a corporate culture that emphasizes compliance, all employees are encouraged to think independently about what is expected of them and to act accordingly all the time with integrity (sincerity, earnestness and nobility: "Do not lie to yourself").

Going forward, we will continue to work on realizing the Group's purpose, "Contribute to the prosperity of local communities through financial services," through sound risk management and by strengthening compliance based on integrity-driven behavior.

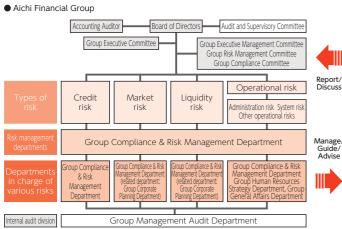
## Director and Managing Executive Officer In charge of Group Compliance & Risk Management Departmen

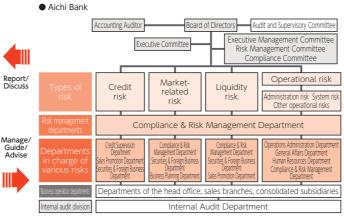
Risk Management Policy

The Group positions risk management as one of the most important issues in Group management to ensure confidence by all stakeholders including customers, local communities, employees and shareholders and contribute to the development of local communities as a regional financial group. Regarding risks faced by the Group, in order to ensure the soundness of management, we conduct integrated risk management, a self-managed risk management that comprehensively compares and contrasts risks assessed by risk category against the Group's strength of management.

#### Risk Management System

Aichi Financial Group





FG Group companies

#### Aichi Financial Group Risk Management Policy

The Aichi Financial Group Risk Management Policy is decided every year by the Board of Directors for the sophistication of risk management. Events that should be responded to with priority are shared. Main events decided in FY2025 are as follows.

Event	Response
Enhancement of the cybersecurity management system	Establish the Group's management system based on the recognition of the importance of cybersecurity
Enhancement of the credit risk management system	Manage credit risks based on sufficient understanding of the actual situations of customers, and develop a management system according to the characteristics of loan methods
Enhancement of market risk management	Enhance management according to the risk characteristics of investment products
Establishment of a BCP system	Improve the effectiveness of the Group's crisis response system through drills and other measures

#### **Business Continuity Plan (BCP)**

We consider it a social responsibility as a regional financial institution to maintain cash supply and payment systems for residents in areas affected by a crisis, such as a large earthquake, large-scale storm and flood, or global pandemic. To fulfill this responsibility, Aichi Bank has developed a BCP.

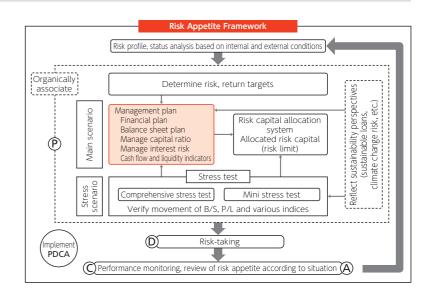
Based on the BCP, action plans are reviewed every year to improve the effectiveness of the business continuity system. In addition, business continuity drills take place regularly to increase the effectiveness of the BCP.

Main components of business continuity drills		
Tsunami evacuation drill	Safety confirmation drill	
Disaster prevention drill for typhoon and heavy rain	Alternative cash center launch drill	
Backup system launch drill	Cyber-attack response drill	
System glitch drill	Drill of infection prevention measures	

### Risk Appetite Framework

In order to realize our management vision, the Group has implemented a Risk Appetite Framework (RAF) that clarifies the types and total amount of risk known as risk appetite and uses this as a starting point to conduct business management and risk management with an integrated view of earnings, risk and capital.

The Group properly manages and operates earnings, risk and capital within a certain scope by implementing PDCA cycles without interruption based on the RAF to achieve expected returns while properly managing risk and reflecting a sustainability perspective in order to optimize the balance between the expansion of revenue opportunities and capital.



### Risk Management

### Identifying Risks and Management System

The Group categorizes recognized risks as either credit risk, market risk, liquidity risk or operational risk, and in addition to assigning a department in charge to manage each risk, we have established the Group Compliance & Risk Management Department as the supervisory department of such risks to monitor the risk situation of the Group as a whole.

Identified risk situations are reported to the periodically held Group Risk Management Committee meetings, and appropriate risk management is practiced and we are engaged in measures to enhance our risk management.

When Aichi Bank introduces new products and services, departments in charge of each of the risks identify and evaluate inherent risks beforehand. The Compliance & Risk Management Department

#### Credit Risk Management System

Credit risk is the risk the Group will incur losses when the value of assets (including off-balance sheet assets) declines or disappears due to worsening financial conditions of the party to whom credit has been extended.

The Group formulated the Credit Risk Management Regulations to establish a basic policy to manage credit risks to control the amount of credit risk that arises through credit transactions, establishing appropriate risk management and necessary systems.

#### Market Risk Management System

Market risk is the risk the Group incurs loss from changes in the value of assets and liabilities held due to fluctuations in a variety of market risk factors such as interest rates, value of securities, etc. and foreign exchange, and risk that the Group incurs loss from fluctuations in income generated from assets and liabilities.

The Group formulated the Market Risk Management Regulations to recognize the measurable amount of risk by category of market risk that

#### Liquidity Risk Management System

Liquidity risk is a risk of incurring loss due to a mismatch between operational and procurement timeframes and unforeseen outflow of funds, difficulty in securing necessary funds, or being forced to raise funds at interest rates significantly higher

generalizes the risks identified and evaluated by the risk management departments by not just the type and degree of risk, but perspectives on the possibility of monitoring and managing such risks, and if necessary, the introduction of new products and services is discussed at various meetings, including the management team.

The officer in charge of the Group Compliance & Risk Management Department clearly recognizes the status of the Group's risk management and reports such information to the Board of Directors. In order to properly execute risk management activities, the Board of Directors verifies either periodically or as necessary the efficacy of the risk management system based on reports and investigative results related to the risk management status, and reviews the system in a timely manner.

As the basic policy for credit risk management, the Group strictly adheres to laws and regulations and rules based on the Group's public and social mission. In addition, the Group strives for a more enhanced risk management and appropriate organizational management system that prevents the credit risk concentration toward specific industries and specific groups and diversifies risk as well as human capital development such as adequate placement of human capital that takes into account knowledge and experience for reasonable credit risk management and training.

occurs in the course of operations, and strives for the efficient operation and management of funds within a certain range and improve our risk management abilities.

In managing market risk, VaR and BPV are measured. In order to recognize risks that cannot be captured by VaR alone, stress tests are conducted on a regular basis and reported to the Group Risk Management Committee.

than normal (funding risk), or risk of incurring loss due to the inability to conduct market transactions due to market confusion or being forced to conduct transactions at significantly less favorable prices than normal. The Group formulated the Liquidity Risk Management Regulations to conduct efficient and stable funding and prepare for market confusion by creating a Group-based liquidity crisis management system that anticipates normal conditions, concerning conditions and crisis conditions.

Further, we secure a certain level of liquid assets that can be converted into cash to ensure soundness and compliance status is reported to the Group Risk Management Committee.

#### Operational Risk Management System

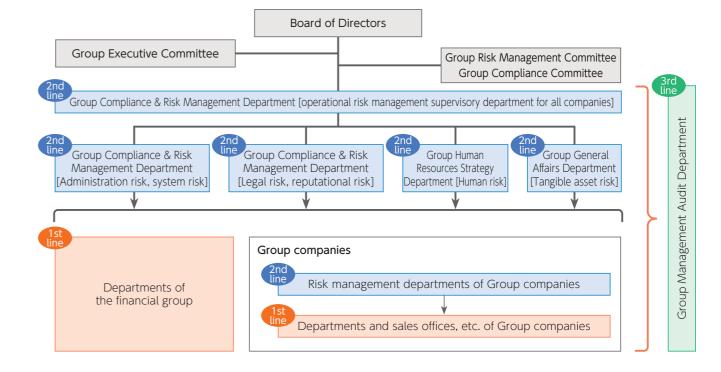
Operational risk is a risk that the Group indirectly or directly incurs loss due to inappropriate internal processes or conduct by officers or employees, the system not functioning properly, or external events.

The Group formulated the Operational Risk Management Regulations, categorizing operational risks by cause of occurrence into multiple risk categories and assigning a department in charge of each risk category with the Group Compliance & Risk Management Department overseeing and managing all operational risks.

Further, we are engaged in strengthening the operational risk management system by gathering and analyzing internal loss data.

The types and definitions of operational risks subject to management by the Group are as follows.

Administration risk	Risk of loss due to negligence of officers and employees to perform accurate administration, accidents or fraud
System risk	<ul> <li>Risk of loss due to system inadequacies such as computer systems going down or malfunctioning</li> <li>Risk of loss due to the unauthorized use of computers (including cyber-attacks)</li> </ul>
Human risk	Risk of loss or damage due to inequity and unfairness in human resource operations (issues pertaining to compensation, benefits, dismissal, etc.), discriminatory behavior (sexual harassment, etc.)
Tangible asset risk	Risk of damage or loss to tangible assets arising from disasters and other events
Legal risk	Risk of loss or damage due to negligent breach of duty to customers and improper business and market practices (including supervisory actions and fines arising from settlements, etc., penalties and damages)
Reputational risk	Risk of loss or damage due to decreased trust arising from deterioration of reputation and spread of rumors, etc.



## Cybersecurity

To protect customers from increasingly severe and sophisticated cyberattacks, the Group is engaged in strengthening and improving cybersecurity measures.

We promote the expansion of financial services and operational reforms utilizing digital technology while ensuring system security and strive to provide high-quality financial services to our customers.

### Cybersecurity Governance

#### Involvement by Management

The Group has positioned cybersecurity risks as an important issue in management and is engaged in management-led cybersecurity measures.

The Group Compliance & Risk Management Department oversees the cybersecurity systems for the entire Group. In addition to sharing incidents in a timely manner within the Group, it is also responsible for identifying and defending against risks, detecting and responding when incidents occur, and creating a system for swift recovery and

resolution, as stipulated in information security management regulations. The system is arranged to periodically report to the Group's Risk Management Committee on the status of security measures and various measures based on threats and external trends.

Further, such reported matters are also reported to the Group Executive Committee and Board of Directors as appropriate according to changing conditions.

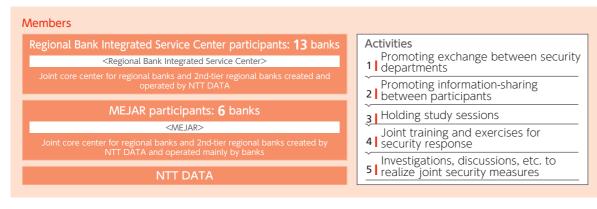
#### **Incident Response System**

The Group has established CSIRT, a team dedicated to cybersecurity comprised of relevant departments, at Aichi Bank, gathers information and monitors the latest method of cyber-attacks, conducts periodic inspections by performing vulnerability assessments and participates in trainings hosted by authorities to strengthen our structure to prepare for emergencies. We have established a system to take urgent countermeasures if a cyber-attack incident occurs, with CSIRT leading the swift internal information-sharing process and initial response, and establishing a crisis management

task force under the direction of management, depending on the circumstances.

In addition, Aichi Bank jointly established CMS-CSIRT which is comprised of banks participating in the Regional Bank Integrated Service Center where NTT DATA operates the core system, as well as banks participating in MEJAR in FY2023. We are engaged in strengthening our security posture through forming relationships with the security divisions of participating banks, as well as joint training and study sessions.

#### Overview of CMS-CSIRT



#### Third-party Assessment

In addition to system audits by internal auditing divisions, the Group utilizes cybersecurity system assessments by third parties to strengthen cybersecurity measures and conduct continued initiatives to improve identified issues.

#### Response to Supply Chain Risk

Recently, cyber-attacks that exploit vulnerabilities in supply chains have become a huge threat. The Group considers the creation of a cybersecurity posture for the entire Group, including affiliates, as a pressing issue and has held regular meetings to discuss countermeasures and actively supported activities to improve the cybersecurity posture of affiliates.

If the Group outsources all or some of its operations, in addition to an eligibility assessment at the time of selecting contractors, we regularly verify that security levels are maintained after the contract is concluded.

#### **Access Restrictions and Data Protection**

To appropriately manage internal information, the Group uses a system to restrict access based on affiliation or position.

In addition, we have created a system to prevent unauthorized access and leak of information to external parties by implementing a system of checks and balances when sending documents to external parties via email, limiting the use of unauthorized external storage media and collecting logs of computers used for business.

The Group has also implemented a variety of initiatives for our customers to safely use services over the Internet, such as implementing a system to swiftly detect unauthorized access, as well as encrypting communications when customers connect to Internet banking services from their devices.

### **Education and Awareness**

#### **Education and Training for Employees**

In addition to conducting periodic training for cyber-attacks for all employees, including those of affiliated subsidiaries, the Group also holds multiple trainings for targeted email attacks to improve employees' email literacy.

Regarding training, in addition to registering an at-home learning content that utilizes an e-learning system on topics such as recent cases of cyber-attacks and how to ensure the security of information assets, the Group conducts cybersecurity training for newly joined employees and study sessions for

the management level featuring external experts as a form of level-based training.

Furthermore, to improve IT literacy not limited to cybersecurity, the Group also encourages officers and employees of Aichi Bank to take the Information Technology Passport Examination, and provide support for officers and employees of Aichi Bank aiming to obtain certification, such as by holding preparatory courses and paying incentives for skill development.

#### **Awareness Activities for Customers**

As a measure against financial crimes such as phishing scams, which have increased rapidly in recent years, Aichi Bank provides warning information for customers on its website about financial crimes.

## Compliance Initiatives

The Group has identified "Strengthening governance" as a materiality and considers compliance an important issue.

Each company of the Group and all employees work together as a whole to enhance the compliance structure under the Basic Compliance Policy.

### **Compliance System**

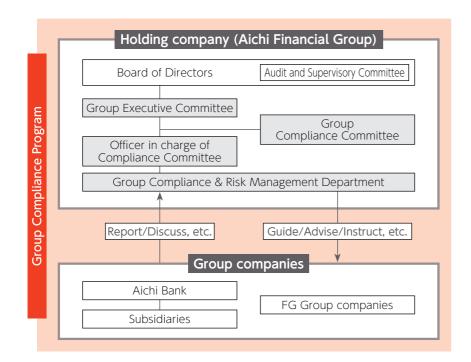
The Group considers the Group Compliance & Risk Management Department the supervising department on matters concerning compliance. As the person responsible for matters concerning compliance, the officer in charge of the Group Compliance & Risk Management Department drafts plans related to compliance, monitors recognition and awareness, supports Group companies in compliance and reports significant matters to the Board of Directors.

Specifically, we have established the Basic Compliance Policy, which is the detailed basic policy for all employees, and the Charter of Ethics & Code of Conduct, which provides a clear explanation of laws and regulations and actions to be complied with, and we are working to ensure that the contents are understood by all employees. In addition, we strive for thorough compliance by continuously implementing compliance training to educate all employees.

Further, if there is a violation of laws and regulations, we investigate the actual situation, take measures to prevent recurrence, and report the case to the Group Compliance Committee and the Board of Directors.

The Group formulated the Group Compliance Program as a detailed implementation plan to realize compliance and follows its progress. The FY2025 Group Compliance Program focuses on initiatives such as fostering an awareness of compliance, creating a Group management structure, reinforcing a misconduct prevention system, strengthening the customer protection management system, strengthening the information management system and enhancing an AML/CFT system (including severing relations with antisocial forces).

We also regularly hold the Group Compliance Committee attended by the President, Directors, Executive Officers, General Managers, representatives from relevant subsidiaries, and others to monitor the status of the Group Compliance Program, receive reports of and discuss suspected cases of compliance violations, and report important cases to the Board of Directors.



### **Initiatives to Prevent Corruption**

In the Basic Policy on Prevention of Bribery, etc., the Group promotes fair transactions based on high ethical standards to maintain soundness and appropriateness of our operations and to contribute to the development of a sustainable society. To ensure competition within a society that is free and highly transparent, we have designated the officer in charge of the Group Compliance & Risk Management Department the person responsible for matters for the prevention of bribery, etc., and are engaged in measures to prevent bribery and corruption, stipulating that all bribery and corruption practices are strictly prohibited.

The Group prohibits any act that, with the intention of wrongfully exercising duties or authority or accepting a request for inaction, provides or promises to provide inappropriate benefits or receives or requests to provide inappropriate benefits (any and all tangible and intangible valuables, including

money, goods, services, entertainment, and employment of family relatives) for the purpose of offering special favors to the provider, regardless of whether the act involves the government or the private sector.

The Group also communicates the Basic Policy on Prevention of Bribery, etc., to all employees, and study sessions are held to ensure compliance. In addition, an internal reporting system has been established to allow reporting of infractions of laws and regulations and rules concerning bribery, etc. or the discovery of any conduct that raises such concerns to an internal hotline as well as a designated external channel. Further, we ensure that no one shall be treated unfairly due to such reports.

Through such initiatives, there were no disciplinary measures or termination due to acts of corruption in FY2024. In addition, no expenses for fines or settlements have been incurred.

### **Internal Reporting System**

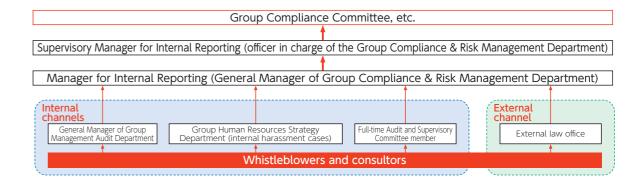
The Group recognizes its social responsibility and public mission, and in accordance with the Whistle-Blower Protection Act, has set up internal reporting channels in order to create a work environment to practice strict adherence to laws and regulations and rules, and to prevent, detect early, and correct fraud, illegal conduct, conduct that violates social norms and corporate ethics and bribery. The internal reporting system has set up multiple channels including not only a hotline within the Company but a reporting and consultation hotline by an external lawyer where all employees within the Group (including seconded employees, contracted employees and temporary employees) can directly report and receive advice on compliance issues.

The internal reporting channel accepts anonymous tips for whistleblower protection, and investigations are conducted under strict information

management by the person engaged in dealing with whistleblower disclosures so that the whistleblower cannot be identified, and that the whistleblower is not searched or treated unfavorably in any way because of his or her report.

If a report is received, a factual investigation is conducted depending on the content of the report, corrective actions and measures to prevent recurrence are enacted as necessary depending on the results of the investigation and feedback is provided to the whistleblower within the necessary scope while taking into consideration the whistleblower's trust, honor and privacy. If a lawyer is involved as the external hotline, investigation results are also reported to said lawyer.

In addition, poster's are displayed and study sessions for all employees are held to enhance and make known the internal reporting system, including the protection of whistleblowers.



### **Compliance Initiatives**

### Managing Conflicts of Interest

Based on the Basic Policy on the Management of Conflicts of Interest, the Group intends to manage transactions appropriately so that customers' interests will not be unjustly impaired in transactions between the Group and a customer or between the Group's customers. To that end, the Group Compliance & Risk Management Department has been designated as the department for overall management of conflicts of interest, and the department centrally manages transactions that involve conflicts of interest for the entire Group.

A transaction that involves a conflict of interest refers to a transaction that causes a conflict of interest between the Group and a customer or between customers, a transaction that involves competing interests between the Group and a customer or between customers, and a transaction carried out by the Group or a customer using information the Group has obtained through the relationship with another customer, whose interest is unjustly impaired in the transaction.

### Initiatives to Protect Personal Information, Specific Personal Information, etc.

In order to protect personal information, the Group has created the Declaration of Personal Information Protection for the appropriate protection and use of customer's personal information as well as customers' personal information acquired in connection with the Group's operational transactions, making it known to all employees.

Moreover, the Group recognizes the appropriate handling of customer's specific personal information as our social obligation and seeks to protect specific personal information through the formulation and announcement of the Basic Policy on the Handling of Specific Personal Information, as well as making sure all employees comply with such policy.

Please see the following pages of the Group's website for detailed initiatives related to personal information, etc.

- Shared use of personal data and corporate information within the Group ··· https://www.aichi-fq.co.jp/privacy/share/

### Severing Relationships with Antisocial Forces

The Group takes resolute responses to antisocial forces that threaten the order and safety of civil society and sever such relationships, establishing the Basic Policy on Antisocial Forces with the Group as a whole adhering to this policy.

As the main department in charge of this basic policy, the Group Compliance & Risk Management Department strives to block relationships by each

Group company with antisocial forces and, if a business partner is discovered to be an antisocial force after transactions have begun, take appropriate responses in accordance with the basic policy.

The supervisory divisions of each company of the Group cooperate with police, lawyers, etc. to sever relationships with antisocial forces.

### **Customer Protection Initiatives**

The Group has positioned customer protection as a key management issue and practices appropriate management based on the Basic Management Policy on Customer Protections to protect customer's interests and improvement of convenience at each Group company.

As the main department in charge of customer protection management for the Group as a whole, the Group Compliance & Risk Management Department ensures that all Group companies are aware of the importance of customer protection, constantly reviews the quality of operations of each Group

company and implements persistent initiatives for their improvement, as well as ongoing efforts to protect the legitimate interests of customers and improve convenience.

With regard to major complaints that may affect the Group as a whole or cases where there is concern that customer interests may be violated, the Group Compliance & Risk Management Department receives reports and discussions from each Group company, taking appropriate measures as the Group as a whole.

#### Initiatives Taken at Aichi Bank

Aichi Bank receives complaints and consultations from customers at a supervisory department that centrally manages complaints. The supervisory department collects complaints under one roof, as well as gives instructions and guidance to relevant departments and branches and others to resolve complaints. Details and causes of complaints, as well as improvement measures and other responses, are reported at Compliance Committee meetings. Aichi Bank thus continues to work on the improvement of response to customers.

#### Response to the Financial ADR System

To swiftly, fairly and appropriately respond to complaints and inquiries by customers, the Group has entered into a basic contract for the implementation of dispute resolution procedures with the Japanese Bankers Association, a designated dispute resolution organization for banking services under the Banking Act.



JBA Customer Relations Center TEL: 0570-017109 or 03-5252-3772

### Initiatives to Prevent Damage from Financial Crimes

#### **Enhancing Transaction Monitoring**

In recent years, damage from investment and romance fraud on social media has become serious across Japan, and obscure corporate accounts have been used inappropriately for laundering money taken from fraud victims. In response to this, Aichi Bank has further enhanced transaction monitoring using a transaction monitoring system, and strives for the prevention and early detection of damage.

#### Concluding the Agreement on the Provision of Financial Crime Information

In February 2025, Aichi Bank concluded the Agreement on the Provision of Financial Crime Information with the Aichi Prefectural Police Department and The Bank of Nagoya, taking collaborative initiatives to prevent the spread of damage from financial crimes.

### **Compliance Initiatives**

### Measures for the Prevention of Money Laundering

The Group has positioned responding to money laundering, financing of terrorism, proliferation financing and economic sanctions as an important management issue based on demands of the international community, and has established, under a Group-wide management system, the Basic Policy on Prevention of Money Laundering and Financing Terrorism to maintain soundness of financial systems. Furthermore, the Group has included "enhancement of AML/CFT system" as an action item in the Group Compliance Program, engaging in the prevention of money laundering Group-wide.

In practicing the appropriate prevention of money laundering, the Group has appointed the officer in charge of the Group Compliance & Risk Management Department as the person responsible for the prevention of money laundering. Furthermore, as the managing supervisory department, the Group Compliance & Risk Management Department centrally manages significant risks that arise at Group companies.

#### <Specific initiatives>

#### ▶ Reducing risks based on the latest risk assessment

A company-wide evaluation of risks such as money laundering is conducted annually, and a risk assessment document for the Group that includes results of the investigation and analysis of risks is created to put in place, based on a risk-based approach, effective risk mitigation and customer management measures. In addition to regularly reviewing the risk assessment, we review it as necessary during any occurrence of events that may have significant effects on countermeasures for money laundering and the financing of terrorism.

#### ▶ Verifying the effectiveness

In accordance with the Act for Prevention of Transfer of Criminal Proceeds and other relevant laws and regulations, the Financial Services Agency's "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism," "Issues and Practices for Dialogue on Validation of Effectiveness of AML/CFT Frameworks" disclosed by the Financial Services Agency in March 2025, and other documents, Aichi Bank has set "preventing money laundering and financing of terrorism and severing relationships with antisocial forces" as the top priority in the Compliance Program. We verify the effectiveness of anti-money laundering and other measures and work on the enhancement of the risk management system, in accordance with the Annual Plan for the Prevention of Money Laundering and Financing of Terrorism.

#### ▶ Raising awareness of all officers and employees

To ensure the effectiveness of the prevention of money laundering, the Group regularly holds training and instruction on money laundering countermeasures to deepen the understanding of all officers and employees. Furthermore, examples of financial crimes are shared to increase their awareness and strengthen their ability to respond to such crimes.

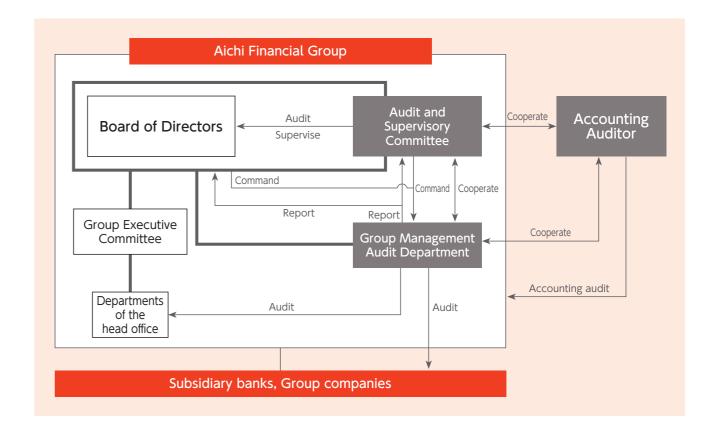
### Internal Audit System

#### **Role of Internal Audits**

The Group has established the Group Management Audit Department, independent of executive divisions and under the direct control of the Board of Directors, to conduct internal audits for the whole Group. The goal of internal audits is to enhance and preserve the value of the organizational entity. The Group Management Audit Department ensures sound and appropriate operational management and makes internal controls function, supporting the achievement of management goals by the Group. The department mainly verifies and evaluates the status of operational execution and organizational structure related to the governance process, risk management

and controls. It also checks the status of compliance with the Charter of Ethics & Code of Conduct.

The Board of Directors establishes the Group's internal auditing rules including the basic policy on internal audits, and approves internal audit plans every fiscal year. Based on approved rules and plans, the Group Management Audit Department evaluates whether there are any problems in the establishment or operational status of the Group's management system, whether there are processes in place to prevent accidents, fraud and errors and whether preparations for unforeseen circumstances are appropriate.



### **Compliance Initiatives**

#### **Execution of Internal Audits**

For audits of the head office and associated companies, the Group Management Audit Department first formulates individual plans and then determines the purpose, scope, timing and allocation of resources for internal audits through discussions. Preliminary investigations on the locations and themes subject to internal audit are conducted for the formulation of individual plans. In order to grasp the overall image of the audit as well as verify and identify the scope and depth of audit items, information gathering is conducted through review of data and documents and monitoring beforehand and risks related to the relevant location or themes are identified to the extent possible.

Audits on sales branches are basically conducted at Aichi Banks. After conducting preliminary investigations, the content of audits is reviewed as needed when rules and procedures are changed. All audits are conducted without announcement to enhance the restraining effect of audits to prevent fraud and scandals in the frontline that is the sales field.

Main investigations are conducted based on individual plans formulated through preliminary investigations and approved by the General Manager of the Group Management Audit Department. Main investigations mainly verify the following contents.

- ① Creation and operation of internal controls to ensure the appropriateness of operations and prevent incidents, as well as its establishment in the organizational body
- ② Establishment of a system for management risks that may arise from changes in daily operational activities or the surrounding environment
- ③ Management status of cooperation between companies of the Group, departments and sections, as well as of officers involved in the execution of business
- 4 Maintenance status of the security and compliance of information systems and ensuring its efficacy and efficiency as well as the efficacy of system strategy

Through such verification activities, we evaluate (1) whether risks can be prevented by deterrents for fraud and scandals within the organization and the swift detection of inappropriate events; (2) whether operations in line with rules and manuals allow controls within the organization function appropriately to maintain the efficacy and efficiency of operations and leads to a comfortable work environment; and (3) whether operations towards the Group's management targets are executed and lead to the

strengthening and improvement of the management system. Evaluation results are reported to all Directors and Audit and Supervisory Committee members through an internal audit report, and recommendations for improvement are made to the audited locations, related departments and Group companies.

A follow-up on improvement measures and improvement status is conducted after an audit to review the effectiveness of measures and degree of recognition.

#### Independence of the Internal Audit Divisions and Measures for Quality Improvement and Sophistication

The internal audit divisions must be organizationally independent in order to play an important role in the development of the Group and ensure effectiveness in performing fair and impartial duties and responsibilities. The Group Management Audit Department realizes independence within the internal audit divisions by obtaining approval from the Board of Directors that stipulates that the Audit Department maintains two reporting channels (dual reporting line), preserves access to records, persons and assets to conduct audits, and is not being subject to unnecessary interference or restrictions from other divisions.

Due to the fact that it is necessary for audit results and improvement recommendations from the internal audit to be trusted and accepted by audited entities and their relevant locations to maintain and improve the effectiveness of internal audits while meeting management's expectations, the Group Management Audit Department conducts internal

evaluations on the effectiveness of internal audits by verifying whether internal audits are conducted at or above a certain level. Internal evaluations are conducted through two methods, continuous monitoring, which systemically includes the monitoring functions in management operations of internal audit divisions and continuously conducts quality assessments and improvement activities, and a periodic review, in which after audit operations, persons other than those participating in operations determines compatibility to international standards and conducts an internal review. Results of such internal evaluations are reported to the Board of Directors. Further, timely and appropriate actions are taken to improve the quality and sophistication of internal audits such as the development of human capital by encouraging the acquisition of certifications related to internal audits and attendance of external training, as well as the utilization of external institutions for sectors that require expertise.

## **Group Financial Data**

### Overview of FY2024 Financial Results

#### <Aichi Bank, non-consolidated profit (loss)>

- Interest income decreased due to higher interest on deposits and lower interest on and dividends from securities although interest on loans and bills discounted grew.
- Net fee and commission income increased due to higher net fees and commissions related to solution businesses.
- Both personnel costs and property expenses increased.
   Property expenses included 5.4 billion yen integration-related expenses
- Credit costs as a whole decreased, although provision for general reserve for possible losses on loans was reversed in a higher amount and expenses related to portfolio problems increased.
- Ordinary profit increased due to higher net gains related to stocks, although net losses related to bonds grew.
- Profit increased due to lower income taxes, affected by the recording of deferred tax assets as a result of the bank merger.
- The Bank recorded integration-related expenses totaling approximately 11.4 billion yen composed of expenses, net non-recurring gains (losses), and net extraordinary gains (losses).

#### <Aichi FG consolidated results>

· Interest on loans and bills discounted and net fee and commission income grew steadily. Profit attributable to owners of parent increased year on year, although ordinary profit decreased year on year due to higher integration expenses.

### Aichi Bank, non-consolidated profit (loss)

(Billions of yen)	FY2023	FY2024	YoY change
Operational gross profit	51.5	48.2	(3.2)
Core operational gross profit	60.9	60.9	(0)
Interest income	51.6	50.3	(1.3)
Net fee and commission income	10.4	11.4	0.9
Net other operating income	(10.6)	(13.5)	(2.8)
Expenses	42.3	46.1	3.8
Personnel costs	19.8	20.4	0.5
Property expenses	18.9	22.0	3.0
Integration-related expenses	2.5	5.4	2.9
Net business profits (before provision for general reserve for losses on loans)	9.1	2.0	(7.0)
Core operations net profit	18.5	14.7	(3.8)
Core operations net profit (excl. net gains (losses) from redemption of investment trusts)	16.6	14.1	(2.5)
Provision for general reserve for possible losses on loans	(0.9)	(1.8)	(0.8)
Net business profit	10.0	3.8	(6.2)
Net gains (losses) related to bonds	(9.4)	(12.7)	(3.2)
Net non-recurring gains (losses)	(0.8)	6.5	7.3
Net gains (losses) related to stocks	6.3	13.0	6.6
Expenses related to portfolio problems	2.2	2.9	0.6
Integration-related expenses	4.1	5.5	1.3
Ordinary profit	9.2	10.3	1.1
Net extraordinary gains (losses)	(0.4)	(0.6)	(0.1)
Integration-related expenses	0.0	0.5	0.5
Total income taxes	2.3	0.1	(2.2)
Profit	6.4	9.6	3.2

### Aichi FG Consolidated Results

(Billions of yen)	FY2023	FY2024	YoY change
Ordinary income	88.6	101.0	12.3
Ordinary profit	12.5	10.2	(2.3)
Profit attributable to owners of parent	8.2	9.0	0.8

### **Consolidated Financial Statements**

#### **Consolidated Balance Sheets**

Assets		(Millions of yen
FY Item	As of March 31, 2024	As of March 31, 2025
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 and Net Assets

(Millions of yen)

	(Millions of yen)
As of March 31, 2024	As of March 31, 2025
5,821,934	5,932,927
23,100	1,600
190,898	79,760
326,089	336,166
1,463	1,416
38,371	57,050
1,229	1,136
105	106
12	111
87	129
162	_
2,354	2,699
35,399	22,702
4,493	4,623
6,203	5,460
6,451,906	6,445,891
20,026	20,026
37,021	36,939
230,061	234,255
△337	△36
286,772	291,185
76,387	42,623
734	5,397
8,308	8,178
6,865	6,108
92,295	62,307
463	300
_	18
379,531	353,810
6,831,438	6,799,701
	2024 5,821,934 23,100 190,898 326,089 1,463 38,371 1,229 1005 12 87 162 2,354 35,399 4,493 6,203 6,451,906 20,026 37,021 230,061 △337 286,772 76,387 734 8,308 6,865 92,295 463 — 379,531

#### Consolidated Statements of Income

lillions of yen)

Item         March 31, 2024         March 31, 2025           Ordinary Income         88,687         101,03           Interest Income         56,459         58,42           Interest on Loans and Bills Discounted         36,059         39,83           Interest and Dividends on Securities         19,705         16,83           Interest on Call Loans and Bills Purchased         41         66           Interest on Due from Banks         377         1,45           Other Interest Income         275         24           Fee and Commission Income         17,283         18,24           Other Operating Income         6,561         6,900           Other Ordinary Income         8,381         17,455           Provision for Reserve for Reimbursement of Deposits         -         8           Recovery of Written-off Claims         9         -           Other         8,371         17,37           Ordinary Expenses         76,102         90,75           Interest	FY FY	Fiscal year ended	Fiscal year ended
Interest Income         56,459         58,422           Interest on Loans and Bills Discounted         36,059         39,83           Interest and Dividends on Securities         19,705         16,83           Interest on Call Loans and Bills Purchased         41         66           Interest on Due from Banks         377         1,456           Other Interest Income         275         24           Fee and Commission Income         17,283         18,244           Other Operating Income         6,561         6,900           Other Operating Income         6,561         6,900           Other Operating Income         8,381         17,455           Provision for Reserve for Reimbursement of Deposits         8         881         17,455           Recovery of Written-off Claims         9         9         0ther         8,371         17,37           Ordinary Expenses         76,102         90,755         Interest Expenses         3,479         7,97           Interest to Deposits         1,283         5,920         1,128         1,123         5,921           Interest on Deposits         1,283         5,931         1,123         5,921         1,128         1,124         1,124         1,124         1,124         1,12	Item	March 31, 2024	March 31, 2025
Interest on Loans and Bills Discounted   19,705   16,83°   11,45°   16,83°   11,45°   16,83°   11,45°   14,50°   16,83°   11,45°   14,50°   16,83°   11,45°   14,50°   14,5	Ordinary Income	88,687	101,036
Interest and Dividends on Securities   19,705   16,83     Interest on Call Loans and Bills Purchased   41   62     Interest on Due from Banks   377   1,45     Other Interest Income   275   24     Fee and Commission Income   17,283   18,24     Other Operating Income   6,561   6,90     Other Ordinary Income   8,381   17,45     Provision for Reserve for Reimbursement of Deposits   − 8     Recovery of Written-off Claims   9     Other Ordinary Expenses   76,102   90,75     Interest Expenses   76,102   90,75     Interest on Deposits   1,283   5,92     Interest on Negotiable Certificates of Deposit   8   11     Interest on Securities Lending Transactions   336   399     Interest on Bonds and Notes   31   −5     Other Interest Expenses   1,640   1,06     Fee and Commission Expenses   14,946   20,08     General and Administrative Expenses   1,494   20,08     General and Administrative Expenses   1,121   71     Other Ordinary Expenses   7,059   9,28     Provision for Reserves for Possible Losses on Loans   7,059   8,030     Ordinary Profit   12,584   10,28     Extraordinary Gains   7   10     Cordinary Profit   12,584   10,28     Extraordinary Gains   7   10     Cordinary Profit   12,584   10,28     Extraordinary Gains   7   10     Cordinary Expenses   5,43   5,66     Losses on Impairment of Fixed Assets   7   10     Cordinary Profit   12,584   10,28     Extraordinary Gains   7   10     Cordinary Profit   12,584   10,28     Extraordinary Gains   7   10     Cordinary Profit   12,584   10,28     Losses on Revision of Fixed Assets   54   10     Losses on Cancellation of Systems   222   − −     Losses on Profit (Loss) Attributable to Non-controlling Interests   3,659   62     Profit (Loss) Attributable to Non-controlling Interests   3,	Interest Income	56,459	58,42
Interest on Call Loans and Bills Purchased   1	Interest on Loans and Bills Discounted	36,059	39,83
Interest on Due from Banks	Interest and Dividends on Securities	19,705	16,83
Other Interest Income         275         24           Fee and Commission Income         17,283         18,249           Other Operating Income         6,561         6,900           Other Ordinary Income         8,381         17,456           Provision for Reserve for Reimbursement of Deposits         −         81           Recovery of Written-off Claims         9         −           Other         8,371         17,377           Ordinary Expenses         76,102         90,75           Interest Expenses         3,479         7,97           Interest on Deposits         1,283         5,920           Interest on Deposits         8         16           Interest on Deposits         1,283         5,920           Interest on Deposits         8         16           Interest on Securities Lending Transactions         336         398           Interest on Securities Lending Transactions         336         398           Interest on Borrowed Money         114         574           Interest on Bonds and Notes         31         −           Other Interest Expenses         1,640         1,060           Fee and Commission Expenses         1,4946         20,08           General and Ad	Interest on Call Loans and Bills Purchased	41	6:
Fee and Commission Income         17,283         18,244           Other Operating Income         6,561         6,900           Other Ordinary Income         8,381         17,455           Provision for Reserve for Reimbursement of Deposits         −         80           Recovery of Written-off Claims         9         0           Other         8,371         17,377           Ordinary Expenses         76,102         90,75-           Interest Expenses         3,479         7,977           Interest on Deposits         1,283         5,926           Interest on Negotiable Certificates of Deposit         8         11           Interest on Negotiable Certificates of Deposit         8         11           Interest on Securities Lending Transactions         336         390           Interest on Securities Lending Transactions         336         390           Interest on Bonds and Notes         31         −           Other Interest Expenses         1,640         1,060           Other Interest Expenses         1,640         1,061           Other Operating Expenses         14,946         20,08           General and Administrative Expenses         43,712         47,756           Other Operating Expenses         8,5	Interest on Due from Banks	377	1,450
Other Operating Income         6,561         6,900           Other Ordinary Income         8,381         17,458           Provision for Reserve for Reimbursement of Deposits         −         88           Recovery of Written-off Claims         9         17,37           Ordinary Expenses         76,102         90,75           Interest Expenses         3,479         7,97           Interest on Deposits         1,283         5,920           Interest on Negotiable Certificates of Deposit         8         16           Interest on Negotiable Certificates of Deposit         8         16           Interest on Negotiable Certificates of Deposit         8         16           Interest on Securities Lending Transactions         336         390           Interest on Securities Lending Transactions         336         390           Interest on Borrowed Money         114         57*           Interest on Bords and Notes         31         −           Other Interest Expenses         1,640         1,060           Fee and Commission Expenses         1,4946         20,08           General and Administrative Expenses         43,712         47,756           Other Operating Expenses         8,529         9,28           Provision fo	Other Interest Income	275	24
Other Ordinary Income         8,381         17,45¹           Provision for Reserve for Reimbursement of Deposits         −         80           Recovery of Written-off Claims         9           Other         8,371         17,37¹           Ordinary Expenses         76,102         90,75¹           Interest Expenses         3,479         7,97¹           Interest on Deposits         1,283         5,92ℓ           Interest on Negotiable Certificates of Deposit         8         1ℓ           Interest on Negotiable Certificates of Deposit         8         1ℓ           Interest on Deposits         1,283         5,92ℓ           Interest on Securities Lending Transactions         336         39ℓ           Interest on Borrowed Money         114         57⁴           Interest on Bornowed Money         114         57€           O	Fee and Commission Income	17,283	18,24
Provision for Reserve for Reimbursement of Deposits         —         86           Recovery of Written-off Claims         9         —           Other         8,371         17,37           Ordinary Expenses         76,102         90,75           Interest Expenses         3,479         7,97           Interest on Deposits         1,283         5,920           Interest on Deposits         8         10           Interest on Deposits         8         10           Interest on Poposits         8         10           Interest on Securities Lending Transactions         336         390           Interest on Borrowed Money         114         57           Interest on Borrowed Money         114	Other Operating Income	6,561	6,90
Reimbursement of Deposits Recovery of Written-off Claims Other Other Resovery of Written-off Claims Other Other Ordinary Expenses Interest Expenses Interest on Deposits Interest on Deposits Interest on Negotiable Certificates of Deposit Interest on Call Money and Bills Sold Interest on Securities Lending Transactions Interest on Borrowed Money Interest on Borrowed Money Interest on Bonds and Notes Interest on Bonds and Notes Other Interest Expenses Interest on Bonds and Notes Other Operating Expenses Other Operating Expenses Id-40 General and Administrative Expenses Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Contingencies Other Ordinary Profit Interest on Bonds and Notes Interest on Bonds and Notes Interest on Bonds and Notes Interest Expenses Interest Only Interest Expenses Interest Expenses Interest Expenses Interest Only Interest Expenses Interest Expenses Interest Only Interest Expenses Interest Expenses Interest Expenses Interest Only Interest Expenses Interest Expenses Interest Only Interest Expenses Interest Expenses Interest Only Interest Intere	Other Ordinary Income	8,381	17,459
Other         8,371         17,37           Ordinary Expenses         76,102         90,75           Interest Expenses         3,479         7,97           Interest on Deposits         1,283         5,920           Interest on Negotiable Certificates of Deposit         8         1           Interest on Negotiable Certificates of Deposit         8         1           Interest on Call Money and Bills Sold         64         -           Interest on Securities Lending Transactions         336         390           Interest on Bonds and Notes         31         -           Other Interest Expenses         1,640         1,06           Fee and Commission Expenses         1,4946         20,08           General and Administrative Expenses         43,712         47,75           Other Operating Expenses         8,529         9,28           Provision for Reserves for Possible Losses on Loans         1,121         71           Other Ordinary Expenses         8,529         9,28           Provision of Reserve for Possible Losses on Loans         -         6           Provision for Reserve for Possible Losses on Loans         -         6           Provision for Reserve for Contingencies         316         536           Other </td <td></td> <td>_</td> <td>80</td>		_	80
Ordinary Expenses         76,102         90,75-1           Interest Expenses         3,479         7,97-2           Interest on Deposits         1,283         5,920           Interest on Negotiable Certificates of Deposit         8         10           Interest on Securities Lending Transactions         336         390           Interest on Borrowed Money         114         570           Interest on Bonds and Notes         31         -           Other Interest Expenses         1,640         1,060           Fee and Commission Expenses         5,435         5,660           Other Operating Expenses         14,946         20,08           General and Administrative Expenses         43,712         47,750           Other Ordinary Expenses         8,529         9,28           Provision for Reserves for Possible Losses on Loans         1,121         71-           Provision of Reserve for Possible Losses on Investments         -         6           Provision for Reserve for Contingencies         316         530           Other         7,059         8,030           Other         7,059         8,030           Ordinary Profit         12,584         10,28           Extraordinary Gains         7         11<	Recovery of Written-off Claims	9	
Interest Expenses 3,479 7,97:  Interest on Deposits 1,283 5,920:  Interest on Negotiable Certificates of Deposit 8  Interest on Call Money and Bills Sold 64  Interest on Securities Lending Transactions 336 390:  Interest on Borrowed Money 114 57:  Interest on Bonds and Notes 31  Other Interest Expenses 1,640 1,06:  Fee and Commission Expenses 5,435 5,66:  Other Operating Expenses 14,946 20,08  General and Administrative Expenses 43,712 47,75:  Other Ordinary Expenses 8,529 9,28  Provision for Reserves for Possible Losses on Loans 1,121 71:  Other Ordinary Expenses 1,121 71:  Other Ordinary Foreit 1,12584 1,128:  Extraordinary Gains 7,1059 8,036:  Other 7,059 8,036:  Ordinary Profit 1,2584 10,280:  Extraordinary Losses 561 566:  Losses on Disposition of Fixed Assets 7 11:  Extraordinary Losses 561 566:  Losses on Revision of Retirement Benefit Plan	Other	8,371	17,37
Interest on Deposits Interest on Negotiable Certificates of Deposit Interest on Call Money and Bills Sold Interest on Securities Lending Transactions Interest on Borrowed Money Interest on Borrowed Money Interest on Bonds and Notes Other Interest Expenses Other Interest Expenses Interest on Bonds and Notes Other Operating Expenses Interest Int	Ordinary Expenses	76,102	90,75
Interest on Negotiable Certificates of Deposit Interest on Call Money and Bills Sold Interest on Securities Lending Transactions Interest on Borrowed Money Interest on Borrowed Money Interest on Bonds and Notes Other Interest Expenses Interest Expenses Other Operating Expenses Other Operating Expenses Interest Intere	Interest Expenses	3,479	7,97
Interest on Call Money and Bills Sold Interest on Securities Lending Transactions Interest on Borrowed Money Interest on Borrowed Money Interest on Bonds and Notes Other Interest Expenses Interest Inte	Interest on Deposits	1,283	5,920
Interest on Securities Lending Transactions  Interest on Borrowed Money  Interest on Bonds and Notes  Other Interest Expenses  Other Interest Expenses  1,640  Fee and Commission Expenses  Other Operating Expenses  Other Operating Expenses  Iday46  General and Administrative Expenses  Other Ordinary Expenses  Provision for Reserves for Possible Losses on Loans  Provision of Reserve for Possible Losses on Investments  Provision for Reserve for Reimbursement of Deposits  Provision for Reserve for Contingencies Other  Ordinary Profit  Extraordinary Gains  Gains on Disposition of Fixed Assets  Losses on Impairment of Fixed Assets  Losses on Revision of Retirement Benefit Plan  Losses on Cancellation of Systems  Income Defore Income Taxes  Income Taxes  Profit  Total Income Taxes  Profit  Profit (Loss) Attributable to Non-controlling Interests  A 10,000  1,060  1,	Interest on Negotiable Certificates of Deposit	8	16
Interest on Borrowed Money Interest on Bonds and Notes Other Interest Expenses Other Interest Expenses Interest Expenses Interest Expenses Interest Expenses It 4,946 Interest Expenses Other Operating Expenses It 4,946 Interest Expenses Interest Interest Expenses Interest I	Interest on Call Money and Bills Sold	64	-
Interest on Bonds and Notes  Other Interest Expenses  Other Interest Expenses  1,640  1,060  Fee and Commission Expenses  5,435  5,660  Other Operating Expenses  14,946  20,08  General and Administrative Expenses  43,712  47,750  Other Ordinary Expenses  8,529  Provision for Reserves for Possible Losses on Loans  Provision of Reserve for Possible Losses on Investments  Provision for Reserve for Reimbursement of Deposits  Provision for Reserve for Contingencies  Other  7,059  8,030  Ordinary Profit  12,584  10,28:  Extraordinary Gains  7  10  Extraordinary Losses  Losses on Disposition of Fixed Assets  7  10  Extraordinary Losses  Losses on Revision of Retirement Benefit Plan  Losses on Revision of Retirement Benefit Plan  Losses on Cancellation of Systems  12,030  9,721  Income Defore Income Taxes  169  A19  Total Income Taxes  9,091  Profit (Loss) Attributable to Non-controlling Interests	Interest on Securities Lending Transactions	336	398
Other Interest Expenses 1,640 1,060 Fee and Commission Expenses 5,435 5,660 Other Operating Expenses 14,946 20,08 General and Administrative Expenses 43,712 47,750 Other Ordinary Expenses 8,529 9,28 Provision for Reserves for Possible Losses on Loans 1,121 71.  Provision of Reserve for Possible Losses on Investments - 60 Provision for Reserve for Reimbursement of Deposits 7,059 8,030 Ordinary Profit 12,584 10,28 Extraordinary Gains 7 10 Extraordinary Losses 561 561 Losses on Disposition of Fixed Assets 54 100 Losses on Impairment of Fixed Assets 54 100 Losses on Revision of Retirement Benefit Plan - 450 Losses on Cancellation of Systems 222 Income Defore Income Taxes 12,030 9,720 Income Taxes - Current 169 △190 Total Income Taxes 3,489 820 Income Taxes - Deferred 169 △190 Total Income Taxes 3,659 620 Profit (Loss) Attributable to Non-controlling Interests	Interest on Borrowed Money	114	579
Fee and Commission Expenses 5,435 5,66- Other Operating Expenses 14,946 20,08 General and Administrative Expenses 43,712 47,750 Other Ordinary Expenses 8,529 9,28 Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies 316 530 Other 7,059 8,030 Ordinary Profit 12,584 10,28 Extraordinary Gains 7 10 Extraordinary Losses 561 566 Losses on Disposition of Fixed Assets 7 10 Extraordinary Losses 561 566 Losses on Impairment of Fixed Assets 54 100 Losses on Revision of Retirement Benefit Plan - 455 Losses on Cancellation of Systems 222 Income before Income Taxes 12,030 9,729 Income Taxes - Current 3,489 820 Income Taxes - Deferred 169 △199 Total Income Taxes 3,659 629 Profit (Loss) Attributable to Non-controlling Interests	Interest on Bonds and Notes	31	-
Other Operating Expenses 14,946 20,08 General and Administrative Expenses 43,712 47,756 Other Ordinary Expenses 8,529 9,28 Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies 316 530 Other 7,059 8,030 Ordinary Profit 12,584 10,28 Extraordinary Gains 7 11 Extraordinary Losses 561 566 Losses on Disposition of Fixed Assets 7 10 Extraordinary Losses 561 566 Losses on Impairment of Fixed Assets 54 100 Losses on Revision of Retirement Benefit Plan - 455 Losses on Cancellation of Systems 222 Income before Income Taxes 12,030 9,729 Income Taxes - Current 3,489 820 Income Taxes - Deferred 169 △199 Total Income Taxes 3,659 629 Profit (Loss) Attributable to Non-controlling Interests	Other Interest Expenses	1,640	1,063
General and Administrative Expenses 43,712 47,751 Other Ordinary Expenses 8,529 9,28 Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies 316 531 Other 7,059 8,031 Ordinary Profit 12,584 10,28: Extraordinary Gains 7 11 Extraordinary Gains 7 11 Extraordinary Losses 561 56: Losses on Disposition of Fixed Assets 54 10: Losses on Impairment of Fixes Assets 285 Losses on Revision of Retirement Benefit Plan 45: Losses on Cancellation of Systems 222 Income Defore Income Taxes 12,030 9,721 Income Taxes - Current 169 △199 Total Income Taxes 3,659 629 Profit (Loss) Attributable to Non-controlling Interests	Fee and Commission Expenses	5,435	5,66
Other Ordinary Expenses Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies Other Other 7,059 8,030 Ordinary Profit 12,584 10,28: Extraordinary Gains 7 11 Extraordinary Gains 7 11 Extraordinary Losses Losses on Disposition of Fixed Assets 54 10. Losses on Impairment of Fixes Assets Losses on Revision of Retirement Benefit Plan Losses on Cancellation of Systems 12,030 9,721 Income Taxes - Current 169 A19 Total Income Taxes 3,659 621 Profit Profit (Loss) Attributable to Non-controlling Interests	Other Operating Expenses	14,946	20,08
Provision for Reserves for Possible Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies 316 530 Other 7,059 8,030 Ordinary Profit 12,584 10,28: Extraordinary Gains 7 11 Gains on Disposition of Fixed Assets 7 110 Extraordinary Losses 561 56: Losses on Disposition of Fixed Assets 54 10: Losses on Impairment of Fixes Assets 285 Losses on Revision of Retirement Benefit Plan - 45: Losses on Cancellation of Systems 222 Income before Income Taxes 12,030 9,72: Income Taxes - Current 3,489 82: Income Taxes - Deferred 169 △19: Total Income Taxes 3,659 62: Profit (Loss) Attributable to Non-controlling Interests	General and Administrative Expenses	43,712	47,750
Losses on Loans Provision of Reserve for Possible Losses on Investments Provision for Reserve for Reimbursement of Deposits Provision for Reserve for Contingencies Other Other 7,059 8,030 Ordinary Profit 12,584 10,28: Extraordinary Gains 7 11 Gains on Disposition of Fixed Assets 7 11 Extraordinary Losses Losses on Disposition of Fixed Assets Losses on Disposition of Fixed Assets 10 Losses on Revision of Retirement Benefit Plan Losses on Cancellation of Systems 1222 Income before Income Taxes 12,030 9,722 Income Taxes - Current 169 A19 Total Income Taxes 3,659 625 Profit Profit (Loss) Attributable to Non-controlling Interests	Other Ordinary Expenses	8,529	9,28
Losses on Investments         −           Provision for Reserve for Reimbursement of Deposits         31           Provision for Reserve for Contingencies         316         53           Other         7,059         8,03           Ordinary Profit         12,584         10,28           Extraordinary Gains         7         10           Gains on Disposition of Fixed Assets         7         10           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         10           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19           Total Income Taxes         3,659         62           Profit         8,371         9,09           Profit (Loss) Attributable to Non-controlling Interests         △		1,121	71
Reimbursement of Deposits         31           Provision for Reserve for Contingencies         316         53           Other         7,059         8,03           Ordinary Profit         12,584         10,28           Extraordinary Gains         7         11           Gains on Disposition of Fixed Assets         7         10           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         285           Losses on Revision of Retirement Benefit Plan         —         45           Losses on Cancellation of Systems         222         —           Income before Income Taxes         12,030         9,72!           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19!           Total Income Taxes         3,659         62!           Profit         8,371         9,09!           Profit (Loss) Attributable to Non-controlling Interests         △		-	(
Other         7,059         8,030           Ordinary Profit         12,584         10,28           Extraordinary Gains         7         10           Gains on Disposition of Fixed Assets         7         10           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         3           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19           Total Income Taxes         3,659         62           Profit         8,371         9,099           Profit (Loss) Attributable to Non-controlling Interests         △	Reimbursement of Deposits		-
Ordinary Profit         12,584         10,28           Extraordinary Gains         7         11           Gains on Disposition of Fixed Assets         7         10           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         3           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19           Total Income Taxes         3,659         62           Profit         8,371         9,099           Profit (Loss) Attributable to Non-controlling Interests         75         △	Provision for Reserve for Contingencies		
Extraordinary Gains         7         11           Gains on Disposition of Fixed Assets         7         11           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         3           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19           Total Income Taxes         3,659         62           Profit         8,371         9,09           Profit (Loss) Attributable to Non-controlling Interests         75         △			
Gains on Disposition of Fixed Assets         7         10           Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         285           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72           Income Taxes - Current         3,489         82           Income Taxes - Deferred         169         △19           Total Income Taxes         3,659         62           Profit         8,371         9,09           Profit (Loss) Attributable to Non-controlling Interests         75         △	Ordinary Profit	12,584	10,28
Extraordinary Losses         561         56           Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285         285           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82:           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Non-controlling Interests         75         △			
Losses on Disposition of Fixed Assets         54         10           Losses on Impairment of Fixes Assets         285           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82:           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Non-controlling Interests         75         △	· · · · · · · · · · · · · · · · · · ·		
Losses on Impairment of Fixes Assets         285           Losses on Revision of Retirement Benefit Plan         −         45           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82:           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Noncontrolling Interests         75         △	Extraordinary Losses	561	
Losses on Revision of Retirement Benefit Plan         −         45:           Losses on Cancellation of Systems         222         −           Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82:           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Noncontrolling Interests         75         △	'		10:
Losses on Cancellation of Systems         222            Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82:           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Noncontrolling Interests         75         △	·	285	
Income before Income Taxes         12,030         9,72:           Income Taxes - Current         3,489         82.           Income Taxes - Deferred         169         △19:           Total Income Taxes         3,659         62:           Profit         8,371         9,09:           Profit (Loss) Attributable to Noncontrolling Interests         75         △		-	45
Income Taxes - Current         3,489         82-           Income Taxes - Deferred         169         △19!           Total Income Taxes         3,659         62-           Profit         8,371         9,09!           Profit (Loss) Attributable to Non-controlling Interests         75         △	Losses on Cancellation of Systems	222	-
Income Taxes - Deferred         169         △19!           Total Income Taxes         3,659         62!           Profit         8,371         9,09!           Profit (Loss) Attributable to Noncontrolling Interests         75         △		12,030	
Total Income Taxes     3,659     62¹       Profit     8,371     9,09¹       Profit (Loss) Attributable to Noncontrolling Interests     75     △			
Profit 8,371 9,099 Profit (Loss) Attributable to Non- controlling Interests 75 △			
Profit (Loss) Attributable to Non- controlling Interests 75 $\triangle$			
controlling Interests		8,371	9,09
Profit Attributable to Owners of Parent 8,295 9,09	controlling Interests		
	Profit Attributable to Owners of Parent	8,295	9,09

#### Consolidated Statements of Comprehensive Income (Millions of yen)

FY	Fiscal year ended	Fiscal year ended
Item	March 31, 2024	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
Comprehensive Income Attributable to Owners of Parent	62,744	△20,891
Comprehensive Income Attributable to Non-controlling Interests	80	△1

#### Corporate Data

# **Group Non-financial Data**

\*Unless otherwise specified, figures are the total for the Aichi Financial Group.

#### **Environment**

#### Energy use

Itana	Linit	Aichi FG		
Item	Unit	FY2022	FY2023	FY2024
City gas	Thousand m <sup>3</sup>	93	101	109
LP gas	Thousand m <sup>3</sup>	_	_	0.06
Heavy oil	KL	20	20	20
Gasoline	KL	_	249	250
Electricity	Thousand kWh	13,656	13,165	13,584

<sup>\*</sup>Energy use in FY2024 has been verified by a third party. For details, please see P.78.

#### Greenhouse gas (GHG) emissions

Greenhouse gas (GHG) emissions					
Item	Unit	Aichi FG			
item	Offic	FY2022	FY2023	FY2024	
Scope 1 (Direct emissions)	t-CO <sub>2</sub>	821	881	850	
Scope 2 (Indirect emissions)	t-CO <sub>2</sub>	2,901	2,950	3,341	
Scope 3	t-CO <sub>2</sub>	1,466	8,068,734	13,290,718	
Category 1 (Purchased goods and services)	t-CO2	-	17,907	19,121	
Category 2 (Capital goods)	t-CO2	_	9,678	4,373	
Category 3 (Fuel-and-energy-related activities not included in Scope 1 and 2)	t-CO <sub>2</sub>	_	897	1,121	
Category 4 (Upstream transportation and distribution)	t-CO <sub>2</sub>	_	1,717	2,249	
Category 5 (Waste generated)	t-CO <sub>2</sub>	_	15	22	
Category 6 (Business travel)	t-CO <sub>2</sub>	450	449	448	
Category 7 (Employee commuting)	t-CO <sub>2</sub>	1,016	1,011	1,009	
Category 15 (Investments)	t-CO <sub>2</sub>	-	8,037,060	9,191,858	
(Listed equity and corporate bonds)	t-CO2	-	_	4,070,517	
Total emissions (Scope 1 and 2)	t-CO2	3,722	3,832	4,191	
Total emissions (Scope 1, 2, and 3)	t-CO <sub>2</sub>	5,188	8,072,565	13,294,910	

<sup>\*</sup>Scope 1 and Scope 2 emissions are calculated for branches of the entire Group, including Aichi Financial

#### Society

#### Human capital (diversity, etc.)

Item	Unit		Aichi FG	
item	Unit	FY2022	FY2023	FY2024
Number of employees	Persons	2,336	2,367	2,371
Of which, female employees	Persons	805	843	857
Percentage of female employees	%	34.5	35.6	36.2
Number of contract employees and fixed-term employees	Persons	297	292	279
Percentage of contract employees and fixed-term employees	%	12.7	12.3	11.8
Number of fixed-term employees promoted to regular employees	Persons	0	4	5
Average age	Years	41.4	40.7	40.8
Average years of service	Years	18.1	18.0	17.5
Average years in employment for male employees	Years	19.6	19.6	18.8
Average years in employment for female employees	Years	15.2	14.9	14.8

Item	Unit	Aichi FG			
item	Unit	FY2022	FY2023	FY2024	
Average annual salary	Thousands of yen	6,261	6,181	6,459	
Average monthly salary	Thousands of yen	412	411	431	
Gender wage gap (all workers)	%	44.6	45.6	48.5	
Gender wage gap for regular workers	%	55.5	57.5	60.3	
Gender wage gap for part-time and non-permanent workers	%	53.3	51.0	52.3	
Employee union membership rate	%	76.8	75.7	77.0	
Number of new hires	Persons	123	191	160	
Of which, number of female hires	Persons	48	89	67	
Total new graduate hires	Persons	102	174	140	
Of which, number of female hires	Persons	37	84	55	
Total mid-career hires*1	Persons	21	17	20	
Of which, number of female hires	Persons	11	5	12	
Number of employees who used the re-hiring system*	Persons	63	40	51	
Employment rate of persons with disabilities	%	2.5	2.5	2.3	
Number of employees who left their jobs voluntarily	Persons	106	95	104	
Voluntary turnover rate	%	4.6	4.0	4.4	
Number of managers*3	Persons	935	916	919	
Of which, female managers	Persons	86	89	108	
Percentage of female managers	%	9.2	9.7	11.8	
Total number of employees with titles*3	Persons	1,183	1,163	1,191	
Of which, number of female employees with titles	Persons	168	191	220	
Percentage of female employees with titles	%	14.2	16.4	18.5	
Average days of paid leave taken	Days	18.1	15	14	
Average paid leave acquisition rate	%	75.5	78.3	73.4	
Childcare leave acquisition rate (male)	%	78.6	94.1	100	
Average days of childcare leave taken (male)	Days	5.9	8.5	15.1	
Childcare leave acquisition rate (female)	%	100	100	100	
Childcare leave acquisition rate (male and female)	%	89.9	96.7	100	
Number of employees who took nursing care leave	Persons	1	1	1	
Use rate of systems to shorten working hours*4	%	54.3	47.2	50.3	
Satisfaction score in the ES survey*5	Points	78.9	77.5	78.3	
Number of industrial accidents	Cases	35	36	41	
Frequency rate (frequency of deaths in accidents)	%	0.17	0.83	0.88	
Severity rate (severity of accidents)	%	0	0.01	0.02	
Number of employees who received health checkups	Persons	3,306	3,352	3,354	
Health checkup rate	%	100	100	100	
Percentage of employees who required follow-up observation and visited a medical institution*6	%	92.6	95.6	85.2	
Stress check rate	%	96.2	96.5	99.4	
Complete medical checkup rate (age 40 or older)	%	63.1	64.3	56.4	
Number of employees subject to specific health guidance	Persons	361	339	307	
Percentage of employees subject to specific health guidance	%	14.86	14.03	12.8	
Percentage of employees who sleep six hours or longer on weekdays	%	51.4	50.2	55.5	
Percentage of employees who walk	%	20.2	21.3	21.4	
8,000 steps or more a day on average Percentage of smokers	%	13.9	13.8	14.5	
'All figures for FY2022 and FY2023 cover former T					

#### Human capital (human capital development)

Human capitat (human capitat development)				
Item	Unit	Aichi FG		
iteiii	Offic	FY2022	FY2023	FY2024
Number of employees who applied for internal job posting	Persons	3	3	2
Number of employees whose job category or form of employment was converted (conversion to regular employees)	Persons	3	0	4
Annual training expenses*7	Thousands of yen	99,056	127,703	98,370
Annual training hours*7	Hours	46,998	96,328	51,398
Average training hours per person*7	Hours	20.3	40.9	20.9
Total number of training participants*7	Persons	9,278	15,988	8,751

<sup>\*7</sup> Figures decreased in FY2024 compared with FY2023 because a "training freeze period" was set between October 2024 and February 2025 to prepare for system integration following the bank merger.

#### Social contribution activities

Social contribution activities				
ltem	Unit		Aichi FG	
item	Offic	FY2022	FY2023	FY2024
Donations to nonprofit organizations	Millions of yen	9	15	9
Support to Aichi FG Education Cultural Foundation	Millions of yen	9	9	9
Donations	Millions of yen	0	6	0
Number of persons who received financial education	Persons	476	361	480
Cumulative total of donations through financial products (deposits, investment trusts, etc.)	Millions of yen	16	7	0
Total donations and contributions from SDGs private placement bonds	Millions of yen	15.7	14.8	20.4
Of which, donations to nonprofit organizations	Millions of yen	4.7	4.4	3.8
Total donations and contributions through other loan products	Millions of yen	_	_	43.6
Of which, donations to nonprofit organizations	Millions of yen	_		10.1

#### Governance

#### Corporate governance

corporate governance				
Item	Unit	Aichi FG		
		FY2022	FY2023	FY2024
Number of Directors	Persons	15	15	14
Of which, number of Outside Directors	Persons	5	5	5
Number of Audit and Supervisory Committee members	Persons	6	6	6
Of which, number of Outside Directors	Persons	5	5	5
Number of female Directors*8	Persons	2	2	2
Percentage of female company officers	%	13.3	13.3	14.3
Average attendance rate of the Board of Directors	%	99.3	98.8	98.7

<sup>\*8</sup> Including Outside Directors

Compliance

Item	Unit	Aichi FG		
item		FY2022	FY2023	FY2024
Number of consultations with the Customer Service Center	Cases	185	241	243
Of which, consultations via telephone	Cases	65	87	78
Complaints	Cases	151	202	205
Inquiries	Cases	34	39	38
Number of internal reports received (via hotlines)	Cases	9	5	4
Compliance training sessions conducted*9	Times	42	32	20
Number of compliance violations*10	Cases	0	0	1

<sup>\*</sup>All figures for FY2022, FY2023, and April to December 2024 are results for former The Aichi Bank and former The Chukyo Bank, and those for January to March 2025 are results for Aichi Bank.

\*Including rain-based training, in addition to training for all employees.

\*10 Number of misconduct cases reported to the authorities based on Article 53 of the Banking Act and Article 35 of the Regulation for Enforcement of the Banking Act.

#### **External Evaluation**

As a Japanese company that shows relative excellence in environmental, social, and governance initiatives in each sector, the Group has been selected as a constituent of the FTSE Blossom Japan Sector Relative Index.



**FTSE Blossom** Japan Sector **Relative Index** 

#### S&P/JPX Carbon Efficient Index

The Group has been selected as a constituent of the S&P/JPX Carbon Efficient Index, which pays attention to the status of environmental information disclosure and the level of carbon efficiency in deciding the weights of constituents.



We obtained a B rating in the 2024 climate change survey conducted by the CDP, an international environmental assessment organization.



#### Aichi Women's Brilliance Company

The Group has been certified by Aichi Prefecture as a company that works on the promotion of female advancement, advancement of work-life balance, creation of an environment where employees can balance work with childcare and nursing care, and other measures.



#### Platinum Kurumin

The Group has acquired the Platinum Kurumin certification as a child-care support company specified by the Ministry of Health, Labour and Welfare based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



The Group has acquired the second stage of Eruboshi certification, in recognition of our initiatives for female advancement.



#### Outstanding Organization of KENKO Investment for Health

The Group has been selected as a 2025 Outstanding Organization of KENKO Investment for Health (large enterprise category) for seven consecutive years in the 2025 Recognition Program for the Outstanding Organizations of KENKO Investment for Health, implemented by the Ministry of Econom Trade and Industry and Nippon Kenko Kaigi.



#### DX Certification

The Group has been certified as a DX Certified Business Operator, which complies with basic matters in the Digital Governance Code.



#### Participation in initiatives





<sup>&</sup>quot;Scope 1 and Scope 2 emissions are calculated for branches of the entire Group, including Alchi Financial Group and all of its consolidated subsidiations."

"Scope 3. Categories 1 to 5 and 15 emissions are calculated for former The Alchi Bank and former The Chukyo Bank for FY2022 and FY2023, and for Alchi Bank from January 2025.

"Scope 3. Categories 6 and "emissions are calculated for employees of the Alchi Financial Group as of April 1 of each fiscal year. As for FY2024, the AAST Group facquired through MAA on April 2, 2024) and Alchi FG Marketing (established on August 1, 2024) are excluded from the calculation.

"Alchi Edward Scope 1, 2024 and 1, 2024 are excluded from the calculation."

"For Scope 3, Category 15, Delease see P.78.

"GHG emissions in FY2024 have been verified by a third party. For details, please see P.78.

<sup>\*</sup>All figures for FY2022 and FY2023 cover former The Aichi Bank and former The Chukyo Bank, and those for FY2024 cover Aichi Bank.

1 Including employees who converted to regular employees.

1 Number of regular employees rehired as contract employees after mandatory retirement.

3 Managers are defined as employees whose position levels are assistant manager or higher, and employees with titles are defined as employees whose position levels are section chief or higher.

4 Use rate of systems to shorten working hours (%) = Users of the systems at the end of the fiscal year ÷ Male and female employees who have a child covered by the systems × 100 (excluding employees on leave or secondment) results of the ES survey (50 questions) targeting all employees of Aichi Bank. (The maximum

score is 100.)
\*6 Results for FY2022 and FY2023 are for former The Aichi Bank, and those for FY2024 are for Aichi Bank.

### Corporate Data

# **Corporate Information**



# Aichi Financial Group, Inc.

Trade Name	Aichi Financial Group, Inc.
Location	14-12, Sakae 3-chome, Naka-ku, Nagoya
Business Description	<ol> <li>Business management of banks and companies capable of being subsidiaries under the Banking Act</li> <li>All business that is incidental or related to the business set forth in the preceding subparagraph</li> <li>In addition to the businesses listed in the two preceding subparagraphs, business that can be carried out by a bank holding company under the Banking Act</li> </ol>
Share Capital	20.0 billion yen
Date of Incorporation	October 3, 2022
Closing Date	March 31
Stock Exchange Listings	Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market
Accounting Auditor	KPMG AZSA LLC
Shareholder Register Administrator	Mitsubishi UFJ Trust and Banking Corporation

## Major Shareholders

Name of shareholder	Address	Number of shares held (shares)	Percentage of shares held to total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	4,630,800	9.43
Misono Service Co., Ltd.	15-56, Heian 2-chome, Kita-ku, Nagoya	3,880,000	7.90
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	2,339,600	4.76
Aichi Financial Group Employees' Shareholding Association	14-12, Sakae 3-chome, Naka-ku, Nagoya	1,186,674	2.42
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	925,845	1.89
TOHO GAS Co., Ltd.	19-18, Sakurada-cho, Atsuta-ku, Nagoya	911,792	1.86
Goldman Sachs International	Plumtree Court, 25 Shoe Lane, London EC4A 4AU, U.K.	745,100	1.52
SUMITOMO LIFE INSURANCE COMPANY	2-1, Yaesu 2-chome, Chuo-ku, Tokyo	703,500	1.43
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	548,954	1.12
Sumitomo Realty & Development Co., Ltd.	4-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo	520,479	1.06
Total	_	16,392,744	33.39

## **Subsidiary Bank**



# **Aichi Bank**

Trade Name	Aichi Bank, Ltd.	
Location	₹ 460-8678 14-12, Sakae 3-chome, Naka-ku, Nagoya	
Share Capital	18.0 billion yen	
Year Incorporated	1910	
Deposit Balance	5,945.7 billion yen	
Loan Balance	4,854.7 billion yen	
Number of Employees	2,371	

### **Affiliates**

Company Name	Location	Phone Number	Main Business
AIGIN LEASE CO., LTD.	∓ 450-0002 22-20, Meieki 4-chome, Nakamura-ku, Nagoya	052-551-0660	Comprehensive leasing business
Aigin DC Card Company Limited	∓ 450-0002 22-20, Meieki 4-chome, Nakamura-ku, Nagoya	052-551-0510	Credit card business Money lending business Credit guarantee business
THE CHUKYOU CARD CO LTD	〒 461-0002 20-5, Daikan-cho, Higashi-ku, Nagoya	052-935-8171	Credit card business Money lending business Credit guarantee business
Chukyo Finance Co., Ltd.	∓ 460-0008 33-13, Sakae 3-chome, Naka-ku, Nagoya	052-238-3270	Collection agency business
Aigin CS Co., Ltd.	∓ 450-0002 22-20, Meieki 4-chome, Nakamura-ku, Nagoya	052-551-0771	Information processing within the Group
Aigin BS Co., Ltd.	∓ 450-0002 22-20, Meieki 4-chome, Nakamura-ku, Nagoya	052-551-0881	Bank administrative service business
Aichi Capital Company Limited	∓ 466-0064 2-32, Tsurumai 1-chome, Showa-ku, Nagoya	052-735-3220	Operation and management of investment limited partnerships (funds) Comprehensive consultancy for investee companies
AASC Co., Ltd.	⊤ 460-0003 11-20, Nishiki 1-chome, Naka-ku, Nagoya	052-219-5420	Software development
AAST Co., Ltd.	∓ 460-0003 11-20, Nishiki 1-chome, Naka-ku, Nagoya	052-219-5420	Software development Education business
AAST TOKYO Co., Ltd.	〒 101-0052 2-8, Kanda Ogawamachi 2-chome, Chiyoda-ku, Tokyo	03-3518-9530	Software development
IST Co., Ltd.	∓ 460-0003 11-20, Nishiki 1-chome, Naka-ku, Nagoya	052-220-0005	Software development
Aichi FG Marketing Company Limited	∓ 460-0008 14-12, Sakae 3-chome, Naka-ku, Nagoya	052-262-9517	Advertisement agency business





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