

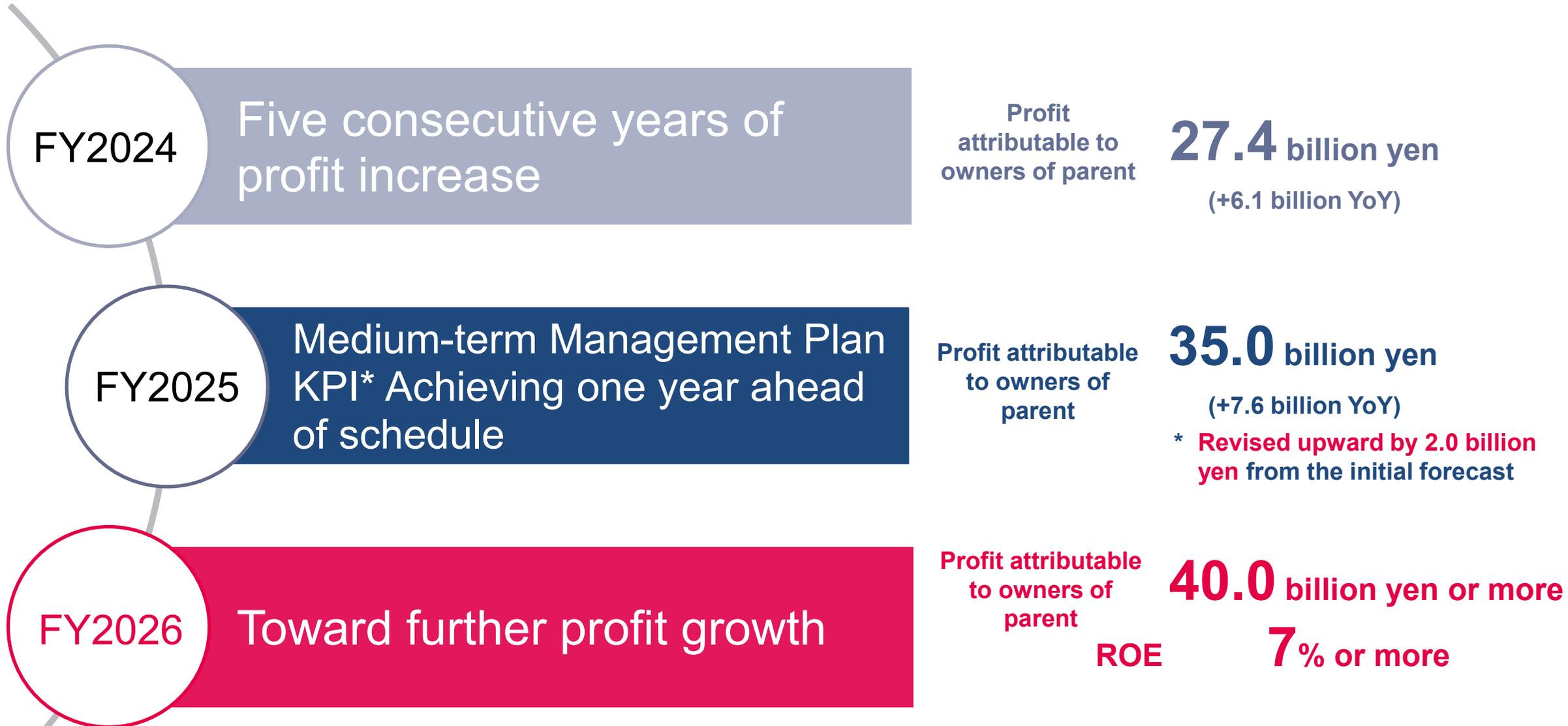
1H FY2025 Earnings Results Briefing

December 1, 2025



Our challenges build our future.

Chugin Financial Group, Inc.



* Medium-term Management Plan KPI (initial)
FY2026: 30 billion yen for profit attributable to owners of parent and 5% or more for ROE

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Section I

Earnings Results for 1H FY2025

and

Earnings Forecasts for FY2025

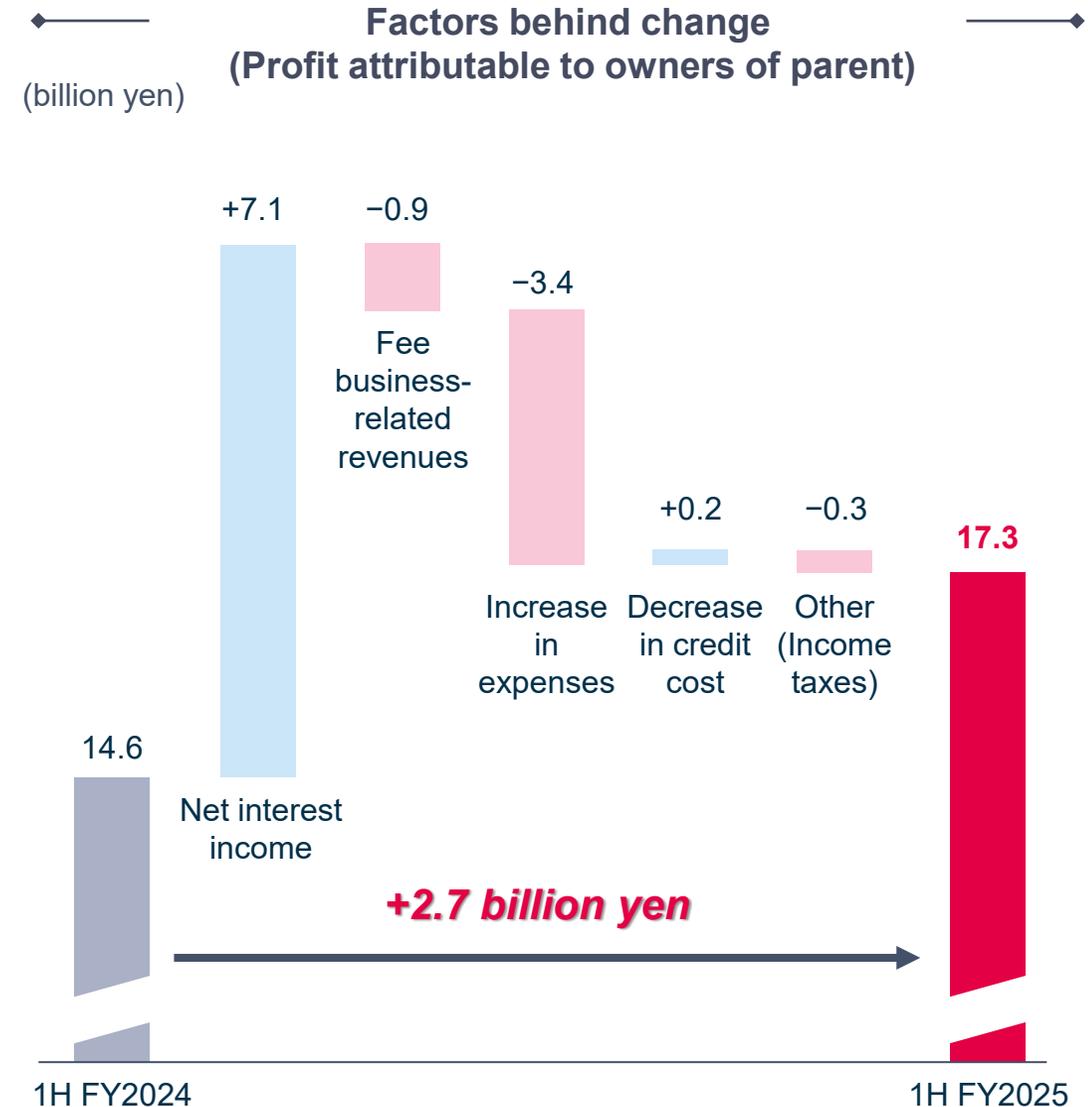
Profits increased year on year primarily due to growth in net interest income.

* Forecast published on May 14, 2025

Consolidated for the Chugin Financial Group (billion yen)	FY2024 1H	FY2025 1H	YoY	vs. Plan*
	Consolidated ordinary profit	20.9		
Profit attributable to owners of parent	14.6	17.3	2.7	1.5

<Reference: Non-consolidated for The Chugoku Bank>

Core business gross profit	49.7	56.4	6.7	—
Expenses (-)	26.7	30.1	3.4	—
Core business net profit	23.0	26.3	3.3	—
Credit cost (-)	3.5	3.3	-0.2	—
Profits and losses related to securities	-0.5	-0.0	0.5	—
Ordinary profit	19.1	23.4	4.3	—
Net income	13.7	16.5	2.8	—



[Breakdown of net interest income (non-consolidated for the Bank)]

	(billion yen)	FY2024 1H	FY2025 1H	YoY
(1) Net interest income		36.9	44.0	7.1
Yen net interest income		31.8	37.4	5.6
Of which, interest on loans		23.5	32.0	8.5
Of which, interest on securities		10.4	13.6	3.2
Of which, gains and losses on cancellation of investment trusts		0.0	-1.1	-1.1
Foreign currency net interest income		5.1	6.6	1.5
Investment revenues		38.1	32.5	-5.6
Procurement costs (-)		33.0	25.8	-7.2
Net other operating profits		1.2	0.6	-0.6
(2) Of which, foreign-currency procurement costs (-)		0.1	-0.1	-0.2
<Reference>				
(1)+(2) Net interest income (real)		36.8	44.1	7.3

Yen net interest income increased significantly.

[Breakdown of fee business-related revenues (Group total)]

(billion yen)		FY2024 1H	FY2025 1H	YoY
Fee business-related revenues		16.5	15.6	-0.9
The Chugoku Bank		13.0	12.4	-0.6
	Investment banking business	2.8	3.0	0.2
①	Assets in custody	3.4	2.7	-0.7
	Other net fee income	5.3	5.9	0.6
①	Derivative fees, etc.	1.4	0.7	-0.7
Group companies other than The Chugoku Bank*		3.5	3.1	-0.4
②	The Chugin Lease	1.1	0.6	-0.5
	The Chugin Card	0.4	0.5	0.0
	Chugin Human Innovations	0.06	0.07	0.01
	C Cube Consulting	0.1	0.2	0.1
	Chugin Securities	1.4	1.3	-0.1
	Chugin Asset Management	0.2	0.3	0.1

Of which, corporate solutions-related revenues	6.1	5.2	-0.9
Of which, revenues related to assets in custody	5.1	4.4	-0.7

* Gross margin for The Chugin Lease, and operating revenues for other Group companies (after deducting internal transactions)

Investment banking business (corporate fees) and other net fee income steadily expanded.

Year-on-year decrease recorded partly due to market factors (①) and the loss of large-scale projects (②)

[Breakdown of expenses (non-consolidated for the Bank)]

(billion yen)	FY2024 1H	FY2025 1H	YoY
Expenses (-)	26.7	30.1	3.4
Personnel expenses	14.0	14.9	0.9
System expenses	3.2	4.2	1.0
Other property expenses	6.0	6.6	0.6
Deposit insurance premium	0.5	0.5	0.0
Business management fee*	1.0	1.7	0.7
Taxes	1.7	2.0	0.3
* Expenses paid to the holding company (offset on a FG consolidated basis)			
OHR	53.7%	53.3%	-0.4pt

**Implemented base pay increases,
strategic investments, etc.**

(as planned)

[Breakdown of credit cost (non-consolidated for the Bank)]

(billion yen)	FY2024 1H	FY2025 1H	YoY
Credit cost (-)	3.5	3.3	-0.2
Provision of general allowance for loan losses	-0.0	1.7	1.7
Provision of specific allowance for loan losses	3.5	1.6	-1.9
Other credit costs*	-0.0	0.0	0.0

* Writing off of loans, allowance for credit to specific foreign borrowers, allowance for loss on sale of loans, loss on sale of loans, and recovery of written-off receivables

- Calculation method of general allowance for loan losses
 - The expected loss rate is calculated based on the actual loan loss rates, with one calculation period being three years. (Each calculation period is moved half a year forward.)
 - The expected loss rate shall be the “most recent three-period average,” the “most recent five-period average,” or the “long-term average starting from the fiscal period ended in September 2008,” whichever is larger (changed from the fiscal period ended September 2022).
 - Loans to healthy accounts and accounts requiring caution I are adjusted by taking into consideration the average remaining period of the receivables.

Stable at a low level

Consolidated for the Chugin Financial Group (billion yen)	FY2025 Revised forecast		
		YoY	Compared to initial forecast
Consolidated ordinary profit	50.0	11.7	2.4
Profit attributable to owners of parent	35.0	7.6	2.0

<Reference: Non-consolidated for The Chugoku Bank>

Core business gross profit	114.4	14.7	3.3
Of which, net interest income	88.6	12.3	2.9
Net other operating profits	23.7	2.1	0.9
Expenses (-)	61.7	6.5	-1.0
Core business net profit	52.6	8.1	4.2
Credit cost (-)	7.0	-6.4	-0.5
Profits and losses related to securities	-0.7	-3.2	-2.2
Ordinary profit	45.8	11.3	2.5
Net income	32.2	7.0	1.9

Profit attributable to owners of parent

35.0 billion yen

YoY

+ **7.6** billion yen

- ✓ The Chugoku Bank led the performance.
(Net sales increased, and credit cost decreased.)

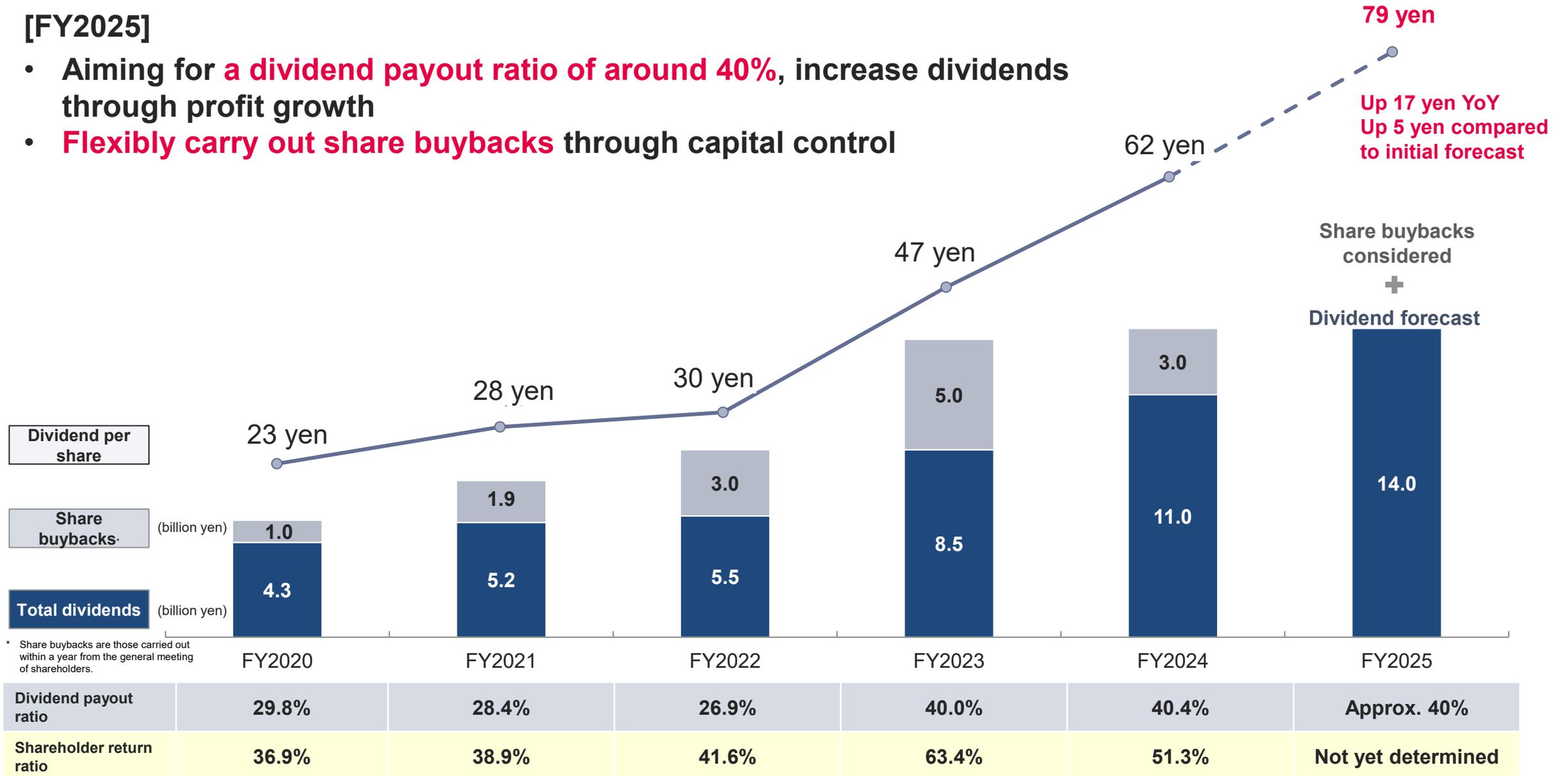
Compared to initial forecast

+ **2.0** billion yen

- ✓ 1H results exceeded the forecast.
- ✓ Effect of securities replacement

[FY2025]

- Aiming for a dividend payout ratio of around 40%, increase dividends through profit growth
- Flexibly carry out share buybacks through capital control

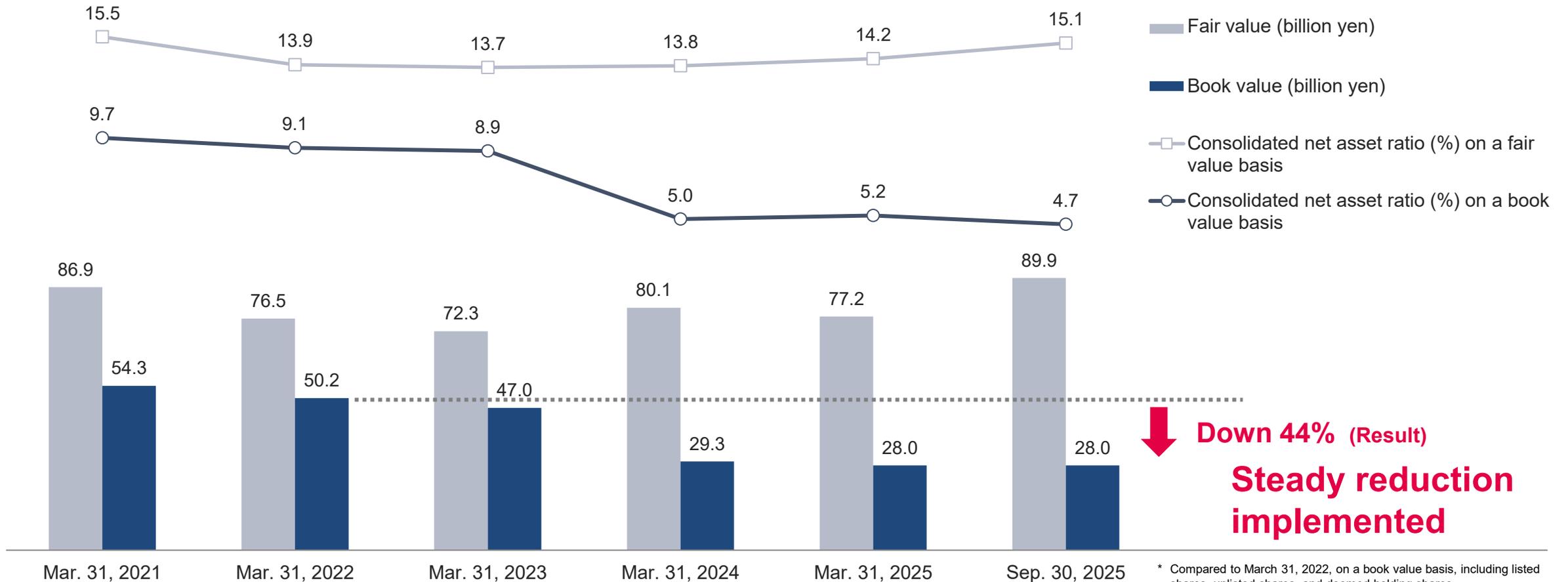


* Share buybacks are those carried out within a year from the general meeting of shareholders.

[Basic Policy]

- We will limit cross-holdings to cases where it is determined necessary for the sustainable growth and enhancement of the corporate value of the Group and the issuers.
- We will reduce cross-shareholdings through dialogue with the issuers from the perspectives of capital efficiency and reduction of the risk of holding the shares.

Reduction plan
(March 31, 2027)
50% reduction*



* Compared to March 31, 2022, on a book value basis, including listed shares, unlisted shares, and deemed holding shares

Section II

Toward Enhancement of Corporate Value

Medium-term Management Plan
“Future Co-Creation Plan Stage III”
Apr. 2023 to Mar. 2027

Demonstrating results
and taking on new
challenges

1 “Deepening” of regional revitalization SDGs

We will contribute to the “**sustainable development of communities**” by drawing out their appeal and potential.

2 Creation of innovations

We will create “**new value**” toward the next phase of growth.

3 Strengthening of the Group business base

We will build a “**solid foundation**” to implement growth strategies.



● Financial KPIs

Financial KPIs		FY2026 target	FY2025 1H result	[Reference] FY2024 results
➤ Profit attributable to owners of parent	Upward revision	40.0 billion yen or more 30.0 billion yen	17.3 billion yen	27.4 billion yen
➤ ROE	Upward revision	7% or more 5% or more	-	4.88%
➤ Ratio of common equity Tier 1 (excluding valuation difference on available-for-sale securities, etc.)		11 to 12%	11.50%	11.58%

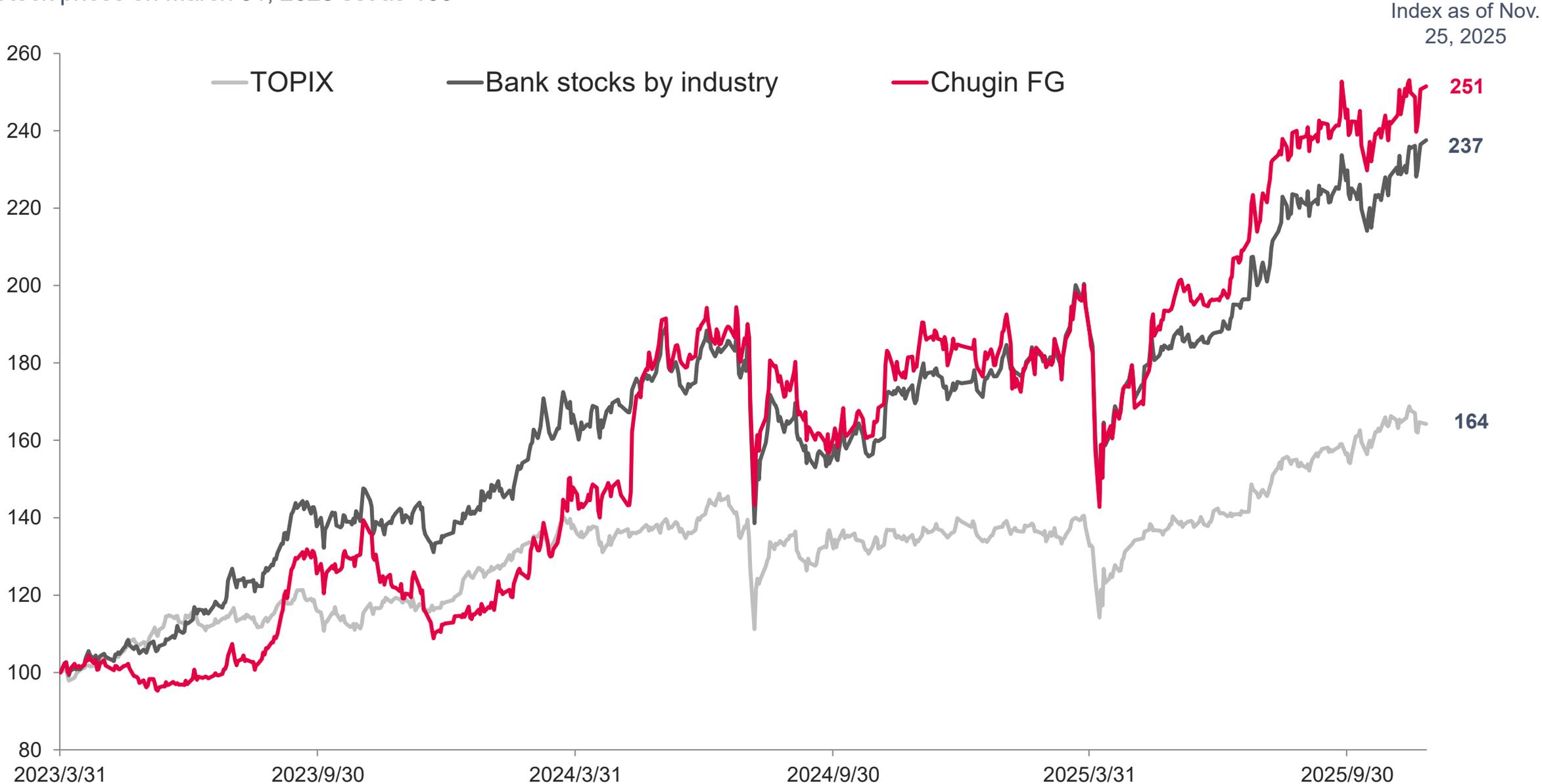
The ROE is based on the TSE standards (including the valuation difference on available-for-sale securities).

● Non-financial KPIs (sustainability KPIs)

Growth strategy	Sustainability KPI	FY2026 target	FY2025 1H result	[Reference] FY2024 results
1 Deepening of regional revitalization SDGs	➤ Reduction of CO2 emissions (compared to FY2013)	-72%	-	-65%
	➤ Cumulative amount of sustainable finance executed	Upward revision 1.5 trillion yen 1 trillion yen	1,259.6 billion yen	1,152.5 billion yen
	➤ Number of contracted consultation cases (annual)	460	235	380
	➤ Number of customers of five products in custody and number of customers of housing loans	260,000 customers	223,000 customers	220,000 customers
	➤ Inheritance-related business cases handled (annual)	800	458	734
2 Creation of innovations	➤ Operational model reforms (operations, channels, and organizations)	Qualitative assessment	-	-
3 Strengthening of the Group business base	➤ Ratio of female managers and supervisors (non-consolidated for the BK)	25%	23.6%	22.9%
	➤ Amount of investment in human capital	Upward revision 1.0 billion yen 0.5 billion yen	0.3 billion yen	0.5 billion yen

Medium-term Management Plan —Stock price trends—

* Stock prices on March 31, 2023 set as 100

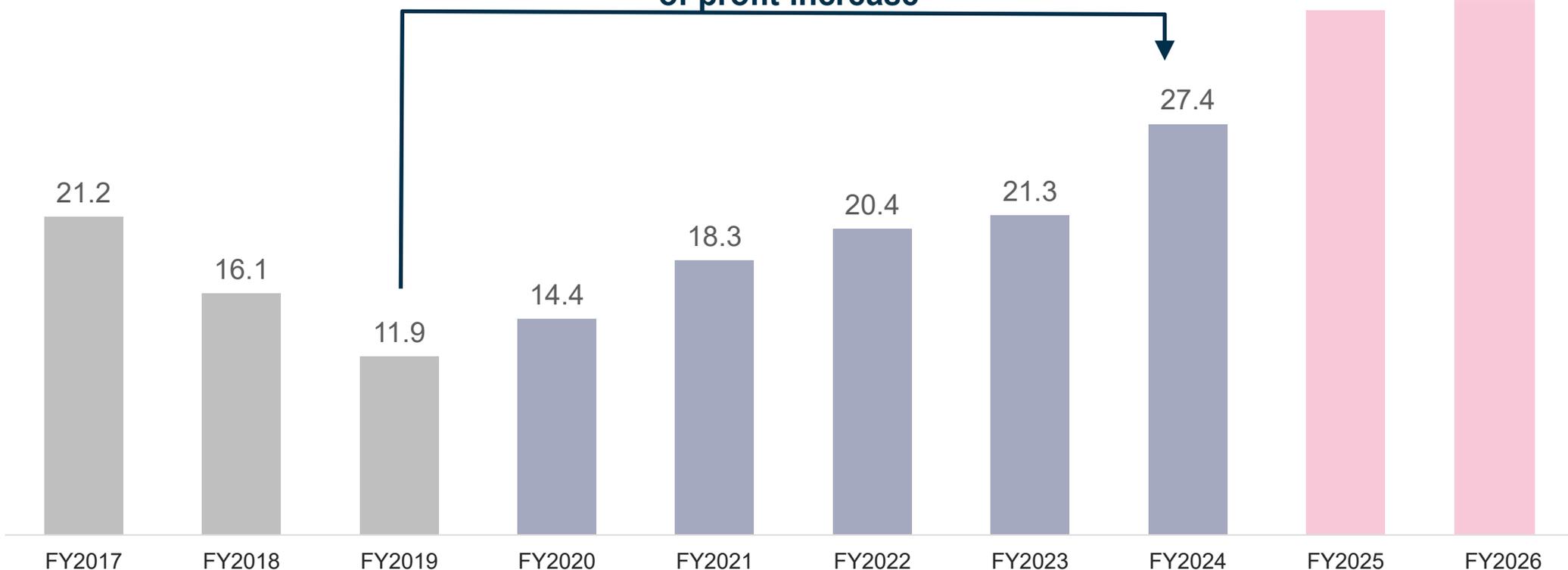


Profit attributable to owners of parent
(billion yen)

Toward further
profit growth

Five consecutive years
of profit increase

40.0 or
more



Interest rate
assumptions

[Japan]

- Policy interest rate
From FY25 2H: 0.75%
From FY26 2H: 1.00%
- Government bonds 10 years
FY25 2H: 1.40%
FY26: 1.50%

[Overseas]

- FF interest rate
From FY25 2H: 4.25%
From FY26 1H: 4.00%

Stage I
Apr. 2017 to Mar. 2020

Structural reforms
(Strengthening of hardware aspects)

- BPR investments
(A shift from administrative affairs to sales activities)

Stage II
Apr. 2020 to Mar. 2023

Action reforms
(Strengthening of software aspects)

- Autonomous sales system and personnel system
- Acceleration of the development of new businesses
- Transition to a holding company system

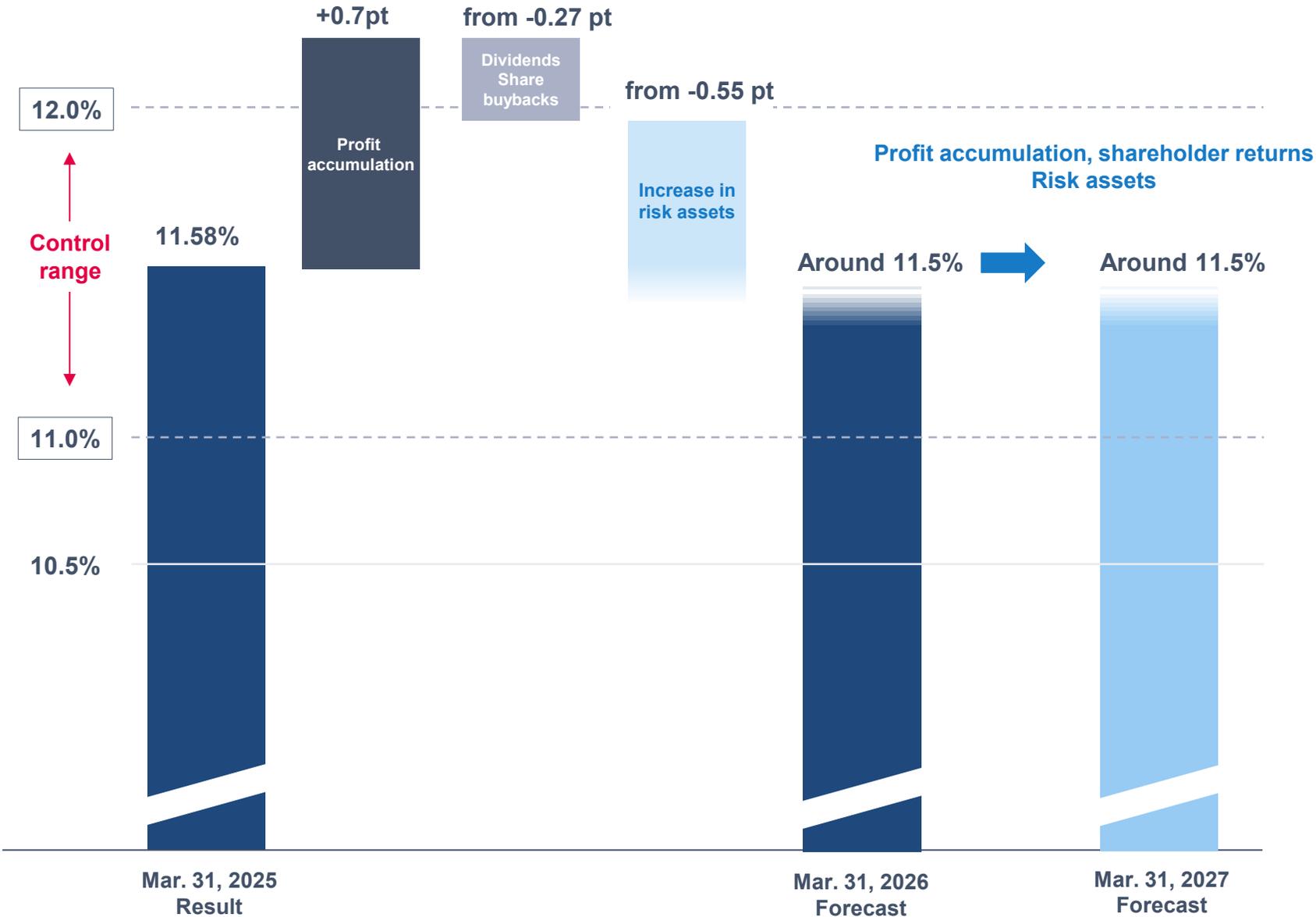
Stage III
Apr. 2023 to Mar. 2027

Demonstrating results and taking on new challenges

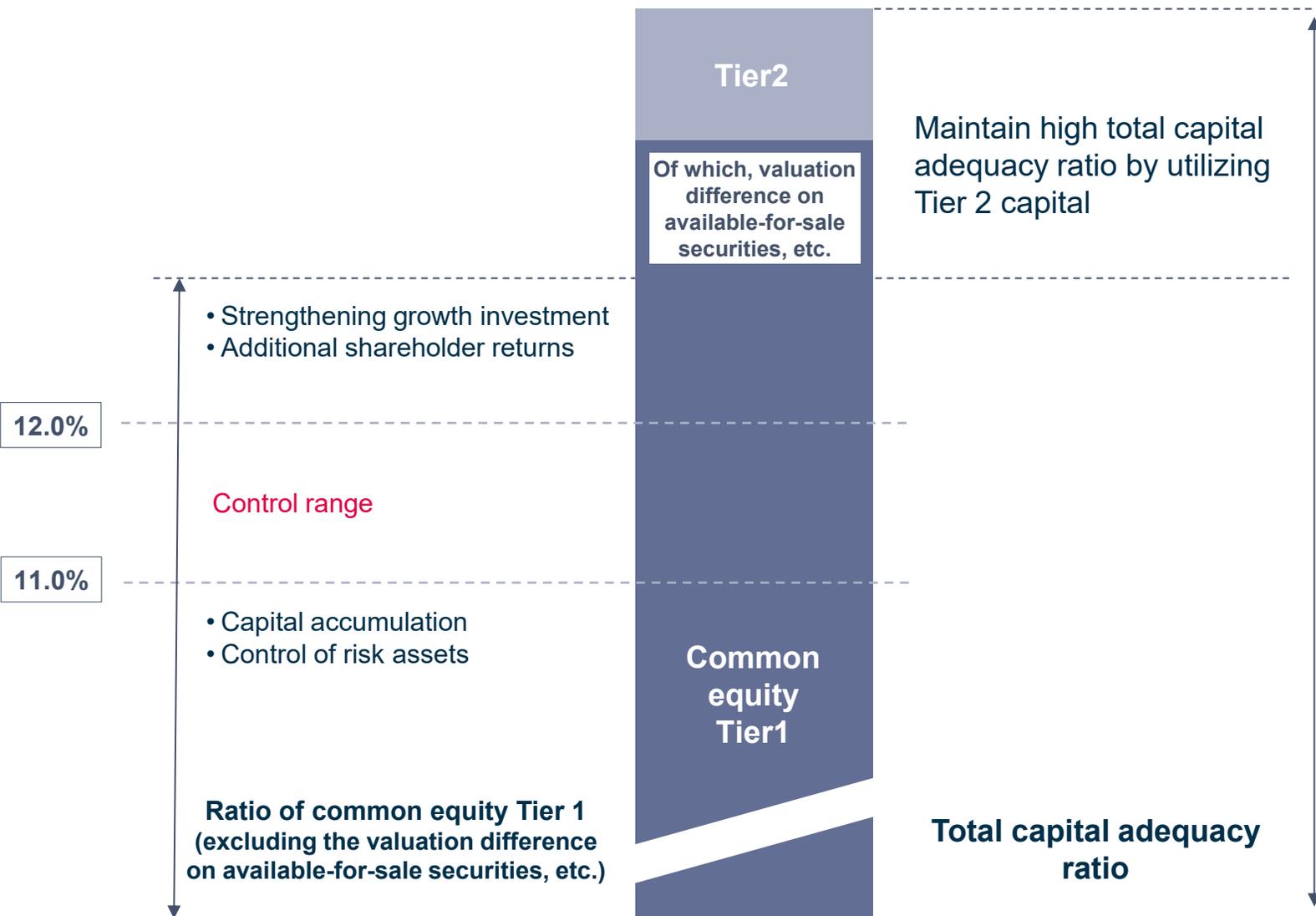
- Chugin DX Strategy
- Establishment of a unit system

Ratio of common equity Tier 1

(Consolidated for the FG, excluding the valuation difference on available-for-sale securities, etc.)



Accumulating high-quality assets through capital control



Ensuring both solid soundness and high capital efficiency

1.

Boosting Net Sales

- ✓ Accelerate strategies and measures by leveraging the unit system

2.

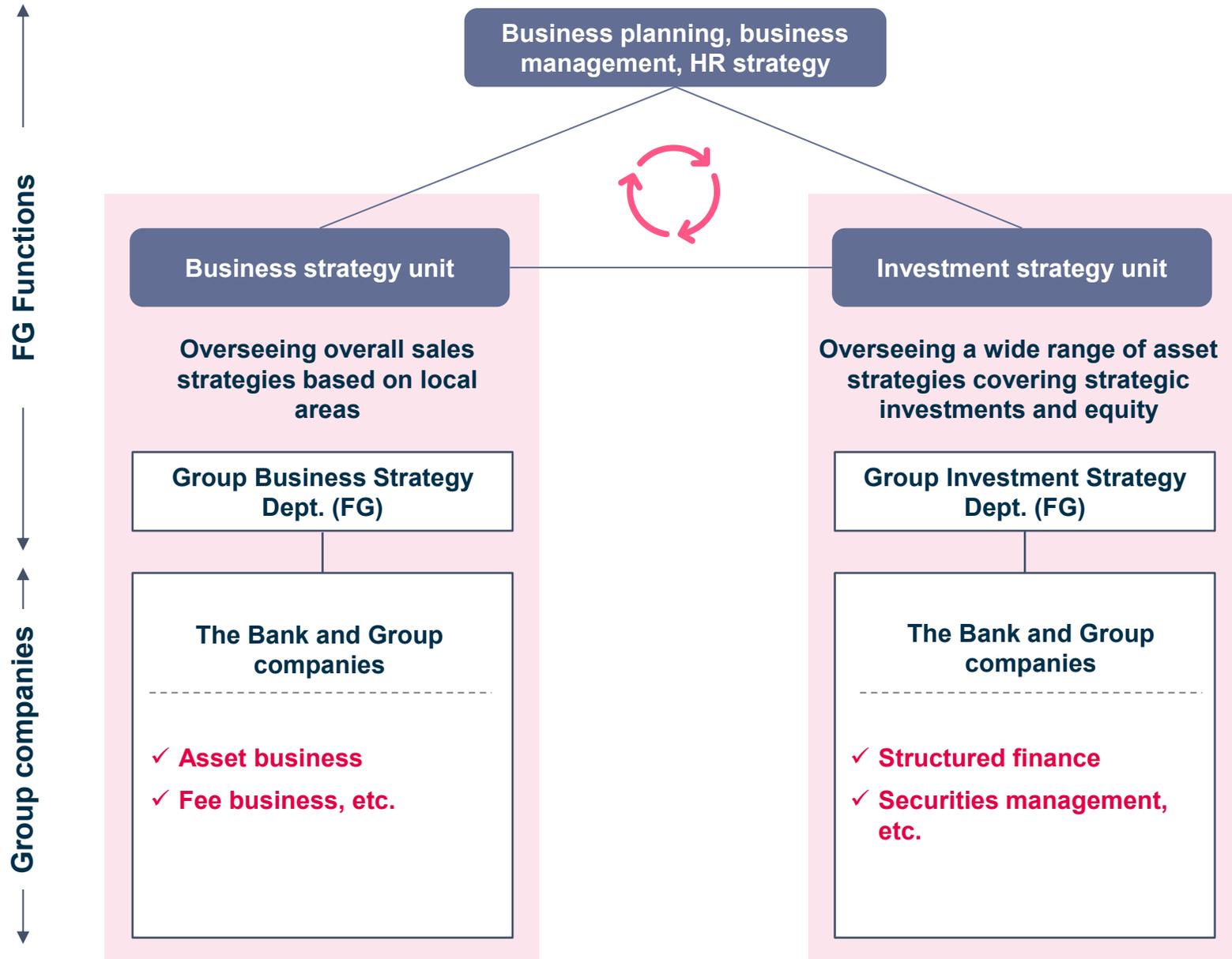
Acquiring Deposits, Allocation and Strategic Redeployment of Personnel

- ✓ Obtain low-liquid deposits, which are important for asset accumulation
- ✓ Shift personnel to focus areas through operational process reforms

3.

Sustainable Growth

- ✓ Co-create a prosperous future with our communities, customers, and employees. (Implementation of corporate philosophy)



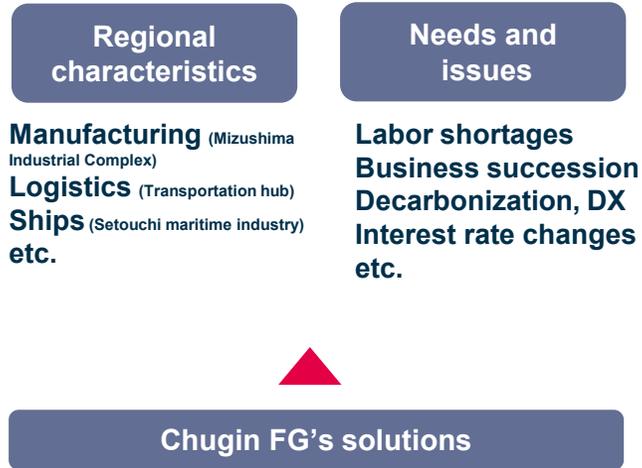
- ✓ Clarification of roles
- ✓ Rapid decision making
- ✓ Demonstrating comprehensive capabilities of the Group



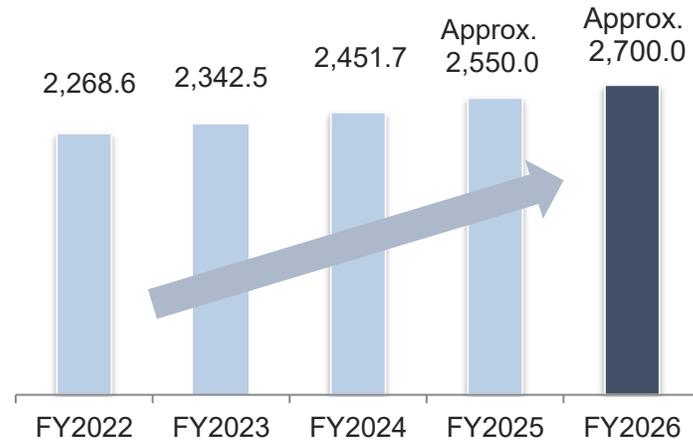
Accelerate initiatives for each strategy and initiative



Local development



Average balance (billion yen)

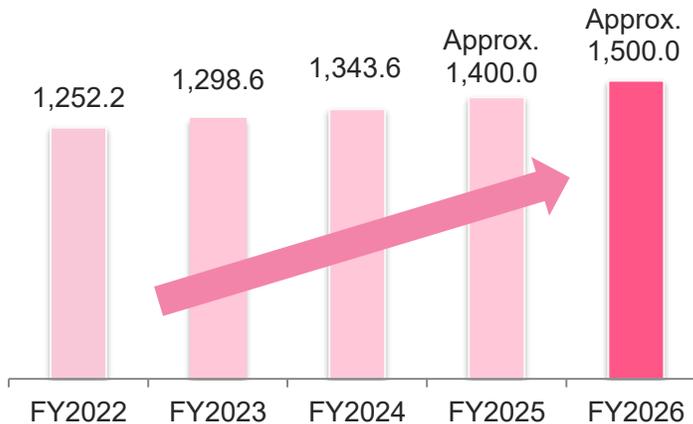


Accumulating high-quality assets mainly in local areas

Personal loans



Average balance (billion yen)



A wide range of solutions

People

Chugin Human Innovations

Products

SETONOWA

Chugin Energy

C Cube Consulting

Money

Chugin Capital Partners

The Chugin Card

The Chugin Lease

Chugin Asset Management

Chugin Securities

The Chugoku Bank
 • The Chugin Operation Center
 • The Chugin Credit Guarantee
 • CBS

The Bank and Group companies collaborations

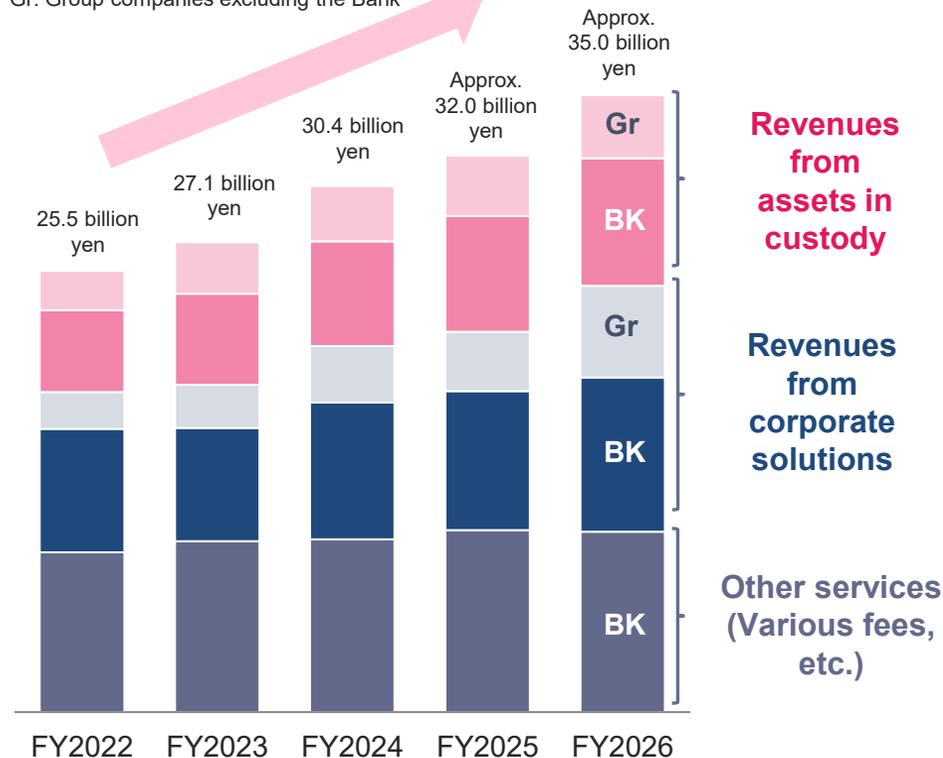
Approx. **120%**
 (From FY2022 to FY2024)



Further strengthening collaboration

Trends in fee business-related revenues

BK: The Bank
 Gr: Group companies excluding the Bank



Expanding consultation revenues of the entire Group



Local development

Priority areas
(Corporate strategy)

Strengthen efforts in six areas to address the issues and needs of our customers

Ship finance

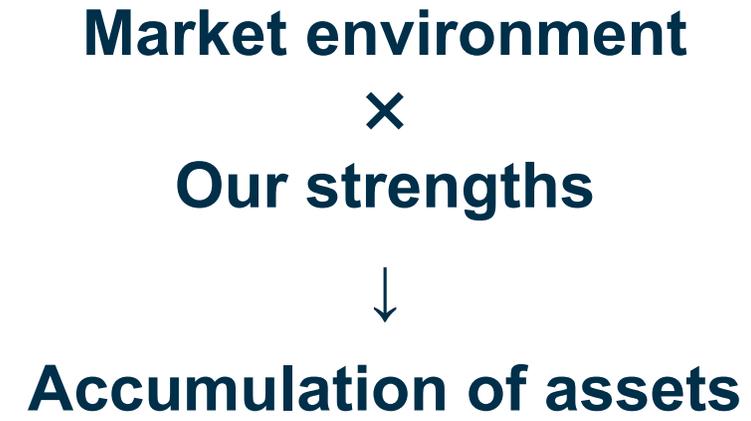
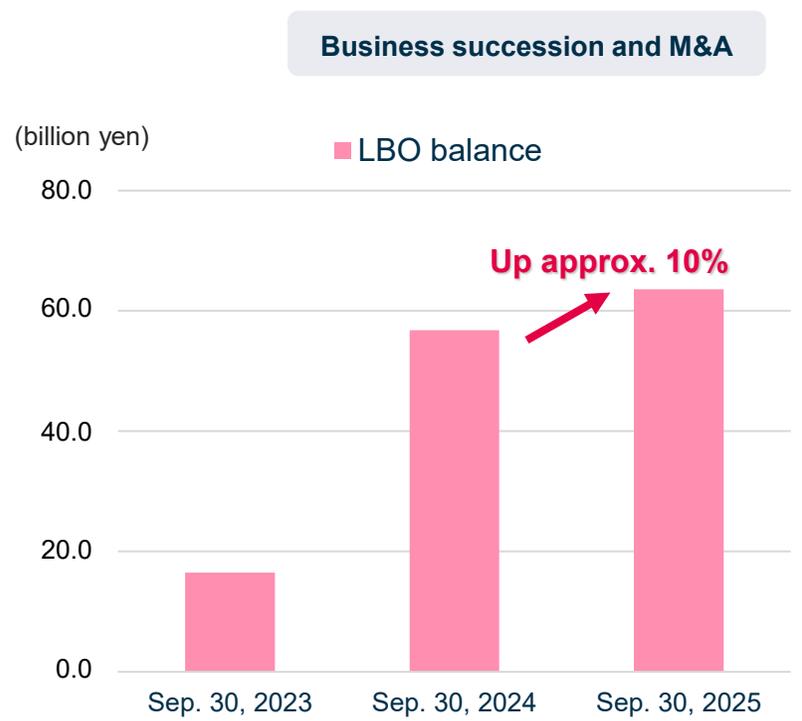
Support for decarbonization

Sales improvement and new businesses

Labor shortages and workstyle reform

Business succession and M&A

Support for startups and ventures





Personal loans

✓ Operational process reforms (Housing loan applications)

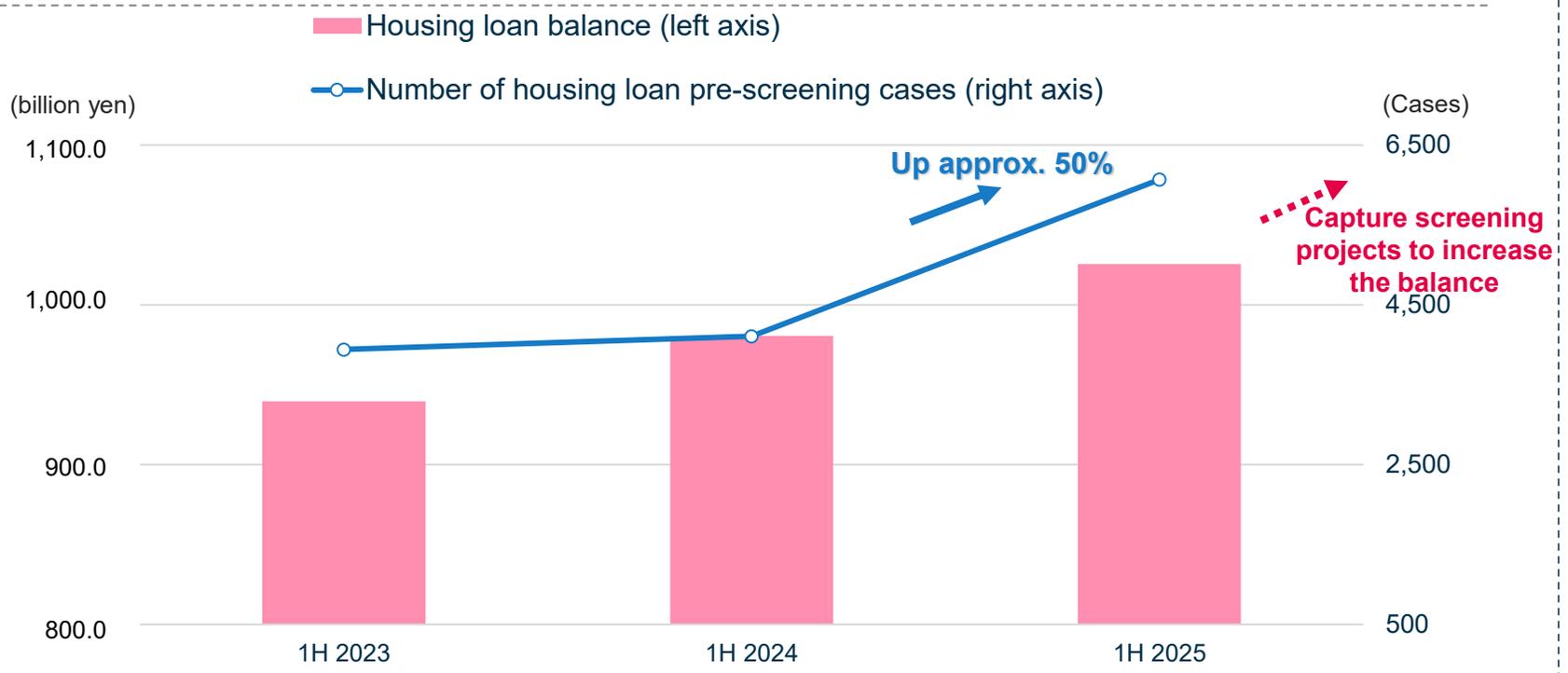
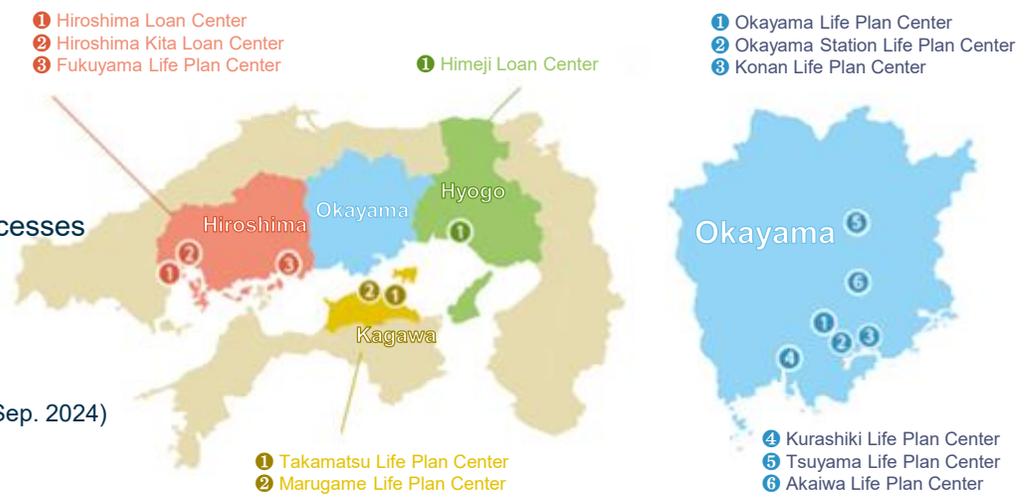
From July 2024

- Improved convenience due to online processes
- Shortened screening time

✓ Enhancement of approach points

New Life Plan Centers established

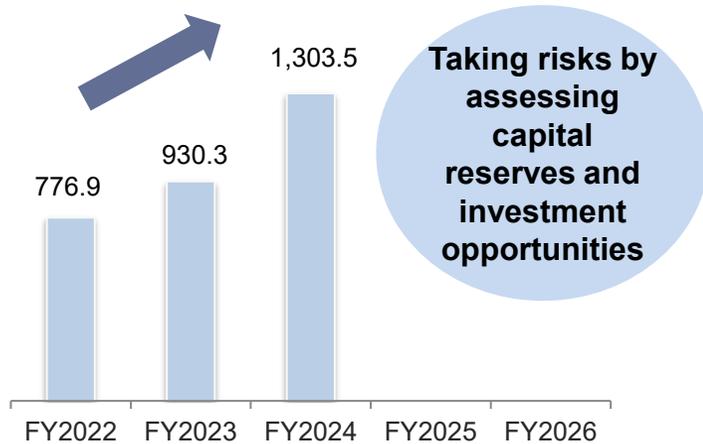
- * Okayama Station (Aug. 2024) Marugame (Sep. 2024) Konan (Sep. 2025) Takamatsu (Nov. 2025)



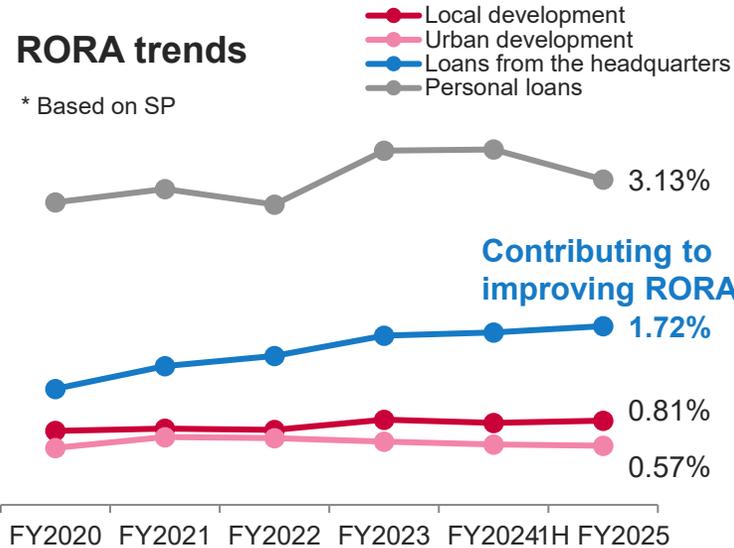


Initiatives for structured finance (loans from the headquarters)

Average balance (billion yen)



RORA trends



Composition ratio (as of the end of Sep. 2025)



* Renewable energy, etc. and ships, aircraft, etc. for local use are excluded.

Strategic investment

Market investment

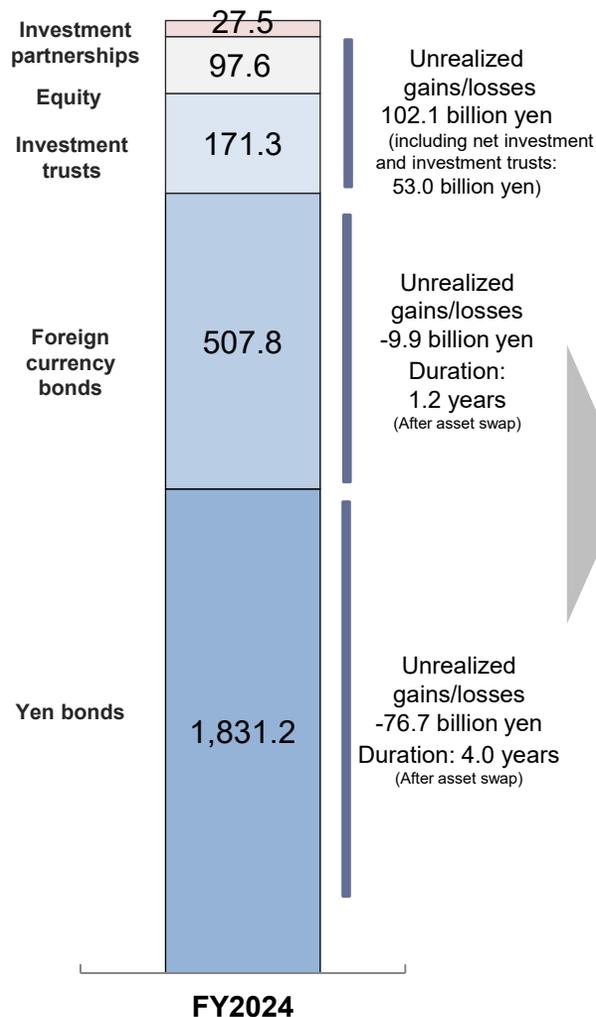
Taking on a variety of projects by leveraging advanced know-how and expertise

Investment in conjunction with securities according to market conditions

Ensuring high profitability through appropriate risks and returns



Initiatives for securities management



Foreign currency bonds

Continue investment while suppressing interest rate risk
 * Assuming that US FF rates will remain high (at around 4%)



Yen bonds

1 Continue portfolio improvement by replacing bonds held
 • Reinvest in redemptions

Redemption expected (FY2025 to FY2027)
 • Approx. 150 to 200 billion yen per year
 • Yield: Approx. 0.2 to 0.3%



• Strategic replacement of low-yield bonds
 Utilize unrealized gains on equity and investment trusts

2 Strategic interest rate risk taking
 • Purchase over a period between 2H FY2024 and 2H FY2025
 Accumulate a total of 300 billion yen (interest of approx. 3 billion yen)
 * IRRBB “Down scenario ΔEVE 30.2 billion yen (Mar. 31, 2025)”
 * Fluctuations in valuation gains/losses are covered by total capital adequacy (including Tier 2 capital).



Build an optimal portfolio in a world with interest rates



Loans

Initiatives to raise RORA

Headquarters
Structured
finance

Approx. 1.3 trillion yen, RORA 1.72%
(Strategic investment and market investment)

Urban
Corporate
syndicated
loans

Approx. 0.8 trillion yen, RORA 0.57%
(Tokyo and Osaka)

Control

- ✓ Common perspective for RORA
- ✓ Efforts to raise SP strengthened
- ✓ Reducing low-RORA projects
- ✓ Gradual replacement etc.



Improved
asset
efficiency

**RORA and ROA
improvement efforts
were accelerated.**

Securities

**Steady replacement of
low-yield bonds**

Covered by using unrealized gains on stocks
(net investment) and investment trusts



Reinvestment
to improve
yields



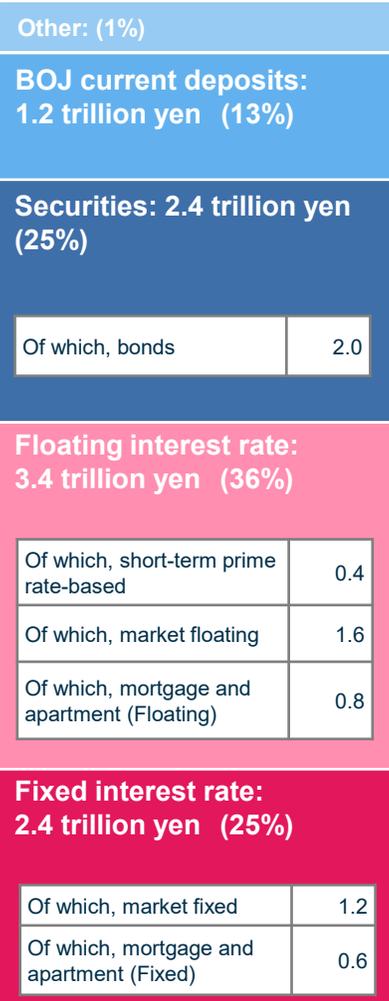
Net interest
income
3.0 billion yen
or more
(improved
amount/year)

	Timing	Sale price	Yield	Remaining life	Gain/loss on sale
	FY2024	Approx. 130.0 billion yen	0.16%	5.4 years	-3.5 billion yen
Result	1H 2025	Approx. 120.0 billion yen	0.19%	4.3 years	-4.6 billion yen
	Subtotal	Approx. 250.0 billion yen	0.17%	4.9 years	-8.1 billion yen
Plan	2H 2025	Approx. 120.0 billion yen	0.20%	3.7 years	Approx. -5.0 billion yen



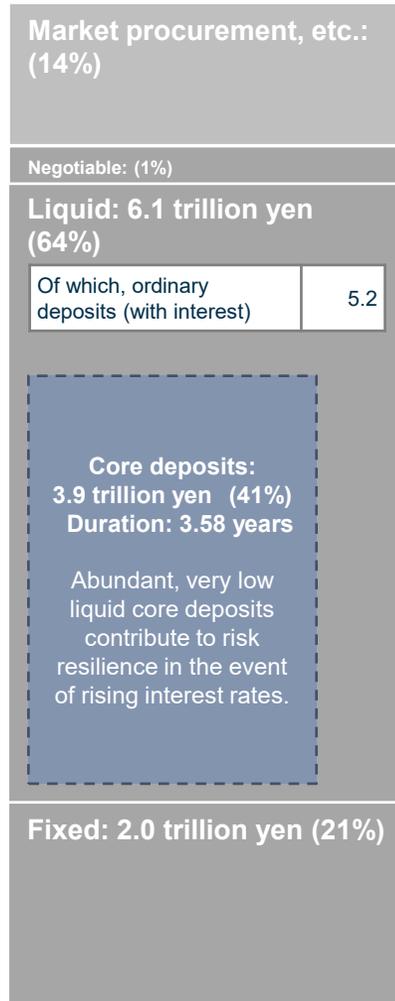
Yen Balance Sheet (1H FY25 average balance: non-consolidated for the Bank)

Approx. 9.5 trillion yen



Loans
5.8 trillion yen

Approx. 9.5 trillion yen



Deposits
8.1 trillion yen

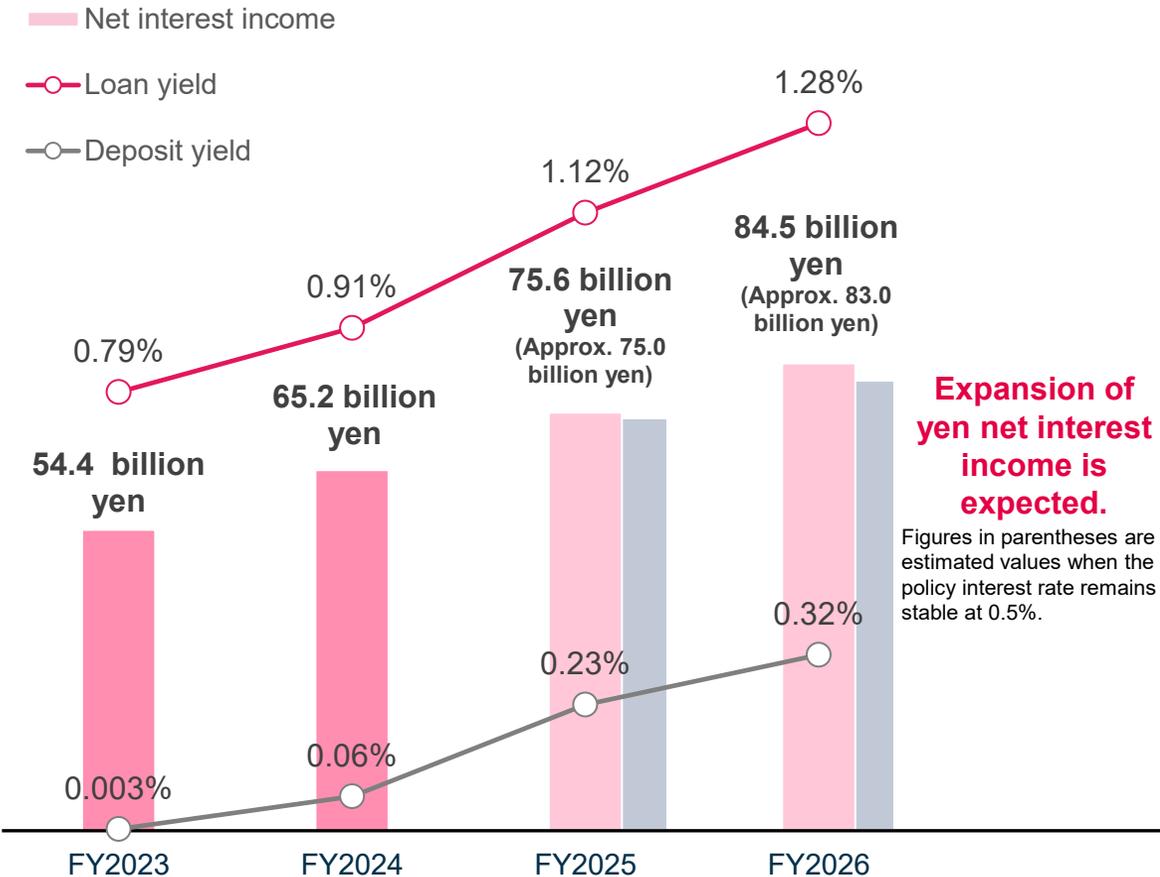
Investment

Procurement

Yen net interest income forecast

* A planned increase in balance is considered.

Policy interest rate assumptions:	Now	2025 2H~	2026 2H~
	0.5%	0.75%	1.00%



Expansion of yen net interest income is expected.

Figures in parentheses are estimated values when the policy interest rate remains stable at 0.5%.

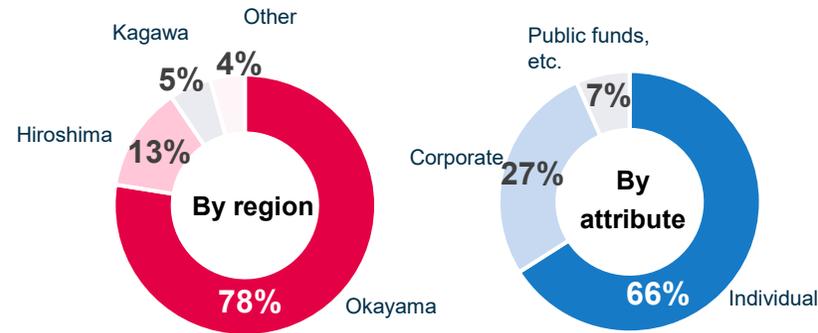


Current situation

✓ Solid share in the local area

Okayama
Prefecture
Deposit
share **51.5%**

✓ Low-liquid, stable deposits



[Characteristics] Mainly daily life accounts (individual) and trading accounts (corporate) of customers in local areas

Initiatives

Individual

Introduce new products
Improve convenience of non-face-to-face tools

Corporate

Expand business-to-employee transactions
Strengthen sales to increase deposit share

Communities

Development of the base areas

Topic

Channel strategy

- ✓ Establish an asset management support desk
To strengthen contact mainly with the working generation
(Open weekday nights and holidays)
- ✓ Saijo Branch (Hiroshima Prefecture) opened
To enhance contact with customers and improve convenience

Strengthen efforts to acquire low-liquid deposits

▶ Toward a stable procurement base

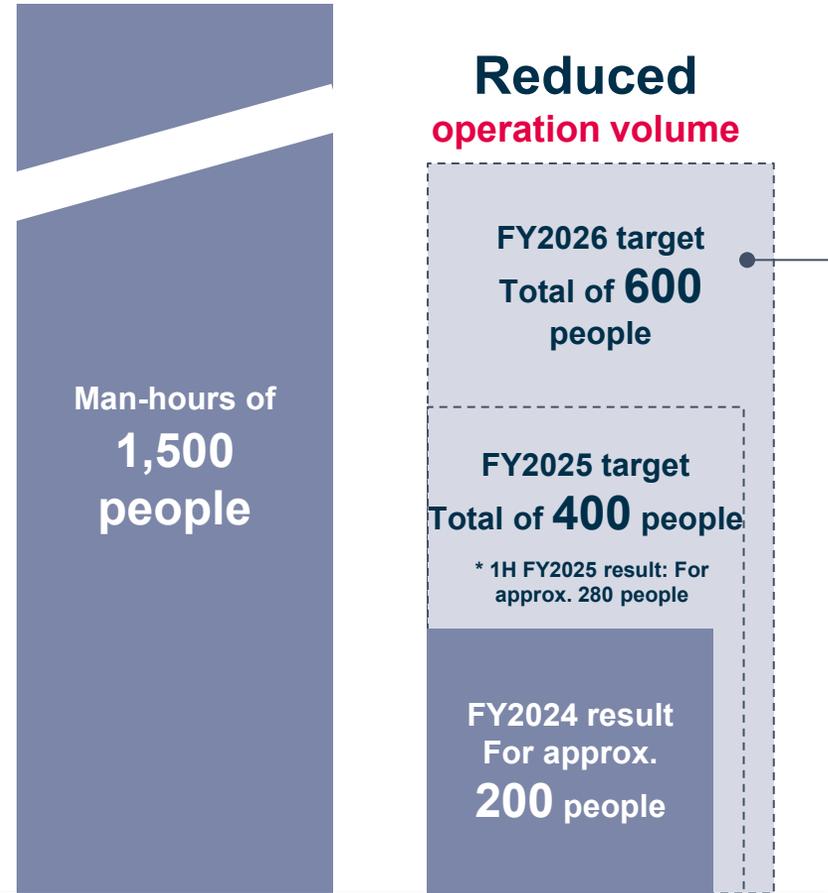


Operational process reforms

Policy and features

- ✓ Review on an across-the-Group basis
- ✓ Setting projects for each operation
- ✓ In-house production utilizing know-how within the Group

Visualized operation volume



Goals

- **Operation** shift (for 400 people)
- **Personnel** strategic redeployment (for 200 people)

- Sales offices
- New Life Plan Center
- Headquarters planning department etc.

Example of strategic redeployment

Focused deployment to the asset management support desk

Ensure implementation of operational shift to focus areas and strategic redeployment

Initiatives that Capture the Community from a Wide Perspective (Collaboration with municipal governments)

Boosting net sales

Deposits/ Personnel

Sustainable Growth

Our challenges build our future.
Chugin Financial Group, Inc.



SDGs X Kagamino-cho

- Agreement concerning comprehensive cooperation related to regional revitalization SDGs

SDGs X Maniwa-shi

- Agreement concerning comprehensive cooperation related to regional revitalization SDGs
- Establishment of a new local electricity company



SDGs X Shinjo-son

- Agreement concerning comprehensive cooperation related to regional revitalization SDGs
- Forestation project aimed at building sustainable forests
- DX promotion support business

SDGs X Takahashi-shi

- Agreement concerning comprehensive cooperation related to regional revitalization SDGs

SX X Fuchu-shi

- Operations to analyze the regional economy toward the realization of a decarbonized society and to conduct surveys on the potential for the introduction of renewable energy

SX X Fukuyama-shi

- Comprehensive agreement related to regional revitalization

SX X Kurashiki-shi

- Comprehensive agreement related to regional revitalization

DX, SX, and SDGs X Mitoyo-shi

- Industrial development utilizing AI, IoT, and other advanced technologies
- Agreement concerning collaboration toward the realization of a decarbonized society
- Agreement concerning collaboration and cooperation toward the realization of a sustainable and attractive agriculture industry in Mitoyo-shi

SX X Okayama Prefecture

- Comprehensive agreement related to regional revitalization

SX X Tsuyama-shi

- Operations to support applications for certification as a Decarbonization Leading Area



SX X Nishi-awakura-son

- Co-proposal for "Decarbonization Leading Areas"
- Establishment of a new local electricity company



SX X Mimasaka-shi

- Comprehensive agreement related to regional revitalization

SX X Wake-cho

- Comprehensive agreement related to collaboration and cooperation related to regional decarbonization

DX, SX, and SDGs X Okayama-shi

- Comprehensive agreement related to regional revitalization
- Agreement on the dissemination of the SDGs Collaboration Partners Program and the promotion of activities of registered businesses
- Introduction of "Enpay for Chugoku Bank" to public kindergartens and daycare facilities
- Accepting contract BPR operations for Okayama City's smart counter service
- Accepting contract to operate Okayama City Zero Carbon Study Group for FY2025

SX X Setouchi-shi

- Co-proposal for "Decarbonization Leading Areas"
- Establishment of a new local electricity company



SX X Tamano-shi

- Comprehensive agreement related to regional revitalization

* The red font color indicates contracted operations performed by C Cube Consulting.
The blue font color indicates investments made by Chugin Energy.



Startup support

Creating companies that represent the region

- ✓ Number of program participants **Approx. 470**
- ✓ Number of companies newly established **36 companies**

* Total for FY2017 to 1H FY2025

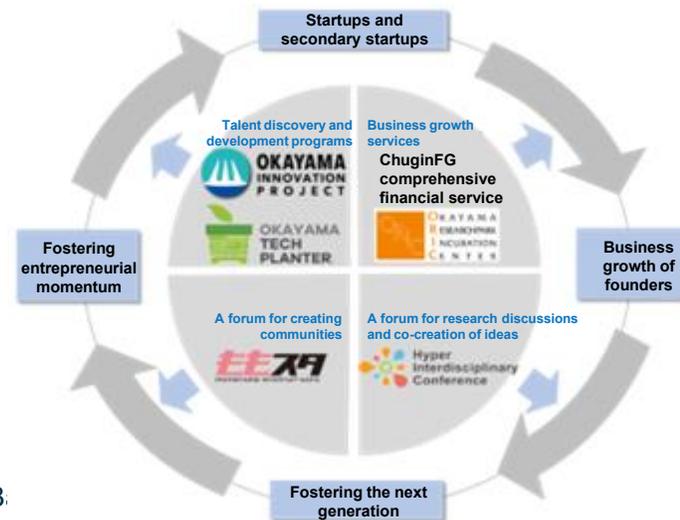
Accompanying support

- ✓ Result of investment and loans **Approx. 4.0 billion yen**

* Investment and loans for program participants (The Chugoku B.

* Cumulative amount from FY2017 to FY2024

Startup ecosystem



Solving regional issues and business opportunities

Risk money supply (equity support)

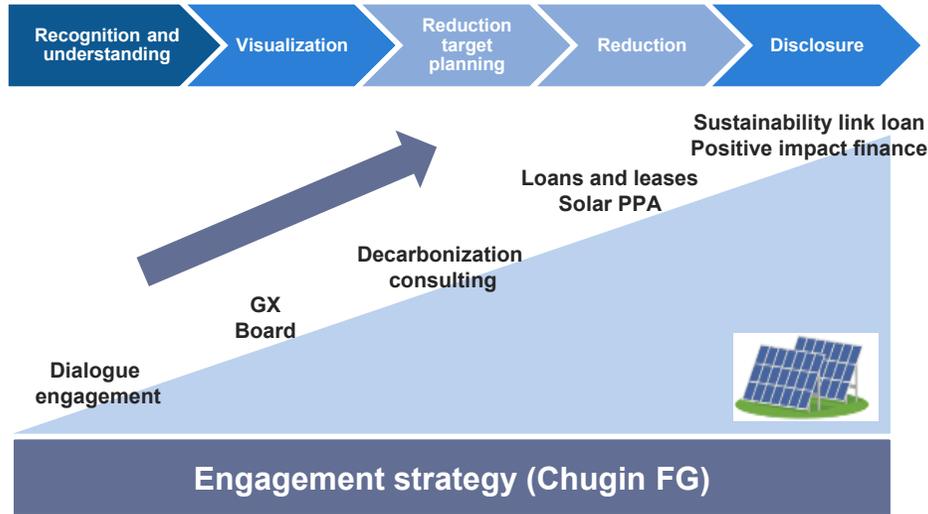
- ✓ **Infinity Fund** (Chugin Capital Partners) **Approx. 1.9 billion yen** (**62 startups, including 31 local-related companies**)

- Investing in “regional challenge-solving companies” in Okayama and nationwide
Aiming to revitalize local communities through collaboration with pioneering companies that create innovation and new value in the region



Decarbonization

Local customers



Topic

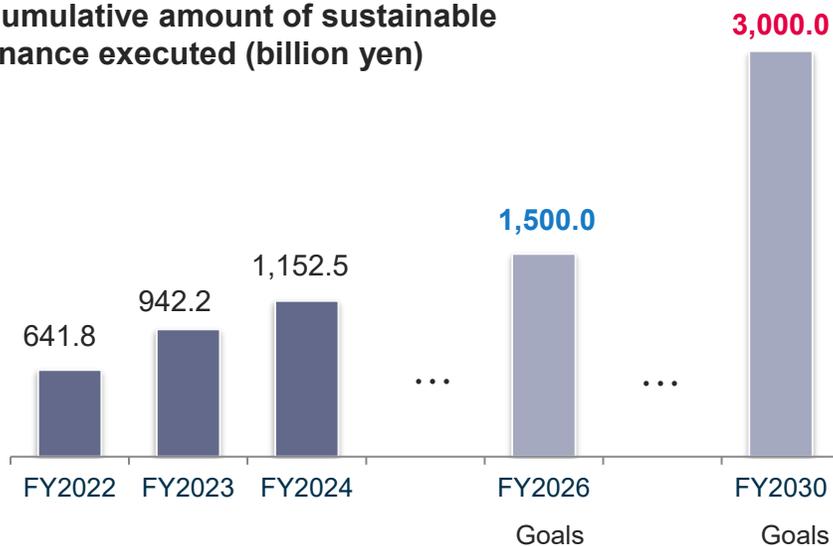
Principles for Financial Action for the 21st Century
The Minister of the Environment Award for Best Practices in FY2024 received



Initiative for behavior change toward realization of carbon neutrality of local communities

Solving regional issues and business opportunities

Cumulative amount of sustainable finance executed (billion yen)



Solar power PPA service results

Chugin Energy

* As of September 30, 2025

Contracts concluded

49 facilities

Installation capacity

15.2 MW

CO2 reduction

6,741 t-CO₂/year

(Absorption amount equivalent to that for approx. 2,700 households)

* Including scheduled installation



Labor shortage

Recruitment service for the Bank employees
(Mainly for bank employees aged 55 or older who have reached the retirement age of their positions)



Topic

NIKKEI Reskilling Award 2025
Corporate/Organization
Innovative category
Top Prize awarded



- Play a part in regional revitalization by viewing seconded employees as “human capital” that supports the regional economy and giving back to local communities
- “Second career support” reskilling

Collaboration to promote women’s empowerment throughout the region



Topic

- “Next-Generation Management Seminar for Women Leaders”
- “Women Expanding Possibilities for Local Communities and the World”
(Presented at the Kansai Expo)
- Communication aimed at solving issues such as business succession, diversity management, and the outflow of young people from the prefecture

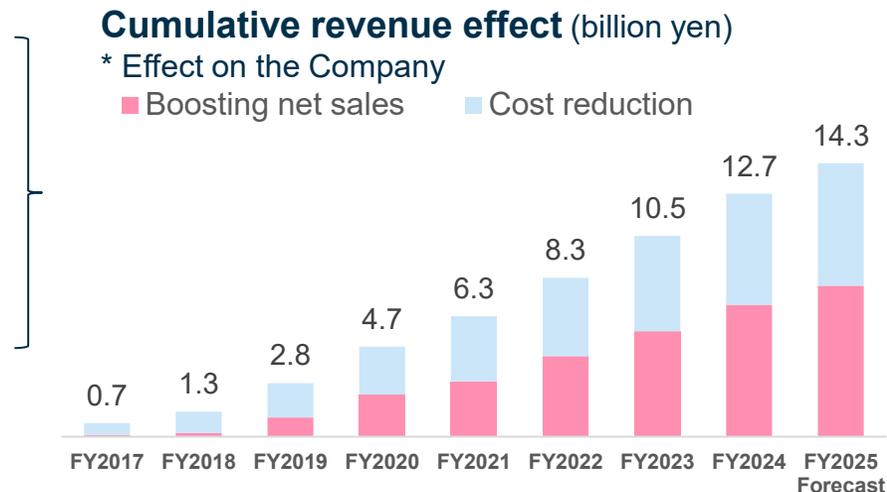
Solving regional issues and business opportunities



Wide-area collaboration

● TSUBASA Alliance

Boosting net sales	Syndicated loans
	Inheritance-related business
Cost reduction	Core system integration
	TSUBASA FinTech common platform
Sophistication of operations	Sophistication of AML operations
SDGs	Joint purchase of non-fossil certificates



Collaborate with various stakeholders for sustainable development of local communities

Community collaboration

- **Alliance for Co-creation of Future of Okayama** (The Chugoku Bank, Okayama University)
- **Okayama Consortium for Promotion of Community Decarbonization** (Collaboration among industry, government, academia, and financial institutions in Okayama Prefecture)
- **Okayama Co-creation Partnership** (The Chugoku Bank, Tomato Bank, Japan Finance Corporation, Okayama Prefecture Credit Guarantee Association)
- **Partnership agreement for the promotion of sustainability in the Sanyo region** (Chugin Financial Group, Hirogin Holdings)



Cross-industry collaboration

Direction to be pursued through collaboration

- ✓ Mutual use of resources
- ✓ Horizontal deployment of successful models



Co-creation of a prosperous future with our communities and customers

<Collaboration examples>

- **Recruit**
Launched a campaign that allows “Suumo Counter” users to receive preferential mortgage interest rates.
- **Money Forward X**
Started collaborative development of “BANK Biz,” a corporate service platform for local financial institutions. Aiming to promote the digitalization of the regional economy, renewal of the business portal provided by the Bank is scheduled (Fall 2026).
- **Matsuo Institute**
Started joint research on generative AI. Aiming to provide services that solve business issues faced by local companies, using AI.
- **SAS Institute Japan, Comture**
Introduced new analytics AI platform. Aiming to promote the use of data and AI and establish a system that enables prompt and accurate provision of high-value-added services to our customers.

<Major future initiatives>

Expand business area by utilizing other companies' channels

Consider business schemes in collaboration with local companies

Consider methods and structures for selling in-house systems

Expand BPO services to local companies

Co-create new value beyond conventional ideas through cross-industry collaboration



① Human resource development aligned with management strategy

- Allocate and develop human resources in focus areas
- Build a foundation of highly specialized human resources, etc.

② Improving engagement

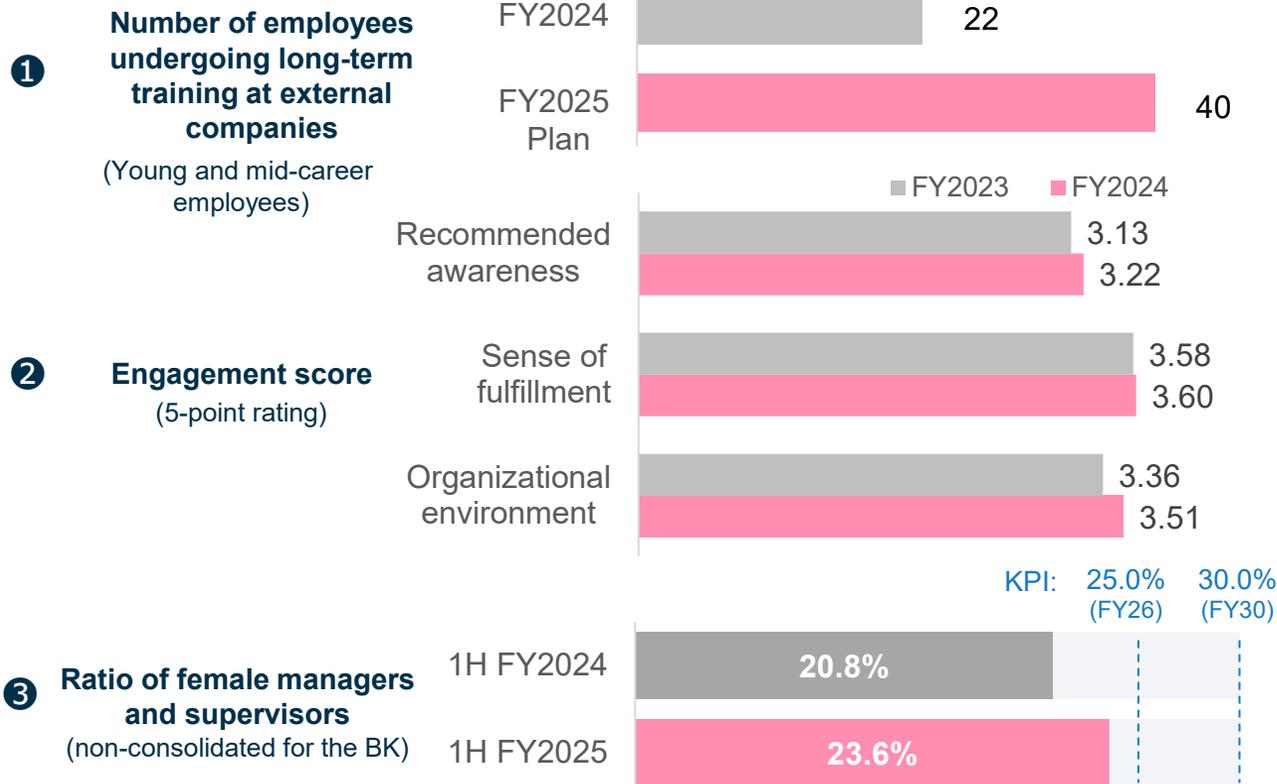
- Improve employee well-being
- Promote a sense of unity with management, etc.

Expanding investment
0.5 billion yen/year
⇒ 1.0 billion yen/year



③ Achieving D&I Active participation by diverse human resources, organizational culture reform

Accelerating



Strengthening development

Up from FY2023

Steady progress

Increase investment in employees

	FY2024 Result	FY2025 Forecast	FY2026 KPI
Net income	27.4 billion yen	35.0 billion yen	40.0 billion yen or more
ROE	4.8%	Approx. 6.0%	7.0% or more
RORA	0.63%	Approx. 0.75%	0.8% or more
Financial leverage	7.8 times	Approx. 8.0 times	8.0 times or more
PER	11.5 times	Approx. 11.5 times (Assuming flat)	Approx. 11.5 times (Assuming flat)
PBR	0.55 times	Approx. 0.7 times	Approx. 0.8 times

Toward Enhancement of Corporate Value

ROE improvement through achieving KPIs

Sustainable growth for the future

- ✓ Boosting net sales (Accelerating unit strategy)
- ✓ Capital efficiency

- ✓ Deposits and human resources as base
- ✓ Human capital investments
- ✓ Deepening of regional revitalization SDGs

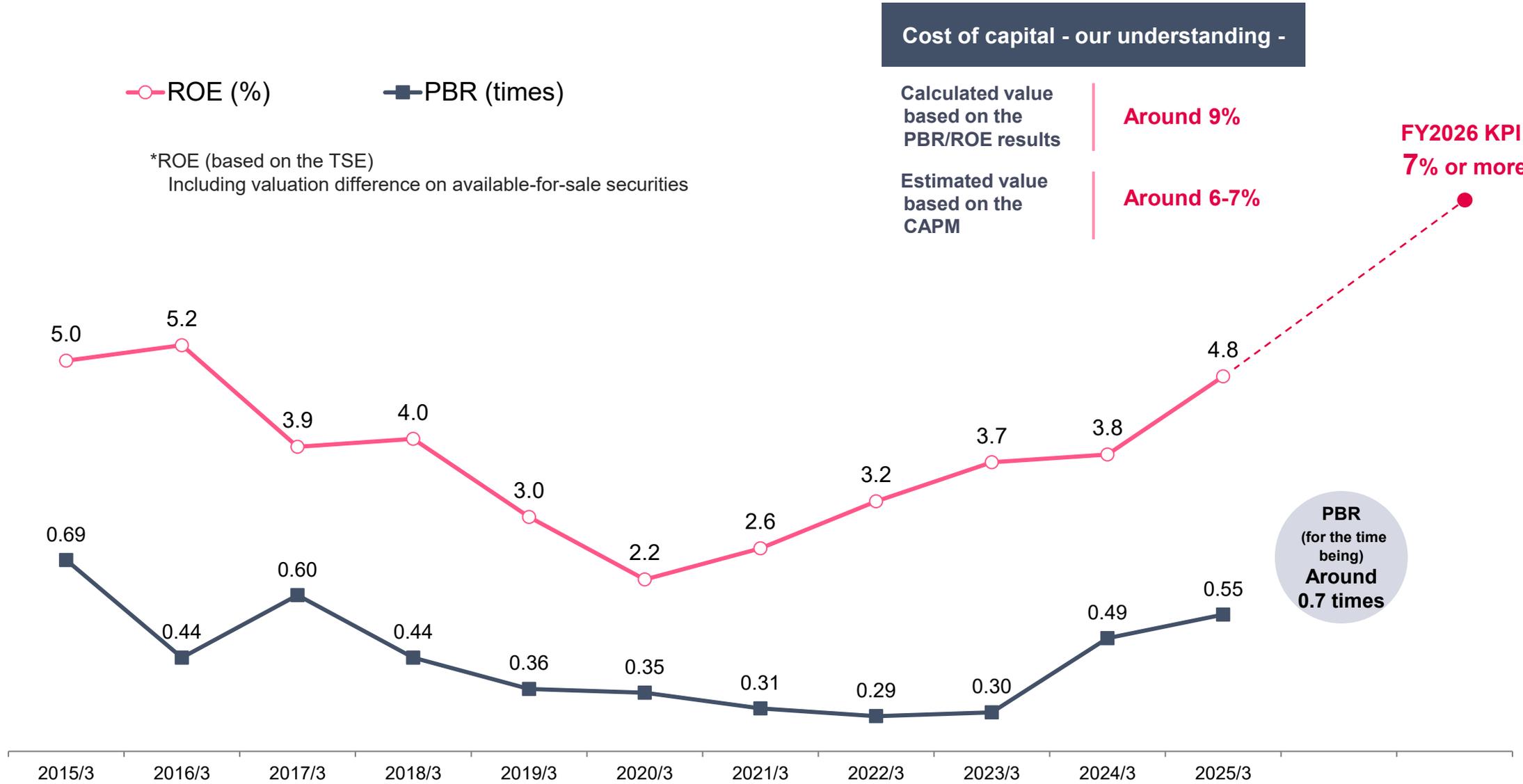


Increased expectations for growth

- ✓ Information disclosure and communication
- ✓ ROE results

PBR to more than 1 time

(Reference) Trends in ROE/PBR



Section III

Appendix

(Major Numerical Figures)

Net sales expanded significantly, mainly in net interest income.

Consolidated financial results for the
Chugin Financial Group

* Forecast published on May 14, 2025

	FY2023 1H	FY2024 1H	FY2025 1H		
				YoY	vs. Plan*
(billion yen)					
Consolidated gross profit	44.8	51.7	55.9	4.2	—
(excluding profits and losses related to bonds)	46.1	53.7	60.1	6.4	—
Net interest income	31.0	36.0	43.3	7.3	—
Fees and commissions income	9.1	10.7	11.0	0.3	—
Net other operating profits	4.7	4.9	1.5	-3.4	—
Of which, profits and losses related to bonds	-1.2	-2.0	-4.2	-2.2	—
Expenses (-)	28.4	28.8	32.3	3.5	—
Credit cost (-)	3.8	3.7	3.5	-0.2	—
Profits and losses related to equity	1.6	1.4	4.2	2.8	—
Other	0.8	0.4	0.9	0.5	—
Ordinary profit	15.0	20.9	25.2	4.3	1.8
Extraordinary profits and losses	-0.0	-0.0	-0.2	-0.2	—
Interim profit attributable to owners of parent	10.4	14.6	17.3	2.7	1.5

Net interest income increased significantly mainly due to asset expansion and rising domestic interest rates.

Non-consolidated for The Chugoku Bank (billion yen)		FY2023	FY2024	FY2025	YoY
		1H	1H	1H	
Core business gross profit		42.1	49.7	56.4	6.7
	Net interest income	31.0	36.9	44.0	7.1
	Net fee income	9.9	11.5	11.6	0.1
	Net other operating profits	1.1	1.2	0.6	-0.6
Expenses (-)		26.0	26.7	30.1	3.4
OHR		61.9%	53.7%	53.3%	-0.4 pt
Core business net profit		16.0	23.0	26.3	3.3
	Excl. gains and losses on cancellation of investment trusts	16.0	23.0	27.4	4.4
Credit cost (-)		3.6	3.5	3.3	-0.2
	Profits and losses related to securities	0.3	-0.5	-0.0	0.5
	Other	0.1	0.2	0.5	0.3
Ordinary profit		12.9	19.1	23.4	4.3
Net income		9.0	13.7	16.5	2.8

Affected by the loss of a large project (The Chugin Lease) and the worsening market conditions (Chugin Securities), both ordinary profit and net income decreased year on year.

Group companies	(billion yen)	Ordinary profit	YoY	Net income	YoY
The Chugin Lease		0.28	-0.47	0.18	-0.30
The Chugin Card		0.10	-0.00	0.06	-0.00
Chugin Human Innovations (Employment placement)		0.00	0.01	0.00	0.00
Chugin Capital Partners (Fund management and administration)		0.02	0.01	0.02	0.00
C Cube Consulting (DX, SX and other consulting services)		0.01	-0.04	0.01	-0.04
Chugin Energy (Decarbonization support such as renewable energy power generation)		-0.01	0.00	-0.02	0.00
Chugin Securities		0.41	-0.15	0.28	-0.10
Chugin Asset Management		0.11	0.01	0.08	0.00
The Chugin Operation Center		0.01	-0.01	0.01	-0.00
CBS (Contracted administrative work related to banks)		0.06	-0.05	0.04	-0.03
The Chugin Credit Guarantee		1.00	0.08	0.68	0.08
Group companies total		2.04	-0.59	1.38	-0.39

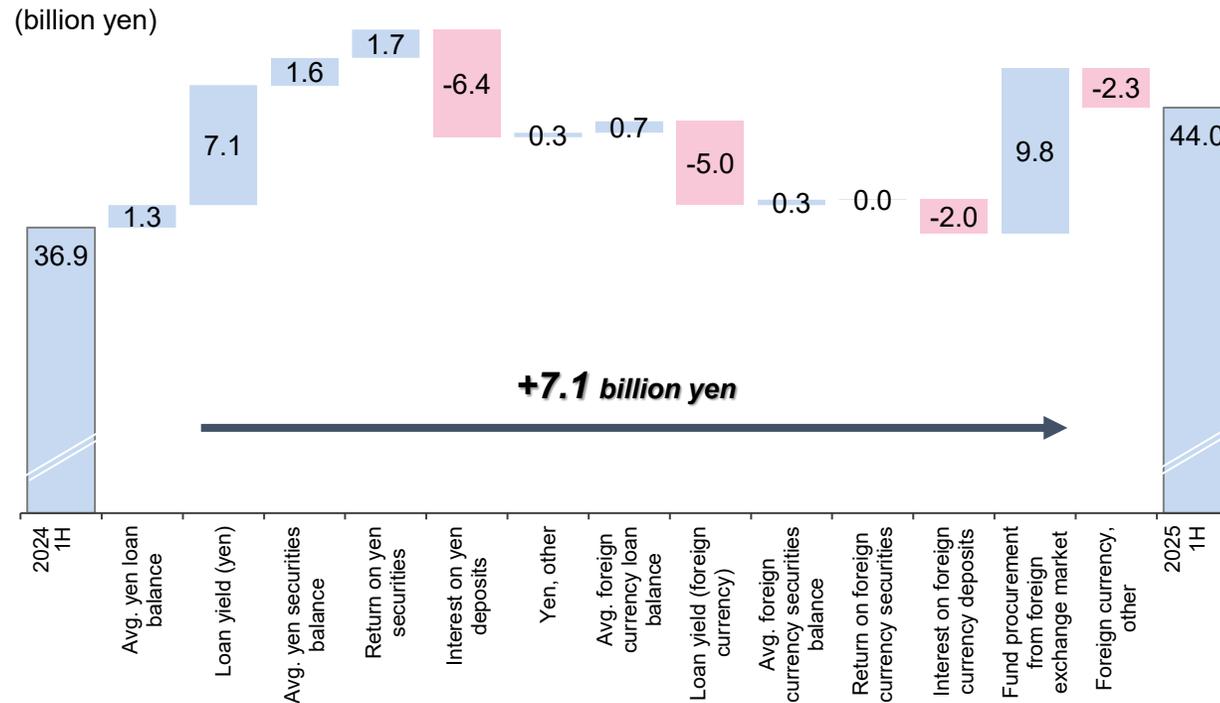
[Factors behind change in net interest income]

■ Yen-based: ¥37.4 billion (+¥5.6 billion YoY)

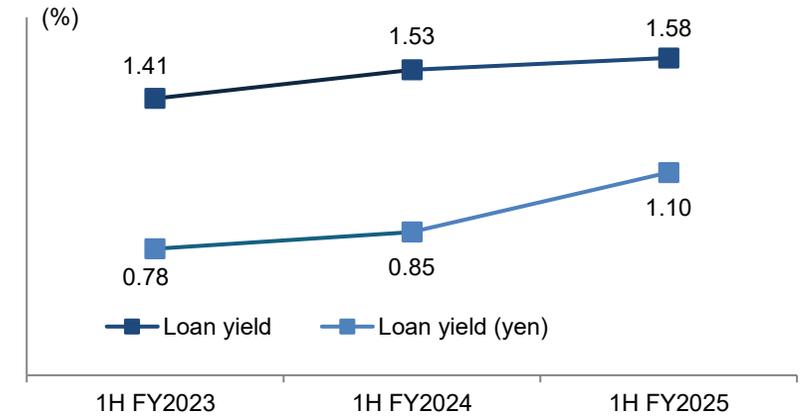
- Interest on loans and discounts: +¥8.5 billion YoY
- Interest on securities: +¥3.2 billion YoY
- Interest on deposits (-): +¥6.4 billion YoY
- Market investment procurement, etc.: +¥0.3 billion YoY

■ Foreign currency-based: ¥6.6 billion (+¥1.5 billion YoY)

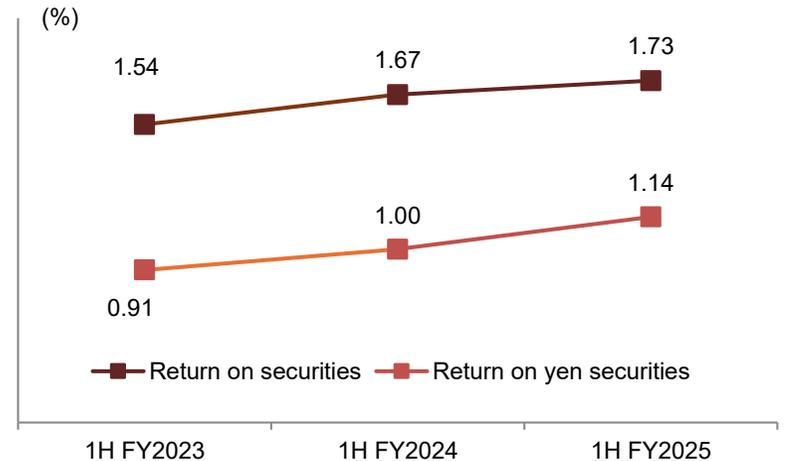
- Interest on loans and discounts: -¥4.2 billion YoY
- Interest on securities: +¥0.3 billion YoY
- Interest on deposits (-): +¥2.0 billion YoY
- Market investment procurement, etc.: +¥7.4 billion YoY



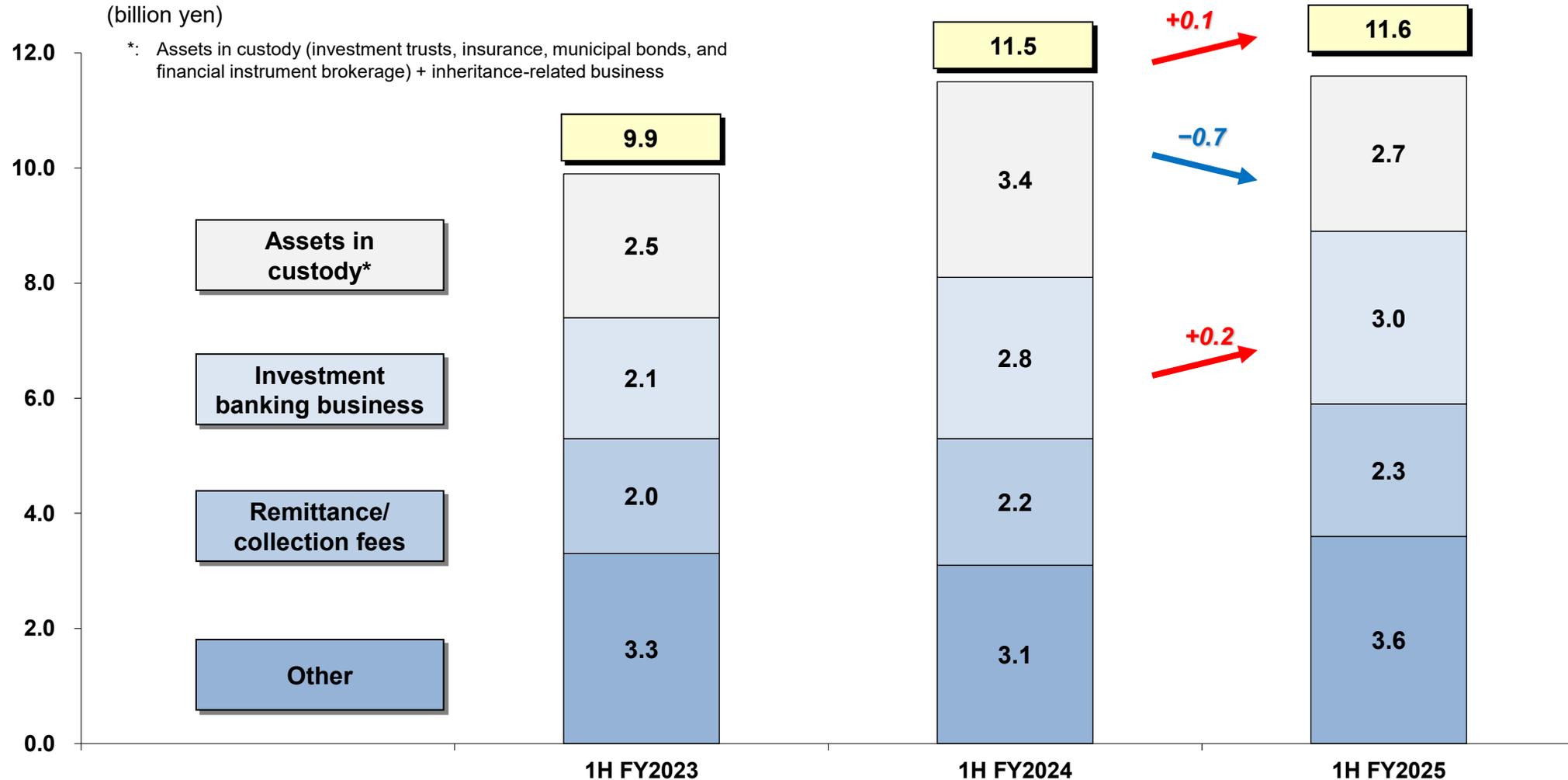
[Loan yield]



[Return on securities]



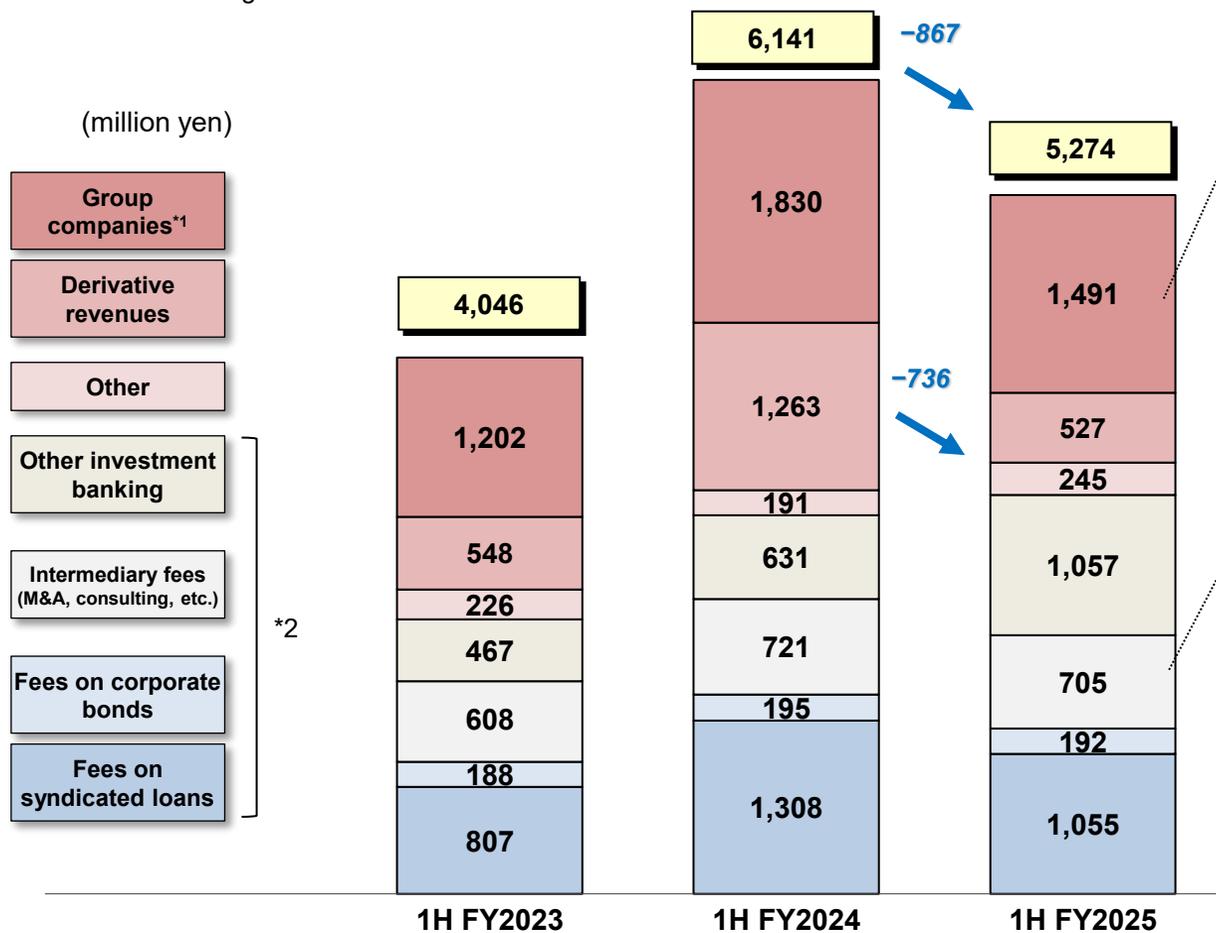
[Net fee income]



[Corporate solutions-related revenues]

*1 Gross margin for The Chugin Lease, and operating revenues for other Group companies (after deducting internal transactions)

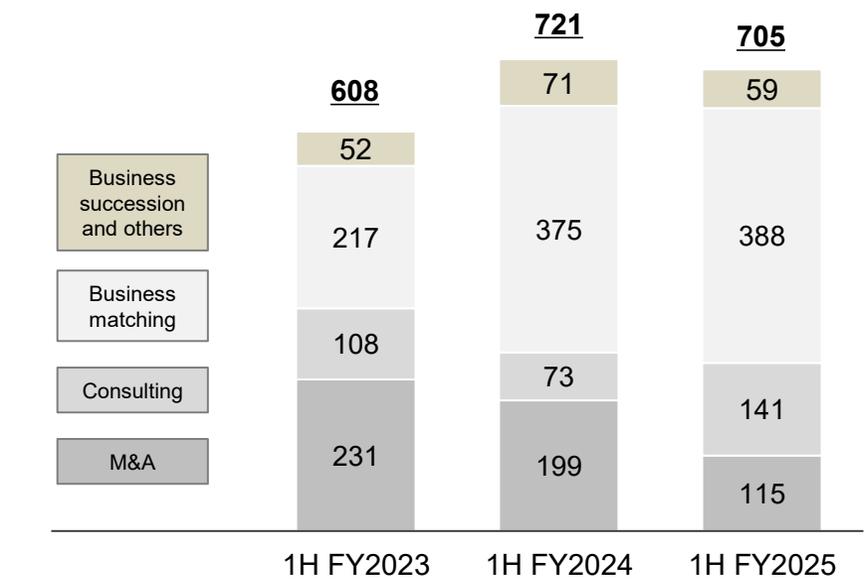
*2: Investment banking business recorded in net fee income



Breakdown of Group companies (million yen)

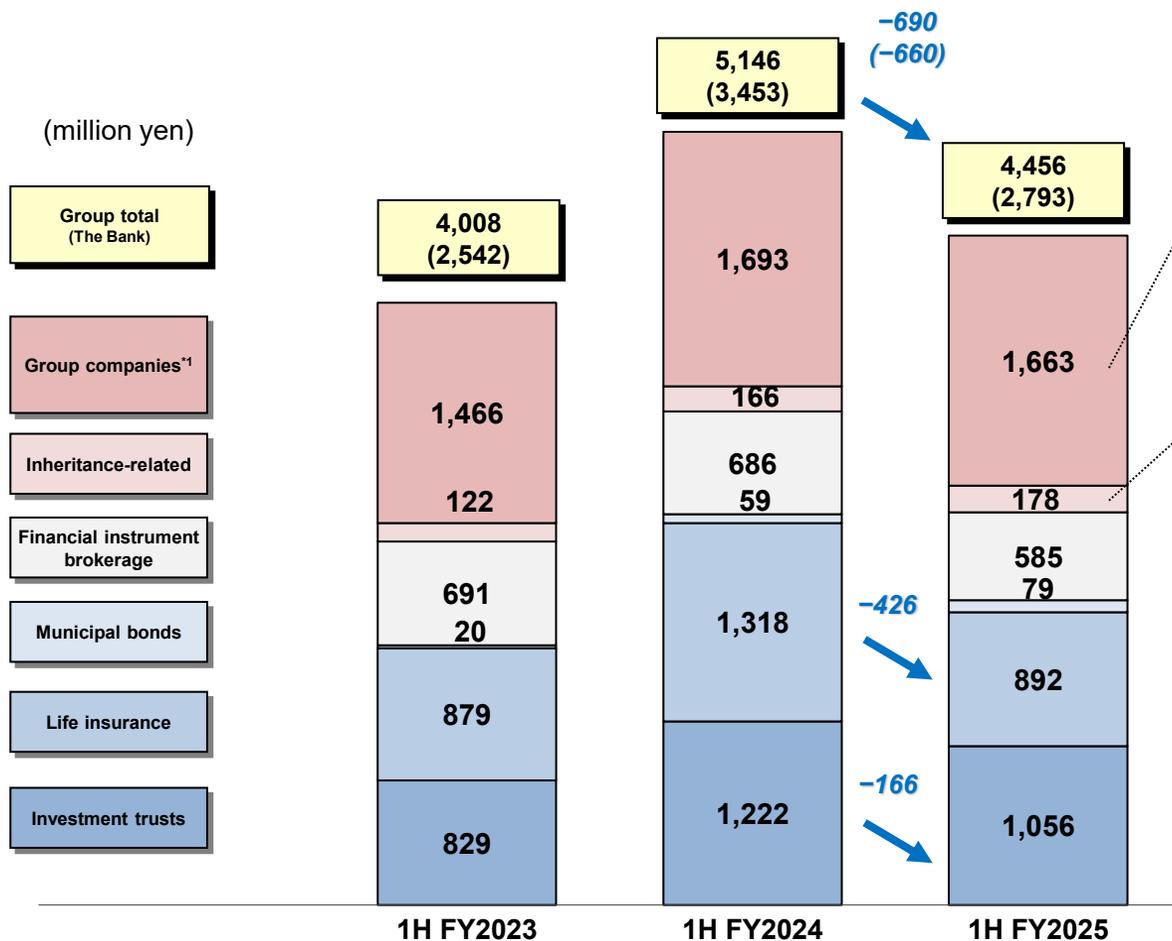
The Chugin Lease	699
The Chugin Card	511
Chugin Human Innovations	76
C Cube Consulting	205

Breakdown of intermediary fees (million yen)



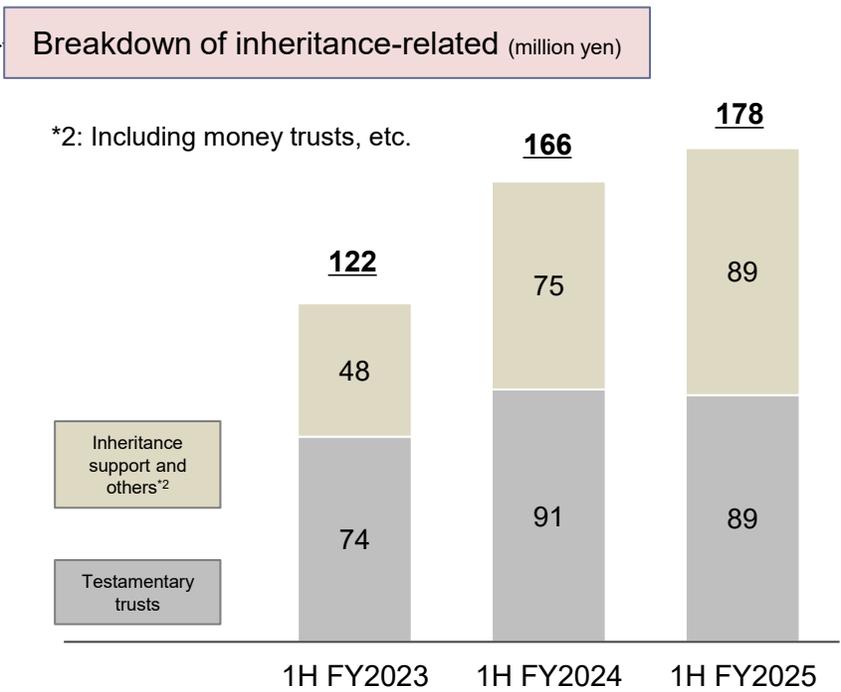
[Revenues related to assets in custody]

*1: Total of operating revenues for Chugin Securities and Chugin Asset Management (after deducting internal transactions)

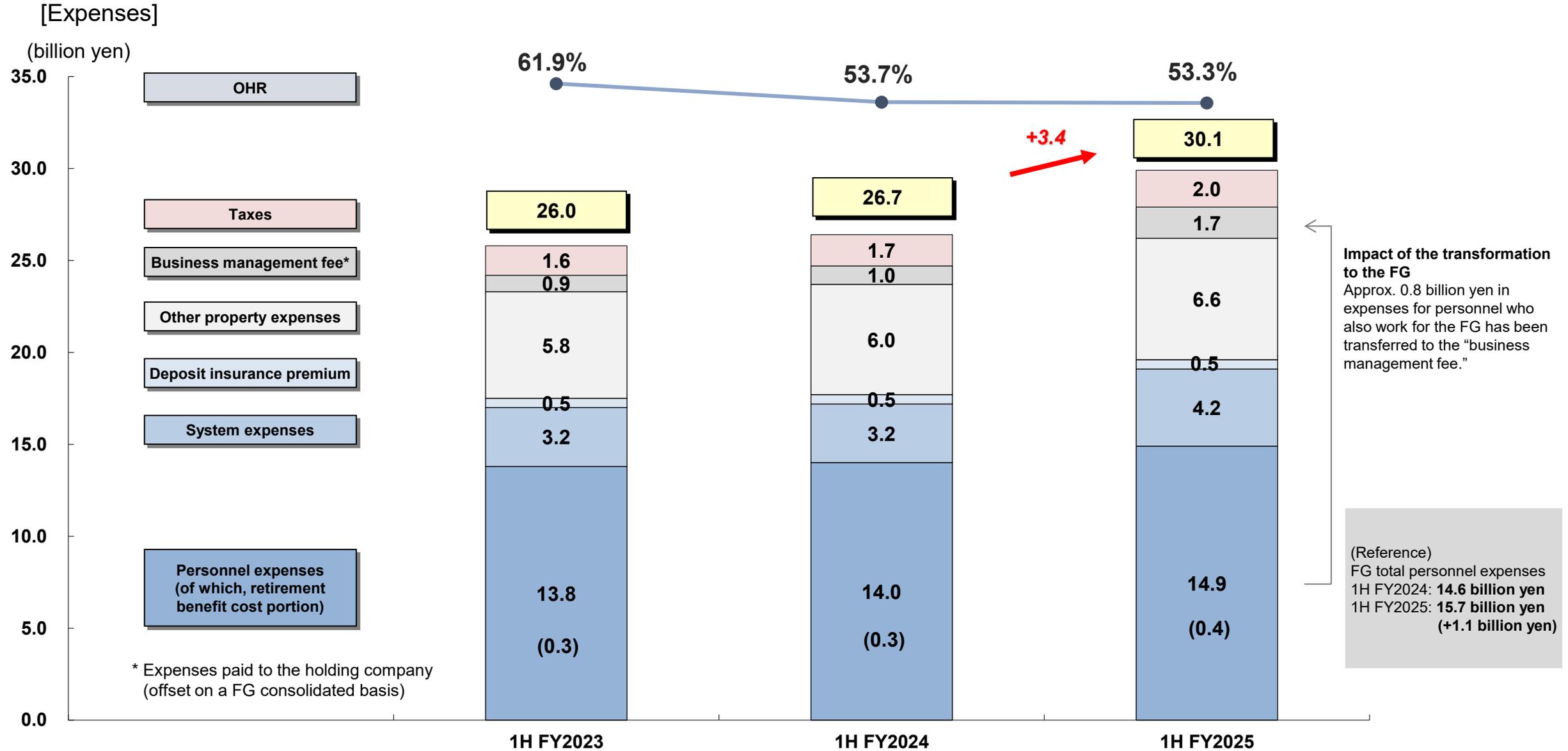


Breakdown of Group companies (million yen)

Chugin Securities	1,358
Chugin Asset Management	305

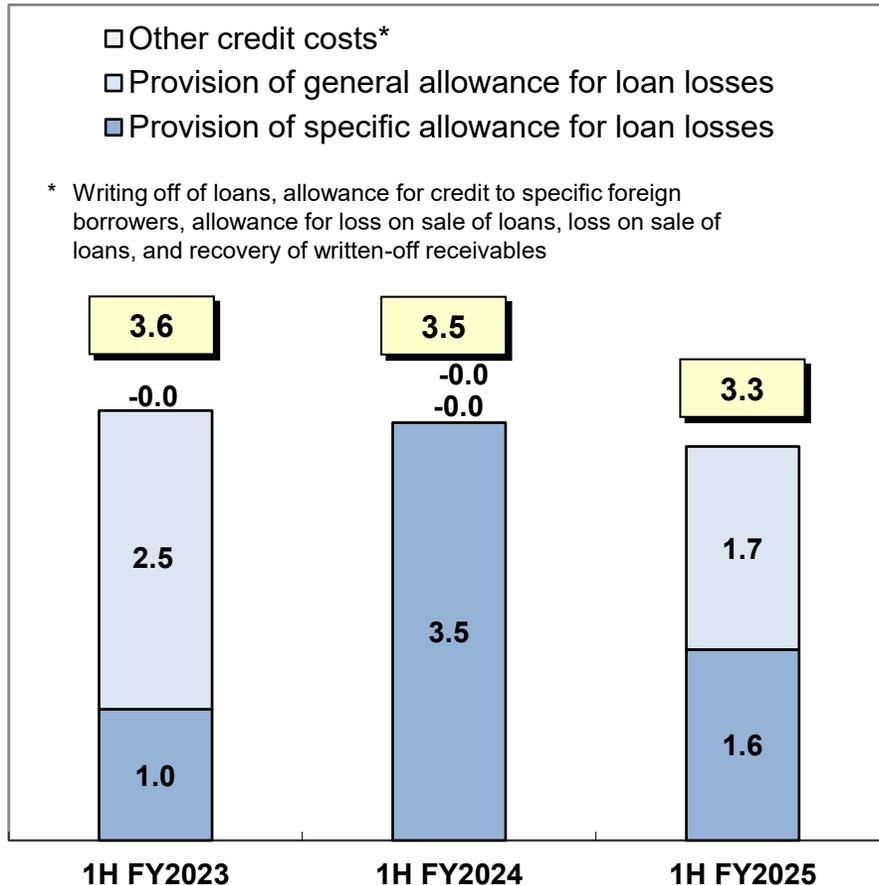


Expenses –Non-consolidated for the Bank–



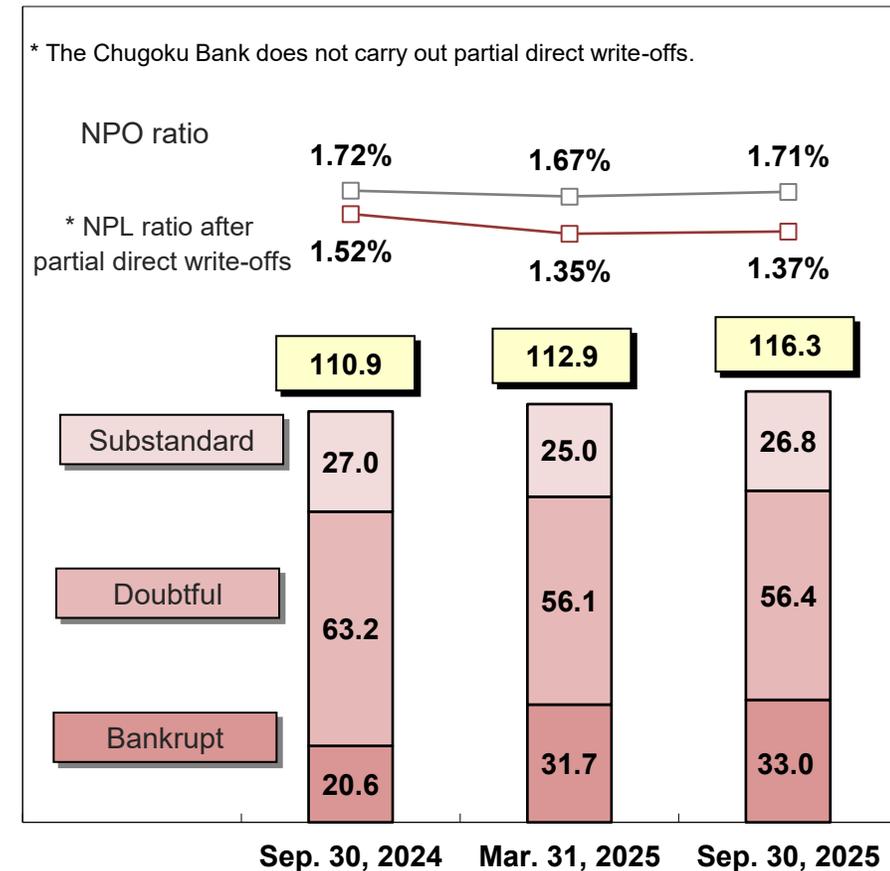
[Credit costs]

(billion yen)



[Non-performing loans (NPL) (Loans disclosed under the Financial Revitalization Act)]

(billion yen)

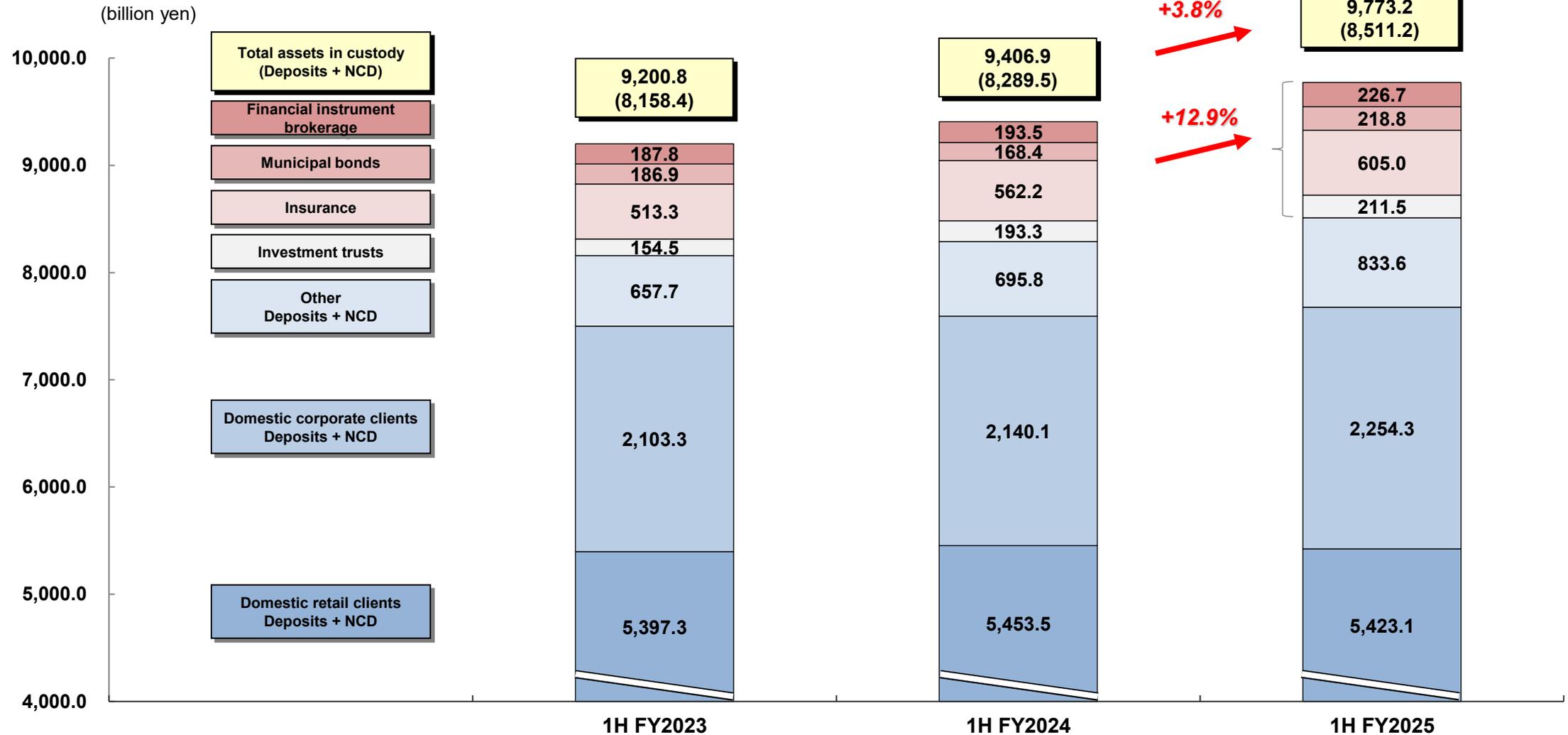


■ Calculation method of general allowance for loan losses

- The expected loss rate is calculated based on the actual loan loss, with one calculation period being three years. (Each calculation period is moved half a year forward.)
- The expected loss rate shall be the “most recent three-period average,” the “most recent five-period average,” or the “long-term average starting from the fiscal period ended in September 2008,” whichever is larger (changed from the fiscal period ended September 2022).
- Loans to healthy accounts and accounts requiring caution I are adjusted by taking into consideration the average remaining period of the receivables.

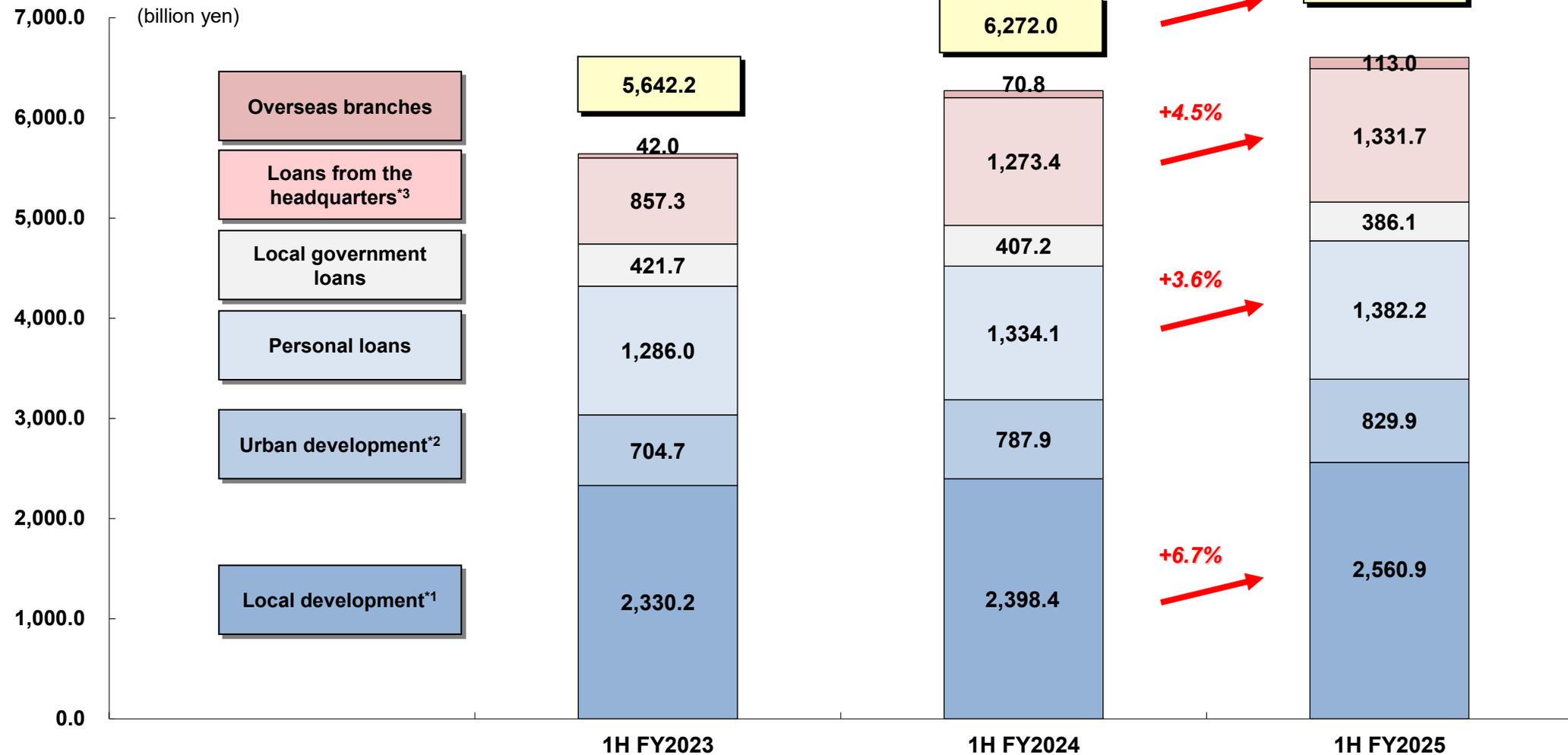
Deposits & Assets in Custody –Non-consolidated for the Bank–

[Average balance of deposits and assets in custody]



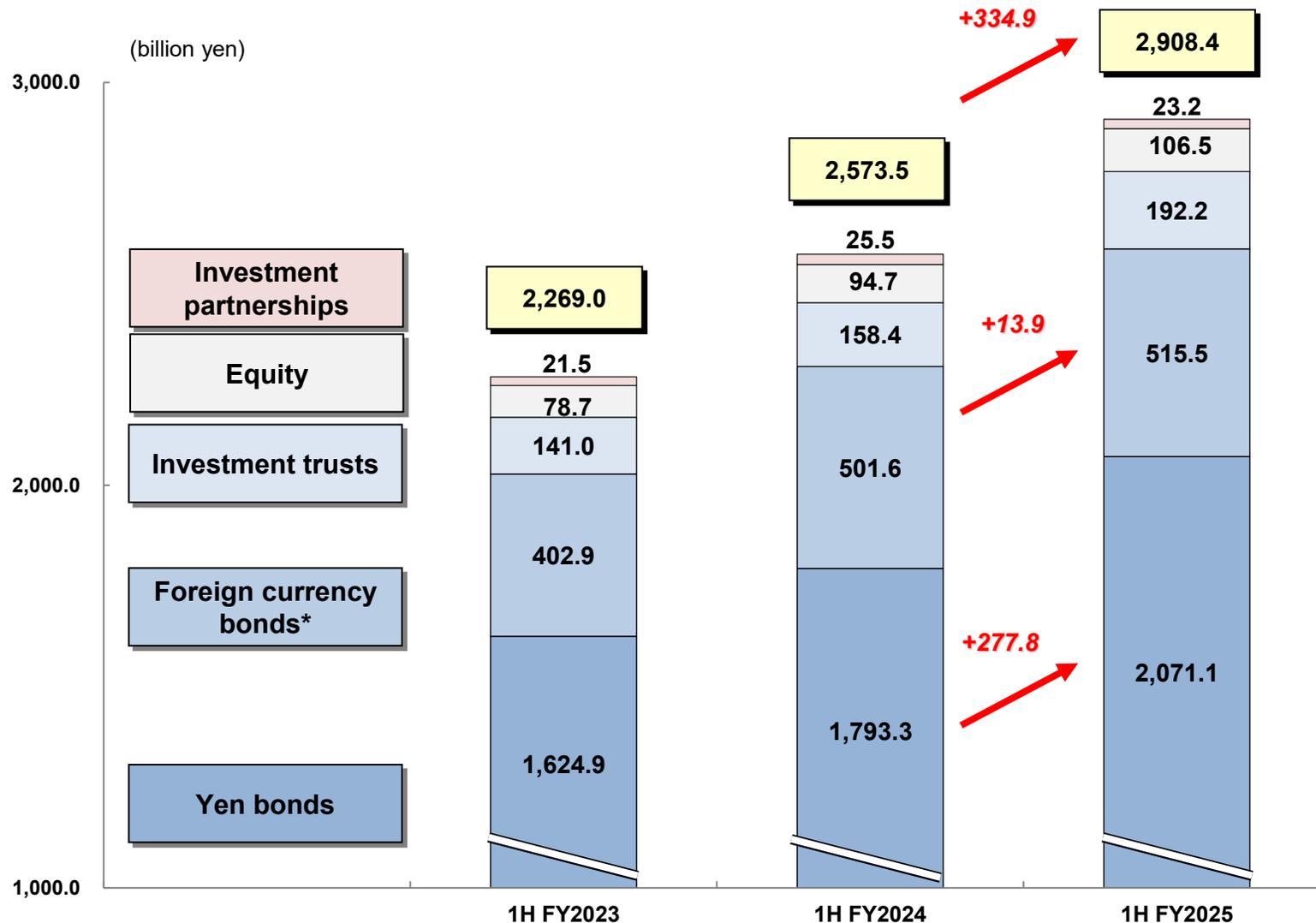
* Financial instrument brokerage is based on the acquisition price. Municipal bonds are based on the face value. Insurance takes into account cancellations. Investment trusts are based on net assets (including defined contribution pensions).

[Average loan balance]



*1 Local: Regions other than Tokyo and Osaka *2 Urban: Tokyo and Osaka *3 Loans from the headquarters: Structured Finance Dept.

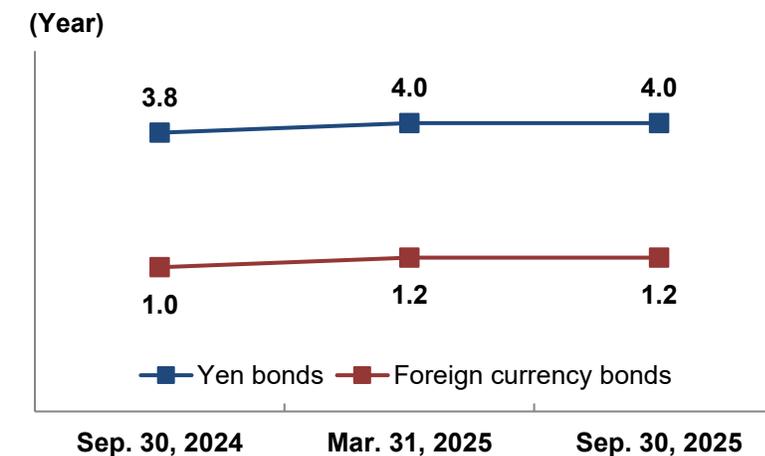
[Average balance of securities]



[Unrealized gains/losses]

(billion yen)	Sep. 30, 2024	Mar. 31, 2025	Sep. 30, 2025	Term-end comparison
Total	64.4	12.5	72.5	60.0
Securities	63.8	-18.1	25.0	43.1
Held to maturity	-0.3	-2.3	-2.5	-0.2
Other securities	64.1	-15.7	27.6	43.3
Equity	67.6	66.1	94.9	28.8
Investment trusts	43.6	36.0	68.1	32.1
Foreign currency bonds	-5.1	-13.1	-11.6	1.5
Yen bonds	-42.2	-104.1	-125.5	-21.4
Asset swap	0.6	30.7	47.5	16.8
Foreign currency interest swap	-4.4	3.2	3.1	-0.1
Yen interest swap	5.0	27.4	44.3	16.9

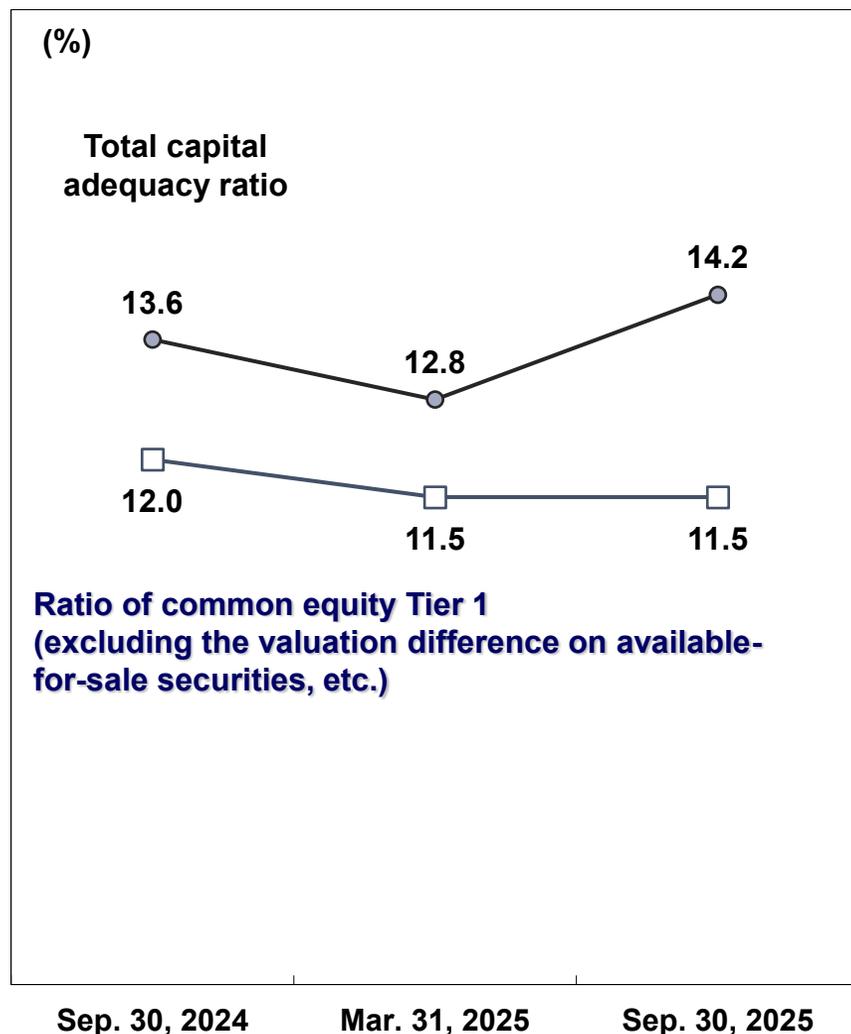
[Duration of bonds]



* Foreign currency bonds: Includes foreign currency investment trusts

The ratio of common equity Tier 1 (excluding the valuation difference on available-for-sale securities, etc.) remained mostly in the middle of the control range (11% to 12%).

[Capital adequacy ratio (consolidated for the FG)]



[Status of capital adequacy (consolidated for the FG)]

	(billion yen)		Change
	FY ended Mar. 2025	1H ended Sep. 2025	
Total capital adequacy	564.9	641.3	76.4
Of which, common equity Tier 1	519.9	573.1	53.2
Of which, valuation difference on available-for-sale securities, etc.*	12.4	54.7	42.3
Risk assets, etc.	4,380.1	4,504.5	124.4
Credit risk	4,284.7	4,405.4	120.7
Operational risk	95.4	99.0	3.6

* Valuation difference on available-for-sale securities and deferred gains or losses on hedges (on securities)

[Other Basel regulations]

	FY ended Mar. 2025	1H ended Sep. 2025	Regulatory level
Consolidated leverage ratio	5.20%	5.65%	3.15% or more
Consolidated liquidity coverage ratio (LCR)	132.60%	158.50%	At least 100%



Our challenges build our future.

Chugin Financial Group, Inc.

This material contains forward-looking statements. These statements do not guarantee our future business performance and include risks and uncertainties. It should be noted that future performance may differ from the targets mentioned herein due to changes in the management environment and other factors.

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