Summary of Q&A at the Financial Results Briefing for FY2025(June 4, 2026)

■ Senshu Ikeda – Shiga Alliance

Q1.
Regarding the capital and business alliance with Senshu Ikeda Holdings, what are the respective strengths and weaknesses of the two banks, and how will these be complemented?
A1.
Our primary business base is in Shiga and Kyoto, while Senshu Ikeda Bank operates mainly in Osaka and Hyogo. From a geographic perspective, our franchises are complementary.
In terms of business capabilities, we have been making steady progress in areas such as environmental initiatives and diversification of investment management. Meanwhile, Senshu Ikeda Holdings, with its strong base in Osaka, possesses advantages in the volume of information and execution capability related to M&A activities.
Furthermore, the two banks share common cultural backgrounds and values. Based on this shared foundation, we intend to advance cooperation while recognizing and leveraging each other's strengths and addressing respective weaknesses. At present, specific frameworks for collaboration are under consideration at the working level.

Q2.
In the alliance with Senshu Ikeda Holdings, is there a risk of cannibalization (competition) in relation to existing loan clients?
A2.
We recognize that the Osaka market is extremely large and cannot be dominated by any single financial institution. In addition, we already have a presence in Osaka.
Accordingly, we believe that the impact of overlapping lending between

the two banks will be limited, and we do not see this as a major concern at this stage. Given differences in target clients and business segments, we do not expect excessive competition to arise between the two institutions.

Q3.
What was the background to forming this alliance with Senshu Ikeda Holdings? Was there any influence from major shareholders?
A3.
Historically, the Kansai region has been characterized by a “one-bank-per-prefecture” structure. However, in light of expected regional population decline and changes in investment opportunities, we have been considering broader, cross-regional collaboration frameworks, which led to this alliance.
This alliance was not driven by requests or intentions of any particular shareholders.

■ Strategic Shareholdings and Capital Management

Q4.
How are gains from the sale of shareholdings positioned with respect to the consolidated net income and ROE targets in the medium-term management plan?
A4.
Our basic policy is to allocate gains from the sale of strategic shareholdings to growth investments.
At the same time, we recognize concentration risk in strategic shareholdings as a management issue, and we believe it is necessary to promote reductions through dialogue with clients.
If the pace of sales or gains exceeds our expectations, we will respond flexibly, considering not only growth investments but also potential shareholder returns, based on management judgment at that time.

Q5.
Given that the CET1 ratio is currently below the target level, how do you view shareholder returns, including share buybacks?
A5.
We recognize the need to appropriately control capital levels from both a safety and efficiency perspective. Historically, we have maintained relatively conservative capital levels, resulting in strong financial soundness but leaving challenges in profitability and capital efficiency. Based on our “Sanpo-yoshi” (three-way value) capital policy, we will manage capital levels while reallocating resources toward growth investments through measures such as reducing strategic shareholdings. We will also consider shareholder returns as appropriate.

■ **Balance Sheet Management(Funding Demand and Procurement)**
Q6.
Is funding demand in the region stronger than expected? Also, are deposits weaker than expected, or are they at an adequate level?
A6.
Funding demand has been supported to some extent by capital investment, particularly given the high share of manufacturing in the region. However, the trend is not uniform across all industries, with some variation by sector.
Regarding deposits, while we recognize long-term downward pressure nationwide, we believe there is still growth potential in the region and intend to capture this demand. In addition, we have established frameworks that allow us to supplement funding through market-based procurement if necessary.

■ **Lending and Deposit Strategy (Earnings Structure)**
Q7.
Why is loan growth lower compared to other regional banks? Also, deposits appear relatively strong for both individuals and corporates—what initiatives are driving this?

A7.

For loans, we recognize low lending yields as an issue. To address this, we are improving yields by reallocating loans from lower-yield segments to priority areas.
As a result, loan balances have grown at a relatively moderate pace; however, this reflects our strategic focus on improving profitability.
Regarding deposits, contributing factors include the relatively moderate pace of population decline in Shiga Prefecture and strong environmental awareness among residents, which has supported products such as "Biwako Blue Deposit."
In addition, we have strengthened our focus on deposit acquisition by revising employee awareness and adjusting performance evaluation systems at branches. Through these combined efforts, we believe we are achieving steady results at present.

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